



NHRS

New Hampshire Retirement System

A Component Unit Of The State Of New Hampshire

Comprehensive Annual Financial Report
For The Fiscal Year Ended

June 30, 2013

NEW HAMPSHIRE RETIREMENT SYSTEM

INTRODUCTORY SECTION

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**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

A Component Unit of the State of New Hampshire

Prepared by
New Hampshire Retirement System
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www.nhrs.org

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**LETTER FROM
THE CHAIR**



December 10, 2013

To the Members and Beneficiaries of the New Hampshire Retirement System:

On behalf of the Board of Trustees of the New Hampshire Retirement System (NHRS, the retirement system), I am pleased to present NHRS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This report describes the financial conditions of both the Pension Plan and the Other Post Employment Benefit (OPEB) Plans. There are four OPEB plans, which provide a post-employment medical subsidy benefit to qualified Group I and Group II members. The report also describes various changes that occurred during Fiscal Year 2013, as well as some of the challenges and opportunities that lie ahead.

NHRS realized a 14.5% return on investments in the fiscal year ended June 30, 2013, exceeding its total fund custom benchmark return of 13.5%. The custom benchmark is composed of weighted indices that match the investment portfolio's target asset allocation and other characteristics; it is a widely accepted method to measure a portfolio's performance.

It is important to note that these investment returns are for a single year, and need to be considered within the context of the portfolio's performance over time as compared to the "target" or assumed rate of return of 7.75%. The Board and the Independent Investment Committee (IIC) continuously work with consultants and staff to review and change, as appropriate, asset allocation, specific investments, strategies, and policies.

The three-year, five-year, 10-year, and 20-year returns for the period ended June 30, 2013, were 12.4%, 5.6%, 7.2%, and 7.9%, respectively. Compared to its peers in the Public Defined Benefit Net Universe, which represents 197 plans totaling more than \$638 billion in assets, NHRS performed better than 90% of its peer systems over the one- and three-year periods and better than 70% its peers over the five-year period. The retirement system's 10-year return exceeded 75% of its peers and the 20-year return exceeded 80% of its peers.

In addition to the information on investments contained in this report, more detailed information on the current economic and market climate and on NHRS-specific investment activities is provided in the Comprehensive Annual Investment Report for Fiscal Year 2013, issued separately by the Independent Investment Committee.

At June 30, 2013, the funded ratio of the Pension Plan stood at 56.7% and the OPEB Plans at 3.0%, versus 56.1% and 3.2% in the previous year, respectively. Funding status is measured by comparing the actuarial value of assets to the value of accrued benefits owed now and in the future.

Because the OPEB plans are essentially closed to new members and are, as a result, pay-as-you-go, they do not, for the most part, have substantial assets set aside for future funding and benefits are paid from annual employer contributions. The reason this financing method is the most appropriate approach is that OPEB benefits will decline over time.

At the close of the fiscal year, the retirement system's net position held in trust for benefits were \$6.428 billion, an increase of \$654 million over the prior fiscal year, which stood at \$5.774 billion.

A former member, Germano Martins, returned to the Board in FY 2013 as the state employee representative. In addition, Board Chair Dr. Lisa Shapiro did not seek reappointment when her term expired in August. The Board wishes to extend its deepest gratitude to Dr. Shapiro for her service to the retirement system.

Through a number of recent managerial initiatives, NHRS has strengthened its operations, performance, and member services. Recent efforts to improve efficiency included a complete review of policies and



*Richard A. Gustafson, PhD
Chair
Board of Trustees*

procedures and the creation of a single database to house all documentation, a streamlined management reporting structure, and a comprehensive operational process review across the organization.

These and other initiatives reflect a proactive approach to a number of significant challenges and opportunities faced by NHRS, including managing implementation of the outcomes of pending litigation pertaining to legislative enactments that modified member benefits and contributions. The Board also looks forward to working with the Legislature as it considers further changes to RSA 100-A, and working with employers to comply with new Governmental Accounting Standards Board (GASB) reporting requirements.

We are pleased with the significant progress that has been made toward improving operational efficiencies and implementing the necessary changes to support the sustainability and stability of NHRS. The Board and staff are committed to meeting these challenges for the benefit of its members and beneficiaries.



Richard A. Gustafson, PhD
Chair of the Board of Trustees
New Hampshire Retirement Systems

BOARD OF TRUSTEES

Richard A. Gustafson, PhD

*Chair
Public Member
August 2011 to August 2015*

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Vacant

Public Member

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July 2011 to July 2015*

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*Firefighter Member
July 2012 to July 2014*

Dean Crombie

*Police Officer Member
April 2003 to July 2014*

Catherine Provencher

*State Treasurer
January 2007 ex officio*

NHRS BOARD OF TRUSTEES



Seated left to right: Dean Crombie, Karen McDonough, Richard A. Gustafson, PhD, State Treasurer Catherine Provencher. Standing left to right: John T. Beardmore, Hershel D. Sosnoff, Guy Scaife, J. David McCrillis, Donald M. Roy, Germano Martins, George A. Walker and John G. Wozmak.

**INDEPENDENT
INVESTMENT COMMITTEE**

INDEPENDENT MEMBERS



Senator Harold Janeway, Chair
January 2009–November 2010
December 2010–Present



David A. Jensen
January 2009–December 2010
December 2011–Present



Patrick O'Donnell
May 2009–December 2010
July 2011–Present

TRUSTEE MEMBERS



Catherine Provencher
State Treasurer
January 2011–Present



Hershel Sosnoff
January 2012–Present



Lawrence A. Johansen
Director of Investments

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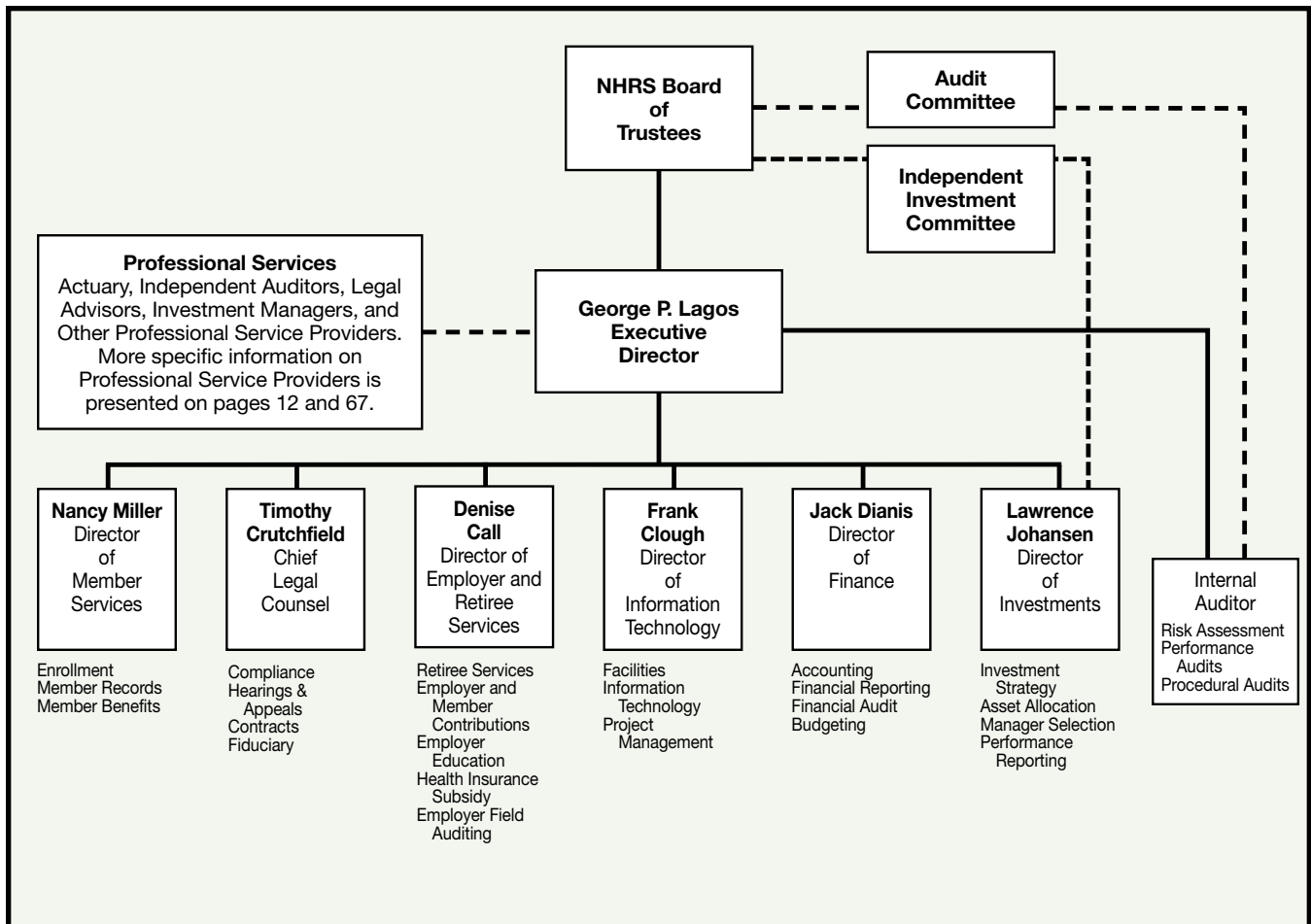
**New Hampshire
Retirement System**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

ADMINISTRATIVE ORGANIZATION



NHRS MANAGEMENT TEAM



Seated left to right: Christine Stoddard, John Browne, George P. Lagos, Shannan Hudgins. Standing left to right Marty Karlon, Jack Dianis, Kathy DeNutte, Tamre McCrea, Nancy Miller, Tracey Horner, Lawrence A. Johansen, Denise Call, Frank Clough, Heather Fritzky, Timothy J. Crutchfield, Cecile Merrill and Rosamond Cain. Absent when photo was taken: Nina Calkins.

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AND SERVICE PROVIDERS**

**DOMESTIC EQUITY
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Management Company
C.S. McKee, L.P.
Institutional Capital LLC
LSV Asset Management
Netols Asset Management
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APAX Excelsior VI, L.P.
Avenue Special Situations Fund
VI(A), L.P.
Castle Harlan Australian
Mezzanine Partners, L.P.
Coller International Partners VI,
L.P.
Dover Street VIII, L.P.
Edgewater Growth Capital
Partners III, L.P.
Euclid SR Partners, L.P.
Industry Ventures Fund VI, L.P.
Ironwood Mezzanine Fund III,
L.P.
Lexington Capital Partners VII,
L.P.
MatlinPatterson Global
Opportunities II, L.P.
Paul Capital Partners X, L.P.
RFE Investment Partners
VI & VIII, L.P.
Richland Ventures II, L.P.
Siguler Guff Distressed
Opportunities Fund IV(T), L.P.
SL Capital Partners European
Smaller Funds I, L.P.
Sprout VII & VIII, L.P.
Tennenbaum Opportunities,
Fund VI, LLC
The Venture Capital Fund of New
England III, L.P.
VSS Communications Partners
IV, L.P.

**ABSOLUTE RETURN
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Arden Asset Management, LLC

REAL ESTATE MANAGERS

Hart Advisers, Inc.
LaSalle Investment Management
The Townsend Group

TRANSITION MANAGERS

State Street Bank and Trust
Company

INDEPENDENT AUDITORS

KPMG LLP

INVESTMENT ADVISOR

NEPC, LLC

ACTUARIAL CONSULTANT

Gabriel, Roeder, Smith &
Company

LEGAL ADVISORS

Foster Pepper PLLC
Getman, Stacey, Schulthess
& Steere, P.A.
Groom Law Group
Peter T. Foley, Esquire
Sulloway & Hollis PLLC

CUSTODIANS

Citizens Bank-NH
(In-state Custodian)
The Northern Trust Company
(Master Custodian)

**CORPORATE GOVERNANCE
SERVICES**

Institutional Shareholder
Services, Inc.

TRADING COST ADVISOR

Abel/Noser Corporation



December 10, 2013

Dear Chair and Members of the Board of Trustees:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the New Hampshire Retirement System (NHRS) for the fiscal year ended June 30, 2013. This comprehensive report is designed to comply with the provisions of the Revised Statutes Annotated (RSA) 100-A:15, VI of the State of New Hampshire.

The management at NHRS is responsible for the complete and fair presentation of financial information and the accompanying disclosures in this report. This report fairly presents the combined assessment of the investment results and the financial condition of the Pension Plan and the Postemployment Medical Plans.

The Pension Plan was established in 1967 to consolidate and replace four separate pension plan systems: the New Hampshire Teachers Retirement System, the New Hampshire State Employees Retirement System, the New Hampshire Policemen's Retirement System, and the New Hampshire Permanent Firemen's Retirement System. The Pension Plan provides service retirement, disability retirement, and survivor benefits for all full-time state employees, public school teachers and administrators, permanent police officers, and permanent firefighters. Full-time employees of political subdivisions (such as county, municipal or school district employees) are also eligible to become members if the local governing body elects participation. At the close of the fiscal year, there were 48,688 active members and 29,729 retirees or beneficiaries.

The Pension Plan is a qualified governmental plan within the meaning of section 414(d) of the United States Internal Revenue Code and has a separately appointed governing body. Based on financial reporting guidelines, the Pension Plan is deemed to be a single pension plan. In addition, NHRS administers four postemployment medical plans (OPEB Plans) for qualified Group I and Group II members.

BUDGET CONTROLS AND NHRS ADMINISTRATION

The administrative budget for fiscal year 2013 was proposed by management, approved by the Board of Trustees, submitted under the budget preparation guidelines of the State of New Hampshire, and passed into law by the New Hampshire Legislature. For financial reporting purposes, NHRS is considered a component unit of the State of New Hampshire.

NHRS is administered by a 13-member board of trustees, which includes the State Treasurer as an ex-officio member, one employee member, one teacher member, one firefighter member, one police officer member, four public non members, and four employer representatives. The Board of Trustees sets the investment policy, formulates administrative policies, and authorizes benefit payments to members and their beneficiaries. The NHRS Independent Investment Committee is responsible for investing in accordance with policies established by the Board; selecting investment managers, agents, and custodial banks; reviewing performance; and making recommendations to the Board regarding investment consultants, asset allocation, and other investment policy matters. Administrative functions are directed by the Executive Director and are carried out by the administrative staff.

ACCOUNTING SYSTEM AND INTERNAL CONTROL

The CAFR has been prepared in conformity with U.S. generally accepted accounting principles (GAAP). The financial statements are prepared on the accrual basis of accounting. Contributions are recognized as revenue in the period when they become due pursuant to formal commitments or statutory or contractual requirements. Investment income is recognized as it is earned. Benefits, refunds, and investment expenses are recognized when they become due and payable. Net appreciation (depreciation) in the fair value of investments is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the financial statements. Trade commissions and related transaction costs are netted against the fair value of investments. Capital assets are recognized in the financial statements in accordance with NHRS's established capital asset policy.

The management at NHRS is responsible for maintaining a system of internal controls which is designed to provide reasonable assurance that the assets are adequately safeguarded and the financial reports and financial statements are fairly stated. There is not an expectation from management that the internal con-



*George P. Lagos
Executive
Director*

controls will prevent or detect all errors and fraud. A control system, no matter how well designed and operated, can provide reasonable, not absolute, assurance that the objectives of the control system are met.

The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The evaluation of costs and benefits requires estimates and judgments by management.

Management believes its internal control structure meets these objectives.

FINANCIAL PERFORMANCE

For the fiscal year ended June 30, 2013, Plan Net Position increased \$653.7 million to \$6,428.0 million compared to a \$116.8 million net position decrease for the prior year. As noted below, strong investment returns of 14.5% in fiscal year 2013 contributed to a modest improvement in the retirement system’s funded ratio. While the economy is showing slow but incremental signs of improvement, the retirement system still has significant financial challenges ahead of it. A detailed discussion of investment performance, the sources of additions and deductions, and results of operations is covered in the Management’s Discussion and Analysis beginning on page 21.

FUNDING STATUS

In order to ensure that current and future retirement benefits are safeguarded and available to members at retirement, NHRS evaluates the actuarial value of the Plans’ assets compared to the actuarial value of the Plans’ liabilities as an indication of the extent to which the Plans are funded each year. This measure is called the plan funded ratio. Significant legislation was enacted in the 2008 and 2011 legislative sessions aimed at improving the funded ratios of the Plans, some of which remains the subject of pending litigation (See Note 8, Page 47).

The Pension Plan funded ratio at June 30, 2013, based on the June 30, 2013, actuarial valuation was 56.7%. The comparable funded ratio at June 30, 2012, based on the June 30, 2012, interim actuarial valuation was 56.1%. The funded ratio increased only slightly from the prior year primarily due to lower than expected growth in wages, and the impact of a five-year smoothing on investment returns. While the smoothing of investment returns helps to reduce the volatility in the rates that the retirement system charges employers year to year, it also means that the full effect of recent investment gains will not be recognized completely for several more years.

The funded ratios of the four OPEB Plans as of June 30, 2013, and June 30, 2012, are as follows:

	June 30 2013	June 30 2012
Group I Political Subdivision Employees OPEB Plan	34.5%	34.8%
Group I State Employees OPEB Plan	0.1%	(1.0%)
Group I Teachers OPEB Plan	(4.2%)	(3.6%)
Group II Police Officers and Firefighters OPEB Plan	2.6%	2.6%

A comprehensive analysis of funding progress for the Plans is provided in the Required Supplementary Information beginning on page 48.

INVESTMENTS

RSA 100-A:15 grants the New Hampshire Retirement System Board of Trustees the authority to adopt the investment policy for NHRS. Effective January 1, 2009, an Independent Investment Committee was established by statute having the authority to invest and reinvest NHRS funds in accordance with the investment policy adopted by the Board of Trustees. Prior to January 1, 2009, the Board of Trustees had the authority to invest and reinvest NHRS funds.

The Independent Investment Committee consists of not more than five members, three of whom are not members of the Board of Trustees and up to two of whom are members of the Board of Trustees appointed by the chairperson of the Board of Trustees. The Trustees and Independent Investment Committee members are fiduciaries and discharge their duties solely in the interest of the Plans’ participants and beneficiaries. In the management of the Plans’ assets, the Board of Trustees and the Independent Investment Committee members must exercise the care, skill, and caution under the circumstances then prevailing that a prudent person acting in a like capacity would use in the conduct of an activity of like character and purpose.

The annualized total fund investment returns for the one-year, three-year, five-year, ten-year, and twenty-year periods ended June 30, 2013, were 14.5%, 12.4%, 5.6%, 7.2%, and 7.9%, respectively. A discussion about comparative annualized returns, and related benchmark indices, for fiscal years 2013 and 2012 is presented in the Management's Discussion and Analysis beginning on page 21.

MAJOR INITIATIVES

NHRS faces many of the same issues common to public employee retirement plans. As part of its proactive response to these challenges, the retirement system strives to create a culture of constant improvement. Some of the major initiatives accomplished during fiscal year 2013 were:

- Achieved an investment return of 14.5%, which exceeded internal benchmarks and placed NHRS in the top decile of public fund investment performance.
- Adopted a three-year strategic plan.
- Developed and implemented Key Performance Measures (KPMs).
- Initiated a system-wide Performance Improvement Project ("PIP") to review all work flows and processes.
- Instituted a member and beneficiary survey mechanism to solicit feedback on customer service.
- Implemented a public awareness communication strategy, "NHRS...Now You Know," which is intended to improve understanding of key pension topics.
- Established a revised performance appraisal process and implemented management training to improve productivity and service quality.
- Conducted three RFPs which resulted in the Board unanimously approving the following recommendations: Retention of GRS as the retirement system's actuarial services provider; selecting BNY Mellon as the trust fund custodian; and retention of Foster Pepper as legal investment counsel.
- Implemented revised actuarial factors.
- Obtained IRS approval of a Voluntary Compliance filing for administration of mandatory distributions.
- Developed and submitted more than a dozen legislative proposals designed to clarify statutory ambiguity or improve administration of the retirement system.
- Reduced the inventory of pending administrative appeals by 40%.

INDEPENDENT AUDIT

RSA 100-A:15 VI. (a) requires the Audit Committee of the Board of Trustees to engage the services of a qualified independent auditor to perform an annual audit each fiscal year. For fiscal year 2013, the Audit Committee designated KPMG LLP to conduct the annual audit. The independent auditors' report, audited financial statements, required supplementary information, and supporting schedules are included in the Financial Section of this report.

ACTUARIAL REVIEW AND VALUATION

An actuarial review, commonly called an experience study, of the mortality, service, withdrawals, and compensation experience of members is required by statute at least once during each five-year period. The last actuarial review was performed during fiscal year 2011 by NHRS current actuary, Gabriel, Roeder, Smith and Company and was based on the information available as of June 30, 2010. An actuarial valuation of the assets and liabilities is required by statute at least once during each two-year period. The most recent actuarial valuation was performed as of June 30, 2013, by Gabriel, Roeder, Smith and Company. The June 30, 2013, actuarial valuation will be used to determine employer contribution rates for fiscal years 2016 and 2017. The actuarially determined employer contribution rates will not be considered final until the Board of Trustees takes final action on accepting the valuation sometime before October of 2014. The actuarial certification and supporting statistics are included in the Actuarial and Statistical Sections of this report.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The NHRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition in the area of state and local governmental accounting and financial reporting, and attaining it represents a significant accomplishment by a government and its management. We are grati-

fied that NHRS has received this award for 21 of the past 22 years. A copy of the fiscal year 2012 award is presented on page 10.

ACKNOWLEDGMENTS

The compilation of this report reflects the combined efforts of the NHRS administrative staff under the direction of the Board of Trustees. It is intended to provide extensive and reliable information as a basis for making management decisions, determining compliance with legal provisions, and for determining responsible stewardship for the investment and accounting for assets of plan participants. We would like to take this opportunity to express our gratitude to the Board of Trustees for its guidance and support and to the administrative staff for their dedication and commitment to the mission, vision and values of the New Hampshire Retirement System. We would also like to note our appreciation for the professional and diligent work of the Independent Investment Committee whose efforts have generated superior returns in accordance with the Board's investment policy.

Respectfully submitted,


George P. Lagos
Executive Director


Jack W. Dianis
Director of Finance

NEW HAMPSHIRE RETIREMENT SYSTEM

FINANCIAL SECTION

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**INDEPENDENT AUDITORS’
REPORT**



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Boston, MA 02111

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Fax +1 617 507 8321
Internet www.us.kpmg.com

The Board of Trustees
New Hampshire Retirement System:

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the New Hampshire Retirement System (the System), a component unit of the State of New Hampshire, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the System’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report
December 10, 2013
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net position of the System as of June 30, 2013, and the changes in its plan net position for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the System's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 7, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER MATTERS

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 21 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supporting schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including com-

Independent Auditors' Report
December 10, 2013
Page 3

paring and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

The introductory, investment, actuarial and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

KPMG LLP

December 10, 2013

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity.

MANAGEMENT'S DISCUSSION AND ANALYSIS — REQUIRED SUPPLEMENTARY INFORMATION

This section presents management's discussion and analysis of the New Hampshire Retirement System's (NHRS) financial performance during the fiscal year ended June 30, 2013 and is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal included in the Introductory Section of the System's Comprehensive Annual Financial Report. The report presents the combined assessment of the financial performance of the Pension Plan and the OPEB Plans.

The discussion and analysis is intended to serve as an introduction to the basic financial statements. These statements include the Statements of Plan Net Position, the Statements of Changes in Plan Net Position, the related Notes to the Financial Statements, and the Required Supplementary Information for the fiscal year ended June 30, 2013 with summarized comparable totals for fiscal year 2012. The excess of assets over liabilities is reported as "Net Position Held in Trust for Benefits."

FINANCIAL HIGHLIGHTS

Net position increased by \$653.7 million (11.3%) from the prior year's net position reflecting the improvement in the financial market.

During the fiscal year ended June 30, 2013 New Hampshire Retirement System adopted the provisions of GASB statement no. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

Net investment income during fiscal year 2013 was \$818.2 million, a \$785.4 million (2,394.5%) increase over the prior fiscal year. The net investment income for fiscal year 2013 reflects a time-weighted return for the total fund during the year of 14.5% compared to a time-weighted investment return of 0.9% for the fiscal year ended June 30, 2012.

The total contributions received during the fiscal year were \$496.0 million. For fiscal year 2012, total contributions received were \$503.1 million.

Employer contributions for fiscal year 2013 decreased to \$299.5 million (-1.3%) compared with employer contributions in fiscal year 2012 of \$303.5 million. The decrease in employer contributions in fiscal year 2013 was primarily due to the fact that FY 2012 contained one more pay period than FY 2013.

Member contributions were \$196.5 million in fiscal year 2013, a decrease of (-1.6%) over fiscal year 2012 member contributions of \$199.6 million. The decrease in member contributions is primarily due to the fact that FY 2012 contained one more pay period than FY 2013. Overall member normal contributions decreased by (-0.9%) over the prior fiscal year. Voluntary member contributions decreased by \$1.3 million (-18.91%) over fiscal year 2012.

Benefits paid during fiscal year 2013 were \$628.6 million, an increase of 3.8% over the benefits paid in fiscal year 2012 of \$605.6 million. The increase in benefits paid in fiscal year 2013 is primarily due to an increase in the number of retirees and increased average benefit levels for those new retirees.

FINANCIAL ANALYSIS

The following schedules report the Condensed Net Position Information and the Condensed Changes in Net Position Information for the NHRS for the fiscal years ended June 30, 2013 and June 30, 2012.

Condensed Net Position Information

(Dollar Values Expressed in Millions)

	As Of June 30, 2013	As Of June 30, 2012	Amount Increase (Decrease)	Percentage Increase (Decrease)
Cash	\$ 7.7	\$ 6.9	\$ 0.8	11.6%
Receivables	364.5	246.0	118.5	48.2%
Investments	6,353.1	5,702.3	650.8	11.4%
Other Assets	0.3	0.7	(0.4)	(57.1%)
Total Assets	\$6,725.6	\$5,955.9	\$769.7	12.9%
Other Liabilities	297.6	181.6	116.0	63.9%
Total Liabilities	\$ 297.6	\$ 181.6	\$116.0	63.9%
Net Position End of Year	\$6,428.0	\$5,774.3	\$653.7	11.3%

Total assets increased by \$769.7 million (12.9%) in fiscal year 2013. Cash on hand at fiscal year end was \$0.8 million (11.6%) higher than at fiscal year end 2012 reflecting slightly lower draw downs of liquidity reserves necessary to meet operating obligations. Receivables increased by \$118.5 million (48.2%) over

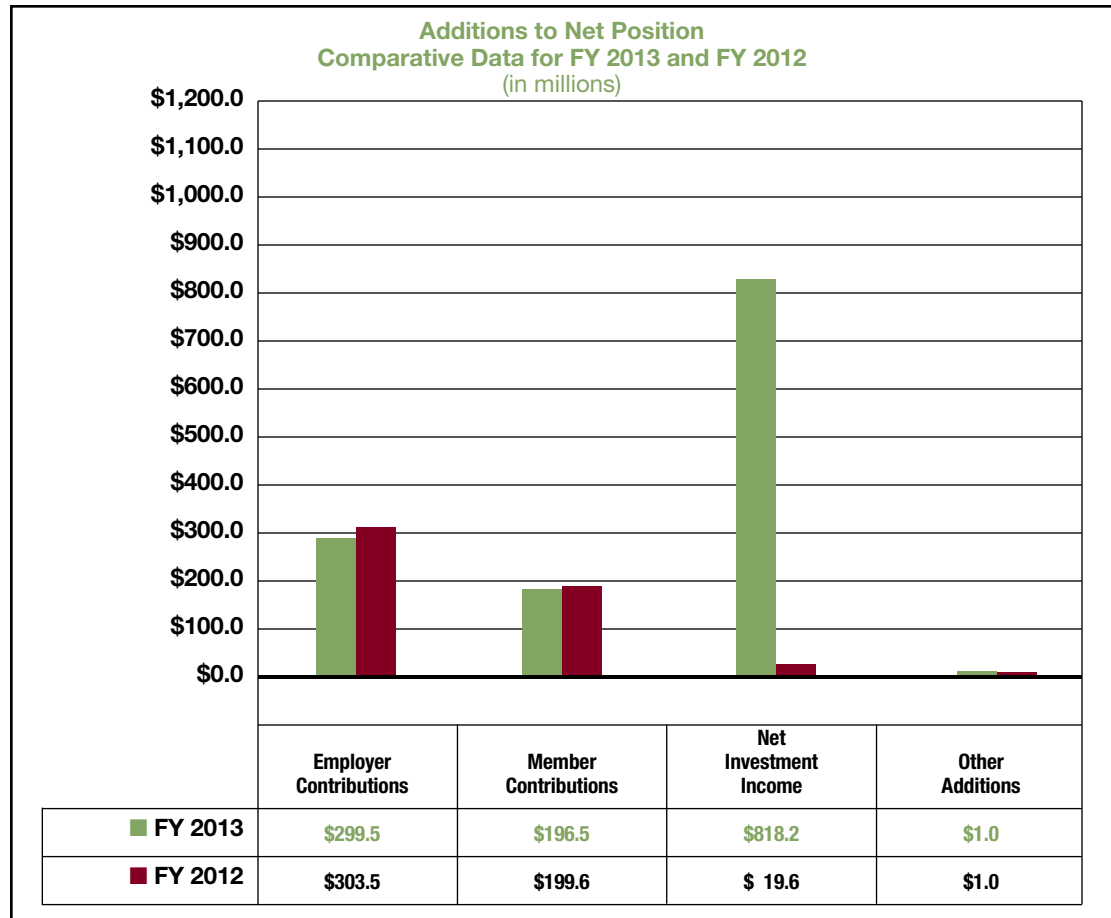
the prior fiscal year primarily due to an increase in the pending sale of securities at fiscal year end. Investments increased by \$650.8 million (11.4%) in fiscal year 2013. The increase in investments is directly attributable to supportive global central bank policies. Other assets decreased by \$0.4 million (-57.1%) for fiscal year 2013 primarily due to some fixed assets being fully depreciated.

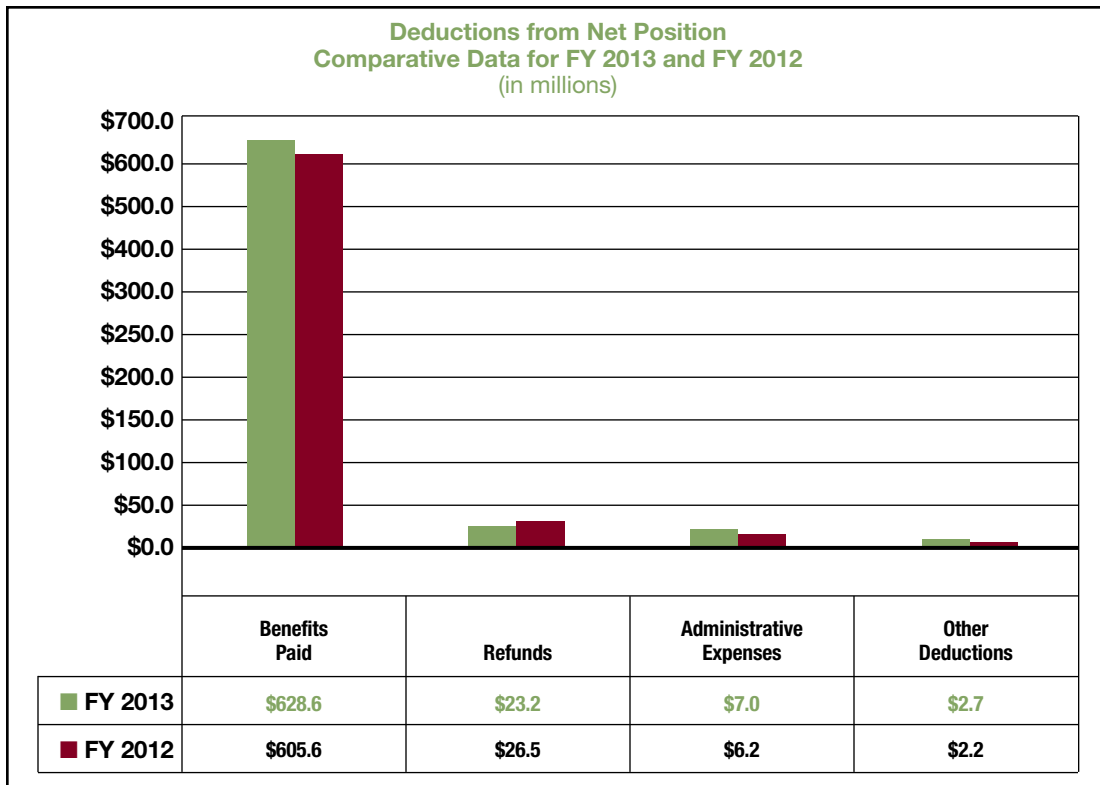
Total liabilities increased by \$116.0 million (63.9%) at the end of fiscal year 2013 primarily due to an increase in the pending purchase of securities at fiscal year end.

Condensed Changes in Net Position Information

(Dollar Values Expressed in Millions)

	Year Ended June 30, 2013	Year Ended June 30, 2012	Amount Increase (Decrease)	Percentage Increase (Decrease)
ADDITIONS:				
Employer Contributions	\$ 299.5	\$303.5	(\$ 4.0)	(1.3%)
Member Contributions	196.5	199.6	(3.1)	(1.6%)
Net Investment Income (Loss)	818.2	19.6	798.6	4,074.5%
Other Income	1.0	1.0	—	(0.0%)
Total Additions	\$1,315.2	\$523.7	\$791.5	151.1%
DEDUCTIONS:				
Benefits Paid	\$ 628.6	\$605.6	\$ 23.0	3.8%
Refunds of Contributions	23.2	26.5	(3.3)	(12.5%)
Administrative Expense	7.0	6.2	0.8	12.9%
Other Deductions	2.7	2.2	0.5	22.7%
Total Deductions	\$ 661.5	\$640.5	\$ 21.0	3.3%
Net Position End of Year	\$ 653.7	(\$116.8)	\$770.5	(659.7%)





ADDITIONS TO NET POSITION

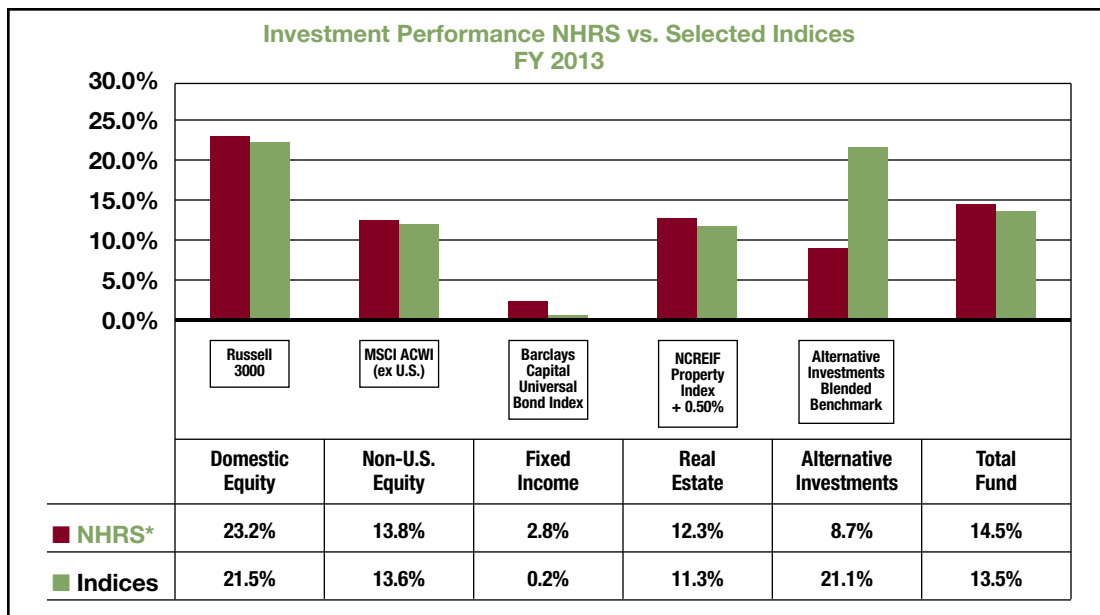
For fiscal year 2013, the combined total of employer and member contributions decreased by \$7.1 million (-1.4%). Employer contributions decreased from \$303.5 million in fiscal year 2012 to \$299.5 million (-1.3%) in fiscal year 2013. The decrease in employer contributions is primarily due to FY 2012 having one more pay period than FY 2013. Member contributions for fiscal year 2013 were \$196.5 million, a decrease of \$3.1 million (-1.6%) from fiscal year 2012. Member normal contributions decreased \$1.8 million (-0.9%) in fiscal year 2013 and voluntary member contributions decreased by \$1.3 million (-18.9%). The increase in other income is miscellaneous income received.

Over the long term, the Plan’s investment portfolio has been a major source for additions to plan net position. There was a net investment gain in fiscal year 2013 of \$818.2 million compared with a net investment gain in fiscal year 2012 of \$32.8 million. The net change from year-to-year was (\$798.6) million, a significant increase from fiscal year 2012 of (4,074.5%). The change reflects improvement in the global economy.

DEDUCTIONS FROM NET POSITION

Total benefits paid in fiscal year 2013 were \$628.6 million, an increase of \$23.0 million (3.8%) over the fiscal year 2012 level of \$605.6 million. Pension benefits paid in fiscal year 2013 were \$573.5 million, an increase of \$26.4 million (4.6%) compared with the pension benefits paid in fiscal year 2012 of \$547.1 million. The increase in pension benefits paid in fiscal year 2013 is primarily due to an increase in the number of retirees and increased average benefit levels for those new retirees. OPEB benefits paid in fiscal year 2013 were \$55.1 million which was slightly lower than the benefits that were paid in 2012. The OPEB benefits that will be paid will continue to remain flat or go down, as there is a very small population that can still qualify for this benefit. Refunds of contributions were \$23.2 million, a decrease of \$3.3 million (-12.5%) over the 2012 level of \$26.5 million. The decrease reflects a decrease in the number and dollar value of refund requests from terminated members in 2013.

Administrative expenses increased by \$0.8 million (12.9%) in fiscal year 2013 to a level of \$7.0 million compared with \$6.2 million in 2012. Administrative expenses increased primarily due to several positions being filled that were vacant for FY 2012.



* Performance returns are calculated on a net-of-fees time-weighted rate of return basis.

PLAN FUNDING STATUS

Funded ratios are a useful measurement that can be used in conjunction with many other factors to assess the financial soundness of a pension plan or OPEB plan. A plan’s funded ratio is calculated by dividing its actuarial value of assets at year end (5 year smoothing of fair values) by its actuarial accrued liability at year end. The actuarial accrued liabilities that were used to determine the funded ratios that follow for the Pension Plan and the OPEB Plans were determined using the entry age normal actuarial cost method for both fiscal year 2013 and 2012.

The Pension Plan actuarial accrued liability at June 30, 2013, based on the June 30, 2013 actuarial valuation, was \$10,708.8 million. The actuarial value of assets available to pay pension benefits at June 30, 2013 was \$6,070.7 million, resulting in an unfunded actuarial accrued liability of \$4,638.1 million and a funded ratio of 56.7% at June 30, 2013. For fiscal year 2012, the Pension Plan actuarial accrued liability at June 30, 2012, based on the June 30, 2012 interim actuarial valuation, was \$10,361.6 million. The actuarial value of assets available to pay pension benefits at June 30, 2012 was \$5,817.9 million resulting in an unfunded actuarial accrued liability of \$4,543.7 million and a funded ratio of 56.1%.

The combined OPEB Plans actuarial accrued liability at June 30, 2013, based on the June 30, 2013 actuarial valuation, was \$731.9 million. The actuarial value of assets available to pay postemployment medical benefits at June 30, 2013 was \$21.8 million resulting in an unfunded actuarial accrued liability of \$710.0 million and a funded ratio of 3.0% at June 30, 2013. For fiscal year 2012, the OPEB Plans actuarial accrued liability at June 30, 2012, based on the June 30, 2012 interim actuarial valuation, was \$752.8 million. The actuarial value of assets available to pay OPEB benefits at June 30, 2012 was \$24.3 million resulting in an unfunded actuarial accrued liability of \$728.4 million and a funded ratio of 3.2%.

INVESTMENT PERFORMANCE

NHRS recognizes that it operates in a dynamic economic environment. The challenges of investing the Plans’ funds strategically to achieve the actuarial rate of return while controlling risk are greater than ever. As such, NHRS has allocated assets to a broad range of asset classes.

Equity (63.3%), fixed income investments (22.6%), and cash equivalents (1.7%) comprise approximately 87.5% of invested assets at June 30, 2013. The remaining 12.5% of assets are invested in real estate (9.0%) and alternative investments (3.5%), which include private equity, private debt and absolute return strategies. These illiquid assets are expected to earn enhanced returns and manage risk through further diversification.

Investment performance results are measured by the relationship of the Plans' portfolio returns for equity and fixed income investments against widely-accepted market indices. For the fiscal year ended June 30, 2013, the Plans' total fund return was 14.5% compared to 0.9% for the fiscal year ended June 30, 2012. The difference in year-over-year performance was due to ongoing financial market recovery supported by the policies of global central banks.

The total NHRS fund performance of 14.5% for fiscal year 2013 exceeded the total fund custom index (a blended composition of major market indices in proportion to the NHRS' asset allocation), which returned 13.5%, by 100 basis points.

The NHRS portfolio experienced positive returns in fiscal year 2013. Domestic Equity generated a return of 23.2%, beating the Russell 3000 Index return of 21.5% by 170 basis points. The non-U.S. equity portfolio returned 13.8% during fiscal year 2013, exceeding the MSCI ACWI (ex U.S.) benchmark return of 13.6% by 20 basis points. Fixed income returned 2.8% and outperformed the Barclays Capital Universal Bond Index benchmark return of 0.2% by 260 basis points. The real estate portfolio gained 12.3% and outperformed the NCREIF Property Index +0.50% benchmark return of 11.3% by 100 basis points. The alternative investment class provided an 8.7% return and underperformed the blended benchmark return of 21.1% by 1,240 basis points. The benchmark for this asset class is the S&P 500 +5.0% weighted to the allocation of private equity and private debt and the CPI +5.0% weighted to the allocation of absolute return strategies.

CONTACTING NHRS

The Comprehensive Annual Financial Report is designed to provide a general overview of NHRS investment results and financial condition of the Pension Plan and OPEB Plans for the year ended June 30, 2013. Detailed information regarding NHRS' investments as of June 30, 2013 can be found in the Comprehensive Annual Investment Report which is published by the Independent Investment Committee of the NHRS. Please contact the NHRS office at 603.410.3500 for additional financial information or for questions related to this report, or the Comprehensive Annual Investment Report. Additional information can also be obtained from the NHRS website at www.nhrs.org.

**BASIC FINANCIAL
STATEMENTS**

**COMBINED STATEMENTS OF NET POSITION
PENSION PLAN AND OTHER POSTEMPLOYMENT MEDICAL PLANS (OPEB)**

AS OF JUNE 30, 2013 (with summarized financial information as of June 30, 2012)

	PENSION PLAN 2013	GROUP II POLICE OFFICER & FIREFIGHTER OPEB PLAN 2013
ASSETS:		
Cash	\$ 7,670	\$ 8
Receivables:		
Due from Employers	34,309	—
Due from Group I State Employee OPEB Plan	—	—
Due from Group I Teacher OPEB Plan	—	2,829
Due from Plan Members	22,058	—
Due from Brokers for Securities Sold	274,688	274
Interest and Dividends	17,515	18
Other	3,943	4
Total Receivables	352,513	3,125
INVESTMENTS AT FAIR VALUE		
Cash and Cash Equivalents:	104,469	105
Equity Investments:		
Domestic	2,986,750	2,981
Non-U.S.	1,019,273	1,017
Fixed Income Investments:		
Domestic	1,106,357	1,104
Non-U.S.	323,366	323
Real Estate	570,486	569
Alternative Investments	219,487	219
TOTAL INVESTMENTS	6,330,188	6,318
Other Assets	305	—
TOTAL ASSETS	6,690,676	9,451
LIABILITIES:		
Management Fees and Other Payables	8,526	9
Due to Group I Political Subdivision OPEB Plan	—	—
Due to Group II Police & Fire OPEB Plan	—	—
Due to Brokers for Securities Purchased	277,166	277
TOTAL LIABILITIES	285,692	286
NET POSITION HELD IN TRUST FOR PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB)	\$6,404,984	\$ 9,165

The accompanying notes are an integral part of the financial statements.

(in thousands)

GROUP I TEACHERS OPEB PLAN 2013	GROUP I POLITICAL SUBDIVISION OPEB PLAN 2013	GROUP I STATE EMPLOYEES OPEB PLAN 2013	TOTAL 2013	TOTAL 2012
\$ —	\$ 20	\$ —	\$ 7,698	\$ 6,876
—	—	—	34,309	37,850
—	—	—	—	906
—	8,053	—	10,882	8,985
—	—	—	22,058	24,404
—	718	4	275,684	153,903
—	45	—	17,578	17,836
—	10	—	3,957	2,168
—	8,826	4	364,468	246,052
—	272	3	104,849	161,955
—	7,805	47	2,997,583	2,483,197
—	2,663	16	1,022,969	920,425
—	2,891	17	1,110,369	1,184,821
—	845	5	324,539	294,478
—	1,491	9	572,555	514,754
—	574	3	220,283	142,661
—	16,541	100	6,353,147	5,702,291
—	1	—	306	756
—	25,388	104	6,725,619	5,955,975
—	22	—	8,557	8,042
8,053	—	—	8,053	7,319
2,829	—	—	2,829	2,572
—	724	4	278,171	163,699
10,882	746	4	297,610	181,632
(\$10,882)	\$24,642	\$ 100	\$6,428,009	\$5,774,343

COMBINED STATEMENTS OF CHANGES IN NET POSITION PENSION PLAN AND OTHER POSTEMPLOYMENT MEDICAL PLANS (OPEB)		
FOR THE YEAR ENDED JUNE 30, 2013 (with summarized financial information for the year ended June 30, 2012)		
	PENSION PLAN 2013	GROUP II POLICE OFFICER & FIREFIGHTER OPEB PLAN 2013
ADDITIONS:		
Contributions (NOTE 6):		
Employers	\$ 249,835	\$15,260
State Contributions on Behalf of Local Employers	—	—
Total Employer Contributions	249,835	15,260
Plan Members	196,489	—
Total Contributions	446,324	15,260
Investment Income (Loss)		
From Investment Activities:		
Net Appreciation (Depreciation) in Fair Value of Investments	683,928	991
Interest	64,520	94
Dividends	82,148	119
Net Real Estate Income	4,987	7
Alternative Investment Income (Loss)	—	—
Total Income (Loss) from Investment Activities	835,583	1,211
Less: Investment Expenses:		
Investment Management Fees	19,808	29
Custodial Fees	773	1
Investment Advisor Fees	715	1
Investment Administrative Expense	616	1
Total Investment Activity Expenses	21,912	32
Total Net Income (Loss) from Investment Activities	813,671	1,179
Interest Income	—	243
Other	111	—
TOTAL ADDITIONS	1,260,106	16,682
DEDUCTIONS:		
Benefits Paid	573,469	16,209
Refunds of Contributions	23,191	—
Administrative Expense (NOTE 7)	6,999	10
Professional Fees	972	1
Interest Expense	—	—
Other	818	1
TOTAL DEDUCTIONS	605,449	16,221
CHANGE IN NET POSITION	\$ 654,657	\$ 461
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER POST EMPLOYMENT BENEFITS (OPEB)		
Beginning of the Year	\$5,750,327	\$ 8,704
End of the Year	\$6,404,984	\$ 9,165

The accompanying notes are an integral part of the financial statements.

(in thousands)

GROUP I TEACHERS OPEB PLAN 2013	GROUP I POLITICAL SUBDIVISION OPEB PLAN 2013	GROUP I STATE EMPLOYEES OPEB PLAN 2013	TOTAL 2013	TOTAL 2012
\$23,767	\$ 1,885	\$8,800	\$ 299,547	\$ 300,021
—	—	—	—	3,500
23,767	1,885	8,800	299,547	303,521
—	—	—	196,489	199,593
23,767	1,885	8,800	496,036	503,114
—	2,784	(1)	687,702	(110,871)
—	263	—	64,877	65,602
—	334	—	82,601	73,185
—	21	—	5,015	12,472
—	—	—	—	110
—	3,402	(1)	840,195	40,498
—	81	—	19,918	18,731
—	3	—	777	739
—	3	—	719	712
—	3	—	620	669
—	90	—	22,034	20,851
—	3,312	(1)	818,161	19,647
—	690	—	933	945
—	—	—	111	—
23,767	5,887	8,799	1,315,241	523,706
24,731	6,413	7,793	628,615	605,650
—	—	—	23,191	26,535
—	28	—	7,037	6,209
—	4	—	977	1,153
933	—	—	933	945
—	3	—	822	50
25,664	6,448	7,793	661,575	640,542
(\$ 1,897)	(\$ 561)	\$1,006	\$ 653,666	(\$ 116,836)
(\$ 8,985)	\$25,203	(\$ 906)	\$5,774,343	\$5,891,179
(\$10,882)	\$24,642	\$ 100	\$6,428,009	\$5,774,343

**NOTES TO THE
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NOTE 1 — NEW HAMPSHIRE RETIREMENT SYSTEM

The New Hampshire Retirement System (NHRS) is a public employee retirement system that administers one cost-sharing multiple-employer pension plan (Pension Plan) and four separate cost-sharing multiple-employer postemployment medical subsidy healthcare plans. Collectively the Pension Plan and the postemployment medical subsidy healthcare plans are hereafter referred to as the Plans.

Although the assets of the Plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the plan's individual terms. Accordingly, the results of each plan are presented separately in the accompanying financial statements.

NHRS participates as an employer in the Plans and its employees are members of the Plans. For the fiscal years ended June 30, 2013, 2012, and 2011, NHRS made its required employer contributions of \$375, \$377, and \$411 thousand, respectively, to the Plans for its employees. NHRS employees contributed \$261, \$275, and \$193 thousand, respectively, on their own behalf to the Pension Plan for the same time periods.

The administrative office of NHRS, which functions as a self-sustaining governmental entity, operates under a budget which is proposed by management, approved by the Board of Trustees, submitted under the budget preparation guidelines of the State of New Hampshire (State), and passed into law by the New Hampshire Legislature.

In accordance with Governmental Accounting Standards Board (GASB) No. 14, the New Hampshire Retirement System is a component unit of the State. This determination was made on the basis of fiscal dependence on the State solely for budget oversight over certain administrative expenses. A copy of the State of New Hampshire's CAFR may be viewed at www.admin.state.nh.us/accounting/.

PENSION PLAN

The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The type and number of employers contributing to the Pension Plan during the years ended June 30, 2013 and 2012 are presented below.

EMPLOYERS CONTRIBUTING	2013	2012
State Government	6	6
City Governments	13	13
Town Governments and Related Entities	243	243
County Governments and Related Entities	12	12
School Districts and School Administrative Units	202	201
Total Employers	476	475

As of June 30, 2013 and 2012, membership data related to the Pension Plan was as follows:

MEMBERSHIP DATA	2013	2012
Retirees and beneficiaries currently receiving benefits	29,729	28,454
Terminated employees entitled to benefits but not yet receiving them	1,261	1,372
Active plan participants	48,688	48,625
Inactive plan participants	7,273	7,041
Total Membership	86,951	85,492

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police officers and firefighters belong to Group II. All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each membership group are summarized below.

Group I Members at age 60 qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest three years. Members commencing service on or after July 1, 2011 qualify for a normal service retirement allowance at age 65 based on years of creditable service and average final compensation for the highest five years. Members hired prior to July 1, 2011 with a non-vested status as of January 1, 2012 qualify for a normal service retirement allowance at age 60 based on years of creditable service and average final compensation for the highest five years. The yearly pension amount

is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. AFC is defined as the average of the three or five highest salary years, and for benefit calculation purposes only, the final year's compensation cannot exceed by more than 150% the higher of the previous year's compensation or the compensation for the highest year used in the calculation of AFC (not including the final year's compensation). At age 65, the yearly pension amount is re calculated at 1/66 or 1.515% of AFC multiplied by years of creditable service. Members in service with 10 or more years of creditable service who are between age 50 and 60 or members in service with at least 20 years of creditable service, whose age plus service is equal to or greater than 70, are entitled to a retirement allowance with the appropriate graduated reduction based on years of creditable service. Members commencing service on or after July 1, 2011 at age 60 with 30 years of creditable service are entitled to a retirement allowance with the appropriate graduated reduction based on years of creditable service.

Group II Members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a non-vested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by ¼ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Members are required to contribute a percentage of gross earnings to the Pension Plan as more fully described in Note 6. The percentage rates, established by state statute, are dependent upon member group classification. The deductions are made from member wages and are remitted by the employer to the Pension Plan on a monthly basis. If a member leaves employment prior to retirement or vesting, accumulated member contributions plus earned interest are refunded to the withdrawing member or to the designated beneficiary in the case of death. However, accumulated contributions plus interest of a non-vested, non-contributing member may remain in the Pension Plan and continue to earn interest. The interest credited to the inactive member's accumulated contributions will be 2 percentage points less than the assumed rate of return or the actual rate of return, whichever is less as reported in the preceding fiscal year's comprehensive annual financial report, but will not be less than zero.

Employers make monthly contributions to the Pension Plan based on rates determined by periodic actuarial valuations as more fully described in Note 6.

OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)

Pursuant to RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b, the NHRS administers four defined benefit postemployment medical subsidy healthcare plans designated in statute by membership type. The four plans are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plans.

The OPEB Plans provide a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. Detailed descriptions of those eligibility requirements can be found in the Actuarial Section beginning on page 72.

Membership of each OPEB plan consisted of the following eligible retirees receiving benefits as of June 30, 2013.

Plan	Number Of Retirees	1 Person Plan		2 Person Plan	
		Pre 65	Post 65	Pre 65	Post 65
Group II Police Officer & Firefighters	2,586	532	1,304	714	36
Group I Teachers	4,390	524	3,365	203	298
Group I Political Subdivision Employees	1,344	108	1,163	36	37
Group I State Employees	1,944	105	1,711	64	64

Total OPEB Membership	10,264	1,269	7,543	1,017	435
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The number of contributing employers for each of the OPEB plans at June 30, 2013 is:

Group II Police Officer & Firefighters	203
Group I Teachers	191
Group I Political Subdivision Employees	411
Group I State Employees	6

Membership of each OPEB plan consisted of the following eligible retirees receiving benefits as of June 30, 2012.

Plan	Number Of Retirees	1 Person Plan		2 Person Plan	
		Pre 65	Post 65	Pre 65	Post 65
Group II Police Officer & Firefighters	2,566	616	1,154	769	27
Group I Teachers	4,441	825	3,041	304	271
Group I Political Subdivision Employees	1,403	223	1,098	55	27
Group I State Employees	2,051	155	1,752	85	59
Total OPEB Membership	10,461	1,819	7,045	1,213	384

The number of contributing employers for each of the OPEB plans at June 30, 2012 is:

Group II Police Officer & Firefighters	201
Group I Teachers	193
Group I Political Subdivision Employees	411
Group I State Employees	6

The maximum monthly subsidy amounts paid during fiscal year 2013 and 2012 were as follows:

For qualified retirees not eligible for Medicare the amounts were \$375.56 for a single person plan and \$751.12 for a two person plan. For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single person plan and \$473.68 for a two person plan. The monthly maximum subsidy amount payable was increased by 8.0% on July 1, 2007. There have been no increases in the monthly maximum subsidy amounts payable since July 1, 2007.

Benefit provisions of the OPEB Plans can be amended only by legislative action taken by the New Hampshire State Legislature pursuant to the authority granted them under the New Hampshire State Constitution. The Legislature may cease providing the medical subsidy benefits under the OPEB Plans, for any reason, at any time.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

INVESTMENTS

Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments.

Real estate includes both direct property holdings and commingled funds. Real estate properties are organized into separate holding companies for the purpose of limiting liability to the carrying value of each individual property. The appraised value of the real estate properties and the fair value of the related assumable mortgage notes payable are considered in determining the fair value of these investments. NHRS has adopted a cyclical approach for external appraisals. Properties are selected for external appraisals based on the advice of NHRS' discretionary real estate manager. Investment manager fair value estimates are used during the interim years. For fiscal year 2013, all of the direct property holdings were externally appraised. Properties held for sale are reported net of disposition costs. The financial statements for commingled funds are typically audited at calendar year-end. The values for real estate investments recorded in this report were obtained from financial statements provided by the direct property managers and the general partners of commingled funds. Real estate commingled funds are selected by the System's discretionary real estate manager.

Alternative investments include investments in private equity, private debt and absolute return strategies. The values for alternative investments recorded in this report were obtained from statements provided by the investment managers. These financial statements are typically audited at calendar year-end.

Cash and cash equivalents are valued at cost which reflects approximate fair value. Cash and cash equivalents primarily represent investments in the pooled short term investment fund managed by NHRS' master custodian. This fund invests mainly in high-grade money market instruments with maturity averaging less than three months. The fund provides daily liquidity.

The Plans hold no investments, either directly or indirectly, nor participate in any loans or leases, nor other party-in-interest transactions with any NHRS officials, New Hampshire State Government officials, or parties related to these officials.

NEW ACCOUNTING PRONOUNCEMENT

In fiscal year 2013, the System adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63), which is effective for all state and local entities for periods beginning after December 15, 2011. GASB 63 defines deferred outflows and inflows of resources as the consumption or acquisition, respectively, of net assets applicable to a future reporting period, as distinguished from assets and liabilities. GASB 63 also amends previous net asset reporting requirements by incorporating deferred outflows and inflows of resources into the definitions of the required components of the residual measure and renames that measure as net position, rather than net assets. The adoption of GASB 63 resulted in the renaming of the System’s statements of combined net assets and changes in combined net assets, respectively, to the combined statements of net position and changes in combined net position.

NOTE 3 – INVESTMENTS AND DEPOSITS

RSA 100-A:15, I, provides separate and specific authorities to the Board of Trustees and the Independent Investment Committee for the management of the funds of the Plans and charges them with exercising the judgment and care under the circumstances then prevailing, which persons of prudence, discretion and intelligence, acting in a like capacity and familiar with such matters, would use in the conduct of a pension plan of like character and with like aims of the Plans.

To aid in the prudent investment of the Plans’ assets, NHRS has adopted an Investment Manual which includes an investment policy. Primary components of the investment policy include the delineation of roles and responsibilities of the Board of Trustees, Independent Investment Committee, staff, and service providers; investment objectives; asset allocation policy; and asset class performance measurement and monitoring policy. This policy may be modified by the Board of Trustees as deemed necessary. In addition, the Investment Manual includes asset class guidelines which provide parameters for investment management.

Professional investment managers are bound by policy and contract to a standard of care that establishes a fiduciary relationship, to the extent permitted by law, requiring the manager to act prudently and solely in the best interest of the Plans and beneficiaries. Investment guidelines provide portfolio-level standards for separate account management including permissible investment types; security concentration thresholds; investment restrictions; and benchmarks for performance measurement and monitoring. NHRS utilizes a custodial bank compliance system to monitor the marketable investment portfolios against their respective guidelines.

CUSTODIAL CREDIT RISK – DEPOSITS

Custodial credit risk for deposits is the risk that in an event of a bank failure, deposits may not be recovered, NHRS does not have a deposit policy to manage custodial credit risk on deposits.

At June 30, 2013 and June 30, 2012, NHRS held deposits of \$7,698 and \$6,876 thousand, respectively, in the local custodian bank. These deposits are used to support the daily working capital needs of NHRS. The following schedule shows NHRS’s exposure to custodial credit risk at June 30, 2013 and June 30, 2012.

	June 30 2013	June 30 2012
Insured	\$7,698	\$6,876
Uninsured and uncollateralized	—	—
Total Deposits	\$7,698	\$6,876

CUSTODIAL CREDIT RISK – INVESTMENTS

Investment securities are exposed to custodial credit risk if the investment securities are uninsured, are not registered in the name of the Plans, and are held by either:

- a. The counterparty to a transaction or
- b. The counterparty’s trust department or agent but not in the Plans’ name.

NHRS does not have a policy to control custodial credit risk on investments, however, all marketable investments are held by the Plans’ master custodian, with the exception of those commingled funds managed by Aberdeen Asset Management, Inc.; GMO, LLC; Pacific Investment Management Company; and Wellington Management Company which are held in their respective custodial bank. The following tables quantify NHRS’s exposure to custodial credit risk on its investments at June 30, 2013 and 2012:

(in thousands)

	June 30 2013	June 30 2012
Deposits: Exposed to Custodial Credit Risk	\$ 799	\$ 333
Investment Securities: Exposure to Custodial Credit Risk Not Determined	25,654	41,684
Investment Securities: Not Exposed to Custodial Credit Risk	6,303,457	5,651,392
Totals	\$6,329,910	\$5,693,409

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributable to the magnitude of the Plans' investments in a single issuer. NHRS policy is expressed through individual separate account manager guidelines which limit investments in a single issuer to 10%, or less, of the portfolio value in order to control the overall risk of loss on a total portfolio level. This threshold is set as an upper limit, and in actual practice, managers generally do not reach this limit. Certain securities may be excluded from this limitation due to the nature of the investments (such as U.S. government securities, government-sponsored enterprise obligations, and supranational debt). NHRS fixed income managers have consistently adhered to the established guidelines for issuer concentration. The fixed income commingled fund manager has established investment guidelines regarding concentration of credit risk. The total portfolio is broadly-diversified across equities, fixed income, cash equivalent securities, real estate and alternative investments. Due to this diversification, the concentration of credit risk in a single issuer is below 5% at the total portfolio level.

INTEREST RATE RISK — FIXED INCOME INVESTMENTS:

Interest rate risk is the effect on the fair value of fixed income investments from changes in interest rates. Duration measures a debt investment's change in fair value arising from a change in interest rates.

Interest rate risk is illustrated below using the effective duration or option-adjusted methodology. This methodology is widely-used in the management of fixed income portfolios to quantify the risk associated with interest rate changes. The effective duration methodology takes into account the most likely timing and magnitude of variable cash flows, such as callable options, prepayments and other factors, and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve.

The NHRS policy on duration is expressed through individual portfolio guidelines with each investment manager in lieu of a broad, plan-level policy. Duration guidelines have been established with each fixed income manager in order to manage interest rate risk within the separate account portfolios. The fixed income commingled fund manager also has established investment guidelines regarding duration. These provisions specify that the duration of each individual fixed income portfolio will be managed within a specified percentage or number of years relative to its benchmark index. NHRS fixed income managers follow the established guidelines for duration. If there is an occasional exception, the manager prudently remedies the guideline breach.

The following effective duration tables quantify the interest rate risk of the Plans' fixed income assets at June 30, 2013 and 2012.

EFFECTIVE DURATION — FIXED INCOME INVESTMENTS AT JUNE 30, 2013

(dollars in thousands)

Investment Type	Fair Value June 30, 2013	Percentage of Fixed Income Investments	Effective Duration in Years	Weighted Average Effective Duration in Years
Collateralized/Asset Backed Obligations	\$ 127,550	8.8%	2.8	0.2
Corporate Bonds	404,600	28.0%	5.3	1.5
Government and Agency Bonds	490,710*	34.0%	5.1	1.7
Pacific Investment Management Company Core Plus	421,868**	29.2%	5.1	1.4
Totals	\$1,444,728	100.0%		4.8

*Includes \$545 reported in cash and cash equivalents on Statement of Net Position.

**Includes \$9,470 reported in cash and cash equivalents on Statement of Net Position.

EFFECTIVE DURATION – FIXED INCOME INVESTMENTS (dollars in thousands)
AT JUNE 30, 2012

Investment Type	Fair Value June 30, 2012	Percentage of Fixed Income Investments	Effective Duration in Years	Weighted Average Effective Duration in Years
Collateralized/Asset Backed Obligations	\$ 123,172	8.2%	3.8	0.3
Corporate Bonds	480,899	31.8%	7.2	2.3
Government and Agency Bonds	423,811*	28.0%	4.7	1.3
Pacific Investment Management Company Core Plus	483,592**	32.0%	4.7	1.5
Totals	\$1,511,474	100.0%		5.4

*Includes \$28,674 reported in cash and cash equivalents on Statement of Net Position.

**Includes \$10,097 reported in cash and cash equivalents on Statement of Net Position.

CREDIT RISK – FIXED INCOME SECURITIES:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

NHRS controls credit risk on debt securities by establishing requirements for average credit quality at the separate account portfolio level and through credit quality standards for individual securities. The NHRS policy on credit quality is expressed through individual portfolio guidelines with each investment manager in lieu of a broad, plan-level policy. The investment guidelines are customized to the individual manager's strategy. NHRS fixed income managers follow established guidelines for credit quality. If there is an occasional exception, the manager prudently remedies the guideline breach. NHRS applies standards with regard to securities rated by nationally recognized statistical rating organizations ("NRSRO") and uses the lowest agency ratings for evaluating the credit quality of a specific security. The fixed income commingled fund manager has established investment guidelines regarding concentration of credit risk.

The following schedules illustrate the Plans' fixed income investments as of June 30, 2013 and 2012, including the distribution of those investments by Standard & Poor's quality credit ratings.

CREDIT QUALITY RISK – FIXED INCOME SECURITIES AT JUNE 30, 2013 (in thousands)

Investment Type	Fair Value June 30, 2013	Quality Ratings ¹				
		AAA	AA	A	BBB or Lower	Unrated
Collateralized/Asset Backed Obligations	\$ 107,468	\$ 64,709	\$ 5,693	\$ 14,556	\$ 4,953	\$17,557
Corporate Bonds	404,772	4,105	39,112	134,352	226,914	289
Government and Agency Bonds ²	281,300	73,707	77,646	68,681	61,266	—
Pacific Investment Management Company Core Plus ³	421,867	—	421,867	—	—	—
Totals	\$1,215,407	\$142,521	\$544,318	\$217,589	\$293,133	\$17,846
Percent of Total Fair Value		11.73%	44.78%	17.90%	24.12%	1.47%

¹Ratings were derived primarily from Standard & Poor's (S&P). In instances where S&P did not rate a security, the Moody's rating was used.

²Government and Agency Bonds exclude U.S. government securities and securities explicitly guaranteed by the U.S. government (\$229,492) because these securities are not considered to have credit risk.

³Average credit quality rating for the commingled fund was provided by Pacific Investment Management Company.

CREDIT QUALITY RISK – FIXED INCOME SECURITIES AT JUNE 30, 2012 (in thousands)

Investment Type	Fair Value June 30, 2012	Quality Ratings ¹				
		AAA	AA	A	BBB or Lower	Unrated
Collateralized/Asset Backed Obligations	\$ 123,951	\$ 55,511	\$ 2,743	\$ 27,620	\$ 15,271	\$22,806
Corporate Bonds	480,899	7,074	53,784	172,293	241,845	5,903
Government and Agency Bonds ²	267,550	87,314	50,575	98,430	31,231	—
Pacific Investment Management Company Core Plus ³	483,592	—	483,592	—	—	—
Totals	\$1,355,992	\$149,899	\$590,694	\$298,343	\$288,347	\$28,709
Percent of Total Fair Value		11.0%	43.6%	22.0%	21.3%	2.1%

¹Ratings were derived primarily from Standard & Poor's (S&P). In instances where S&P did not rate a security, the Moody's rating was used.

²Government and Agency Bonds exclude U.S. government securities and securities explicitly guaranteed by the U.S. government (\$162,078) because these securities are not considered to have credit risk.

³Average credit quality rating provided by Pacific Investment Management Company.

FOREIGN CURRENCY RISK — INVESTMENTS:

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

NHRS manages its foreign currency risk primarily through its strategic asset allocation policy. As of June 30, 2013 investments in non-U.S. equity securities have a target asset allocation of 20% of total investments with a target range of 15–25%. As of June 30, 2013, non-U.S. fixed income securities represent 5.1% of the total fund as a result of the managers' security selection process. Non-U.S. investments are permitted in the alternative investment asset class which includes private equity, private debt and absolute return strategy investments. The target allocation for alternative investments is 15% and the NHRS investment policy does not set limits for foreign investments in this asset class. The target allocation for real estate investments is 10% and up to 35% of the Plans' real estate allocation may be invested in non-U.S. investments.

In addition, foreign currency risk is mitigated through the investment guidelines. NHRS manages its foreign exposure by requiring that separate account managers diversify their non-U.S. portfolios by country, sector and issuer to limit both foreign currency risk and security risk. Managers of commingled funds have discretion over their respective investment guidelines which must be consistent with strategies approved by the NHRS. In certain instances, where permitted in the investment guidelines, investment managers may also use foreign currency forward contracts to hedge against foreign currency risk.

The Plans' exposure to foreign currency risk at June 30, 2013 and 2012 is presented on the following schedules.

FOREIGN CURRENCY RISK — NON-U.S. INVESTMENTS (in thousands) AS OF JUNE 30, 2013

Currency	Equity	Fixed Income	Real Estate & Alternative Investments	Cash and Cash Equivalents	Totals
Argentine peso	\$ —	\$ —	\$ —	\$ 5	\$ 5
Australian dollar	18,476	35,009	2,019	—	55,504
Brazilian real	16,353	8,208	—	—	24,561
British pound sterling	143,964	21,697	8,527	—	174,188
Canadian dollar	18,999	25,405	—	—	44,404
Danish krone	22,766	—	—	—	22,766
Euro	187,994	30,516	3,132	—	221,642
Hong Kong dollar	97,362	—	5,219	69	102,650
Hungarian forint	550	11,729	—	—	12,279
Indian rupee	10,214	—	—	224	10,438
Indonesian rupiah	7,461	1,211	—	—	8,672
Japanese yen	114,665	—	12,018	65	126,748
Malaysian ringgit	1,772	12,029	—	—	13,801
Mexican peso	17,431	34,399	—	—	51,830
New Zealand dollar	—	24,292	—	—	24,292
New Taiwan dollar	9,242	—	—	432	9,674
Norwegian krone	—	6,955	—	—	6,955
Polish zloty	1,585	12,359	—	—	13,944
Qatari rial	475	—	—	—	475
Singapore dollar	4,087	1,110	1,496	—	6,693
South African rand	6,216	9,145	—	—	15,361
South Korean won	32,013	13,671	—	4	45,688
Swedish krona	13,469	—	405	—	13,874
Swiss franc	81,829	—	—	—	81,829
Thai baht	2,521	—	415	—	2,936
Turkish lira	6,901	—	—	—	6,901
Total investments subject to foreign currency risk	816,345	247,735	32,231	799	1,098,110
Non-U.S. investments denominated in U.S. Dollars	206,624	79,053	48,287	—	333,964
Total Non—U.S. Investments	\$1,022,969	\$326,788	\$81,518	\$799	\$1,432,074

FOREIGN CURRENCY RISK — NON-U.S. INVESTMENTS
AS OF JUNE 30, 2012

(in thousands)

Currency	Equity	Fixed Income	Real Estate & Alternative Investments	Cash and Cash Equivalents	Totals
Argentine peso	\$ —	\$ —	\$ —	\$ 6	\$ 6
Australian dollar	13,203	38,793	1,234	—	53,230
Brazilian real	21,780	9,359	—	—	31,139
British pound sterling	123,525	22,726	5,006	—	151,257
Canadian dollar	21,545	26,780	—	—	48,325
Danish krone	21,182	—	—	—	21,182
Euro	148,410	6,511	2,781	30	157,732
Hong Kong dollar	95,049	—	4,817	142	100,008
Hungarian forint	297	11,684	—	—	11,981
Indian rupee	9,573	—	—	10	9,583
Indonesian rupiah	7,387	1,310	—	—	8,697
Japanese yen	84,868	—	15,749	109	100,726
Malaysian ringgit	1,830	12,335	—	—	14,165
Mexican peso	15,745	32,534	—	—	48,279
New Zealand dollar	—	24,635	—	—	24,635
Norwegian krone	3,507	7,365	—	—	10,872
Polish zloty	1,799	17,007	—	—	18,806
Singapore dollar	3,603	1,121	1,448	—	6,172
South African rand	10,853	11,281	—	16	22,150
South Korean won	32,485	13,592	—	7	46,084
Swedish krona	18,543	—	269	—	18,812
Swiss franc	53,412	—	—	—	53,412
Taiwan dollar	11,066	—	—	13	11,079
Thai baht	3,921	—	414	—	4,335
Turkish lira	5,878	—	—	—	5,878
Total investments subject to foreign currency risk	709,461	237,033	31,718	333	978,545
Non-U.S. investments denominated in U.S. Dollars	210,964	57,445	33,100	—	301,509
Total Non—U.S. Investments	\$920,425	\$294,478	\$64,818	\$333	\$1,280,054

DERIVATIVES

Derivative instruments are contracts whose values are based on the valuation of an underlying asset, reference rate or index. Derivatives include futures, options, forward contracts and forward foreign currency exchanges. NHRS managers may enter into certain derivative instruments primarily to enhance the efficiency and reduce the volatility of the portfolio. As of June 30, 2013, there was \$10.9 million invested in equity futures (0.2% of total investments) and there were no investments in options within the separate account portfolios. As of June 30, 2012, there was \$7.1 million invested in equity futures (0.1% of total investments) and there were no investments in options within the separate account portfolios. The NHRS investment policy and certain investment manager guidelines allow for the use of derivative instruments. The use of futures, options, or forward contracts is permitted for defensive purposes only and any speculative hedging or leveraging of the portfolios is prohibited in separate account mandates. Managers of commingled funds have discretion over their respective investment guidelines which may allow for the use of derivative instruments.

The Plans could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. To mitigate this risk, investment managers conduct assessments of their counterparties and utilize exchanges which have trading standards.

Investments in asset-backed and mortgage-backed securities are reported at fair value. Although not generally considered to be derivatives, asset-backed and mortgage-backed securities receive cash flows from interest and principal payments on the underlying assets and mortgages. As a result, they are exposed to prepayment risk. As of June 30, 2013 and June 30, 2012, the Plans' combined investment in asset-backed and mortgage-backed securities held in separate account portfolios totaled \$346.1 million (6.1%) and \$346.1 million (6.1%) of total investments, respectively.

NHRS managers may use futures, options, and foreign currency exchange contracts in order to manage currency risk or initiate transactions in non-U.S. investments. NHRS may be positively or negatively

impacted by foreign currency risk due to fluctuations in the value of different currencies. The Plans could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. To mitigate this risk, investment managers conduct assessments of their counterparties and utilize exchanges which have trading standards. The fair value of open foreign currency exchange contracts including unrealized appreciation or depreciation is recorded on the Statements of Net Plan Assets as Due from Brokers for Securities Sold and as Due to Brokers for Securities Purchased.

Foreign currency exchange contracts open at June 30, 2013 and June 30, 2012 are shown below and on the following page.

OPEN FOREIGN CURRENCY EXCHANGE CONTRACTS (in thousands)
AT JUNE 30, 2013

	Local Currency Amount	Effective Date	Maturity Date	Original Foreign Exchange Rate		Unrealized Appreci— ation	Unrealized (Depre— ciation)
Foreign currency exchange contracts purchased:							
Brazilian real	6,033	2/26/13	8/30/13	2.0323000	BRL/USD		\$(271)
Brazilian real	7,650	3/14/13	9/18/13	2.0164000	BRL/USD		(385)
British pound sterling	482	6/27/13	7/2/13	0.6561292	GBP/USD	—	(4)
British pound sterling	12,800	7/7/13	9/16/13	0.6442884	GBP/USD	—	(463)
Chilean Peso	1,265,910	5/9/13	9/13/13	479.3999994	CLP/USD	—	(167)
Chilean Peso	3,498,200	6/5/13	11/8/13	512.4500000	CLP/USD	—	(34)
Euro	485	6/28/13	7/3/13	0.7686986	EUR/USD	—	—
Hong Kong dollar	6,312	6/27/13	7/2/13	7.75711	HKD/USD	—	—
Indian Rupee	812,000	6/12/13	9/18/13	58.82	INR/USD	—	(386)
Japanese Yen	688,191	6/5/13	7/8/13	99.19540	JPY/USD	—	(10)
Japanese Yen	4,753,281	6/28/13	7/8/13	99.28100	JPY/USD	—	(25)
Mexican Peso	124,300	5/8/13	8/13/13	12.16120	MXN/USD	—	(714)
Polish zloty	245	6/26/13	7/1/13	3.3412000	PLN/USD	—	—
Russian Ruble	188,100	5/13/13	9/16/13	32.01	RUB/USD	—	(224)
South Korean Won	137,416	6/28/13	7/1/13	1143.7	KRW/USD	—	—
South Korean Won	371,146	6/28/13	7/1/13	1143.7	KRW/USD	—	—
Swiss Franc	372	6/26/13	7/1/13	0.9427600	CHF/USD	—	(1)
Turkish Lira	15,760	6/6/13	9/12/13	1.9199000	TRY/USD	—	(132)
Foreign currency exchange contracts sold:							
Australian dollar	29,210	4/30/13	8/12/13	1.029	USD/AUD	3,400	—
British pound sterling	68	6/26/13	7/1/13	1.5323800	USD/GBP	1	—
British pound sterling	19	6/28/13	7/3/13	1.5190100	USD/GBP	—	—
Euro	13,540	4/30/13	8/7/13	1.3173000	USD/EUR	234	—
Hong Kong dollar	2,524	6/28/13	7/3/13	0.1289275	USD/HKD	—	—
Hong Kong dollar	224	6/28/13	7/3/13	0.1289080	USD/HKD	—	—
Indian Rupee	518	6/28/13	7/2/13	0.0167532	USD/INR	—	—
Japanese Yen	1,239,562	1/4/13	7/8/13	0.0114135	USD/JPY	1,669	—
Japanese Yen	444,778	3/14/13	7/8/13	0.0104237	USD/JPY	159	—
Japanese Yen	893,260	4/5/13	7/8/13	0.0102693	USD/JPY	181	—
Japanese Yen	1,125,750	4/8/13	7/8/13	0.0101246	USD/JPY	65	—
Japanese Yen	433,323	4/24/13	7/8/13	0.0100462	USD/JPY	—	(9)
Japanese Yen	431,924	5/10/13	7/8/13	0.0098352	USD/JPY	—	(100)
Japanese Yen	872,876	5/15/13	7/8/13	0.0097845	USD/JPY	—	(247)
Mexican Peso	17,931	6/28/13	7/2/13	12.9970900	USD/MXN	—	(3)
New Zealand dollar	11,700	6/11/13	9/20/13	0.782	USD/NZD	165	—
Polish zloty	1,154	6/27/13	7/2/13	0.3011141	USD/PLN	1	—
Russian Ruble	188,100	5/15/13	9/16/13	0.0310723	USD/RUB	192	—
South African Rand	1,108	6/24/13	7/1/13	0.9882890	USD/ZAR	—	(2)
South African Rand	784	6/25/13	7/2/13	0.0990712	USD/ZAR	—	(1)
South African Rand	233	6/28/13	7/5/13	0.1009235	USD/ZAR	—	—
South Korean Won	6,940,000	5/8/13	8/13/13	0.0009200	USD/KRW	341	—
South Korean Won	7,634,000	6/10/13	10/18/13	0.0000878	USD/KRW	72	—
Turkish Lira	486	6/27/13	7/1/13	0.5194805	USD/TRY	—	—
Totals						\$6,480	\$(3,178)

**OPEN FOREIGN CURRENCY EXCHANGE CONTRACTS
AT JUNE 30, 2012**

(in thousands)

	Local Currency Amount	Effective Date	Maturity Date	Original Foreign Exchange Rate	Unrealized Appreci— ation	Unrealized (Depre— ciation)
Foreign currency exchange contracts purchased:						
Brazilian real	13,677	6/25/2012	8/2/2012	2.0849600 BRL/USD	\$ 173	\$ —
Brazilian real	2,529	6/29/2012	9/4/2012	2.0491500 BRL/USD	4	—
British pound sterling	277	6/27/2012	7/2/2012	0.6425166 GBP/USD	3	—
British pound sterling	50	6/29/2012	7/3/2012	0.6374339 GBP/USD	—	—
British pound sterling	13,202	5/29/2012	9/13/2012	0.6381621 GBP/USD	15	—
Chilean peso	3,498,190	4/17/2012	10/18/2012	497.34000 CLP/USD	—	(167)
Chilean peso	1,265,910	5/17/2012	11/16/2012	512.60000 CLP/USD	7	—
Euro	86	6/27/2012	7/2/2012	0.8015775 EUR/USD	2	—
Euro	10	6/29/2012	7/3/2012	0.7900142 EUR/USD	—	—
Hong Kong dollar	1,979	6/28/2012	7/3/2012	7.7582000 HKD/USD	—	—
Hong Kong dollar	950	6/29/2012	7/3/2012	7.7562000 HKD/USD	—	—
Polish zloty	332	6/29/2012	7/3/2012	3.3340000 PLN/USD	—	—
South African rand	1,032	6/26/2012	7/3/2012	8.4482000 ZAR/USD	4	—
South African rand	557	6/27/2012	7/3/2012	8.4269000 ZAR/USD	2	—
Swiss franc	183	6/27/2012	7/2/2012	0.9627000 CHF/USD	3	—
Turkish lira	73	6/28/2012	7/2/2012	1.8298000 TRY/USD	—	—
Turkish lira	22,805	5/8/2012	8/10/2012	1.8188500 TRY/USD	—	(35)
Foreign currency exchange contracts sold:						
Australian dollar	25,545	4/5/2012	7/11/2012	1.0198900 USD/AUD	—	(112)
Australian dollar	2,723	4/11/2012	7/11/2012	1.0209300 USD/AUD	—	(9)
Brazilian real	13,677	4/26/2012	8/2/2012	0.5208469 USD/BRL	391	—
British pound sterling	9	6/27/2012	7/2/2012	1.5567000 USD/GBP	—	—
Canadian dollar	251	6/27/2012	7/3/2012	0.9740702 USD/CAD	—	(2)
Canadian dollar	424	6/28/2012	7/5/2012	0.9668001 USD/CAD	—	(6)
Canadian dollar	172	6/29/2012	7/5/2012	0.9822700 USD/CAD	—	—
Euro	17,692	5/4/2012	11/8/2012	1.3100850 USD/EUR	695	—
Euro	6,274	6/14/2012	7/18/2012	1.2582500 USD/EUR	—	(69)
Hong Kong dollar	1,541	6/29/2012	7/5/2012	0.1289291 USD/HKD	—	—
Hong Kong dollar	113	6/29/2012	7/3/2012	0.1289009 USD/HKD	—	—
Hong Kong dollar	413	6/29/2012	7/3/2012	0.1288826 USD/HKD	—	—
New Zealand dollar	11,044	6/6/2012	9/18/2012	0.7600000 USD/NZD	—	(437)
South African rand	135	6/25/2012	7/2/2012	0.1175461 USD/ZAR	—	(1)
South African rand	1,090	6/28/2012	7/5/2012	0.1184483 USD/ZAR	—	(4)
South African rand	1,055	6/29/2012	7/6/2012	0.1221546 USD/ZAR	—	—
Totals					\$1,299	(\$842)

NOTE 4—FUNDING PROGRESS

The funding status of the Pension Plan as of the most recent actuarial valuation data is as follows (dollar amounts in thousands):

SCHEDULE OF FUNDING PROGRESS – PENSION PLAN

(\$ in thousands)

Fiscal Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UALL) (b-a)	Percent Funded (a/b)	Annual Covered Payroll (c)	UAAL Percentage of Covered Payroll ([(b-a)/c]
6/30/2013	\$6,070,681	\$10,708,768	\$4,638,087	56.7%	\$2,501,742	185.4%
6/30/2012	\$5,817,882	\$10,361,600	\$4,543,718	56.1%	\$2,487,757	182.6%
6/30/2011	\$5,740,516	\$ 9,998,251	\$4,257,735	57.4%	\$2,517,779	169.1%
6/30/2010	\$5,233,838	\$ 8,953,932	\$3,720,094	58.5%	\$2,481,384	149.9%
6/30/2009	\$4,937,320	\$ 8,475,052	\$3,537,732	58.3%	\$2,448,287	144.5%
6/30/2008	\$5,302,034	\$ 7,821,316	\$2,519,282	67.8%	\$2,308,321	109.1%

SCHEDULE OF FUNDING PROGRESS — OPEB PLANS

(\$ in thousands)

The funding status of the OPEB Plans as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
Group II — Police Officers & Firefighters						
06/30/13	\$ 8,686	\$337,097	\$328,411	2.6%	\$ 382,563	85.8%
06/30/12	\$ 8,813	\$336,241	\$327,428	2.6%	\$ 374,321	87.5%
06/30/11	\$ 9,907	\$341,942	\$332,036	2.9%	\$ 367,536	90.3%
06/30/10	\$ 16,475	\$443,589	\$427,114	3.7%	\$ 367,492	116.2%
06/30/09	\$119,970	\$272,012	\$152,042	44.1%	\$ 365,617	41.6%
Group I — Teachers						
06/30/13	(\$ 10,319)*	\$245,465	\$255,779	(4.2%)	\$1,039,933	24.6%
06/30/12	(\$ 9,097)	\$254,850	\$263,947	(3.6%)	\$1,036,605	25.5%
06/30/11	(\$ 6,131)	\$262,107	\$268,238	(2.3%)	\$1,036,376	25.9%
06/30/10	\$ 7,365	\$367,482	\$360,117	2.0%	\$1,020,745	35.3%
06/30/09	\$ 20,575	\$249,070	\$228,495	8.3%	\$1,003,514	22.8%
Group I — Political Subdivision Employees						
06/30/13	\$ 23,356	\$ 67,667	\$ 44,311	34.5%	\$ 591,224	7.5%
06/30/12	\$ 25,519	\$ 73,254	\$ 47,735	34.8%	\$ 584,871	8.2%
06/30/11	\$ 28,917	\$ 77,650	\$ 48,733	37.2%	\$ 579,759	8.4%
06/30/10	\$ 33,978	\$100,507	\$ 66,529	33.8%	\$ 572,435	11.6%
06/30/09	\$ 36,255	\$ 61,468	\$ 25,213	59.0%	\$ 570,404	4.4%
Group I — State Employees						
06/30/13	\$ 95	\$ 81,643	\$ 81,548	0.1%	\$ 488,021	16.7%
06/30/12	(\$ 917)	\$ 88,414	\$ 89,331	(1.0%)	\$ 491,960	18.2%
06/30/11	\$ 527	\$ 95,873	\$ 95,347	0.5%	\$ 534,288	17.8%
06/30/10	—	\$122,285	\$122,285	0.0%	\$ 520,712	23.5%
06/30/09	—	\$ 90,841	\$ 90,841	0.0%	\$ 508,752	17.9%

* The Group I Teachers OPEB plan currently has a negative balance due to higher than anticipated retirement rates, lower than expected payroll growth and the lag of when contribution rates are set vs. when they become effective. Although this is a closed group, meaning members who are currently working and contributing will not qualify for this benefit, this plan continues to pay benefits to retirees who were eligible for this benefit at the time of their retirement. This negative balance has been addressed in the current valuation and is expected to be collected through higher future contribution rates which are expected to begin in FY 2016.

	Pension Plan	OPEB Plans
Valuation Date	06/30/2013	06/30/2013
Actuarial Cost Method	Entry age normal	Entry age normal
Amortization Method	Level percentage of payroll, closed	Level percentage of payroll, closed
Equivalent single amortization period	24 years From FY 2016	11 years* From FY 2016
Asset valuation method	5-year smoothed market	5-year smoothed market
Actuarial Assumptions:		
Investment rate of return*	7.75%	3.75%
Projected salary increases*	4.15% to 24.55%	4.15% to 24.55%
*Includes Price Inflation at	3.0%	3.0%
Rate of Payroll Growth	3.75%	3.75%
Valuation Health Care Trend Rate	N/A	N/A – The OPEB Plans provide a specific dollar subsidy to be used for health care. The subsidy increased 8.0% for fiscal year 2007 by statute. There have been no annual increases since July 1, 2007

*The ARC is based on the greater of a 24-year amortization period or the amount necessary to meet cash flow.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and pension and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The Schedule of Employer Contributions provided in required supplementary information presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows.

NOTE 5—SIGNIFICANT CHANGES IN ACTUARIAL ASSUMPTIONS AND BENEFIT PROVISIONS OCCURRING SINCE THE JUNE 30, 2011 ACTUARIAL VALUATION

Changes in actuarial assumptions for fiscal year 2013:

None

Legislation was enacted in the 2013 legislative session which:

- (a) Requires NHRS-participating employers to report monthly to the retirement system information regarding NHRS retirees on their payroll, including hours worked and all compensation paid. The reporting requirement takes effect January 1, 2014, and is repealed effective January 1, 2019.
- (b) Requires the retirement system to provide annual written notices to NHRS retirees regarding the statutory limitations on part-time employment with NHRS-participating employers.
- (c) Allows individuals elected or appointed to the offices of town clerk and tax collector for the same employer to satisfy NHRS membership eligibility requirements by using both offices, even if the positions were not formally combined per RSA 41:45-a.
- (d) Eliminates the application of gainful occupation reductions to the retirement allowances of Group II (Police, Fire) accidental disability beneficiaries who have years of service plus years of accidental disability retirement that total at least 20 years and who have attained the age of 45.

Changes in actuarial assumptions for fiscal year 2012:

None

Legislation was enacted in the 2012 legislative session which:

- (a) Modifies the calculation of Average Final Compensation (AFC) for members not vested prior to Jan. 1, 2012, by changing the “compensation over base pay” factor used in the AFC formula from a dollar average to a percentage average.
- (b) Clarifies the date from which NHRS must begin calculating a 7-year average of Extra or Special Duty Pay (ESDP) for Group II (Police and Fire) members vested prior to Jan. 1, 2012. This change excludes from the calculation any months prior to July 1, 2009, which is when ESDP began to be separately reported to NHRS.
- (c) Clarifies the number of years of creditable service Group II (Police and Fire) members in service prior to July 1, 2011, but not vested prior to Jan. 1, 2012, must have in order to qualify for the supplemental disability benefit available to eligible Accidental Disability retirees.
- (d) Changes the annual effective date of changes to the member interest rate from a fiscal year to a calendar year.
- (e) Clarifies the definition of “compensation over base pay” for members not vested prior to Jan. 1, 2012.
- (f) Clarifies that the maximum benefit limit for members hired before July 1, 2009, is 100 percent of Earnable Compensation and the maximum benefit limit for members hired after that date, and not vested by Jan. 1, 2012, is the lesser of 85 percent of AFC or \$120,000 per year.
- (g) Modifies the definition of “part-time” for NHRS retirees employed by NHRS-participating employers.
- (h) Changes the date by which NHRS Trustees must approve the retirement system’s Comprehensive Annual Financial Report from Dec. 1 to Dec. 31 of each year.
- (i) RSA 100-A:53, II; RSA 100-A:53-e, II; RSA 100-A:16, II(h); and RSA 100-A:16, II(j), relative to the Special Account, are repealed.
- (j) RSA 100-A:16, III-a, commonly known as the employer “spiking” assessment, is repealed.

NOTE 6—CONTRIBUTIONS AND RESERVES

PENSION PLAN

As a condition of participation, members are required to contribute a set percentage of their salary to the Pension Plan. The percentage rates, as outlined below, are set by statute under RSA 100-A:16 and depend on the member’s group affiliation.

RSA 100-A:16 outlines the employer contributions made to the Pension Plan. Employer contributions to the Pension Plan since fiscal year 2007 have been determined on an actuarial basis using the entry age normal cost method.

For fiscal year 2012, the State funded \$3.5 million of the employer normal costs for teachers, police officers, and firefighters employed by political subdivisions. The State does not participate in funding the employer cost of other political subdivision employees. The funding strategy for normal cost should provide sufficient resources to pay employee pension benefits on a timely basis.

The annual covered payroll for the year ended June 30, 2013 is \$2,501.7 million and the annual covered payroll for the fiscal year ended June 30, 2012 was \$2,487.8 million.

The following tables show the percentages of gross payroll contributed by the State, other contributing employers, and members to the pension plan and the OPEB plans.

TOTAL CONTRIBUTION RATES – PENSION PLAN

Member Category	Member Normal Share	(FY 2013)			Member Normal Share	(FY 2012)		
		Employer Normal Share State	Local	Total*		Employer Normal Share State**	Local	Total*
Employees								
State	7.00%	8.48%	—	8.48%	7.00%	8.48%	—	8.48%
Local	7.00%	—	8.48%	8.48%	7.00%	—	8.48%	8.48%
Teachers	7.00%	—	8.99%	8.99%	7.00%	—	8.99%	8.99%
Police Officers	11.55%	—	—	15.98%	11.55%	—	—	15.98%
Firefighters	11.80%	—	—	18.92%	11.80%	—	—	18.92%

* Legislation was passed in the 2011 legislative session that required the Board of Trustees to recertify the employer rates. The employer rates were recertified by the Board of Trustees in August 2011. The employer rates in effect for July 2011 were 10.71% for group I Employees, 22.92% for Group II Police Officers and 28.25% for Group II Firefighters. The employer rates shown in the table above were the rates in effect for August 2011 through June 2012.

** In FY 2012 the State contributed \$3.5 million toward the normal costs of these political subdivision groups.

OPEB PLANS

In accordance with RSA 100-A:53, RSA 100-A:53-b, RSA 100-A:53-c and RSA 100-A:53-d, benefits are provided by a 401(h) subtrust of the Pension Plan. For fiscal year 2009 and prior, the OPEB Plans were funded by allocating 25% of all employer contributions made in accordance with RSA 100-A:16 to the 401(h) subtrust until such time as the benefits were fully funded.

Beginning with fiscal year 2010, the OPEB Plans are to be funded by allocating to the 401(h) subtrust the lesser of:

- a.) 25% of all employer contributions made in accordance with RSA 100-A:16; or
- b.) the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53, RSA 100-A:53-b, RSA 100-A:53-c and RSA 100-A:53-d.

For fiscal year 2012, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust.

The State funds 100% of the employer normal costs for all State employees and for fiscal year 2012 the State funded \$3.5 million of the employer normal costs for teachers, police officers and firefighters employed by political subdivisions.

The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plans. Administrative costs are allocated to the OPEB Plans based on fund balances.

TOTAL CONTRIBUTION RATES — OPEB PLANS

Member Category	Member Normal Share	(FY 2013)			Member Normal Share	(FY 2012)		
		State	Local	Total		State*	Local	Total**
Employees	—	1.60%	—	1.60%	—	1.60%	—	1.60%
State	—	—	0.32%	0.32%	—	—	0.32%	0.32%
Local	—	—	2.31%	2.31%	—	—	2.31%	2.31%
Teachers	—	—	—	3.97%	—	—	—	3.97%
Police Officers	—	—	—	3.97%	—	—	—	3.97%
Firefighters	—	—	—	3.97%	—	—	—	3.97%

* In FY 2012 the State contributed \$3.5 million toward the normal costs of these political subdivision groups.

** Legislation was passed in the 2011 legislative session that required the Board of Trustees to recertify the employer rates. The employer rates were recertified by the Board of Trustees in August 2011. The OPEB portion of the employer rates that were in effect for July 2011 were 1.60% for group I State Employees, 0.38% for Group I Political Subdivision Employees, 2.65% for Group II Police Officers and 2.65% for Group II Firefighters. The employer rates shown in the table above were the rates in effect for August 2011 through June 2012.

The following tables show the amounts contributed by participating employers and members and these contributions expressed as a percentage of the respective covered payrolls.

TOTAL AMOUNTS CONTRIBUTED — PENSION AND OPEB PLANS (in thousands)

Member Category	Member Normal Share**	(FY 2013)			Member Normal Share**	(FY 2012)		
		Pension Plan*	OPEB Plans*	Total Contributions		Pension Plan*	OPEB Plans*	Total Contributions
Employees	\$ 77,753	\$ 91,723	\$10,685	\$180,161	\$ 80,537	\$ 94,358	\$10,261	\$185,156
Teachers	74,066	92,912	23,767	190,745	74,966	93,510	24,021	192,497
Police Officers	30,956	43,160	10,665	84,781	30,699	44,535	10,234	85,468
Firefighters	13,714	22,040	4,595	40,349	13,391	22,154	4,448	39,993
Total Contributed	\$196,489	\$249,835	\$49,712	\$496,036	\$199,593	\$254,557	\$48,964	\$503,114

*Includes contributions made by both State and local employers and State payments made on behalf of the local employers

**Includes voluntary member contributions of \$5.7 million in FY 2013 and \$6.9 million in FY 2012.

TOTAL AMOUNTS CONTRIBUTED EXPRESSED AS A PERCENTAGE OF COVERED PAYROLL PENSION AND OPEB PLANS

Member Category	Member Normal Share**	(FY 2013)			Member Normal Share	(FY 2012)		
		Pension Plan*	OPEB Plans*	Total Contributions		Pension Plan*	OPEB Plans*	Total Contributions
Employees	7.20%	8.50%	0.99%	16.69%	7.48%	8.76%	0.95%	17.19%
Teachers	7.12%	8.93%	2.29%	11.22%	7.23%	9.02%	2.32%	18.57%
Police Officers	11.60%	16.18%	4.00%	31.78%	11.83%	17.16%	3.94%	32.93%
Firefighters	11.84%	19.03%	3.97%	34.84%	11.91%	19.70%	3.96%	35.56%
Total Contributed	7.85%	9.99%	1.99%	19.83%	8.02%	10.23%	1.97%	20.22%

As a matter of practice, actual contribution rates are determined by the previous valuation. Using the forecast rates delays implementation of the rates proposed by the actuary until the beginning of the subsequent biennium, allowing employers to budget for changes in employer rates. The employer normal contribution rates for the 2013 and 2012 fiscal years were based on the June 30, 2009 actuarial valuation.

The following table provides a breakdown of net position held in trust for benefits:

NET POSITION HELD IN TRUST FOR BENEFITS	(in thousands)	
	2013	JUNE 30 2012
Pension		
Employees	\$2,086,376	\$1,854,855
Teachers	2,379,191	2,148,903
Police Officers	1,304,675	1,175,270
Firefighters	634,742	571,299
Subtotal Pension	\$6,404,984	\$5,750,327
OPEB Plans		
Group II Police Officers & Firefighters	9,165	\$ 8,704
Group I Teachers	(10,882)	(8,985)*
Group I Political Subdivision Employees	24,642	25,203
Group I State Employees	100	(906)**
Subtotal OPEB Plans	\$ 23,025	\$ 24,016
TOTAL NET POSITION HELD IN TRUST FOR BENEFITS	\$6,428,009	\$5,774,343

* The Group I Teachers OPEB plan currently has a negative balance due to higher than anticipated retirement rates and the lag of when contribution rates are set vs. when they are effective. This has been considered in the current valuation and the negative balance will be collected through higher future contribution rates.

** In fiscal year 2012 the Group I State Employees OPEB plan had a negative balance due to lower than anticipated payroll growth and higher than expected benefit payments. The State paid the deficit amount in fiscal year 2013. The account has a positive balance at the end of fiscal year 2013.

SPECIAL ACCOUNT

RSA 100-A:16, II. (h) provides for a Special Account to fund or partially fund additional benefits as follows: first, to provide supplemental allowances, or cost-of-living adjustments (COLAs), pursuant to RSA 100-A:41-a and, second, to provide additional benefits to retired members and beneficiaries of the Pension Plan with the specific approval of the appropriate legislative policy committees and approval of the general court.

Prior to July 1, 2003, the Special Account was subdivided into four components representing the retirement system member classifications as defined in RSA 100-A:1. Effective July 1, 2003, the Special Account employee component was further subdivided proportionally between employees of the State and employees of political subdivisions based upon the actuarial liabilities of the member and retiree groups.

The Special Account is to be funded annually with all of the earnings on an actuarial basis generated by Special Account assets plus the earnings generated by the remaining assets of the Pension Plan in excess of the assumed rate of return plus 1/2 of 1%. The Board of Trustees set the rate of return on assets at 7.75% for the years ended June 30, 2012 and June 30, 2011. Therefore, earnings in excess of 8.25%, if any, would have been credited to the Special Account. However, legislation was enacted during fiscal year 2007 restricting any funds from being credited to the Special Account from Pension Plan assets until the funded ratio of the consolidated retirement system as of June 30th of any given year is equal to or greater than 85%. Upon achievement of the 85% funded ratio, only returns in excess of 10 and one-half percent will be allocated to the Special Account from Pension Plan assets. No assets have been transferred to the Special Account since the passage of the 2007 legislation.

Two bills were passed during the 2011 Legislative Session that impacted the Special Account. One required a transfer of \$89 million from the Group II-Police and Fire components of the Special Account to the state annuity accumulation fund. The second piece of legislation required a transfer of the balance of all funds remaining in the Special Account, except for the funds necessary to comply with the requirements of RSA 100-A:41-d, III regarding temporary supplemental allowances (TSA) due to be paid July 1, 2012. This legislation resulted in an additional transfer from the special account to the state annuity accumulation fund of \$167.3 million for a total transfer of \$256.3 million. As of June 30, 2012, the balance remaining in the Special Account was \$20.0 million. Legislation was passed during the 2012 legislative session that repealed the special account. All remaining funds were transferred back to the state annuity accumulation fund after the July 1, 2012 TSA was paid. The amount transferred back to the state annuity accumulation fund after the TSA payment was \$16.3 million.

NOTE 7 – ADMINISTRATIVE EXPENSES

Certain expenses related to the administration of the Plans are budgeted and approved by the Board of Trustees, and are subject to appropriation biennially by the State Legislature. Administrative expenses are included in the accompanying financial statements.

Administrative expenses consist primarily of salaries and benefits for 64 full-time and part-time employees and the costs associated with operating and maintaining computer systems.

NOTE 8 — CONTINGENT MATTERS

The NHRS is a co-defendant, along with the State of New Hampshire, in a suit filed in the New Hampshire court system. The plaintiff parties are seeking relief from statutory changes made in the 2008 legislative session by the New Hampshire Legislature. There are four claims that currently exist as follows:

- The amended definition of earnable compensation;
- The changed Cost-of Living Adjustment (COLA) formulas from prior years' formulas;
- The manner in which the Special Account was funded;
- The \$250 million transfer from the Special Account to the State Annuity Accumulation Fund.

During fiscal year 2013, the parties were required to stipulate to facts involving the named plaintiffs including; date of hire; date of retirement, if applicable; whether any of the plaintiffs ever received "other compensation". The parties filed their Joint Stipulation in July 2013. The Judge issued an order in July 2013 that vesting takes place at ten years of service and those retired members who completed ten years under the 1991 definition of earnable compensation have a vested right to it. The Judge ruled against the plaintiffs on their claim regarding a COLA noting that they had not shown they were denied a COLA.

The State filed an appeal to the Supreme Court in July 2013 at the same time the plaintiffs filed a Motion for Reconsideration and Clarification with the Superior Court. The Supreme Court subsequently denied the State's appeal and returned the case to the Superior Court to address the plaintiffs' request for reconsideration and clarification regarding a number of issues, including when vesting occurs, the right to a COLA and its relation to the Special Account and the \$250 million transfer. In November 2013 the Superior Court issued a ruling upholding its July 2013 order and in December the State filed an appeal with the Supreme Court

NHRS was also named as a co-defendant along with the State of New Hampshire in a lawsuit filed in Hillsborough County Superior Court. The plaintiffs challenge a number of the provisions that were changed in the 2011 legislative session that impact their benefit calculations and eligibility, including:

- Changing the definition of earnable compensation;
- Increasing the average final compensation period;
- Lowering the maximum initial benefit;
- Increasing the Group II normal retirement age while reducing the multiplier used in determining the pension benefit;
- Repealing the Group II accidental disability exception to the gainful occupation reduction.

During fiscal year 2012, the parties agreed to file a similar interlocutory appeal to move the case to the Supreme Court. The Superior Court accepted the interlocutory appeal, but in FY 2013 the Supreme Court issued an Order declining to accept the case. In May 2013 the Superior Court Judge issued a ruling on pending motions for partial summary judgment filed in August 2012. The Judge stated that vesting of the plaintiffs' contract rights occur at the time of permanent employment. However, she did not decide whether or not there was a substantial impairment of the contract rights of the plaintiffs. The State filed a Motion to Stay any further action in July 2013, the plaintiffs filed an Objection in July 2013, which the Judge granted and upheld in November 2013.

In addition to the HB 2 Benefits suit above, there was a suit filed during fiscal year 2012 in Merrimack County Superior Court by a coalition representing active NHRS members and retirees against the State of New Hampshire but the NHRS is not a named party. The coalition challenged two HB 2 provisions:

- The rate recertification methodology;
- The increase in member contribution rates for all members.

In September 2013, the Judge issued an Order finding that it was unconstitutional to increase the level of contributions required from those petitioners who were vested by virtue of the fact they had 10 years of creditable service as of the legislative enactment on July 1, 2011.

In the opinion of management and legal counsel, the suits will not have an adverse effect on the NHRS's financial status.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS – PENSION PLAN

(\$ in thousands)

Fiscal Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UALL) (b-a)	Percent Funded (a/b)	Annual Covered Payroll (c)	UAAL Percentage of Covered Payroll ((b-a)/c)
6/30/2013	\$6,070,681	\$10,708,768	\$4,638,087	56.7%	\$2,501,742	185.4%
6/30/2012	\$5,817,882	\$10,361,600	\$4,543,718	56.1%	\$2,487,757	182.6%
6/30/2011	\$5,740,516	\$ 9,998,251	\$4,257,735	57.4%	\$2,517,779	169.1%
6/30/2010	\$5,233,838	\$ 8,953,932	\$3,720,094	58.5%	\$2,481,384	149.9%
6/30/2009	\$4,937,320	\$ 8,475,052	\$3,537,732	58.3%	\$2,448,287	144.5%
6/30/2008	\$5,302,034	\$ 7,821,316	\$2,519,282	67.8%	\$2,308,321	109.1%

The schedule of funding progress presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION PLAN**

Fiscal Year	Classification	Annual Required Contribution (ARC)* (in thousands)	Percent of ARC** Recognized as Contributions
2013	Employees	91,723	100.00%
	Teachers	92,912	100.00%
	Police Officers	43,160	100.00%
	Firefighters	22,040	100.00%
2012	Employees	94,358	100.00%
	Teachers	93,510	100.00%
	Police Officers	44,535	100.00%
	Firefighters	22,154	100.00%
2011	Employees	103,462	100.00%
	Teachers	98,032	100.00%
	Police Officers	46,922	100.00%
	Firefighters	26,166	100.00%
2010	Employees	101,186	100.00%
	Teachers	97,110	100.00%
	Police Officers	46,391	100.00%
	Firefighters	24,990	100.00%
2009	Employees	96,397	75.00%
	Teachers	89,011	75.00%
	Police Officers	49,167	75.00%
	Firefighters	26,655	75.00%
2008	Employees	92,207	75.00%
	Teachers	85,561	75.00%
	Police Officers	47,383	75.00%
	Firefighters	25,369	75.00%

*Includes unfunded accrued liability contributions and excludes oversight contributions.

**For fiscal year 2009 and 2008, 75% of the pension plan annual required contributions (ARC) were paid compared with an ARC of 100% in prior years.

The employer pension contribution rates for fiscal year 2009 and 2008 were established in the June 30, 2005 actuarial valuation. Those employer pension contribution rates were certified by the NHRS Board of Trustees in fiscal year 2006 and employers were notified in fiscal year 2006 of the fiscal year 2008–2009 rates to enable employers time to budget for their anticipated 2008–2009 employer contributions.

For fiscal years 2009 and 2008, 25% of all employer pension contributions were transferred to the OPEB plans in accordance with State statute. Prior to fiscal year 2008, the Medical Special Account would reimburse the pension plan for all employer contributions transferred making the pension plan whole for any employer contributions transferred to the OPEB plans. In conjunction with a fiscal year 2007 federal and state compliance review conducted by external legal counsel, a recommendation was made to the NHRS Board of Trustees that the reimbursement process from the Medical Special Account be eliminated as it was not in compliance with federal tax regulations. The NHRS Board of Trustees eliminated the Medical Special Account reimbursement process starting with fiscal year 2008. In fiscal year 2009 and 2008, 25% of all employer contributions were transferred into the OPEB plans in accordance with State statute but there was no longer any reimbursement from the Medical Special Account leaving the pension plan with an ARC of 75% for fiscal year 2009 and for 2008.

Employers have paid 100% of the employer contributions rates certified to them for fiscal years 2009 and 2008. The shortfall in amounts paid by employers due to the elimination of the Medical Special Account reimbursement are being recovered through future employer rates beginning in fiscal year 2010 when separate and distinct employer rates were established for both the pension plan and the OPEB plans that allowed the ARC for the pension plan and OPEB plans to return to 100%.

SCHEDULE OF FUNDING PROGRESS — OPEB PLANS

(\$ in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Group II — Police Officers & Firefighters						
06/30/13	\$ 8,686	\$337,097	\$328,411	2.6%	\$ 328,563	85.8%
06/30/12	\$ 8,813	\$336,241	\$327,428	2.6%	\$ 374,321	87.5%
06/30/11	\$ 9,907	\$341,942	\$332,035	2.9%	\$ 367,536	90.3%
06/30/10	\$ 16,475	\$443,589	\$427,114	3.7%	\$ 367,492	116.2%
06/30/09	\$119,970	\$272,012	\$152,042	44.1%	\$ 365,617	41.6%
06/30/08	\$119,533	\$265,226	\$145,693	45.1%	\$ 341,221	42.7%
Group I — Teachers						
06/30/13	(\$ 10,319)*	\$245,465	\$255,779	(4.2%)	\$1,039,933	24.6%
06/30/12	(\$ 9,097)	\$254,850	\$263,947	(3.6%)	\$1,036,605	25.5%
06/30/11	(\$ 6,131)	\$262,107	\$268,238	(2.3%)	\$1,036,376	25.9%
06/30/10	\$ 7,365	\$367,482	\$360,117	2.0%	\$1,020,745	35.3%
06/30/09	\$ 20,575	\$249,070	\$228,495	8.3%	\$1,003,514	22.8%
06/30/08	\$ 22,650	\$246,616	\$223,966	9.2%	\$ 957,068	23.4%
Group I — Political Subdivision Employees						
06/30/13	\$ 23,356	\$ 67,667	\$ 44,311	34.5%	\$ 591,224	7.5%
06/30/12	\$ 25,519	\$ 73,254	\$ 47,735	34.8%	\$ 584,871	8.2%
06/30/11	\$ 28,917	\$ 77,650	\$ 48,733	37.2%	\$ 579,579	8.4%
06/30/10	\$ 33,978	\$100,507	\$ 66,529	33.8%	\$ 572,435	11.6%
06/30/09	\$ 36,255	\$ 61,468	\$ 25,213	59.0%	\$ 570,404	4.4%
06/30/08	\$ 50,250	\$ 62,097	\$ 11,847	80.9%	\$ 534,329	2.2%
Group I — State Employees						
06/30/13	\$ 95	\$ 81,643	\$ 81,548	0.1%	\$ 488,021	16.7%
06/30/12	(\$ 917)	\$ 88,414	\$ 89,331	(1.0%)	\$ 491,960	18.2%
06/30/11	\$ 527	\$ 95,873	\$ 95,347	0.5%	\$ 534,288	17.8%
06/30/10	—	\$122,285	\$122,285	0.0%	\$ 520,712	23.5%
06/30/09	—	\$ 90,841	\$ 90,841	0.0%	\$ 508,752	17.9%
06/30/08	(\$ 17,246)	\$ 95,936	\$113,182	0.0%	\$ 475,703	23.8%

The schedule of funding progress presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

* The Group I Teachers OPEB plan currently has a negative balance due to higher than anticipated retirement rates, lower than expected payroll growth and the lag of when contribution rates are set vs. when they become effective. Although this is a closed group, meaning members who are currently working and contributing will not qualify for this benefit, this plan continues to pay benefits to retirees who were eligible for this benefit at the time of their retirement. This negative balance has been addressed in the current valuation and is expected to be collected through higher future contribution rates which are expected to begin in FY 2016.

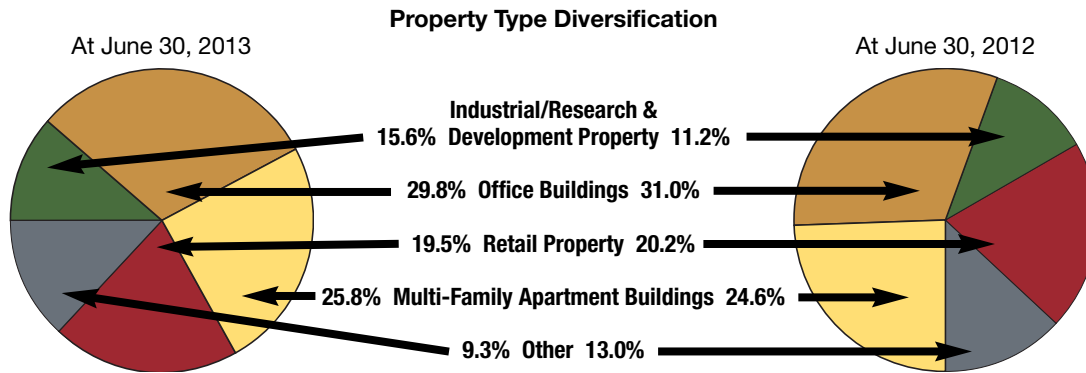
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB PLANS

Fiscal Year	Classification	Annual Contribution (ARC)* (in thousands)	Percent of ARC Recognized as Contributions
2013	Group II Police Officers & Firefighters	15,260	100.00%
	Group I Teachers	23,767	100.00%
	Group I Political Subdivision Employees	1,885	100.00%
	Group I State Employees	8,800	100.00%
2012	Group II Police Officers & Firefighters	14,683	100.00%
	Group I Teachers	24,021	100.00%
	Group I Political Subdivision Employees	1,928	100.00%
	Group I State Employees	8,332	100.00%
2011	Group II Police Officers & Firefighters	8,355	100.00%
	Group I Teachers	13,790	100.00%
	Group I Political Subdivision Employees	423	100.00%
	Group I State Employees	10,333	100.00%
2010	Group II Police Officers & Firefighters	8,143	100.00%
	Group I Teachers	13,614	100.00%
	Group I Political Subdivision Employees	404	100.00%
	Group I State Employees	10,399	100.00%
2009	Group II Police Officers & Firefighters	18,707	100.00%
	Group I Teachers	22,998	100.00%
	Group I Political Subdivision Employees	12,381	100.00%
	Group I State Employees	11,150	100.00%
2008	Group II Police Officers & Firefighters	17,369	100.00%
	Group I Teachers	22,887	100.00%
	Group I Political Subdivision Employees	11,420	100.00%
	Group I State Employees	10,030	100.00%

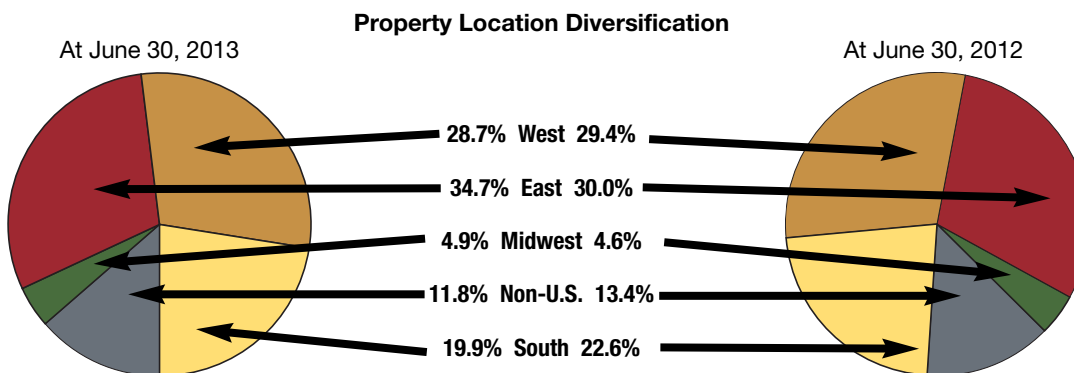
*For fiscal year 2009 and prior, the OPEB Plans were funded by allocating 25% of all employer contributions made in accordance with RSA 100-A:16 to the 401(h) subtrust until such time as the benefits were fully funded. Beginning with fiscal year 2010, the OPEB Plans are to be funded by allocating to the 401(h) subtrust the lesser of:

- a.) 25% of all employer contributions made in accordance with RSA 100-A:16; or
- b.) the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under statute. For fiscal year 2011, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. For fiscal year 2011, the State funded 25% of the employer normal costs for teachers, police officers and firefighters employed by the political subdivisions. For fiscal year 2010 the State funded 30% of those same political subdivision employer costs. Prior to fiscal year 2010 the State funded 35% of those same political subdivision costs.

REAL ESTATE INVESTMENTS BY TYPE	(in thousands)	
	JUNE 30	
	2013	2012
Office Buildings	\$170,493	\$159,567
Multi-Family Apartment Buildings	147,687	126,816
Retail Property	111,830	104,052
Industrial/Research & Development Property	89,348	57,472
Other	53,197	66,847
TOTAL REAL ESTATE INVESTMENTS BY TYPE	\$572,555	\$514,754



REAL ESTATE INVESTMENTS BY LOCATION	(in thousands)	
	JUNE 30	
	2013	2012
West	\$164,871	\$151,650
East	198,406	154,340
South	113,887	116,364
Midwest	27,784	23,549
Non-U.S.	67,607	68,851
TOTAL REAL ESTATE INVESTMENTS BY LOCATION	\$572,555	\$514,754



ALTERNATIVE INVESTMENTS	(in thousands)	
	2013	JUNE 30 2012
Venture Capital	\$ 2,532	\$ 4,815
Growth Equity	16,072	21,170
Buyouts	14,268	6,226
Secondaries	58,619	31,244
Mezzanine	6,488	2,432
Distressed	47,237	35,090
Absolute Return Strategies	25,693	41,684
Opportunistic	49,374	—
TOTAL ALTERNATIVE INVESTMENTS	\$220,283	\$142,661

CONTRIBUTIONS	(in thousands)	
	YEAR ENDED JUNE 30	
	2013	2012
CONTRIBUTIONS – PENSION PLAN		
EMPLOYER CONTRIBUTIONS:		
Employees	\$ 91,723	\$ 94,358
Teachers	92,912	91,311
Police Officers	43,160	43,780
Firefighters	22,040	21,608
TOTAL EMPLOYER CONTRIBUTIONS	249,835	251,057
STATE CONTRIBUTIONS ON BEHALF OF LOCAL EMPLOYERS:		
Teachers	—	2,199
Police Officers	—	755
Firefighters	—	546
TOTAL STATE CONTRIBUTIONS ON BEHALF OF LOCAL EMPLOYERS	—	3,500
PLAN MEMBER CONTRIBUTIONS:		
Employees	77,753	80,537
Teachers	74,066	74,966
Police Officers	30,956	30,699
Firefighters	13,714	13,391
TOTAL PLAN MEMBER CONTRIBUTIONS	196,489	199,593
TOTAL CONTRIBUTIONS – PENSION PLAN	446,324	454,150
CONTRIBUTIONS – OPEB PLANS		
EMPLOYER NORMAL:		
Group II – Police Officers and Firefighters	15,260	14,683
Group I – Teachers	23,767	24,021
Group I – Political Subdivision Employees	1,885	1,928
Group I – State Employees	8,800	8,332
TOTAL CONTRIBUTIONS – OPEB PLANS	49,712	48,964
TOTAL CONTRIBUTIONS	\$496,036	\$503,114

	(in thousands)	
	YEAR ENDED JUNE 30	
	2013	2012
NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS		
Equity Investments:		
Domestic	\$491,531	(\$ 5,889)
Non-U.S.	133,497	(181,224)
Fixed Income Investments	(13,303)	54,132
Real Estate	60,456	32,726
Venture Capital	(462)	327
Growth Equity	(364)	(300)
Buyouts	214	(594)
Secondaries	8,824	8,555
Mezzanine	(357)	(443)
Distressed	5,023	(4,477)
Absolute Return Strategies	3,309	(518)
Opportunistic	(666)	—
NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	\$687,702	(\$ 97,705)

INTEREST INCOME	(in thousands)	
	YEAR ENDED JUNE 30	
	2013	2012
Fixed Income Investments	\$64,789	\$65,461
Cash and Cash Equivalents	88	141
TOTAL INTEREST INCOME	\$64,877	\$65,602

DIVIDEND INCOME	(in thousands)	
	YEAR ENDED JUNE 30	
	2013	2012
Equity Investments:		
Domestic	\$54,373	\$46,196
Non-U.S.	28,228	26,989
TOTAL DIVIDEND INCOME	\$82,601	\$73,185

ALTERNATIVE INVESTMENT INCOME (LOSS)	(in thousands)	
	YEAR ENDED JUNE 30	
	2013	2012
Growth Equity	—	(\$ 5)
Secondaries	—	115
TOTAL ALTERNATIVE INVESTMENT INCOME (LOSS)*	—	\$ 110

*Other alternative investment types not listed above had no income (loss) for either of the years reported. For a complete list of alternative investment types see page 52.

REAL ESTATE INVESTMENTS INCOME AND EXPENSES							(in thousands)
	INCOME		EXPENSE		NET INCOME		
	YEAR ENDED JUNE 30	YEAR ENDED JUNE 30	YEAR ENDED JUNE 30	YEAR ENDED JUNE 30	YEAR ENDED JUNE 30	YEAR ENDED JUNE 30	
	2013	2012	2013	2012	2013	2012	
Office Buildings	\$ 5,678	\$11,451	\$ 4,770	\$ 7,179	\$ 908	\$ 4,272	
Multi-Family Apartment Buildings	4,895	9,798	3,005	5,711	1,890	4,087	
Retail Property	4,781	7,830	3,300	5,658	1,481	2,172	
Industrial/Research & Development Property	1,123	2,554	387	633	736	1,921	
Other	—	20	—	—	—	20	
TOTAL	\$16,477	\$31,653	\$11,462	\$19,181	\$5,015	\$12,472	

INVESTMENT ACTIVITY FEES AND OTHER INVESTMENT RELATED EXPENSES			(in thousands)
	YEAR ENDED JUNE 30		
	2013	2012	
INVESTMENT ACTIVITY FEES:			
Equity Investments:			
Domestic	\$ 6,764	\$ 6,363	
Non-U.S.	7,337	6,287	
Fixed Income Investments	3,864	3,747	
Real Estate	1,953	2,335	
Custodial Fees	777	738	
Investment Advisor Fees	719	712	
Investment Staff Administrative Expense	620	669	
TOTAL INVESTMENT ACTIVITY FEES	\$22,034	\$20,851	

BENEFITS	(in thousands)	
	YEAR ENDED JUNE 30	
	2013	2012
PENSION BENEFITS AND ADDITIONAL ALLOWANCES:		
Employees	\$186,038	\$177,486
Teachers	229,287	218,907
Police Officers	106,046	100,815
Firefighters	52,098	49,843
TOTAL PENSION BENEFITS AND ADDITIONAL ALLOWANCES	\$573,469	547,051
POSTEMPLOYMENT MEDICAL BENEFITS:		
Group II Police and Fire	16,209	16,231
Group I Teachers	24,731	25,856
Group I Political Subdivision Employees	6,413	6,804
Group I State Employees	7,793	9,708
TOTAL POSTEMPLOYMENT MEDICAL BENEFITS	\$ 55,146	\$ 58,599
TOTAL BENEFITS	\$628,615	\$605,650

REFUNDS OF CONTRIBUTIONS	(in thousands)	
	YEAR ENDED JUNE 30	
	2013	2012
Employees	\$ 13,521	\$14,959
Teachers	5,718	6,975
Police Officers	3,555	3,871
Firefighters	397	730
TOTAL REFUNDS OF CONTRIBUTIONS	\$ 23,191	\$26,535

ADMINISTRATIVE EXPENSES							(in thousands)
	2013 EXPENSE	2013 BUDGET*	OVER (UNDER) BUDGET	2012 EXPENSE	2012 BUDGET*	OVER (UNDER) BUDGET	
Salaries and Wages	\$3,371	\$3,625	(\$ 254)	\$3,117	\$3,627	(\$ 510)	
Fringe Benefits	1,790	2,016	(226)	1,384	1,790	(406)	
Supplies, Utilities and Postage	350	566	(216)	219	413	(194)	
Organizational Dues	12	16	(4)	11	16	(5)	
Equipment	9	106	(97)	30	104	(74)	
Travel							
Board of Trustees	12	60	(48)	8	49	(41)	
Staff	35	33	2	27	43	(16)	
State Services	16	53	(37)	29	60	(31)	
Office Rents and Expenses	491	528	(37)	588	608	(20)	
Computer Support and System Development	794	1,730	(936)	685	685	0	
Consulting	151	394	(243)	110	288	(178)	
Workers Compensation	1	5	(4)	1	5	(4)	
Unemployment Compensation	5	5	0	0	5	(5)	
TOTAL	\$7,037	\$9,137	(\$2,100)	\$6,209	\$7,693	(\$ 1,484)	

* The New Hampshire biennial budget is composed of the initial operating budget and supplemented by additional appropriations. These appropriations are generated by Governor and Council action, annual session laws, and existing statutes which require appropriations under certain circumstances. The budget therefore is a flexible budget. It is a biennial budget which consists of balances brought forward plus current year appropriations, less balances carried forward into the following fiscal year. The balances carried forward into the following fiscal year are composed of encumbrances and non-lapsing appropriations.

PROFESSIONAL FEES			(in thousands)
	YEAR ENDED JUNE 30		
	2013	2012	
Actuarial Fees	\$177	\$ 271	
Audit Fees	167	125	
Legal Fees	633	757	
TOTAL PROFESSIONAL FEES	\$977	\$1,153	

MEMBERSHIP COMPOSITION

	JUNE 30	
	2013	2012
ACTIVE CONTRIBUTING MEMBERS:		
Employees	24,809	24,747
Teachers	18,084	18,161
Police Officers	4,187	4,118
Firefighters	1,608	1,599
TOTAL ACTIVE CONTRIBUTING MEMBERS*	48,688	48,625
*Excludes inactive		
RETIRED MEMBERS:		
Employees	14,712	14,141
Teachers	10,407	9,956
Police Officers	3,163	2,981
Firefighters	1,447	1,376
TOTAL RETIRED MEMBERS	29,729	28,454

PAYMENTS FROM THE STATE GENERAL FUND

(in thousands)

	YEAR ENDED JUNE 30	
	2013	2012
State Share of Normal Contributions for Local Employers	—	\$3,500
TOTAL STATE GENERAL FUND PAYMENTS EXCLUSIVE OF NORMAL CONTRIBUTIONS FOR STATE MEMBERS	—	\$3,500

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NEW HAMPSHIRE RETIREMENT SYSTEM

INVESTMENT SECTION

[CLICK HERE TO RETURN TO TABLE OF CONTENTS](#)

**INVESTMENT
CONSULTANT'S
LETTER**



KEVIN M. LEONARD
SENIOR CONSULTANT

October 18, 2013

Board of Trustees
Investment Committee
Executive Director
The New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301-8507

Dear NHRS Fiduciaries:

NEPC, LLC (NEPC) is pleased to introduce this overview of the New Hampshire Retirement System (NHRS) investment program for the fiscal year ended June 30, 2013.

The overall objective of NHRS is to provide service, disability, death and vested retirement benefits, and other postemployment benefits to members and their beneficiaries. To ensure a solid foundation for the future of the System, NHRS plans and implements an investment program designed to achieve the maximum rate of return over the long term, while prudently managing the risk of the portfolio. Additionally, the NHRS investment program is administered in accordance with sound governance practices and applicable statutes. The Board of Trustees (Trustees) established an Investment Policy which includes asset allocation targets and acceptable ranges as well as asset class benchmarks for performance measurement. The Trustees retain the services of actuaries and consultants to provide guidance regarding actuarial matters, asset allocation, and investment policy. The Investment Committee manages the investment program pursuant to the Investment Policy, develops asset class guidelines, monitors and evaluates performance, and makes determinations regarding the retention of managers. Professional investment managers are selected by the Investment Committee to manage portfolios in accordance with investment management agreements. The Investment Manual includes all investment policies and asset class guidelines and may be obtained from the NHRS website at www.nhrs.org. The following pages report on the performance and attributes of the investment program for fiscal year 2013.

Fiscal year 2013 provided a much-needed respite after the muted returns experienced in fiscal year 2012. As fiscal year 2013 began, domestic equities benefited from improved fundamentals and a more robust housing market, which resulted in gains despite the uncertainties surrounding the presidential election and the fiscal cliff. International equity markets, buoyed by positive news within the euro zone and stronger economic data from China, outperformed their domestic counterparts. During the first half of the fiscal year, emerging market debt and high-yield bonds performed well as yield-hungry investors sought higher returns in the low interest rate environment. In the third quarter of fiscal year 2013, the Federal Reserve's stimulative policy continued to drive equity markets as market volatility was suppressed and markets shrugged off worries of fiscal tightening. Many other central banks maintained low interest rate policies and announced measures to provide economic stimulus. Volatility remained low as it became clear that an accommodative policy stance would continue for an extended period. As a result of this environment, developed equity markets surged around the globe with domestic equities posting the strongest quarter for equity returns over the fiscal year. The final quarter of the fiscal year proved to be a challenging environment in which virtually all markets experienced lower or negative returns. Treasury yields spiked and continued to rise through the summer on expectations that the Federal Reserve would begin tapering its program of monthly bond purchases. As a result of the sharp rise in rates, investors saw long-duration fixed income assets struggle.

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For the fiscal year ended June 30, 2013, the NHRS Total Fund returned +14.5% on a net-of-fees basis, outperforming the Total Fund Custom Benchmark return of +13.5% and ranked in the 9th percentile relative to other investors in the InvestorForce Public Fund Universe (Universe). During the following periods the NHRS Total Fund provided strong annualized net-of-fees returns relative to the Universe: For the trailing three years ending June 30, 2013, the NHRS Total Fund return of +12.4% ranked in the 9th percentile of the Universe; For the trailing five years ending June 30, 2013 the NHRS Total Fund return of +5.6% ranked in the 29th percentile of the Universe; For the trailing ten year period ending June 30, 2013, the NHRS Total Fund returned +7.2% and ranked in the 23rd percentile of the Universe; For the trailing twenty year period ending June 30, 2013, the NHRS Total Fund returned +7.9%, exceeding the assumed rate of return of 7.75%, and ranking in the 17th percentile of the Universe.

In fiscal year 2012, NEPC conducted an asset liability study, liquidity study, factor analysis, and an asset allocation study that was presented to and recommended by the Investment Committee for submission to the Board of Trustees. The new target asset allocation was approved by the Board of Trustees in September 2012. This allocation increased the alternative investments target from 10% to 15% (5% Private Equity, 5% Private Debt, 5% Opportunistic Strategies) and reduced the fixed income target from 30% to 25%. Subsequently, the Investment Committee began implementing the asset allocation changes during fiscal year 2013. These changes resulted in additional commitments to expand the alternative investment portfolio, and the rebalancing of the fixed income portfolio consistent with the allocation reduction. In addition, the IC terminated two underperforming domestic equity managers. The money from these managers was reallocated to existing domestic equity manager portfolios.

NEPC provides NHRS with quarterly economic and investment market updates and performance reviews, investment manager monitoring and selection advice, and related investment services for traditional and non-traditional asset classes. Investment performance analysis and comparisons produced by NEPC have been calculated using standard performance evaluation methodologies and are consistent with industry standards. Performance results are calculated using a time-weighted return methodology and are reported on a net-of-fees basis.

Sincerely,

A handwritten signature in black ink, appearing to be 'A. M. L.', written in a cursive style.

INVESTMENT REPORTS

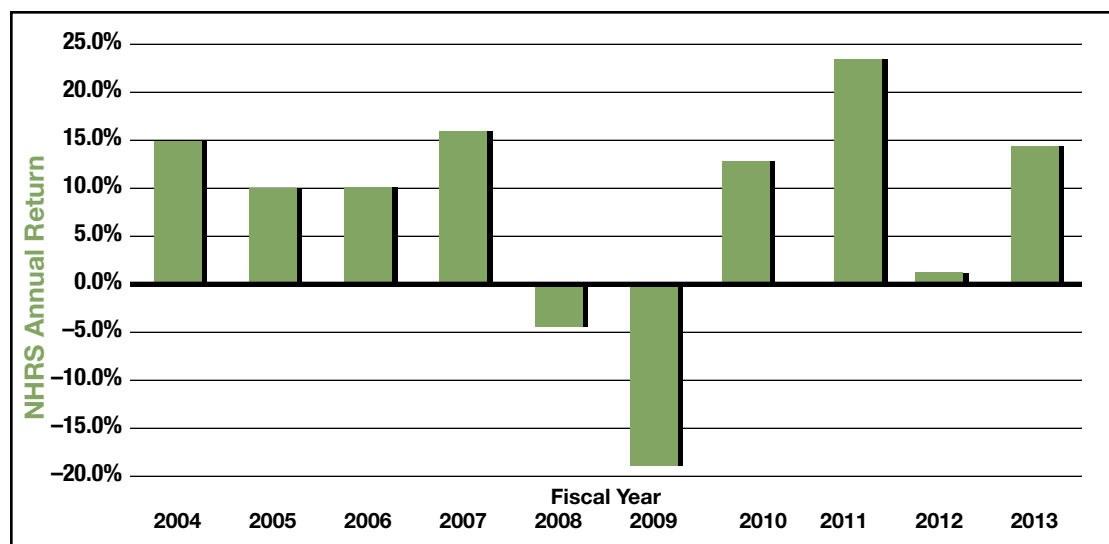
ANNUALIZED INVESTMENT RETURNS—ACTUAL VERSUS INDICES

	Current Year 2013	3 Year	Annualized 5 Year	10 Year
Total NHRS Fund	14.5%	12.4%	5.6%	7.2%
Total Fund Custom Index*	13.5	12.1	5.5	7.4
Domestic Equity	23.2	18.1	6.5	7.1
Total Domestic Equity Blended Benchmark*	21.5	18.6	7.2	7.8
Non-U.S. Equity	13.8	10.1	0.6	8.6
Total Non-U.S. Equity Blended Benchmark*	13.6	8.0	-0.8	8.6
Fixed Income	2.8	6.1	7.3	6.3
Total Fixed Income Blended Benchmark*	0.2	4.1	5.5	4.9
Real Estate	12.3	12.5	-0.1	9.1
Total Real Estate Blended Benchmark*	11.3	13.7	3.2	8.8
Alternative Investments	8.7	6.6	-2.0	0.6
Total Alternative Investments Blended Benchmark*	21.1	12.8	10.0	9.1
Cash Equivalents	0.1	0.1	0.3	1.9
90 Day T-Bills	0.1	0.1	0.2	1.6

Performance returns are calculated on a net-of-fees time-weighted rate of return basis.

*In a dynamic market, strategies and objectives evolve over time. Consequently, these benchmarks are blended due to historical investment strategy decisions. Detailed descriptions of the benchmarks above are available by contacting NHRS.

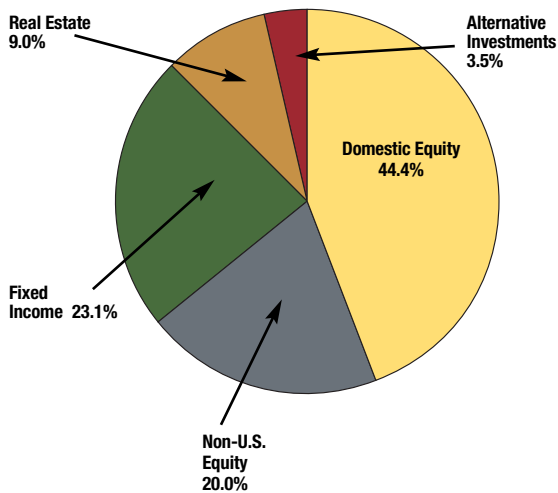
Ten Year History of Time-Weighted Total NHRS Fund Annual Returns



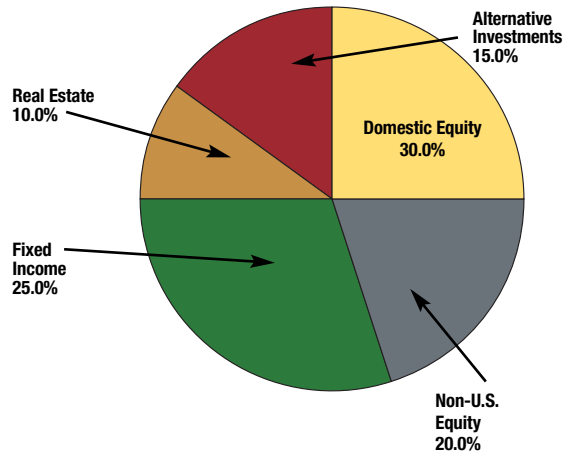
ACTUAL ASSET ALLOCATION VERSUS TARGET ASSET ALLOCATION

	Actual %	As of June 30, 2013	
		Target %	Target Range %
Domestic Equity	44.4 %	30.0 %	20 – 50
Non-U.S. Equity	20.0	20.0	15 – 25
Fixed Income	23.1	25.0	20 – 30
Real Estate	9.0	10.0	0 – 15
Alternative Investments	3.5	15.0	0 – 20
TOTAL FUND	100.0 %	100.0 %	

Actual Asset Allocation as of June 30, 2013



Target Asset Allocation as of June 30, 2013



TEN LARGEST STOCK HOLDINGS BY FAIR VALUE*			(in thousands)
	Shares	Stock	June 30, 2013 Fair Value
1	714,597	Exxon Mobil Corp.	\$64,564
2	1,524,803	Pfizer Inc.	42,710
3	468,830	Johnson & Johnson	40,254
4	1,666,749	General Electric Co.	38,652
5	95,180	Apple Inc.	37,699
6	699,645	JP Morgan Chase & Co.	36,934
7	293,719	Chevron Corp.	34,759
8	1,305,361	Cisco Systems Inc.	31,733
9	865,094	Microsoft Corp.	29,872
10	696,882	Wells Fargo & Co.	28,760

TEN LARGEST FIXED INCOME HOLDINGS BY FAIR VALUE*			(in thousands)
	Par	Security	June 30, 2013 Fair Value
1	53,110,000	U.S. Treasury Note — .25%, 2014	\$53,122
2	31,377,000	U.S. Treasury Note — .75%, 2017	30,698
3	13,540,000**	United Kingdom Gilt — 2.75%, 2015	21,288
4	1,804,200	Government of Mexico — 8.5%, 2029	16,484
5	14,458,000	U.S. Treasury Bond — 2.75%, 2042	12,466
6	12,430,000**	New South Wales Treasury Bond — 6.0%, 2016	12,264
7	37,680,000**	Government of Malaysia — 3.741%, 2015	12,029
8	11,955,000**	Government of Canada — 2.5%, 2015	11,608
9	12,652,000	U.S. Treasury Bond — 2.75%, 2042	10,920
10	9,729,881	FNMA Pool — 4.501%, 2019	10,859

*A complete listing of separate account portfolio holdings is available by contacting the NHRS offices. NHRS also invests in various commingled investment vehicles, which are custodied outside of The Northern Trust Company (Master Custodian for NHRS), as reported on the Summary of Investments schedule.
 **Par value is denoted in local currency.

SCHEDULE OF INVESTMENT MANAGEMENT AND SERVICE FEES

	YEAR ENDED JUNE 30, 2013		
	Assets Under Management (in thousands)	Fees (in thousands)	Average Basis Points
INVESTMENT MANAGEMENT FEES			
Equity Portfolios:			
Domestic	\$2,816,863	\$ 6,764	24
Non-U.S.	1,271,330	7,337	58
Fixed Income Portfolios	1,467,979	3,864	26
Alternative Investments*	220,283	—	—
Real Estate	572,555	1,953	34
Cash and Cash Equivalents**	4,137	—	—
TOTAL INVESTMENT MANAGEMENT FEES	\$6,353,147	\$19,918	31
INVESTMENT SERVICE FEES			
Custodial Fees	\$6,353,147	\$ 777	1
Investment Advisor Fees — External	6,353,147	719	1
Investment Administrative Expenses — Internal	6,353,147	620	1
TOTAL INVESTMENT MANAGEMENT AND SERVICE FEES	\$6,353,147	\$22,034	35

* The custodian records all transactions on a net of fee basis.

** Does not include cash and cash equivalents held in manager portfolios, only in designated cash portfolios.

SCHEDULE OF BROKERAGE COMMISSIONS PAID

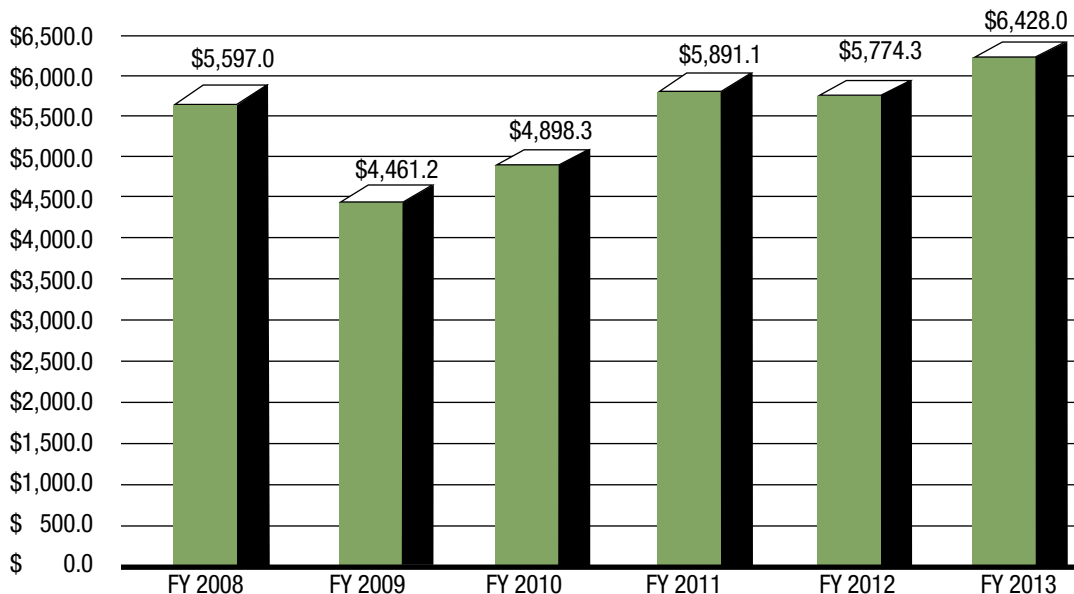
Brokerage Firm	YEAR ENDED JUNE 30, 2013		
	Number of Shares Traded (in thousands)	Total Commissions (in thousands)	Commissions Per Share
Merrill Lynch & Company Inc.	23,965	\$ 195	0.01
Credit Suisse First Boston Corporation	17,710	166	0.01
UBS AG	19,814	164	0.01
Morgan Stanley & Company Inc.	8,628	138	0.02
Goldman Sachs & Company Inc.	12,601	131	0.01
Citigroup Global Makets, Inc.	13,326	114	0.01
State Street Bank & Trust Co	11,439	114	0.01
J.P. Morgan Securities Inc.	6,689	82	0.01
Deutsche Bank AG	11,033	82	0.01
Barclay's Capital, Inc.	9,465	80	0.01
Cantor Fitzgerald & Company	3,174	70	0.02
MacQuarie Securities Inc.	10,002	57	0.01
Investment Tech Group	2,592	45	0.02
Liquidnet, Inc.	2,684	43	0.02
Instinet, Inc.	6,507	35	0.01
CLSA Limited	2,163	33	0.02
Credit Agricole	3,493	33	0.01
RBC Capital Markets, LLC	1,320	32	0.02
Jefferies & Company, Inc.	1,507	32	0.02
All Others (161 not listed separately)	33,293	694	0.02
TOTAL BROKERAGE COMMISSIONS PAID	201,405	\$2,340	\$0.01

Commission detail is not included in the schedule above for the commingled funds in which NHRS invests.

SUMMARY OF INVESTMENTS

TYPE OF INVESTMENT	June 30, 2013	
	Fair Value (in millions)	Percent of Total Fair Value
FIXED INCOME		
Collateralized/Asset Backed Obligations	\$ 127.6	2.0%
Corporate Bonds	404.8	6.4
Government and Agency Bonds	490.2	7.7
Pacific Investment Management Company Core Plus	412.4	6.5
TOTAL FIXED INCOME	\$1,435.0	22.6
EQUITY		
Consumer Discretionary	575.4	9.1
Consumer Staples	319.2	5.0
Energy	345.0	5.4
Financial Services	676.1	10.6
Health Care	496.9	7.8
Industrials	377.4	5.9
Information Technology	620.9	9.8
Materials	170.8	2.7
Telecommunication Services	95.3	1.5
Utilities	96.2	1.5
Aberdeen Emerging Markets Smaller Companies Fund	56.6	0.9
FTSE A50 China Index Fund iShares	0.5	—
GMO Foreign Small Companies Fund	105.1	1.7
Russell 2000 Index Fund iShares	4.6	0.1
Wellington Emerging Markets Local Equity Fund	80.4	1.3
TOTAL EQUITY	\$4,020.4	63.3
OTHER INVESTMENTS		
Alternative Investments	220.3	3.5
Real Estate	572.6	9.0
Cash and Cash Equivalents	104.8	1.6
TOTAL INVESTMENTS	\$6,353.1	100.0%

Net Position Held In Trust For Benefits
(in millions)



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NEW HAMPSHIRE RETIREMENT SYSTEM

ACTUARIAL SECTION

[CLICK HERE TO RETURN TO TABLE OF CONTENTS](#)

**ACTUARIAL
CERTIFICATION**



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November 18, 2013

Board of Trustees
New Hampshire Retirement System
54 Regional Drive
Concord, New Hampshire 03301-8509

Attention: Mr. George Lagos

Dear Board Members:

The actuarial valuation report was prepared at the request of the Board of Trustees and is intended for use by the Retirement System for the purposes described below.

The basic financial objective of the New Hampshire Retirement System (NHRS) is to establish and receive pension contributions which:

- when expressed in terms of percents of active member payroll will remain approximately level from generation to generation, and
- when combined with present assets and future investment return will be sufficient to meet the financial obligations of NHRS to present and future retirees and beneficiaries.

The financial objective for medical subsidy benefits is to contribute the minimum amount necessary to maintain the benefit. The financial objectives are addressed within the biennial actuarial valuation. The valuation process develops pension contribution rates that are sufficient to fund the plan's current pension cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund pension unfunded actuarial accrued liabilities as a level percent of active member payroll over a closed 30-year period beginning with the fiscal year ending June 30, 2010.

The most recent valuation was completed based upon population data, asset data, and plan provisions as of June 30, 2013. Contributions are established bi-annually for a two year period. The June 30, 2013 actuarial report establishes the contribution requirements for Fiscal Years 2016 and 2017.

The plan administrative staff provides the actuary with data for the actuarial valuation. The actuary relies on the data after reviewing it for internal and year to year consistency. The actuary summarizes and tabulates population data in order to analyze longer term trends.

The actuary prepared the following supporting schedules for the Comprehensive Annual Financial Report:

- Summary of Actuarial Assumptions
- Percent Retiring Within Next Year
- Probabilities of Becoming Disabled Within Next Year
- Percent Separating Within Next Year
- Individual Employee Pay Increases
- Retiree and Beneficiary Reconciliation
- Retiree and Beneficiary Age Distribution
- Active Members by Valuation Group
- Active Members Age and Service Distribution
- Historical Summary of Active Member Data
- Summary of Membership by Category
- Distribution of Retired Members by Year of Service
- Distribution of Retired Members by Type of Benefit
- Analysis of Financial Experience

The Board of Trustees
October 28, 2013
Page 2

- Schedule of Funding Progress
- Solvency Test
- Schedule of Employer Contributions

The information provided in these schedules is based on our full June 30, 2013 actuarial valuation report. These schedules are intended to be used in conjunction with the full report. Information in historical schedules prior to June 30, 2007 was provided by the previous actuary.

Assets are valued on a market related basis that recognizes each year's difference between actual and assumed investment return over a closed five year period.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. These assumptions are adopted by the Board after considering the advice of the actuary and other professionals. The actuarial funding method is the Individual Entry Age Actuarial Cost Method, in compliance with NHRS State Statutes. The assumptions and the methods comply with the requirements of Statements No. 25 and No. 43 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. Actuarial methods and assumptions were adopted by the Board pursuant to the June 30, 2010 Experience Study.

We certify that the information contained in the June 30, 2013 actuarial valuation report of the NHRS is accurate and fairly presents the actuarial position of the New Hampshire Retirement System as of June 30, 2013. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes RSA 100-A:16, 100-A:53, 100-A:53-b, 100-A:53-c, and 100-A:53-e.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The actuaries submitting this report are independent of the plan sponsor, are Members of the American Academy of Actuaries (M.A.A.A.), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



David T. Kausch, F.S.A., E.A., M.A.A.A.



Randall J. Dziubek, A.S.A., M.A.A.A.



Heidi G. Barry, A.S.A., M.A.A.A.

Gabriel Roeder Smith & Company

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

The actuarial methods and assumptions that were used in the development of the June 30, 2013 actuarial valuation are as follows. The June 30, 2013 actuarial valuation is used to determine employer contributions for fiscal years 2016 and 2017.

VALUATION METHODS

PENSION

Actuarial Cost Methods – Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an *Individual Entry-Age Actuarial Cost Method* having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gain/(losses), as they occur, reduce (increase) the unfunded actuarial accrued liability.

Financing of Unfunded Actuarial Accrued Liabilities – unfunded actuarial accrued liabilities are amortized by level (principal and interest combined) percent-of-payroll contributions over 24 years from the contribution effective date of July 1, 2015 (FY 2016).

OPEB

- (i) Liabilities are determined under the entry-age actuarial cost method.
- (ii) Contribution rates to the 401(h) sub-trust are determined as the lesser of 25% of the employers' contributions or the actuarial required contribution rate that keeps the medical subsidy sub-trust solvent (the "solvency rate").

Actuarial Value of Assets – The actuarial value of assets recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased in over a closed 5 year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. The funding value of assets is unbiased with respect to market value. At any time it may be either greater or less than market value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to market value. Funding value was limited to a 20% corridor around the market value.

The actuarial value of assets was allocated to the pension and medical subsidy plans based on the market value of those plans. The actuarial value of assets was then further allocated to each fund (either pension or medical subsidy) based on the market value of those funds.

For purposes of determining the medical subsidy solvency rates, the Market Value of assets was used for all group funds due to the short time horizon before these closed group funds are expected to become pay-as-you-go.

DEVELOPMENT OF AMORTIZATION PAYMENT

The employer contribution rate determined by the June 30, 2013 valuation are for the 2016–17 biennium. The unfunded actuarial accrued liability (UAAL) was determined using the funding value of assets and actuarial accrued liability calculated as of the valuation date. The UAAL amortization payment (one component of the contribution requirement), is the level percent of pay required to fully amortize the UAAL over a 24 year period beginning on July 1, 2015. This UAAL payment reflects any payments expected to be made and interest to be accrued between the valuation date and the date contributions determined by this report are scheduled to begin. It was assumed that the entire pension contribution determined by the June 30, 2011 valuation effective from July 1, 2013 to June 30, 2015 would be contributed to the net pension position.

ECONOMIC ASSUMPTIONS

The investment return rate assumed in the valuation is 7.75% per year, compounded annually (net after investment expenses). The investment return rate assumed in the medical subsidy valuations is 3.75% per year, compounded annually (net after investment expenses) for purposes of computing accrued liabilities and other disclosures required by GASB Statement No. 43. However, for determining the solvency contribution rate for the medical subsidy account, the investment return rate assumption was 7.75% on the market value of assets.

The wage inflation rate assumed in this valuation was 3.75% per year. The wage inflation rate is defined to be the portion of total pay increases for an individual that are due to macro economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific price inflation assumption is required to perform this valuation, since there are no benefits that are linked to price increases. However, a price inflation assumption on the order of 3.0% would be consistent with the other economic assumptions.

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 7.75% investment return rate translates to an assumed real rate of return over wage inflation of 4.00%. The assumed real rate of return over price inflation would be higher — on the order of 4.75%, considering both an inflation assumption and an average expense provision.

The active member population is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll is assumed to grow at the wage inflation rate — 3.75% per year.

Pay increase assumptions for individual active members are shown for sample ages on pages 77–81. Part of the assumption for each age is for merit and/or seniority increase, and the other 3.75% recognizes wage inflation, including price inflation, productivity increases, and other macro economic forces.

TECHNICAL ASSUMPTIONS

Administrative & Investment Expenses	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the prior year's administrative expenses. Assumed administrative expenses are added to the Normal Cost, and were 0.35% of payroll in the June 30, 2013 interim valuation.
Benefit Service	Exact fractional service is used to determine the amount of benefit payable.
COLA	None assumed.
Decrement Operation	Disability and withdrawal do not operate during normal retirement eligibility.
Decrement Timing	Normal and early retirement decrements for the Teachers group are assumed to occur at the beginning of the year. All other decrements were assumed to occur mid-year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Forfeitures	It is assumed that 25% of members who quit before retirement with 10–15 years of service will elect to refund and forfeit their pension.
Incidence of Contributions	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll at the time contributions are made.
Liability Adjustments	Normal, early, and vesting retirement liabilities are increased by 9.0%, 7.0%, 12.0%, and 12.0% for Employees, Teachers, Police, and Fire respectively to account for lump sum payments. Members hired after July 1, 2011 or who have non-vested status as of January 1, 2012 are assumed to have no adjustment for end of career payments.
Marriage Assumption	Group I: 70% of males and 70% of females are assumed to be married for purposes of death-in-service benefits. Group II: 50% of males and 50% of females are assumed to be married for purposes of death-in-service and death after retirement benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.

Normal Form of Benefit

Group I: The assumed normal form of benefit is a straight life benefit.
Group II: The assumed normal form of benefit is straight life for single members and joint and 50% survivor for married members.

Pay Increase Timing

Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

Service Credit Accruals

It is assumed that members accrue one year of service credit per year.

Data Adjustments

For the June 30, 2013 interim valuation, new active member pays were annualized.

Medical Subsidy

The solvency rate for the medical subsidy benefits were determined to provide an estimated margin of 20% of the benefits payable by June 30, 2016.

GROUP I – EMPLOYEES

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, death, disability, and normal retirement are as follows:

		Annual Rate of					
		Withdrawal and Vesting		Death*		Disability**	
Age	Years of Service	Men	Women	Men	Women	Men	Women
	0	30.00%	30.00%				
	1	22.00	22.00				
	2	16.00	16.00				
	3	12.00	12.00				
	4	8.00	8.00				
25	5+	5.00	8.00	.04%	.02%	.02%	.01%
30		5.00	8.00	.04	.02	.02	.02
35		5.00	5.60	.05	.03	.03	.02
40		5.00	5.60	.08	.04	.08	.05
45		5.00	5.60	.12	.06	.15	.09
50		5.00	4.40	.18	.08	.25	.19
55		5.00	4.00	.25	.13	.43	.35
60		5.00	4.00	—	—	—	—

Annual Rate of Normal Retirement				
For Members Hired Prior to July 1, 2011			For Members Hired On or After July 1, 2011	
Age	Men	Women	Men	Women
60	12.00%	12.00%	—	—
61	12.00	12.00	—	—
62	17.00	15.00	—	—
63	16.00	15.00	—	—
64	15.00	15.00	—	—
65	15.00	20.00	46.00%	45.00%
66	25.00	20.00	46.00	45.00
67	20.00	20.00	20.00	20.00
68	20.00	16.00	20.00	16.00
69	20.00	17.00	20.00	17.00
70	100.00	100.00	100.00	100.00

*98% are assumed to be ordinary death and 2% are assumed to be accidental death.
 **50% are assumed to be ordinary disability and 50% are assumed to be accidental disability.

SALARY INCREASES: Representative values of the assumed rates of future salary increases are as follows:

Service Index	Merit & Seniority	Base	Annual Rate of Salary Increases
1	7.55%	3.75%	11.30%
2	5.25	3.75	9.00
3	3.55	3.75	7.30
4	2.25	3.75	6.00
5	1.75	3.75	5.50
6	1.55	3.75	5.30
7–25	0.75	3.75	4.50

DEATHS AFTER RETIREMENT:

MORTALITY RATE			MORTALITY RATE		
AGE	MEN	WOMEN	AGE	MEN	WOMEN
35	.07%	.04%	60	.49%	.46%
40	.09	.05	65	.96	.88
45	.12	.08	70	1.64	1.52
50	.15	.12	75	2.85	2.39
55	.25	.23	80	5.27	3.99

GROUP I – TEACHERS

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, death, disability, and normal retirement are as follows:

Age	Years of Service	Annual Rate of					
		Withdrawal and Vesting		Death*		Disability**	
		Men	Women	Men	Women	Men	Women
	0	35.00%	33.00%				
	1	17.00	18.00				
	2	14.00	13.00				
	3	10.00	11.00				
	4	8.00	9.00				
25	5+	3.50	4.50	.01%	.01%	.01%	.00%
30		3.50	4.50	.02	.01	.01	.00
35		3.50	4.50	.03	.02	.01	.00
40		3.50	4.50	.04	.02	.02	.02
45		3.50	4.50	.05	.03	.04	.02
50		3.50	4.50	.07	.05	.08	.05
55		3.50	4.50	.11	.09	.18	.14
60		3.50	4.50	—	—	—	—

*98% are assumed to be ordinary death and 2% are assumed to be accidental death.

**50% are assumed to be ordinary disability and 50% are assumed to be accidental disability.

Age	Annual Rate of Normal Retirement			
	For Members Hired Prior to July 1, 2011		For Members Hired On or After July 1, 2011	
	Men	Women	Men	Women
60	20.50%	17.00%	—	—
61	22.00	18.00	—	—
62	23.00	22.00	—	—
63	24.00	23.00	—	—
64	25.00	24.00	—	—
65	26.00	25.00	60.00%	60.00%
66	27.00	30.00	50.00	60.00
67	28.00	24.00	40.00	24.00
68	29.00	28.00	30.00	28.00
69	30.00	29.00	30.00	29.00
70	100.00	100.00	100.00	100.00

SALARY INCREASES: Representative values of the assumed rates of future salary increases are as follows:

Service Index	Merit & Seniority	Base	Annual Rate of Salary Increases
1	6.00%	3.75%	9.75%
2	4.00	3.75	7.75
3	3.00	3.75	6.75
4	2.50	3.75	6.25
5	2.50	3.75	6.25
6	2.20	3.75	5.95
7	1.70	3.75	5.45
8	1.40	3.75	5.15
9	1.20	3.75	4.95
10	1.20	3.75	4.95
11	1.00	3.75	4.75
12	1.00	3.75	4.75
13–22	0.80	3.75	4.55
23–25	0.70	3.75	4.45

DEATHS AFTER RETIREMENT:

MORTALITY RATE			MORTALITY RATE		
AGE	MEN	WOMEN	AGE	MEN	WOMEN
35	.07%	.04%	60	.49%	.46%
40	.09	.05	65	.96	.88
45	.12	.08	70	1.64	1.52
50	.15	.12	75	2.85	2.39
55	.25	.23	80	5.27	3.99

GROUP II – POLICE OFFICERS

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, vesting, death, disability, and retirement are as follows:

Age	Years of Service	Annual Rate of					
		Withdrawal and Vesting		Death*		Disability**	
		Men	Women	Men	Women	Men	Women
	0	30.00%	40.00%				
	1	15.00	17.00				
	2	9.00	14.00				
	3	6.00	11.00				
	4	4.00	9.00				
25	5+	4.00	4.00	.01%	.01%	.04%	.02%
30		4.00	4.00	.02	.01	.04	.02
35		4.00	4.00	.03	.01	.08	.05
40		4.00	4.00	.03	.02	.18	.12
45		4.00	4.00	.04	.03	.32	.21
50		4.00	4.00	.06	.05	.50	.34
55		4.00	4.00	.09	.09	.75	.50
60		4.00	4.00	—	—	—	—

SALARY INCREASES: Representative values of the assumed rates of future salary increases are as follows:

Service Index	Merit & Seniority	Base	Annual Rate of Salary Increases
1	20.40%	3.75%	24.15%
2	10.40	3.75	14.15
3	7.90	3.75	11.65
4	5.40	3.75	9.15
5	2.90	3.75	6.65
6	2.90	3.75	6.65
7	1.20	3.75	4.95
8	0.90	3.75	4.65
9–10	0.70	3.75	4.45
11–12	0.60	3.75	4.35
13–20	0.50	3.75	4.25
21–25	0.40	3.75	4.15

DEATHS AFTER RETIREMENT:

AGE	MORTALITY RATE		AGE	MORTALITY RATE	
	MEN	WOMEN		MEN	WOMEN
35	.07%	.04%	60	.49%	.46%
40	.09	.05	65	.96	.88
45	.12	.08	70	1.64	1.52
50	.15	.12	75	2.85	2.39
55	.25	.23	80	5.27	3.99

NORMAL RETIREMENT

For Members Hired Prior to July 1, 2011 Who Have Vested Status as of January 1, 2012		For Members Hired on or After July 1, 2011 and for Members Hired Prior to July 1, 2011 Who Have Non-Vested Status as of January 1, 2012				
Retirement Ages	% of Active Members Retiring Within Next Year	Age 46 with 21 years	Age 47 with 22 years	Age 48 with 23 years	Age 49 with 24 years	Age 50 with 25 years
45	25%					
46	25%	28%				
47	25%	28%	35%			
48	25%	28%	35%	35%		
49	25%	28%	30%	35%	40%	
50	25%	28%	30%	35%	40%	50%
51	25%	28%	30%	35%	40%	50%
52	25%	28%	30%	35%	40%	50%
53	30%	30%	30%	35%	35%	35%
54	30%	30%	30%	35%	35%	35%
55	30%	30%	30%	30%	35%	35%
56	25%	25%	25%	25%	25%	25%
57	25%	25%	25%	25%	25%	25%
58	30%	30%	30%	30%	30%	30%
59	25%	25%	25%	25%	25%	25%
60	25%	25%	25%	25%	25%	25%
61	20%	20%	20%	20%	20%	20%
62	20%	20%	20%	20%	20%	20%
63	25%	25%	25%	25%	25%	25%
64	25%	25%	25%	25%	25%	25%
65	25%	25%	25%	25%	25%	25%
66	100%	100%	100%	100%	100%	100%

GROUP II – FIREFIGHTERS

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, death, disability, and retirement are as follows:

Age	Years of Service	Annual Rate of					
		Withdrawal and Vesting		Death*		Disability**	
		Men	Women	Men	Women	Men	Women
	0	8.00%	8.00%				
	1	6.00	6.00				
	2	4.50	4.50				
	3	3.00	3.00				
	4	2.00	2.00				
25	5+	1.50	1.50	.01%	.00%	.04%	.02%
30		1.50	1.50	.01	.01	.05	.02
35		1.50	1.50	.02	.01	.06	.02
40		1.50	1.50	.02	.01	.11	.08
45		1.50	1.50	.03	.02	.23	.08
50		1.50	1.50	.04	.03	.54	.33
55		1.50	1.50	.06	.06	1.21	.33
60		1.50	1.50	—	—	—	—

SALARY INCREASES: Representative values of the assumed rates of future salary increases are as follows:

Service Index	Merit & Seniority	Base	Annual Rate of Salary Increases
1	20.80%	3.75%	24.55%
2	10.80	3.75	14.55
3	8.30	3.75	12.05
4	5.80	3.75	9.55
5	3.30	3.75	7.05
6	3.30	3.75	7.05
7	1.60	3.75	5.35
8	1.30	3.75	5.05
9–10	1.10	3.75	4.85
11–12	1.00	3.75	4.75
13–20	0.90	3.75	4.65
21–25	0.80	3.75	4.55

DEATHS AFTER RETIREMENT:

AGE	MORTALITY RATE		AGE	MORTALITY RATE	
	MEN	WOMEN		MEN	WOMEN
35	.07%	.04%	60	.49%	.46%
40	.09	.05	65	.96	.88
45	.12	.08	70	1.64	1.52
50	.15	.12	75	2.85	2.39
55	.25	.23	80	5.27	3.99

NORMAL RETIREMENT

For Members Hired Prior to July 1, 2011 Who Have Vested Status as of January 1, 2012		For Members Hired on or After July 1, 2011 and for Members Hired Prior to July 1, 2011 Who Have Non-Vested Status as of January 1, 2012				
Retirement Ages	% of Active Members Retiring Within Next Year	Age 46 with 21 years	Age 47 with 22 years	Age 48 with 23 years	Age 49 with 24 years	Age 50 with 25 years
45	15%					
46	12%	15%				
47	12%	15%	17%			
48	12%	15%	17%	21%		
49	12%	15%	17%	21%	25%	
50	15%	15%	18%	21%	25%	32%
51	15%	15%	18%	21%	25%	32%
52	15%	15%	18%	21%	25%	32%
53	25%	25%	25%	25%	25%	25%
54	20%	20%	20%	20%	20%	20%
55	30%	30%	30%	30%	30%	30%
56	30%	30%	30%	30%	30%	30%
57	25%	25%	25%	25%	25%	25%
58	25%	25%	25%	25%	25%	25%
59	25%	25%	25%	25%	25%	25%
60	25%	25%	25%	25%	25%	25%
61	40%	40%	40%	40%	40%	40%
62	30%	30%	30%	30%	30%	30%
63	30%	30%	30%	30%	30%	30%
64	30%	30%	30%	30%	30%	30%
65	100%	100%	100%	100%	100%	100%

**HISTORICAL MEMBERSHIP DATA –
ACTIVE AND RETIRED**

The following 4 tables summarize the actuarial valuation data for the period from 2009 through 2013. Valuations are prepared biennially. An interim valuation was prepared in fiscal year 2008, 2010 and in fiscal year 2012.

EMPLOYEES (aggregate compensation and annual allowance dollars in thousands)

ACTIVE MEMBERSHIP DATA

FISCAL YEAR	NUMBER OF ACTIVES***	AGGREGATE COMPENSATION	AVERAGE COMPENSATION	% INCREASE IN AVERAGE COMPENSATION
2013	24,809	\$1,079,245	\$ 43,502	(0.03%)
2012	24,747	1,076,831	43,514	(0.23%)
2011	25,539	1,113,867	43,614	3.68%
2010	25,987	1,093,147	42,065	2.72%
2009	26,352	1,079,157	40,952	7.47%
2008	26,507	1,010,032	38,104	7.05%

RETIRED MEMBERSHIP DATA

FISCAL YEAR	ADDED TO ROLLS		REMOVED FROM ROLLS		ROLLS END OF YEAR		% INCREASE IN ANNUAL ALLOWANCES
	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES	
2013	1,110	\$16,335	539	\$6,699	14,712	\$187,692	5.41%
2012	1,111	14,711	457	4,890	14,141	178,056	5.84%
2011	1,113	16,521	428	4,578	13,487	168,235	7.64%
2010	1,070	18,300	460	4,624	12,802	156,292	9.59%
2009	934	14,703	322	3,864	12,192	142,616	8.23%
2008	1,083	17,897	362	4,199	11,580	131,777	11.60%

TEACHERS (aggregate compensation and annual allowance dollars in thousands)

ACTIVE MEMBERSHIP DATA

FISCAL YEAR	NUMBER OF ACTIVES***	AGGREGATE COMPENSATION	AVERAGE COMPENSATION	% INCREASE IN AVERAGE COMPENSATION
2013	18,084	\$1,039,934	\$ 57,506	0.75%
2012	18,161	1,036,605	57,079	1.70%
2011	18,466	1,036,376	56,123	2.28%
2010	18,603	1,020,745	54,870	2.30%
2009	18,709	1,003,514	53,638	3.73%
2008	18,509	957,068	51,708	3.59%

RETIRED MEMBERSHIP DATA

FISCAL YEAR	ADDED TO ROLLS		REMOVED FROM ROLLS		ROLLS END OF YEAR		% INCREASE IN ANNUAL ALLOWANCES
	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES	
2013	698	\$15,844	247	\$5,860	10,407	\$222,243	4.70%
2012	712	16,420	183	5,150	9,956	212,259	5.61%
2011	504	10,402	164	3,644	9,427	200,989	3.48%
2010	849	22,231	269	5,199	9,087	194,231	9.61%
2009	1,001	26,668	148	3,214	8,507	177,199	15.26%
2008	891	23,743	165	4,238	7,654	153,745	14.53%

* Includes beneficiaries in receipt but excludes deferred vested terminations.

** Includes additional COLA allowances. The benefit amounts shown are the monthly benefits as of the valuation date annualized and are not the actual benefits paid during the fiscal year.

*** Excludes temporary inactive members.

POLICE OFFICERS (aggregate compensation and annual allowance dollars in thousands)

ACTIVE MEMBERSHIP DATA

FISCAL YEAR	NUMBER OF ACTIVES***	AGGREGATE COMPENSATION	AVERAGE COMPENSATION	% INCREASE IN AVERAGE COMPENSATION
2013	4,187	\$ 266,775	\$ 63,715	0.20%
2012	4,118	261,865	63,590	1.20%
2011	4,130	259,509	62,835	2.86%
2010	4,231	258,472	61,090	2.27%
2009	4,318	257,934	59,735	5.92%
2008	4,332	244,314	56,398	3.03%

RETIRED MEMBERSHIP DATA

FISCAL YEAR	ADDED TO ROLLS		REMOVED FROM ROLLS		ROLLS END OF YEAR		% INCREASE IN ANNUAL ALLOWANCES
	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES	
2013	247	\$ 8,189	65	\$1,464	3,163	\$110,258	6.50%
2012	171	6,977	70	1,008	2,981	103,533	6.12%
2011	237	10,730	59	1,133	2,880	97,564	10.46%
2010	189	7,711	52	1,413	2,702	88,327	7.68%
2009	157	7,235	28	627	2,565	82,029	8.76%
2008	179	8,504	36	1,376	2,436	75,421	10.44%

FIREFIIGHTERS (aggregate compensation and annual allowance dollars in thousands)

ACTIVE MEMBERSHIP DATA

FISCAL YEAR	NUMBER OF ACTIVES***	AGGREGATE COMPENSATION	AVERAGE COMPENSATION	% INCREASE IN AVERAGE COMPENSATION
2013	1,608	\$ 115,788	\$ 72,007	2.39%
2012	1,599	112,456	70,329	4.36%
2011	1,603	108,028	67,391	1.75%
2010	1,646	109,020	66,233	1.67%
2009	1,653	107,682	65,143	10.25%
2008	1,640	96,907	59,090	(3.63%)

RETIRED MEMBERSHIP DATA

FISCAL YEAR	ADDED TO ROLLS		REMOVED FROM ROLLS		ROLLS END OF YEAR		% INCREASE IN ANNUAL ALLOWANCES
	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES	
2013	98	\$3,497	27	715	1,447	\$52,952	5.55%
2012	79	3,105	39	495	1,376	50,170	5.49%
2011	111	5,051	29	696	1,336	47,560	10.08%
2010	53	2,490	36	766	1,254	43,205	4.16%
2009	60	2,628	23	644	1,237	41,481	5.02%
2008	63	3,456	31	1,110	1,200	39,497	6.31%

* Includes beneficiaries in receipt but excludes deferred vested terminations.

** Includes additional COLA allowances. The benefit amounts shown are the monthly benefits as of the valuation date annualized and are not the actual benefits paid during the fiscal year.

*** Excludes temporary inactive members.

TOTAL OF ALL GROUPS (dollars in thousands)							
Fiscal Year	Projected Liabilities For			Net Position Held For Benefits**	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2013	\$2,808,526	\$5,519,814	\$2,380,428	\$6,070,681	100.00%	59.00%	0.00%
2012	\$2,773,081	\$5,246,672	\$2,341,847	\$5,817,882	100.00%	58.00%	0.00%
2011	\$2,631,430	\$4,959,865	\$2,406,956	\$5,740,516	100.00%	63.00%	0.00%
2010	\$2,553,612	\$4,378,205	\$2,022,115	\$5,233,838	100.00%	61.00%	0.00%
2009	\$2,393,635	\$4,012,274	\$2,069,143	\$4,937,320	100.00%	63.00%	0.00%
2008	\$2,312,069	\$3,618,118	\$1,891,129	\$5,302,034	100.00%	83.00%	0.00%

EMPLOYEES (dollars in thousands)							
Fiscal Year	Projected Liabilities For			Net Position Held For Benefits**	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2013	\$1,069,628	\$1,729,855	\$755,482	\$1,977,479	100.00%	52.00%	0.00%
2012	\$1,052,106	\$1,641,026	\$756,255	\$1,877,395	100.00%	50.00%	0.00%
2011	\$995,389	\$1,548,109	\$810,983	\$1,834,609	100.00%	54.00%	0.00%
2010	\$955,735	\$1,344,902	\$680,958	\$1,721,002	100.00%	57.00%	0.00%
2009	\$899,364	\$1,217,430	\$666,232	\$1,600,150	100.00%	58.00%	0.00%
2008	\$837,375	\$1,124,075	\$581,109	\$1,696,189	100.00%	76.00%	0.00%

TEACHERS (dollars in thousands)							
Fiscal Year	Projected Liabilities For			Net Position Held For Benefits**	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2013	\$1,107,192	\$2,087,926	\$977,937	\$2,255,011	100.00%	55.00%	0.00%
2012	\$1,101,262	\$1,999,152	\$949,670	\$2,173,315	100.00%	50.00%	0.00%
2011	\$1,041,699	\$1,893,862	\$973,407	\$2,153,182	100.00%	59.00%	0.00%
2010	\$998,775	\$1,770,635	\$783,710	\$2,049,651	100.00%	59.00%	0.00%
2009	\$926,049	\$1,608,341	\$855,367	\$1,957,103	100.00%	64.00%	0.00%
2008	\$943,611	\$1,387,605	\$828,084	\$2,114,543	100.00%	84.00%	0.00%

* Liabilities for active members are based on service as of the valuation date and projected compensation at the member's expected retirement date. Also includes terminated vested members.

** Based on Actuarial Value of Assets excluding Special Account and reserve for medical subsidy for Fiscal Years 2008 to current.

NOTE: Based on a 7.75% interest rate for fiscal year 2011 and later, and an 8.5% interest rate for fiscal years 2008 to 2010.

POLICE OFFICERS					(dollars in thousands)		
Fiscal Year	Projected Liabilities For			Net Position Held For Benefits**	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2013	\$ 417,630	\$1,160,173	\$438,580	\$ 1,236,579	100.00%	71.00%	0.00%
2012	\$ 411,672	\$1,092,005	\$949,670	\$ 1,189,308	100.00%	71.00%	0.00%
2011	\$ 396,344	\$1,030,900	\$432,256	\$ 1,179,798	100.00%	76.00%	0.00%
2010	\$ 397,440	\$ 851,136	\$386,621	\$ 997,325	100.00%	70.00%	0.00%
2009	\$ 381,273	\$ 790,433	\$378,409	\$ 940,825	100.00%	71.00%	0.00%
2008	\$ 359,611	\$ 727,584	\$339,186	\$ 1,014,088	100.00%	90.00%	0.00%

FIREFIIGHTERS					(dollars in thousands)		
Fiscal Year	Projected Liabilities For			Net Position Held For Benefits**	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2013	\$ 214,076	\$541,860	\$208,430	\$ 601,612	100.00%	72.00%	0.00%
2012	\$ 208,041	\$514,489	\$203,805	\$ 577,864	100.00%	72.00%	0.00%
2011	\$ 197,998	\$486,994	\$190,310	\$ 572,927	100.00%	77.00%	0.00%
2010	\$ 201,661	\$411,532	\$170,827	\$ 465,861	100.00%	64.00%	0.00%
2009	\$ 186,949	\$396,070	\$169,135	\$ 439,241	100.00%	64.00%	0.00%
2008	\$ 171,471	\$378,854	\$142,751	\$ 477,214	100.00%	81.00%	0.00%

* Liabilities for active members are based on service as of the valuation date and projected compensation at the member's expected retirement date. Also includes terminated vested members.

** Based on Actuarial Value of Assets excluding Special Account and reserve for medical subsidy for Fiscal Years 2008 to current.

NOTE: Based on a 7.75% interest rate for fiscal year 2011 and later, and an 8.5% interest rate for fiscal years 2008 to 2010.

**ANALYSIS OF PAST
FINANCIAL EXPERIENCE**

This presentation shows the experience of actual financial results relative to expected results. It is an analysis which focuses on actuarial gains and losses over the most recent five actuarial valuations and reconciles the difference in the actuarial normal contribution rates from the expected to actual values.

RECONCILIATION OF EMPLOYER NORMAL RATE *

EMPLOYEES

YEAR ENDED	June 30, 2013		June 30 2011	June 30 2009	June 30 2007	June 30 2005
	State Employees	Political Subdivision Employees				
Projected Normal Rate*	10.51%	10.44%	10.71%	9.09%	8.74%	6.06%
Decremental Experience	—	—	—	—	—	.02
Pensioner's Experience	—	—	—	—	—	.02
Excess Salary Increases	—	—	—	—	—	(.01)
Method Change	—	—	—	—	0.98	—
Effect of Legislation	—	—	(1.95)	(0.15)	(0.57)	—
Asset (Gains)/Losses	0.52	0.52	0.31	1.18	(0.36)	.79
Current New Entrants	—	—	—	—	—	.04
Amendments	—	—	—	—	—	—
Target Rate System Experience	—	—	—	—	—	1.03
Assumption Changes	—	—	1.01	—	0.41	.39
Other (Gains)/Losses	(0.17)	(0.10)	0.36	0.59	(0.11)	.40
ACTUAL NORMAL RATE	10.86%	10.86%	10.44%	10.71%	9.09%	8.74%

TEACHERS

YEAR ENDED	June 30 2013	June 30 2011	June 30 2009	June 30 2007	June 30 2005
Projected Normal Rate *	11.96%	11.51%	9.38%	8.93%	4.67%
Decremental Experience	—	—	—	—	(.01)
Pensioner's Experience	—	—	—	—	—
Excess Salary Increases	—	—	—	—	.09
Method Change	—	—	—	0.82	—
Effect of Legislation	—	(2.27)	—	(0.72)	—
Asset (Gains)/Losses	0.52	0.39	1.55	(0.46)	1.52
Current New Entrants	—	—	—	—	.02
Amendments	—	—	—	—	—
Target Rate System Experience	—	—	—	—	1.14
Assumption Changes	—	2.05	—	0.80	.90
Other (Gains)/Losses	(0.10)	0.28	0.58	0.01	.60
ACTUAL NORMAL RATE	10.86%	11.96%	11.51%	9.38%	8.93%

* Based on forecast valuations.

This presentation shows the experience of actual financial results relative to expected results. It is an analysis which focuses on actuarial gains and losses over the most recent five actuarial valuations and reconciles the difference in the actuarial normal contribution rates from the expected to actual values.

RECONCILIATION OF EMPLOYER NORMAL RATE *

POLICE OFFICERS

YEAR ENDED	June 30, 2013		June 30	June 30	June 30	June 30
	State Police Officers	Political Subdivision Police Officers	2011	2009	2007	2005
Projected Normal Rate *	21.45%	21.35%	22.92%	17.34%	18.21%	12.33%
Decremental Experience	—	—	—	—	—	.38
Pensioner's Experience	—	—	—	—	—	.01
Excess Salary Increases	—	—	—	—	—	(.12)
Method Change	—	—	—	—	1.11	—
Effect of Legislation	—	—	(7.15)	—	(2.17)	—
Asset (Gains)/Losses	1.31	1.31	0.85	2.89	(0.90)	1.85
Current New Entrants	—	—	—	—	—	.16
Amendments	—	—	—	—	—	—
Target Rate System Experience	—	—	—	—	—	1.47
Assumption Changes	—	—	4.00	—	0.31	2.08
Other Asset (Gains)/Losses	(0.22)	(0.12)	0.73	2.69	0.78	.05
ACTUAL NORMAL RATE	22.54%	22.54%	21.35%	22.92%	17.34%	18.21%

FIREFIIGHTERS

YEAR ENDED	June 30, 2013		June 30	June 30	June 30	June 30
	State Firefighters	Political Subdivision Firefighters	2011	2009	2007	2005
Projected Normal Rate *	23.90%	23.79%	28.25%	22.52%	24.49%	16.31%
Decremental Experience	—	—	—	—	—	.04
Pensioner's Experience	—	—	—	—	—	(.06)
Excess Salary Increases	—	—	—	—	—	.17
Method Change	—	—	—	—	2.48	—
Effect of Legislation	—	—	(8.58)	—	(2.61)	—
Asset (Gains)/Losses	1.46	1.46	0.99	3.24%	(1.05)	2.23
Current New Entrants	—	—	—	—	—	.14
Amendments	—	—	—	—	—	—
Target Rate System Experience	—	—	—	—	—	6.22
Assumption Changes	—	—	3.39	—	0.21	(.32)
Other Asset (Gains)/Losses	(0.04)	0.07	(0.26)	2.49%	(1.00)	(.24)
ACTUAL NORMAL RATE	25.32%	25.32%	23.79%	28.25%	22.52%	24.49%

* Based on forecast valuations.

SUMMARY OF PRINCIPAL PLAN PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES

1—GENERAL

Legal Plan Name	New Hampshire Retirement System.
Effective Date	July 1, 1967.
Membership	Prospectively, any employee or teacher becomes a Group I member as a condition of employment. Any employee appointed to an unclassified position with no fixed term on or after July 1, 2011 will also become a member of the retirement system as a condition of employment. Membership is optional for elected officials, officials appointed for fixed terms, unclassified state employees with no fixed term prior to July 1, 2011 or employees of the general court.
Average Final Compensation (AFC)	Average annual earnable compensation during highest 3 years of creditable service. For active members who commenced service on or after July 1, 2011 or who have non-vested status on or after January 1, 2012 — Average annual earnable compensation during the highest 5 years of creditable service.
NOTE:	A more detailed description of the plan provisions is available from the System's administrative office or by visiting www.nhrs.org .

2—BENEFITS

GROUP I MEMBERS (EMPLOYEES AND TEACHERS)

Service Retirement	
Eligibility	Age 60 years (age 65 for members commencing service on or after July 1, 2011).
Amount of Benefit	A member annuity equal to the actuarial equivalent of the member's accumulated contributions plus a state annuity. Prior to the member's attainment of age 65, the state annuity, together with the member annuity, shall be equal to 1/60 of AFC multiplied by years of service. (1/66 of AFC times creditable service for members commencing service on or after July 1, 2011.) After attainment of age 65, the state annuity, together with the member annuity, shall be equal to 1/66 of AFC multiplied by years of service.

Reduced Service Retirement

Eligibility	Age plus service of at least 70, provided the member has at least 20 years of service or age 50 with at least 10 years of service (age 60 with 30 years of creditable service for members commencing service on or after July 1, 2011).
Amount of Benefit	Service retirement benefit is reduced by the following percents for each month that benefits commence prior to age 60.

Years of Service at Retirement	Monthly Percent Reduction
35 or more	1/8 of 1%
30–35	1/4 of 1%
25–30	1/3 of 1%
20–25	5/12 of 1%
less than 20	5/9 of 1%

For members commencing service on or after July 1, 2011, normal retirement benefit is reduced 1/4 or 1% for each month prior to age 65.

Ordinary Disability Retirement

Eligibility	10 years of service and permanent disability.
Amount of Benefit	Service retirement benefit if normal retirement age. Under age 60 a member annuity plus a state annuity which together equals 1.5% of AFC multiplied by the number of years of creditable service at the

time of disability; provided that the benefit shall not be less than 25% of AFC.

Accidental Disability Retirement

Eligibility	Permanently disabled due to accident occurring while in the performance of duty.
Amount of Benefit	Service retirement benefit if age 60, otherwise a member annuity plus a state annuity which together equals 50% of AFC; provided that the benefit shall not be less than 50% of AFC.

Ordinary Death Benefit

Eligibility	Death, other than accidental death.
Amount of Benefit	<p>(a) If 10 years of service or if eligible for service retirement and,</p> <p>(i) if survived by a spouse, 50% of the service retirement benefit payable until death or remarriage;</p> <p>(ii) if no surviving spouse or member designated a beneficiary other than a spouse, a lump sum equal to the greater of \$3,600 or the member's annual compensation.</p> <p>(b) If less than 10 years of service and if not eligible for service retirement, a lump sum equal to the greater of \$3,600 or the member's annual compensation.</p>

Accidental Death Benefit

Eligibility	Accidental death occurring while in the performance of duty.
Amount of Benefit	Benefit equal to 50% of AFC.

Vested Deferred Retirement

Eligibility	10 years of service, if no withdrawal of contributions.
Amount of Benefit	Payable at age 60, a member annuity plus a state annuity which together equals the service retirement benefit that would be payable after age 60. The benefit changes at age 65 as for service retirement. At any time after attainment of age 50 (age 60 for members hired on or after July 1, 2011), a member may have his benefit commence early, however, the benefit will be reduced for early commencement using the same early retirement reduction factors as described under reduced service retirement.

Return of Members' Contributions

- (a) Upon termination of service other than for retirement or death, and if vested deferred retirement benefit has not been elected, the member's accumulated contributions are returned to him.
- (b) Upon accidental death or upon other death for which no surviving spouse's benefit is payable, the member's accumulated contributions will be paid to the member's beneficiary or estate.
- (c) Upon death prior to age 60 of a member on deferred vested retirement, the member's accumulated contributions will be paid to the member's beneficiary or estate.
- (d) Upon death of a retired member (or the survivor of a retired member, if an optional benefit was elected), the excess of his accumulated contributions at retirement over the benefits received by the retired member (and, in the case of election of an optional benefit, the benefits received by the survivor) will be paid to the beneficiary or estate of the member.

Special Provisions Applicable to Certain Members Transferred from the Employees' Retirement System of the State of New Hampshire

Certain employee members transferred to the New Hampshire Retirement System effective January 1, 1976 have elected to have their benefits calculated on the basis of the provisions of the Predecessor System.

GROUP II MEMBERS (POLICE OFFICERS AND FIREFIGHTERS)

Service Retirement

Eligibility

Age 45 and 20 years of creditable service or age 60 (age 52.5 with 25 years of creditable service or age 60 for members commencing service on or after July 1, 2011).

Amount of Benefit

A member annuity that is the actuarial equivalent of the member's accumulated contributions plus a state annuity.

The state annuity, together with the member annuity, shall be equal to 2-1/2% of AFC times creditable service up to 40 years (2% of AFC times creditable service up to 42.5 years for members commencing service on or after July 1, 2011). However, a member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining the age of 52.5.

Members hired prior to July 1, 2011 who have non-vested status as of January 1, 2012 shall be subject to the following transition provisions for years of service required for regular service retirement, the minimum age for regular service retirement, and the multiplier used to calculate the retirement annuity, which shall be applicable on January 1, 2012 according to the following table:

Creditable Service on January 1, 2012	Minimum Years of Service	Minimum Age Attained	Annuity Multiplier
(1) Less than 4 years	24 Years	Age 49	2.1%
(2) At least 4 years but less than 6 years	23 Years	Age 48	2.2%
(3) At least 6 years but less than 8 years	22 Years	Age 47	2.3%
(4) At least 8 years but less than 10 years	21 Years	Age 46	2.4%

Effective July 1, 1992, if a member retires on a full service retirement, the minimum annual benefit (prior to reduction for optional form of payment) is \$10,000.

Reduced Service Retirement

Eligibility

Members commencing service on or after July 1, 2011 after attaining age 52.5 with at least 25 years of creditable service.

Amount of Benefit

The allowance shall be reduced for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age, by 1/4 of 1%.

Ordinary Disability Retirement

Eligibility

10 years service and permanent disability.

Amount of Benefit

A member annuity plus a state annuity which together equals the service retirement benefit; provided that the benefit shall not be less than 25% of the member's annual compensation.

Accidental Disability Retirement

Eligibility	Permanent disability occurring while in the performance of duty.
Amount of Benefit	Members hired prior to July 1, 2011 who have vested status as of January 1, 2012 are eligible for an accidental disability benefit and shall receive a benefit equal to 2/3 of AFC. If a member has more than 26-2/3 years of service, the member will receive a supplemental disability benefit equal to 2-1/2% of AFC times years of creditable service in excess of 26-2/3 years but not in excess of 40 years. Members commencing service on or after July 1, 2011 are eligible for an accidental disability benefit and shall receive a benefit equal to 2/3 of AFC. If a member has more than 33-1/3 years of service, the member will receive a supplemental disability benefit equal to 2% of AFC times years of creditable service in excess of 33-1/3 years but not in excess of 42.5 years. Members hired prior to July 1, 2011 who have non-vested status as of January 1, 2012 are eligible for an accidental disability benefit and shall receive a benefit equal to 2/3 of AFC. The calculation of the supplemental allowance shall be as provided in the transition provisions with the number of years for the supplement adjusted proportionally.

Ordinary Death Benefit

Eligibility	Death other than accidental death.
Amount of Benefit	<p>(a) If 10 years service or if eligible for service retirement and,</p> <p>(i) if survived by a spouse, 50% of the service retirement benefit payable until death or remarriage.</p> <p>(ii) if no surviving spouse or member designated a beneficiary other than a spouse, a lump sum equal to the greater of \$3,600 or member's annual compensation.</p> <p>(b) If less than 10 years service and not eligible for service retirement, a lump sum equal to the greater of \$3,600 or the member's annual compensation.</p>

Accidental Death Benefit

Eligibility	Accidental death occurring while in the performance of duty.
Amount of Benefit	50% of the annual rate of compensation payable first to spouse until death or remarriage, then to children under age 18 or if no spouse or children, to dependent parent.

Death after Retirement

Retirement Prior to April 1, 1987

Lump sum of \$3,600 unless accidental disability retirement, then surviving spouse receives 50% of the retired member's disability benefits payable until death or remarriage.

Retirement on or after April 1, 1987

Benefit payable to surviving spouse until death or remarriage equal to 50% of the member's service, ordinary disability or accidental disability retirement allowance if member was married on the date of retirement plus a lump sum. The lump sum shall be equal to:

If retired prior to July 1, 1988:	\$ 3,600
If retired on or after July 1, 1988:	
If Group II member as of June 30, 1988	\$10,000
If becomes a Group II member after June 30, 1988 and prior to July 1, 1993	\$ 3,600

Special Death Benefit—Old Firefighter's System

Continuance of duty-connected disability benefits to spouse of deceased retired member payable until death or remarriage.

Vested Deferred Retirement	
Eligibility	10 years of service, if no withdrawal of contributions.
Amount of Benefit	A benefit determined as for service retirement payable when the member would be age 45 with 20 years of service or age 60 if earlier.

Return of Members' Contributions	
	<p>(a) Upon termination of service other than for retirement or death, and if vested deferred retirement has not been elected, the member's accumulated contributions are returned to the member.</p> <p>(b) Upon accidental death or upon other death for which no surviving spouse's benefit is payable, the member's accumulated contributions will be paid to the member's beneficiary or estate.</p> <p>(c) Upon death of a member on vested deferred retirement prior to the time benefits commence, the member's accumulated contributions will be paid to the member's beneficiary or estate.</p> <p>(d) Upon death of the survivor of a member retired on accidental disability and his spouse in receipt of the accidental disability survivor benefit, the excess of the member's accumulated contributions at retirement over the benefits received by the member and the spouse will be paid to the beneficiary or estate.</p> <p>(e) Upon death of a retired member (or the survivor of a retired member, if an optional benefit was elected), the excess of accumulated contributions at retirement over the benefits received by the retired member (and, in the case of election of an optional benefit, the benefits received by the survivor) will be paid to the beneficiary or estate of the member.</p>

Benefits for Call Firefighters	
Accidental Disability	Annual benefit not to exceed \$1,250 if permanently disabled while in the performance of duty.
Accidental Death	Annual benefit not to exceed \$1,250 if death as a result of injury received while in the performance of duty. Paid to spouse until death or remarriage, then to children until age 18 or if no spouse or children under 18, to the dependent parent.
Death after Accidental Disability	Upon death of a call firefighter receiving accidental disability benefits, the benefit will continue to be paid to the spouse until death or remarriage, then to children under age 18.

3—CONTRIBUTIONS

GROUP I MEMBERS (EMPLOYEES AND TEACHERS)

By Members	7.0% of earnable compensation. Interest on member contributions shall be 2 percentage points less than either the most recent Board of Trustees approved assumed rate of return determined under RSA 100-A:16, II(h) or the actual rate of return, whichever is lower.
By Local Employer For Employee Members	100% of the normal contribution rate for their employees, plus accrued liability contributions, if any.

For Teacher Members For fiscal year 2013, 100% of the normal contribution rate for their employees, plus accrued liability contributions, if any. For fiscal year 2012, local employers paid all but \$2.2 million of the normal contributions for their employees.

By the State

For Employee Members 100% of the normal contribution rate for its employees, plus accrued liability contributions, if any.

For Teacher Members For fiscal year 2013, 100% of the normal contribution rate for teachers employed by local employers, plus accrued liability contributions, if any. For fiscal year 2012, the State contributed \$2.2 million toward the normal contribution cost for teachers.

GROUP II MEMBERS (POLICE OFFICERS AND FIREFIGHTERS)

By Members

Firefighters 11.80% of earnable compensation.

Police Officers 11.55% of earnable compensation.

Call Firefighters \$6 per year (not refundable).

By Employing Subdivisions

For fiscal year 2013, 100% of the normal contribution rate for their employees, plus accrued liability contributions, if any. For fiscal year 2012 local employers contributed all but \$1.3 million toward normal contributions for their employees.

By the State

In the case of Group II members employed by the State, the State shall pay 100% of both the normal and accrued liability contributions, if any. For fiscal year 2013, the State contributed \$1.3 million toward the normal contribution cost for police officers and firefighters of local employers in fiscal year 2012.

OPEB PLAN PROVISIONS

Medical subsidy benefits provided under the OPEB plans as of July 1, 2007 are as follows:

	Monthly Amounts	
	Pre-65	Post-65
Single	\$375.56	\$236.84
Couple	\$751.12	\$473.68

The amounts above will not increase.

The following Group I members and their qualified spouses are eligible for coverage under the postemployment medical plans if they are receiving health coverage under the group plan offered by their former employer:

- Employee and teacher members of political subdivisions who were eligible to retire as of July 1, 2008 and who actually retired on or before July 1, 2009, on Service, Early Service, Vested Deferred or Ordinary Disability retirement after completing at least 20 years of creditable service and who subsequently attain age 60 or after completing at least 30 years of creditable service and who subsequently attain age 55.
- Employee and teacher members of political subdivisions who retired on Accidental Disability Retirement on or before July 1, 2004.

- Employee members of the State who retired on or before July 1, 2004, on Service, Ordinary Disability or Vested Deferred Retirement become eligible for the medical subsidy at age 60 with at least 20 years of creditable service; or as early as age 55 with at least 30 years of creditable service.
- Surviving spouses of deceased employee and teacher members of political subdivisions who die while in service, provided that such surviving spouse was covered as the member's spouse in the employer-sponsored plan before the member's death and is entitled to a monthly allowance under Accidental Death, Ordinary Death, or an Optional Allowance.
- Surviving spouses and children of employee and teacher members of political subdivisions and employee members of the State who die as the natural and proximate result of injuries suffered while in the performance of duty. Eligibility for the medical subsidy ceases when the dependent child attains age 18 or age 23, if attending school on a full-time basis, or upon the spouse's remarriage.
- Vested terminated employee members of the State (and spouses) who completed at least 20 years of creditable service and as of July 1, 2004 received an allowance and who subsequently attain age 60.
- Employee members of the State (and spouses) who retired on or before July 1, 2004 after completing at least 20 years of creditable service and who subsequently attained age 60; or after completing at least 30 years of creditable service and who subsequently attained age 55.
- Surviving spouses of deceased employee members of the State who died while in service on or before July 1, 2004, provided that such surviving spouse was covered as the member's spouse in the employer-sponsored plan before the member's death and is entitled to a monthly allowance under Accidental Death, Ordinary Death, or an Optional Allowance.

The following Group II members are eligible for the postemployment medical plans:

- Group II police officer members (or beneficiaries) who are active or retired as of June 30, 2000.
- Group II firefighter members (or beneficiaries) who are active or retired as of June 30, 2000.
- Persons who prior to July 1, 1988, had completed at least 20 years of Group II service and were eligible as of July 1, 1993 for a vested deferred retirement benefit.
- Group II members retired as of July 1, 1991 with a split benefit under RSA 100-A:19-c who had at least 10 years of Group II service.
- Group II members as of June 30, 2005 who subsequently became disabled while in the performance of duty at any time in the future.
- Surviving spouses of deceased Group II members who retired prior to April 1, 1987 and who are not receiving a monthly allowance.

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NEW HAMPSHIRE RETIREMENT SYSTEM

STATISTICAL SECTION

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STATISTICAL SECTION

SUMMARY

The schedules that follow in this Statistical Section contain statistical and historical data that is considered useful in assessing the economic condition of the Pension and OPEB plans and for evaluating financial and demographic trends over longer periods of time. Included in this section are the following schedules:

- Schedules of Changes in Net Position for all plans for the past ten years
- Schedules of Benefit and Refund Deductions for all plans over the past ten years
- Schedules of Retired Members by Type of Benefit for all plans
- Schedules of Average Benefit Payment Amounts for all plans
- Schedules of the Principal Participating Employers for all plans
- A Listing of Participating Employers

The NHRS has prepared the data presented for the Changes in Net Position schedules, Benefit and Refund Deduction schedules, the Principal Participating Employers schedules and the Listing of Participating Employers. The schedules of Retired Members by Type of Benefit and the Schedules of Average Benefit Payments Amounts were prepared by the NHRS's actuary. Due to changes in accounting systems, some data is not available or is limited for the full ten year periods but data for the full ten year periods will be added prospectively.

The investment climate over the past decade has been volatile. Investment returns for fiscal year 2013 (14.5%), fiscal year 2012 (0.9%), and fiscal year 2011 (23.0%) have offset most of the losses experienced during the economic crisis and recession of fiscal years 2008–2009. Although investment returns were positive overall for the decade, net investment income did not achieve the assumed investment return assumption for that period. In absolute dollars, employer contributions to the pension plan have risen 210% over the decade and member contributions to the pension plan have risen 52% over the same period. Pension benefits rose 115% over the decade. Similar increases have been experienced in OPEB contributions and benefits.

The number of NHRS retirees continues to grow along with the average annual benefits amounts paid out. The active membership rolls have remained fairly static throughout the decade but have increased slightly in fiscal year 2013 after declining slightly in fiscal years 2012 and 2011 reflecting the constrained economic environment. The number of participating employers remains stable.

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CHANGES IN NET POSITION – PENSION PLAN LAST TEN FISCAL YEARS

	FY 2013	FY 2012	FY 2011	FY 2010
Additions:				
Employer Contributions	\$ 249,835	\$254,557	\$ 274,582	\$ 269,677
Member Contributions	196,489	199,593	152,412	149,512
Net Investment Income (Loss)	813,671	19,811	1,121,460	546,492
Postemployment Medical Plan Transfers on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	89,505
Other	111	—	13,399	(1,292)
Total Additions to Net Position	\$1,260,106	\$473,961	\$1,561,853	\$1,053,894
Deductions:				
Pension Benefits	\$ 573,469	\$547,051	\$ 519,970	\$ 490,075
Refunds of Contributions	23,191	26,535	22,830	21,851
Net Position Transfers	—	—	—	—
Administrative Expense	6,999	6,261	7,312	6,391
Professional Fees	972	1,162	1,425	1,205
Other	818	50	743	1,776
Total Deductions from Net Position	\$ 605,449	\$581,059	\$ 552,280	\$ 521,298
Change in Net Position	\$ 654,657	(\$107,098)	\$1,009,573	\$ 532,596

CHANGES IN NET POSITION – GROUP II POLICE OFFICER & FIREFIGHTER OPEB PLAN LAST TEN FISCAL YEARS

	FY 2013	FY 2012	FY 2011	FY 2010
Additions:				
Employer Contributions	\$15,260	\$14,683	\$ 8,355	\$ 8,143
Net Investment Income (Loss)	1,179	(6)	3,333	12,876
Net Position Transfers	—	—	—	—
Interest Income	243	190	—	—
Other	—	—	40	(30)
Total Additions to Net Position	\$16,682	\$14,867	\$11,728	\$ 20,989
Deductions:				
Benefits Paid	\$16,209	\$16,231	\$16,019	\$ 15,916
Postemployment Medical Plan Transfers to Pension Plan on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	89,505
Administrative Expense	10	(2)	22	151
Professional Fees	1	—	5	28
Other	1	—	2	42
Total Deductions from Net Position	\$16,221	\$16,229	\$16,048	\$105,642
Change in Net Position	\$ 461	(\$ 1,362)	(\$ 4,320)	(\$ 84,653)

(in thousands)

FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004
\$196,214	\$188,197	\$ 120,438	\$109,372	\$ 89,459	\$ 80,557
142,528	157,985	272,369	147,821	145,706	129,087
(962,057)	(284,095)	769,701	417,927	373,602	500,511
—	—	58,201	61,449	43,595	43,083
—	—	295,392	—	—	—
622	1,721	86	745	1,198	817
(\$622,693)	\$ 63,808	\$1,516,187	\$737,314	\$653,560	\$754,055
\$ 452,380	\$391,929	\$ 344,851	\$316,637	\$291,915	\$267,007
24,204	32,297	34,080	29,382	19,991	16,781
—	—	—	—	—	—
6,968	6,691	5,607	4,799	4,314	4,924
1,372	1,382	665	965	705	625
2,331	1,910	1,775	1,807	3,313	2,003
\$ 487,255	\$434,209	\$ 386,978	\$353,590	\$320,238	\$291,340
(\$1,109,948)	(\$370,401)	\$1,129,209	\$383,724	\$333,322	\$462,715

(in thousands)

FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004
\$18,707	\$17,369	\$ 18,078	\$20,891	\$14,834	\$15,148
(21,012)	(5,895)	40,736	23,545	21,638	30,096
—	—	—	—	1,678	1,688
—	—	—	—	—	—
14	36	2	75	129	95
(\$ 2,291)	\$11,510	\$ 58,816	\$44,511	\$38,279	\$47,027
\$15,688	\$15,229	\$ 13,672	\$12,374	\$11,209	\$10,104
—	—	18,078	20,891	14,834	15,148
—	—	160,377	—	—	—
152	139	295	277	261	309
30	29	25	87	60	52
51	40	90	135	106	22
\$15,921	\$15,437	\$192,537	\$33,764	\$ 26,470	\$25,635
(\$18,212)	(\$ 3,927)	(\$133,721)	\$10,747	\$ 11,809	\$21,392

**CHANGES IN NET POSITION – GROUP I TEACHERS OPEB PLAN
LAST TEN FISCAL YEARS**

	FY 2013	FY 2012	FY 2011	FY 2010
Additions:				
Employer Contributions	\$23,767	\$24,021	\$13,790	\$13,614
Net Investment Income (Loss)	—	—	314	2,662
Net Position Transfers	—	—	—	—
Other	—	—	4	(6)
Total Additions to Net Position	\$23,767	\$24,021	\$14,108	\$16,270
Deductions:				
Benefits Paid	\$24,731	\$25,856	\$26,766	\$26,779
Postemployment Medical Plan Transfers to Pension Plan on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	—
Administrative Expense	—	—	2	31
Professional Fees	—	—	—	6
Interest Expense	933	921	—	—
Other	—	—	—	9
Total Deductions from Net Position	\$25,664	\$26,777	\$26,768	\$26,825
Change in Net Position	(\$ 1,897)	(\$ 2,756)	(\$12,660)	(\$10,555)

**CHANGES IN NET POSITION – GROUP I POLITICAL SUBDIVISION
EMPLOYEES OPEB PLAN
LAST TEN FISCAL YEARS**

	FY 2013	FY 2012	FY 2011	FY 2010
Additions:				
Employer Contributions	\$1,885	\$1,928	\$ 423	\$ 404
Net Investment Income (Loss)	3,312	(92)	6,460	6,239
Net Position Transfers	—	—	—	—
Interest Income	690	755	—	—
Other	—	—	77	(15)
Total Additions to Net Position	\$5,887	\$2,591	\$6,960	\$6,628
Deductions:				
Benefits Paid	\$6,413	\$6,804	\$7,193	\$ 7,009
Postemployment Medical Plan Transfers to Pension Plan on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	17,482
Administrative Expense	28	—	42	73
Professional Fees	4	(29)	8	14
Other	3	(5)	5	20
Total Deductions from Net Position	\$6,448	\$6,770	\$7,248	\$24,598
Change in Net Position	(\$ 561)	(\$4,179)	(\$ 288)	(\$17,970)

(in thousands)

FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004
\$22,998 (3,701)	\$22,887 (1,151)	\$ 17,791 15,294	\$19,857 9,948	\$11,135 9,726	\$11,741 14,654
— 2	— 7	— —	— —	— —	— —
\$19,299	\$21,743	\$ 33,085	\$29,805	\$20,861	\$26,395
\$24,489	\$21,018	\$ 17,260	\$14,575	\$12,350	\$10,591
— — 27 5 — 9	— — 27 5 — 7	17,791 78,362 109 7 — 33	19,857 — 111 6 — 25	11,135 — 112 9 — 39	11,741 — 141 11 — 8
\$24,530	\$21,057	\$113,562	\$34,574	\$23,645	\$22,492
(\$ 5,231)	\$ 686	(\$ 80,477)	(\$ 4,769)	(\$ 2,784)	\$ 3,903

(in thousands)

FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004
\$12,381 (8,466)	\$11,420 (1,632)	\$11,858 13,254	\$11,102 8,779	\$ 8,957 8,728	\$ 8,126 13,532
— — 1,023	— — 449	— — 942	— — 983	— — 906	— — 736
\$ 4,938	\$10,237	\$26,054	\$20,864	\$18,591	\$22,394
\$ 6,496	\$ 5,732	\$ 4,880	\$ 4,003	\$3,432	\$2,866
— — 61 12 21	— — 38 8 11	11,858 27,805 94 8 29	11,102 — 97 5 23	8,957 — 90 7 31	8,126 — 123 10 7
\$ 6,590	\$ 5,789	\$44,674	\$15,230	\$12,517	\$11,132
(\$ 1,652)	\$ 4,448	(\$18,620)	\$ 5,634	\$ 6,074	\$11,262

**CHANGES IN NET POSITION – GROUP I STATE EMPLOYEES OPEB PLAN
LAST TEN FISCAL YEARS**

	FY 2013	FY 2012	FY 2011	FY 2010
Additions:				
Employer Contributions	\$8,800	\$8,332	\$10,333	\$10,399
Net Investment Income (Loss)	(1)	(66)	87	—
Net Position Transfers	—	—	—	17,482
Other	—	—	1	—
Total Additions to Net Position	\$8,799	\$8,266	\$10,421	\$27,881
Deductions:				
Benefits Paid	\$7,793	\$9,708	\$ 9,885	\$10,171
Postemployment Medical Plan Transfers to Pension Plan on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	—
Administrative Expense	—	(21)	1	—
Professional Fees	—	(4)	—	—
Interest Expense	—	24	—	—
Other	—	—	—	—
Total Deductions from Net Position	\$7,793	\$9,707	\$9,886	\$10,171
Change in Net Position	\$1,006	(\$1,441)	\$ 535	\$17,710

(in thousands)					
FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004
\$11,150	\$10,030	\$10,474	\$9,599	\$ 8,669	\$ 8,068
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
\$11,150	\$10,030	\$10,474	\$9,599	\$ 8,669	\$ 8,068
\$10,926	\$11,266	\$10,941	\$10,687	\$10,211	\$ 8,931
—	—	10,474	9,599	8,669	8,068
—	—	28,848	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1,017	439	942	983	906	736
\$11,943	\$11,705	\$51,205	\$21,269	\$19,786	\$17,735
(\$ 793)	(\$ 1,675)	(\$40,731)	(\$11,670)	(\$11,117)	(\$ 9,667)

SCHEDULE OF BENEFIT AND REFUND DEDUCTIONS BY TYPE

BENEFIT AND REFUND DEDUCTIONS BY TYPE – PENSION PLAN LAST TEN FISCAL YEARS

	FY 2013	FY 2012	FY 2011	FY 2010
Type of Benefit				
Age and Service Benefits:				
Service Retirement	\$325,542	\$308,230	\$287,736	\$270,523
Early Retirement	154,821	150,023	145,483	138,643
Survivors	30,738	29,128	28,986	27,079
Vested Deferred	20,730	19,446	19,217	18,063
Other	8,800	7,826	6,803	5,882
Death in Service Benefit	1,719	1,800	1,654	1,326
Disability Benefits				
Duty Related	20,674	20,374	19,769	18,682
Non Duty Related	8,787	8,581	8,676	8,312
Survivors	1,658	1,643	1,646	1,565
Total Benefits	\$573,469	\$547,051	\$519,970	\$490,075
Type of Refund				
Separation	\$ 18,133	\$ 20,299	\$ 18,362	\$ 18,580
Death	5,058	6,236	4,468	3,271
Total Refunds	\$ 23,191	\$ 26,535	\$ 22,830	\$ 21,851

BENEFIT AND REFUND DEDUCTIONS BY TYPE – OPEB PLANS LAST TEN FISCAL YEARS

	FY 2013	FY 2012	FY 2011	FY 2010
GROUP II POLICE OFFICERS & FIREFIGHTERS				
Type of Benefit				
Medical Subsidy Payments	\$ 16,209	\$16,231	\$16,019	\$15,916
Total Benefits	\$16,209	\$16,231	\$16,019	\$15,916
GROUP I TEACHERS				
Type of Benefit				
Medical Subsidy Payments	\$ 24,731	\$25,856	\$26,767	\$26,779
Total Benefits	\$24,731	\$25,856	\$26,767	\$26,779
GROUP I POLITICAL SUBDIVISION EMPLOYEES				
Type of Benefit				
Medical Subsidy Payments	\$ 6,413	\$ 6,804	\$ 7,193	\$ 7,010
Total Benefits	\$ 6,413	\$ 6,804	\$ 7,193	\$ 7,010
GROUP I STATE EMPLOYEES OPEB PLAN				
Type of Benefit				
Medical Subsidy Payments	\$ 7,793	\$ 9,708	\$ 9,885	\$10,170
Total Benefits	\$ 7,793	\$ 9,708	\$ 9,885	\$10,170

(in thousands)					
FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004
\$249,909	\$216,344	\$190,973	\$176,207	\$164,415	\$152,955
125,471	101,286	86,655	78,718	71,299	62,194
25,160	21,961	19,915	18,438	16,908	15,234
17,042	18,573	16,054	14,064	12,373	11,022
5,040	5,546	3,959	3,163	2,284	1,498
2,000	2,396	2,456	2,383	2,134	2,549
18,043	16,869	16,198	15,575	14,785	14,246
8,261	7,567	7,253	6,753	6,452	6,200
1,454	1,387	1,388	1,336	1,265	1,109
\$452,380	\$391,929	\$344,851	\$316,637	\$291,915	\$267,007
\$ 20,364	\$ 29,613	\$ 31,502	\$ 26,630	\$ 16,992	\$16,781
3,840	2,684	2,578	2,752	2,999	—
\$ 24,204	\$ 32,297	\$ 34,080	\$ 29,382	\$ 19,991	\$16,781

(in thousands)					
FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004
\$15,688	\$15,229	\$13,672	\$12,374	\$11,209	\$10,104
\$15,688	\$15,229	\$13,672	\$12,374	\$11,209	\$10,104
\$24,489	\$21,018	\$17,260	\$14,575	\$12,350	\$10,591
\$24,489	\$21,018	\$17,260	\$14,575	\$12,350	\$10,591
\$6,496	\$5,732	\$4,880	\$4,003	\$3,432	\$2,866
\$6,496	\$5,732	\$4,880	\$4,003	\$3,432	\$2,866
\$10,926	\$11,266	\$10,941	\$10,687	\$10,211	\$8,931
\$10,926	\$11,266	\$10,941	\$10,687	\$10,211	\$8,931

SCHEDULE OF RETIRED AND VESTED MEMBERS BY TYPE OF BENEFIT

**SCHEDULE OF RETIRED AND VESTED MEMBERS BY TYPE OF BENEFITS AS OF JUNE 30, 2013
PENSION PLAN**

Amount of Monthly Benefit	Number of Retirees	Type of Retirement*						
		1	2	3	4	5	6	7
EMPLOYEES								
\$1-500	4,501	3,698	42	2	10	—	517	232
501-1,000	4,519	3,432	258	132	7	2	369	319
1,001-1,500	2,605	2,083	76	222	6	4	141	73
1,501-2,000	1,480	1,263	21	85	4	2	82	23
2,001-2,500	895	806	4	24	—	2	53	6
2,501-3,000	546	497	3	8	2	1	33	2
3,001-3,500	321	302	—	3	—	—	15	1
3,501-4,000	234	223	1	1	—	—	9	—
Over 4,000	267	261	1	1	1	—	3	—
Totals	15,368	12,565	406	478	30	11	1,222	656
TEACHERS								
\$1-500	1,270	1,044	—	—	—	—	64	162
501-1,000	1,809	1,382	49	—	1	—	105	272
1,001-1,500	1,530	1,289	69	4	5	—	79	84
1,501-2,000	1,599	1,473	25	6	5	—	65	25
2,001-2,500	1,599	1,514	16	8	—	1	55	5
2,501-3,000	1,285	1,242	8	2	—	—	33	—
3,001-3,500	992	961	2	1	—	—	28	—
3,501-4,000	513	495	—	—	2	—	16	—
Over 4,000	358	349	—	—	—	—	9	—
Totals	10,955	9,749	169	21	13	1	454	548
POLICE OFFICERS								
\$1-500	164	123	1	—	—	2	38	—
501-1,000	304	154	7	—	—	1	130	12
1,001-1,500	331	161	22	9	—	2	113	24
1,501-2,000	285	177	20	34	2	1	45	6
2,001-2,500	358	257	11	65	—	1	18	6
2,501-3,000	378	266	—	84	1	2	23	2
3,001-3,500	321	267	1	42	1	3	6	1
3,501-4,000	255	226	—	20	—	—	9	—
Over 4,000	818	767	1	41	1	1	7	—
Totals	3,214	2,398	63	295	5	13	389	51
FIREFIIGHTERS								
\$1-500	43	25	—	1	—	2	15	—
501-1,000	105	37	1	—	—	—	67	—
1,001-1,500	151	66	8	7	—	5	64	1
1,501-2,000	126	65	9	13	—	2	34	3
2,001-2,500	178	120	2	24	1	3	28	—
2,501-3,000	165	127	2	26	—	—	9	1
3,001-3,500	146	126	1	15	—	2	2	—
3,501-4,000	128	118	—	7	—	1	1	1
Over 4,000	411	389	—	10	1	—	11	—
Totals	1,453	1,073	23	103	2	15	231	6

* Type of Retirement: 1—Service and early retirement. 2—Ordinary disability retirement. 3—Accidental disability retirement. 4—Ordinary death in active service. 5—Accidental death in active service. 6—Beneficiaries of deceased members who retired on a service or disability allowance. 7—Vested member with future benefit.

Option Selected #										
No Option	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9	Other*
2,655	178	307	75	848	189	12	5	—	—	232
2,497	123	287	98	886	294	11	4	—	—	319
1,339	89	211	79	582	227	4	1	—	—	73
686	41	140	60	392	132	3	3	—	—	23
366	14	89	39	295	83	1	2	—	—	6
208	14	71	24	155	72	—	—	—	—	2
113	6	47	16	103	35	—	—	—	—	1
77	3	32	17	74	30	1	—	—	—	—
69	4	40	29	90	33	1	1	—	—	—
8,010	472	1,224	437	3,425	1,095	33	16	—	—	656
572	42	81	27	295	80	6	5	—	—	162
912	97	93	26	326	76	6	1	—	—	272
747	61	111	43	373	108	3	—	—	—	84
713	54	127	46	467	160	1	6	—	—	25
688	39	119	62	489	192	2	3	—	—	5
530	41	117	44	386	161	1	5	—	—	—
423	24	87	37	311	104	2	4	—	—	—
213	20	49	20	142	69	—	—	—	—	—
146	6	40	13	108	45	—	—	—	—	—
4,944	384	824	318	2,897	995	21	24	—	—	548
114	1	6	16	6	21	—	—	—	—	—
226	5	13	11	15	21	1	—	—	—	12
215	13	15	12	13	39	—	—	—	—	24
164	16	8	23	15	52	1	—	—	—	6
178	18	12	48	18	78	—	—	—	—	6
153	21	9	62	19	112	—	—	—	—	2
112	14	4	86	8	96	—	—	—	—	1
87	8	1	57	7	95	—	—	—	—	—
198	19	10	252	13	325	1	—	—	—	—
1,447	115	78	567	114	839	3	—	—	—	51
33	—	2	—	2	6	—	—	—	—	—
95	—	2	1	1	6	—	—	—	—	—
115	7	7	7	7	7	—	—	—	—	1
80	10	5	9	9	10	—	—	—	—	3
95	14	9	24	7	29	—	—	—	—	—
61	8	5	27	12	51	—	—	—	—	1
38	7	3	35	2	61	—	—	—	—	—
34	5	1	29	2	56	—	—	—	—	1
109	13	2	99	4	182	1	1	—	—	—
660	64	36	231	46	408	1	1	—	—	6

Option Selected: No option—Straight life. Option 1—Cash refund. Option 2—100% Joint & Survivorship. Option 3—50% Joint & Survivorship. Option 4—100% Pop-Up. Option 5—50% Pop-Up. Option 6—Other % Joint & Survivorship. Option 7—Other % Pop-Up. Option 8—Fixed amount to Beneficiaries. Option 9—Widow's benefit (accidental disability) 50%

* Elections for vested members with future benefits are made at commencement of benefits.

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFITS AS OF JUNE 30, 2013					
OPEB PLANS					
Amount of Monthly Benefit	Number of Retirees	One Person		Two Person	
		Pre 65	Post 65	Pre 65	Post 65
GROUP II POLICE OFFICERS & FIREFIGHTERS					
\$1-500	1,490	409	1,057	13	11
501-1,000	1,069	121	246	684	18
1,001-1,500	23	2	1	13	7
1,501-2,000	4	—	—	4	—
Over \$2,000	—	—	—	—	—
Total	2,586	532	1,304	714	36
GROUP I TEACHERS OPEB PLAN					
\$1-500	3,394	328	3,029	1	36
501-1,000	874	177	303	157	237
1,001-1,500	80	10	33	12	25
1,501-2,000	42	9	—	33	—
Over \$2,000	—	—	—	—	—
Total	4,390	524	3,365	203	298
GROUP I POLITICAL SUBDIVISION EMPLOYEES OPEB PLAN					
\$1-500	1,137	54	1,076	—	7
501-1,000	199	53	84	34	28
1,001-1,500	4	—	3	—	1
1,501-2,000	4	1	—	2	1
Over \$2,000	—	—	—	—	—
Total	1,344	108	1,163	36	37
GROUP I STATE EMPLOYEES OPEB PLAN					
\$1-500	1,697	80	1,586	—	31
501-1,000	243	25	123	63	32
1,001-1,500	3	—	2	—	1
1,501-2,000	1	—	—	1	—
Over \$2,000	—	—	—	—	—
Total	1,944	105	1,711	64	64
TOTAL – OPEB PLANS					
\$1-500	7,718	871	6,748	14	85
501-1,000	2,385	376	756	938	315
1,001-1,500	110	12	39	25	34
1,501-2,000	51	10	—	40	1
Over \$2,000	—	—	—	—	—
Total	10,264	1,269	7,543	1,017	435

**SCHEDULE OF AVERAGE
BENEFIT PAYMENT
AMOUNTS**

**SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS
PENSION PLAN – EMPLOYEES**

2013 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$324	\$409	\$584	\$863	\$1,150	\$1,558	\$2,303	\$1,063
Average annual benefit	\$3,883	\$4,906	\$7,013	\$10,359	\$13,801	\$18,691	\$27,633	\$12,758
Average final average salary	\$35,604	\$39,229	\$40,738	\$45,238	\$47,897	\$54,324	\$63,541	\$47,906
Number of retired members	968*	1,444	3,705	2,345	2,434	1,394	2,422	14,712**

* Includes 172 members who did not have service reported.
** Includes 7,506 members who did not have FAS reported.

2012 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$343	\$400	\$576	\$854	\$1,142	\$1,535	\$2,274	\$1,049
Average annual benefit	\$4,114	\$4,804	\$6,911	\$10,243	\$13,706	\$18,421	\$27,284	\$12,591
Average final average salary	\$34,356	\$38,505	\$39,797	\$44,567	\$46,998	\$52,948	\$62,444	\$47,037
Number of retired members	992*	1,389	3,511	2,261	2,340	1,323	2,325	14,141**

* Includes 194 members who did not have service reported.
** Includes 7,748 members who did not have FAS reported.

2011 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$336	\$393	\$571	\$837	\$1,126	\$1,519	\$2,257	\$1,039
Average annual benefit	\$4,032	\$4,719	\$6,856	\$10,049	\$13,517	\$18,228	\$27,079	\$12,474
Average final average salary	\$32,512	\$37,153	\$38,954	\$43,438	\$45,838	\$51,964	\$61,282	\$46,178
Number of retired members	936*	1,341	3,334	2,144	2,226	1,277	2,229	13,487**

* Includes 172 members who did not have service reported.
** Includes 7,913 members who did not have FAS reported.

2010 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$335	\$386	\$561	\$822	\$1,110	\$1,495	\$2,222	\$1,017
Average annual benefit	\$4,017	\$4,632	\$6,738	\$9,861	\$13,321	\$17,938	\$26,660	\$12,208
Average final average salary	\$32,068	\$35,498	\$37,739	\$41,663	\$44,745	\$50,812	\$60,543	\$45,062
Number of retired members	900*	1,291	3,169	2,059	2,091	1,213	2,079	12,802**

* Includes 161 members who did not have service reported.
** Includes 8,088 members who did not have FAS reported.

2009 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$325	\$374	\$547	\$802	\$1,084	\$1,438	\$2,152	\$975
Average annual benefit	\$3,897	\$4,493	\$6,568	\$9,627	\$13,008	\$17,259	\$25,826	\$11,697
Average final average salary	\$31,667	\$35,280	\$36,695	\$40,033	\$43,215	\$48,520	\$58,876	\$43,547
Number of retired members	876*	1,299	3,051	1,971	1,942	1,139	1,914	12,192**

* Includes 141 members who did not have service reported.
** Includes 8,241 members who did not have FAS reported.

2008 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$314	\$368	\$538	\$785	\$1,070	\$1,428	\$2,096	\$948
Average annual benefit	\$3,766	\$4,411	\$6,454	\$9,418	\$12,846	\$17,141	\$25,150	\$11,380
Average final average salary	\$30,781	\$36,237	\$35,989	\$39,536	\$42,625	\$47,998	\$57,600	\$42,962
Number of retired members	838*	1,268	2,940	1,896	1,786	1,058	1,794	11,580**

* Includes 121 members who did not have service reported.
** Includes 8,377 members who did not have FAS reported.

2007 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$312	\$338	\$515	\$751	\$1,031	\$1,380	\$1,990	\$906
Average annual benefit	\$3,740	\$4,057	\$6,180	\$9,011	\$12,371	\$16,564	\$23,878	\$10,874
Average final average salary	\$30,208	\$35,154	\$35,536	\$38,286	\$41,757	\$46,491	\$54,769	\$41,602
Number of retired members	685*	1,240	2,745	1,885	1,666	966	1,672	10,859**

* Includes 81 members who did not have service reported.
** Includes 8,518 members who did not have FAS reported.

NOTE: Due to system changes, average final average salary data is only available for fiscal years 2007-2012. The available data is limited and represents average final average salary for those members who have retired since fiscal year 2004. Additional years data will be added prospectively.

**SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS
PENSION PLAN – TEACHERS**

2013 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$433	\$526	\$691	\$1,051	\$1,454	\$1,862	\$2,686	\$1,780
Average annual benefit	\$5,200	\$6,315	\$8,295	\$12,615	\$17,451	\$22,347	\$32,229	\$21,355
Average final average salary	\$51,604	\$55,373	\$47,276	\$55,688	\$60,708	\$64,999	\$70,712	\$62,669
Number of retired members	214*	255	1,260	1,155	2,045	1,795	3,683	10,407**

* Includes 86 members who did not have service reported.
** Includes 5,020 members who did not have FAS reported.

2012 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$434	\$491	\$684	\$1,039	\$1,447	\$1,856	\$2,673	\$1,777
Average annual benefit	\$5,203	\$5,892	\$8,214	\$12,473	\$17,363	\$22,272	\$32,080	\$21,320
Average final average salary	\$51,428	\$53,206	\$46,917	\$54,779	\$59,762	\$64,214	\$70,113	\$62,128
Number of retired members	207*	236	1,190	1,100	1,951	1,703	3,569	9,956**

* Includes 88 members who did not have service reported.
** Includes 5,098 members who did not have FAS reported.

2011 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$432	\$484	\$670	\$1,023	\$1,439	\$1,848	\$2,664	\$1,777
Average annual benefit	\$5,185	\$5,804	\$8,044	\$12,271	\$17,272	\$22,178	\$31,972	\$21,321
Average final average salary	\$50,528	\$53,243	\$45,371	\$53,207	\$58,790	\$63,226	\$69,426	\$61,398
Number of retired members	188*	214	1,111	1,021	1,859	1,608	3,426	9,427**

* Includes 79 members who did not have service reported.
** Includes 5,148 members who did not have FAS reported.

2010 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$417	\$478	\$664	\$1,005	\$1,435	\$1,847	\$2,656	\$1,781
Average annual benefit	\$5,001	\$5,733	\$7,970	\$12,064	\$17,224	\$22,162	\$31,869	\$21,375
Average final average salary	\$50,790	\$52,875	\$44,197	\$51,833	\$57,897	\$62,372	\$68,973	\$60,970
Number of retired members	171*	203	1,040	965	1,793	1,570	3,345	9,087**

* Includes 72 members who did not have service reported.
** Includes 5,182 members who did not have FAS reported.

2009 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$422	\$477	\$653	\$984	\$1,409	\$1,817	\$2,591	\$1,736
Average annual benefit	\$5,069	\$5,729	\$7,838	\$11,805	\$16,910	\$21,804	\$31,096	\$20,830
Average final average salary	\$49,132	\$52,820	\$43,328	\$50,592	\$57,660	\$61,404	\$67,107	\$59,692
Number of retired members	155*	179	986	931	1,702	1,477	3,077	8,507**

* Includes 69 members who did not have service reported.
** Includes 5,217 members who did not have FAS reported.

2008 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$418	\$457	\$636	\$966	\$1,381	\$1,789	\$2,528	\$1,674
Average annual benefit	\$5,015	\$5,478	\$7,633	\$11,590	\$16,568	\$21,470	\$30,334	\$20,087
Average final average salary	\$48,040	\$53,161	\$42,990	\$50,213	\$56,717	\$60,162	\$65,739	\$58,253
Number of retired members	137*	171	929	886	1,531	1,347	2,653	7,654**

* Includes 59 members who did not have service reported.
** Includes 5,208 members who did not have FAS reported.

2007 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$392	\$417	\$614	\$931	\$1,348	\$1,761	\$2,446	\$1,615
Average annual benefit	\$4,708	\$5,003	\$7,363	\$11,171	\$16,172	\$21,137	\$29,353	\$19,376
Average final average salary	\$48,572	\$51,663	\$41,693	\$49,356	\$56,367	\$58,937	\$63,650	\$56,556
Number of retired members	103*	163	842	855	1,390	1,245	2,330	6,928**

* Includes 37 members who did not have service reported.
** Includes 5,209 members who did not have FAS reported.

NOTE: Due to system changes, average final average salary data is only available for fiscal years 2007–2012. The available data is limited and represents average final average salary for those members who have retired since fiscal year 2004. Additional years data will be added prospectively.

**SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS
PENSION PLAN – POLICE OFFICERS**

2013 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$989	\$1,402	\$1,525	\$2,096	\$2,937	\$4,304	\$5,557	\$2,905
Average annual benefit	\$11,867	\$16,827	\$18,305	\$25,149	\$35,240	\$51,642	\$66,680	\$34,859
Average final average salary	\$43,717	\$51,752	\$49,166	\$60,656	\$76,404	\$90,096	\$98,639	\$77,294
Number of retired members	273*	159	336	271	1,319	584	221	3,163**

* Includes 177 members who did not have service reported.
** Includes 1,825 members who did not have FAS reported.

2012 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$986	\$1,414	\$1,520	\$2,101	\$2,936	\$4,235	\$5,469	\$2,894
Average annual benefit	\$11,835	\$16,968	\$18,238	\$25,218	\$35,230	\$50,824	\$65,631	\$34,731
Average final average salary	\$43,717	\$51,792	\$48,430	\$59,074	\$75,343	\$89,117	\$98,085	\$76,294
Number of retired members	238*	151	325	255	1,255	547	210	2,981**

* Includes 145 members who did not have service reported.
** Includes 1,766 members who did not have FAS reported.

2011 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$957	\$1,386	\$1,482	\$2,072	\$2,893	\$4,082	\$5,432	\$2,823
Average annual benefit	\$11,485	\$16,635	\$17,788	\$24,867	\$34,719	\$48,981	\$65,188	\$33,876
Average final average salary	\$47,377	\$52,498	\$46,123	\$58,423	\$74,403	\$87,050	\$97,076	\$75,213
Number of retired members	230*	149	314	251	1,218	523	195	2,880**

* Includes 140 members who did not have service reported.
** Includes 1,794 members who did not have FAS reported.

2010 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$942	\$1,352	\$1,483	\$2,034	\$2,845	\$3,940	\$5,114	\$2,724
Average annual benefit	\$11,310	\$16,222	\$17,792	\$24,413	\$34,137	\$47,277	\$61,371	\$32,689
Average final average salary	\$44,656	\$50,016	\$45,342	\$57,278	\$70,960	\$85,452	\$93,848	\$72,439
Number of retired members	218*	145	305	241	1,140	482	171	2,702**

* Includes 129 members who did not have service reported.
** Includes 1,814 members who did not have FAS reported.

2009 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$931	\$1,337	\$1,453	\$2,026	\$2,816	\$3,768	\$5,068	\$2,665
Average annual benefit	\$11,166	\$16,048	\$17,438	\$24,309	\$33,797	\$45,213	\$60,811	\$31,980
Average final average salary	\$42,229	\$50,574	\$44,919	\$56,748	\$70,720	\$82,705	\$91,617	\$71,464
Number of retired members	200*	139	293	232	1,093	455	153	2,565**

* Includes 115 members who did not have service reported.
** Includes 1,808 members who did not have FAS reported.

2008 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$904	\$1,319	\$1,447	\$2,012	\$2,757	\$3,631	\$4,802	\$2,580
Average annual benefit	\$10,847	\$15,829	\$17,362	\$24,149	\$33,081	\$43,574	\$57,628	\$30,961
Average final average salary	\$42,170	\$50,113	\$45,063	\$57,239	\$69,092	\$80,884	\$87,128	\$69,835
Number of retired members	191*	137	281	221	1,044	424	138	2,436**

* Includes 106 members who did not have service reported.
** Includes 1,806 members who did not have FAS reported.

2007 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$857	\$1,229	\$1,441	\$1,924	\$2,659	\$3,417	\$4,396	\$2,482
Average annual benefit	\$10,287	\$14,754	\$17,293	\$23,083	\$31,912	\$41,008	\$52,757	\$29,783
Average final average salary	\$42,069	\$44,602	\$45,745	\$54,398	\$68,606	\$78,547	\$82,489	\$68,235
Number of retired members	162*	130	264	225	959	411	142	2,293**

* Includes 74 members who did not have service reported.
** Includes 1,810 members who did not have FAS reported.

NOTE: Due to system changes, average final average salary data is only available for fiscal years 2007–2012. The available data is limited and represents average final average salary for those members who have retired since fiscal year 2004. Additional years data will be added prospectively.

**SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS
PENSION PLAN – FIREFIGHTERS**

2013 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$1,050	\$1,513	\$1,720	\$2,007	\$2,685	\$4,053	\$5,336	\$3,050
Average annual benefit	\$12,597	\$18,154	\$20,640	\$24,080	\$32,216	\$48,683	\$64,036	\$36,595
Average final average salary	\$49,479	\$64,928	\$55,062	\$62,052	\$75,328	\$90,016	\$93,076	\$81,986
Number of retired members	120*	30	82	116	577	364	158	1,447**

* Includes 99 members who did not have service reported.
** Includes 956 members who did not have FAS reported.

2012 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$1,062	\$1,523	\$1,701	\$2,072	\$2,672	\$3,956	\$5,192	\$3,038
Average annual benefit	\$12,740	\$18,280	\$20,416	\$24,865	\$32,067	\$47,475	\$62,306	\$36,461
Average final average salary	\$50,146	\$51,114	\$53,705	\$64,002	\$74,611	\$88,513	\$92,039	\$80,981
Number of retired members	96*	29	78	110	564	343	156	1,376**

* Includes 77 members who did not have service reported.
** Includes 931 members who did not have FAS reported.

2011 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$1,063	\$1,519	\$1,600	\$2,062	\$2,656	\$3,846	\$4,971	\$2,967
Average annual benefit	\$12,751	\$18,225	\$19,194	\$24,749	\$31,877	\$46,151	\$59,651	\$35,599
Average final average salary	\$50,146	\$51,114	\$49,051	\$64,919	\$73,582	\$86,853	\$90,415	\$79,520
Number of retired members	90*	30	73	111	555	328	149	1,336**

**Includes 71 members who did not have service reported.
**Includes 942 members who did not have FAS reported.

2010 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$1,020	\$1,487	\$1,607	\$2,041	\$2,592	\$3,770	\$4,749	\$2,871
Average annual benefit	\$12,244	\$17,846	\$19,283	\$24,493	\$31,109	\$45,240	\$56,983	\$34,454
Average final average salary	\$55,668	\$47,729	\$50,024	\$62,405	\$71,694	\$86,042	\$89,392	\$78,232
Number of retired members	80*	28	73	109	530	304	130	1,254**

* Includes 62 members who did not have service reported.
** Includes 946 members who did not have FAS reported.

2009 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$967	\$1,439	\$1,585	\$1,998	\$2,537	\$3,707	\$4,592	\$2,794
Average annual benefit	\$11,607	\$17,274	\$19,025	\$23,973	\$30,440	\$44,489	\$55,102	\$33,533
Average final average salary	\$55,668	\$46,372	\$48,616	\$63,891	\$70,685	\$83,078	\$88,852	\$76,730
Number of retired members	78*	28	72	107	534	295	123	1,237

** Includes 60 members who did not have service reported.
** Includes 963 members who did not have FAS reported.

2008 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$958	\$1,438	\$1,545	\$1,958	\$2,488	\$3,661	\$4,526	\$2,743
Average annual benefit	\$11,495	\$17,254	\$18,541	\$23,499	\$29,857	\$43,934	\$54,311	\$32,914
Average final average salary	\$55,668	\$42,455	\$46,301	\$64,705	\$69,420	\$83,187	\$87,553	\$76,307
Number of retired members	74*	27	70	105	523	287	114	1,200**

* Includes 56 members who did not have service reported.
** Includes 966 members who did not have FAS reported.

2007 Service	Years Credited Service							Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	
Average monthly benefit	\$924	\$1,286	\$1,534	\$1,933	\$2,396	\$3,495	\$4,229	\$2,651
Average annual benefit	\$11,091	\$15,431	\$18,407	\$23,199	\$28,751	\$41,935	\$50,743	\$31,807
Average final average salary	\$57,429	\$0	\$45,518	\$64,027	\$69,135	\$82,005	\$86,698	\$75,540
Number of retired members	67*	22	73	108	488	297	113	1,168**

* Includes 47 members who did not have service reported.
** Includes 978 members who did not have FAS reported.

NOTE: Due to system changes, average final average salary data is only available for fiscal years 2007–2012. The available data is limited and represents average final average salary for those members who have retired since fiscal year 2004. Additional years data will be added prospectively.

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SCHEDULES OF AVERAGE BENEFIT PAYMENT AMOUNTS – OPEB PLANS*

GROUP II – POLICE OFFICERS AND FIREFIGHTERS***

	2013		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$465	\$469
Annual Benefits		\$407,321	\$512,068
Number of retired members		73	91
**Includes 16 members who did not have service reported.			
	2012		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$419	\$460
Annual Benefits		\$322,069	\$496,368
Number of retired members		64	90
**Includes 19 members who did not have service reported.			
	2011		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$433	\$459
Annual Benefits		\$327,489	\$512,666
Number of retired members		63	93
**Includes 17 members who did not have service reported.			
	2010		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$447	\$472
Annual Benefits		\$343,140	\$509,409
Number of retired members		64	90
**Includes 17 members who did not have service reported.			
	2009		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$442	\$481
Annual Benefits		\$333,960	\$525,662
Number of retired members		63	91
**Includes 16 members who did not have service reported.			
	2008		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$438	\$480
Annual Benefits		\$331,421	\$512,554
Number of retired members		63	89
**Includes 17 members who did not have service reported.			
	2007		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$421	\$436
Annual Benefits		\$257,860	\$402,482
Total Retirees		51	77
**Includes 11 members who did not have service reported.			

*Data prior to fiscal year 2007 is not available. Data for future fiscal years will be added prospectively.

***In addition, there are 971 retirees eligible for a deferred subsidy.

			2013		
10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.	30 or more yrs.	Total
\$468	\$436	\$518	\$553	\$532	\$516
\$964,925	\$893,878	\$7,365,223	\$4,099,008	\$1,755,277	\$15,997,700
172	171	1,186	618	275	2,586

			2012		
10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.	30 or more yrs.	Total
\$468	\$449	\$533	\$558	\$536	\$523
\$989,289	\$948,587	\$7,617,692	\$4,041,300	\$1,698,972	\$16,114,277
176	176	1,192	604	264	2,566

			2011		
10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.	30 or more yrs.	Total
\$475	\$455	\$545	\$557	\$546	\$531
\$991,312	\$988,209	\$7,868,124	\$3,972,987	\$1,638,323	\$16,299,110
174	181	1,202	594	250	2,557

			2010		
10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.	30 or more yrs.	Total
\$481	\$460	\$548	\$557	\$540	\$533
\$1,038,333	\$987,831	\$7,695,267	\$3,823,520	\$1,516,304	\$15,913,804
180	179	1,170	572	234	2,489

			2009		
10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.	30 or more yrs.	Total
\$485	\$469	\$548	\$556	\$532	\$533
\$1,060,239	\$1,013,207	\$7,655,729	\$3,773,959	\$1,367,171	\$15,729,927
182	180	1,165	566	214	2,461

			2008		
10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.	30 or more yrs.	Total
\$493	\$471	\$551	\$559	\$527	\$535
\$1,047,356	\$982,995	\$7,565,509	\$3,682,116	\$1,283,509	\$15,405,460
177	174	1,145	549	203	2,400

			2007		
10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.	30 or more yrs.	Total
\$482	\$460	\$492	\$522	\$479	\$502
\$1,012,913	\$998,782	\$6,675,988	\$3,437,413	\$1,185,193	\$13,970,631
175	181	1,080	549	206	2,319

SCHEDULES OF AVERAGE BENEFIT PAYMENT AMOUNTS – OPEB PLANS*

GROUP I – TEACHERS***

	2013		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$285	\$329
Annual Benefits		\$47,941	\$11,856
Number of retired members		14	3

**Includes 11 members who did not have service reported.

	2012		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$286	\$306
Annual Benefits		\$37,741	\$7,349
Number of retired members		11	2

**Includes 8 members who did not have service reported.

	2011		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$321	\$376
Annual Benefits		\$38,535	\$4,507
Number of retired members		10	1

**Includes 7 members who did not have service reported.

	2010		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$332	\$376
Annual Benefits		\$27,890	\$4,507
Number of retired members		7	1

**Includes 7 members who did not have service reported.

	2009		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$330	\$376
Annual Benefits		\$27,729	\$4,507
Number of retired members		7	1

**Includes 7 members who did not have service reported.

	2008		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$336	\$376
Annual Benefits		\$28,218	\$4,507
Number of retired members		7	1

**Includes 7 members who did not have service reported.

	2007		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$300	\$348
Annual Benefits		\$28,759	\$4,173
Total Retirees		8	1

**Includes 8 members who did not have service reported.

*Data prior to fiscal year 2007 is not available. Data for future fiscal years will be added prospectively.

***In addition, there are 1,484 retirees eligible for a deferred subsidy.

10-14 yrs.	15-19 yrs.	20-24 yrs.	2013 25-29 yrs.	30 or more yrs.	Total
\$462	\$355	\$402	\$410	\$489	\$451
\$27,731	\$8,526	\$4,808,676	\$4,703,090	\$14,142,923	\$23,750,743
5	2	998	957	2,411	4,390
10-14 yrs.	15-19 yrs.	20-24 yrs.	2012 25-29 yrs.	30 or more yrs.	Total
\$484	\$474	\$415	\$421	\$505	\$466
\$23,224	\$5,684	\$5,028,708	\$4,888,880	\$14,831,920	\$24,823,506
4	1	1,009	968	2,446	4,441
10-14 yrs.	15-19 yrs.	20-24 yrs.	2011 25-29 yrs.	30 or more yrs.	Total
\$484	\$474	\$429	\$439	\$525	\$484
\$23,224	\$5,684	\$5,214,828	\$5,032,007	\$15,538,525	\$25,857,310
4	1	1,014	956	2,467	4,453
10-14 yrs.	15-19 yrs.	20-24 yrs.	2010 25-29 yrs.	30 or more yrs.	Total
\$566	\$474	\$438	\$449	\$532	\$492
\$20,382	\$11,368	\$5,334,533	\$5,139,796	\$15,865,603	\$26,404,079
3	2	1,016	954	2,487	4,470
10-14 yrs.	15-19 yrs.	20-24 yrs.	2009 25-29 yrs.	30 or more yrs.	Total
\$566	\$474	\$436	\$448	\$526	\$488
\$20,382	\$11,368	\$5,012,288	\$4,890,068	\$14,497,402	\$24,463,744
3	2	959	909	2,298	4,179
10-14 yrs.	15-19 yrs.	20-24 yrs.	2008 25-29 yrs.	30 or more yrs.	Total
\$484	\$474	\$420	\$438	\$513	\$474
\$23,224	\$11,368	\$4,291,716	\$4,272,401	\$12,376,720	\$21,008,154
4	2	851	813	2,012	3,690
10-14 yrs.	15-19 yrs.	20-24 yrs.	2007 25-29 yrs.	30 or more yrs.	Total
\$402	\$439	\$383	\$408	\$467	\$435
\$24,135	\$10,526	\$3,481,912	\$3,611,050	\$10,115,236	\$17,275,791
5	2	754	737	1,804	3,311

SCHEDULES OF AVERAGE BENEFIT PAYMENT AMOUNTS – OPEB PLANS*

GROUP I – POLITICAL SUBDIVISION EMPLOYEES***

	2013		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$299	\$342
Annual Benefits		\$57,378	\$41,047
Number of retired members		16	10
**Includes 6 members who did not have service reported.			
	2012		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$322	\$341
Annual Benefits		\$65,652	\$32,763
Number of retired members		17	8
**Includes 7 members who did not have service reported.			
	2011		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$330	\$348
Annual Benefits		\$67,317	\$41,814
Number of retired members		17	10
**Includes 8 members who did not have service reported.			
	2010		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$367	\$338
Annual Benefits		\$65,985	\$44,665
Number of retired members		15	11
**Includes 8 members who did not have service reported.			
	2009		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$364	\$350
Annual Benefits		\$65,541	\$46,198
Number of retired members		15	11
**Includes 7 members who did not have service reported.			
	2008		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$327	\$373
Annual Benefits		\$62,810	\$49,275
Number of retired members		16	11
**Includes 9 members who did not have service reported.			
	2007		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$312	\$327
Annual Benefits		\$48,722	\$39,286
Total Retirees		13	10
**Includes 10 members who did not have service reported.			

*Data prior to fiscal year 2007 is not available. Data for future fiscal years will be added prospectively.

***In addition, there are 505 retirees eligible for a deferred subsidy.

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10–14 yrs.	15–19 yrs.	20–24 yrs.	2013 25–29 yrs.	30 or more yrs.	Total
\$419	\$390	\$395	\$389	\$455	\$409
\$60,359	\$18,717	\$2,965,642	\$1,446,483	\$2,000,382	\$6,590,008
12	4	626	310	366	1,344
<hr/>					
10–14 yrs.	15–19 yrs.	20–24 yrs.	2012 25–29 yrs.	30 or more yrs.	Total
\$382	\$359	\$403	\$398	\$469	\$419
\$59,623	\$21,559	\$3,137,104	\$1,534,994	\$2,196,314	\$7,048,009
13	5	649	321	390	1,403
<hr/>					
10–14 yrs.	15–19 yrs.	20–24 yrs.	2011 25–29 yrs.	30 or more yrs.	Total
\$404	\$390	\$415	\$416	\$493	\$435
\$58,229	\$18,717	\$3,257,086	\$1,655,639	\$2,314,398	\$7,413,200
12	4	654	332	391	1,420
<hr/>					
10–14 yrs.	15–19 yrs.	20–24 yrs.	2010 25–29 yrs.	30 or more yrs.	Total
\$424	\$373	\$428	\$424	\$502	\$446
\$60,991	\$17,881	\$3,406,946	\$1,689,244	\$2,404,823	\$7,690,535
12	4	663	332	399	1,436
<hr/>					
10–14 yrs.	15–19 yrs.	20–24 yrs.	2009 25–29 yrs.	30 or more yrs.	Total
\$447	\$390	\$428	\$417	\$505	\$444
\$75,081	\$18,717	\$3,179,812	\$1,515,015	\$2,029,561	\$6,929,925
14	4	619	303	335	1,301
<hr/>					
10–14 yrs.	15–19 yrs.	20–24 yrs.	2008 25–29 yrs.	30 or more yrs.	Total
\$472	\$390	\$423	\$416	\$512	\$443
\$73,661	\$18,717	\$2,789,673	\$1,334,025	\$1,879,964	\$6,208,125
13	4	550	267	306	1,167
<hr/>					
10–14 yrs.	15–19 yrs.	20–24 yrs.	2007 25–29 yrs.	30 or more yrs.	Total
\$462	\$358	\$396	\$375	\$459	\$408
\$83,195	\$21,504	\$2,107,362	\$1,094,540	\$1,492,664	\$4,887,273
15	5	442	243	271	999
<hr/>					

SCHEDULES OF AVERAGE BENEFIT PAYMENT AMOUNTS – OPEB PLANS*

GROUP I – STATE EMPLOYEES***

	2013		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$458	\$440
Annual Benefits		\$428,585	\$369,538
Number of retired members		78	70

**Includes 4 members who did not have service reported.

	2012		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$401	\$444
Annual Benefits		\$649,228	\$367,976
Number of retired members		135	69

**Includes 60 members who did not have service reported.

	2011		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$408	\$455
Annual Benefits		\$724,932	\$382,467
Number of retired members		148	70

**Includes 76 members who did not have service reported.

	2010		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$411	\$483
Annual Benefits		\$789,405	\$405,955
Number of retired members		160	70

**Includes 76 members who did not have service reported.

	2009		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$410	\$497
Annual Benefits		\$842,110	\$411,185
Number of retired members		171	69

**Includes 86 members who did not have service reported.

	2008		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$405	\$499
Annual Benefits		\$889,207	\$419,431
Number of retired members		183	70

**Includes 99 members who did not have service reported.

	2007		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$373	\$499
Annual Benefits		\$838,008	\$455,030
Total Retirees		187	76

**Includes 115 members who did not have service reported.

*Data prior to fiscal year 2007 is not available. Data for future fiscal years will be added prospectively.

***In addition, there are 161 retirees eligible for a deferred subsidy.

10-14 yrs.	15-19 yrs.	20-24 yrs.	2013 25-29 yrs.	30 or more yrs.	Total
\$408	\$404	\$353	\$369	\$384	\$379
\$435,853	\$203,412	\$2,213,280	\$1,575,687	\$3,624,803	\$8,851,158
89	42	522	356	787	1,944
10-14 yrs.	15-19 yrs.	20-24 yrs.	2012 25-29 yrs.	30 or more yrs.	Total
\$419	\$398	\$360	\$369	\$395	\$384
\$437,722	\$205,609	\$2,349,911	\$1,642,715	\$3,805,681	\$9,458,842
87	43	544	371	802	2,051
10-14 yrs.	15-19 yrs.	20-24 yrs.	2011 25-29 yrs.	30 or more yrs.	Total
\$432	\$405	\$370	\$378	\$403	\$393
\$482,302	\$208,938	\$2,503,738	\$1,772,785	\$4,052,072	\$10,127,234
93	43	564	391	838	2,147
10-14 yrs.	15-19 yrs.	20-24 yrs.	2010 25-29 yrs.	30 or more yrs.	Total
\$432	\$412	\$376	\$381	\$412	\$400
\$487,783	\$212,754	\$2,559,991	\$1,858,335	\$4,238,332	\$10,552,555
94	43	567	406	857	2,197
10-14 yrs.	15-19 yrs.	20-24 yrs.	2009 25-29 yrs.	30 or more yrs.	Total
\$436	\$406	\$384	\$384	\$420	\$406
\$497,284	\$214,419	\$2,678,358	\$1,952,886	\$4,460,274	\$11,056,516
95	44	581	424	884	2,268
10-14 yrs.	15-19 yrs.	20-24 yrs.	2008 25-29 yrs.	30 or more yrs.	Total
\$437	\$414	\$392	\$399	\$427	\$413
\$509,140	\$223,432	\$2,815,199	\$2,051,632	\$4,628,374	\$11,536,415
97	45	599	429	904	2,327
10-14 yrs.	15-19 yrs.	20-24 yrs.	2007 25-29 yrs.	30 or more yrs.	Total
\$409	\$424	\$334	\$375	\$406	\$393
\$456,490	\$274,872	\$2,535,540	\$1,965,753	\$4,669,153	\$11,194,846
93	54	570	437	958	2,375

PRINCIPAL PARTICIPATING EMPLOYERS

PRINCIPAL PARTICIPATING EMPLOYERS – PENSION PLAN CURRENT YEAR AND NINE YEARS AGO

	As Of June 30, 2013			As Of June 30, 2004		
	# of Covered	Rank	Percentage of Total	# of Covered	Rank	Percentage of Total
Participating Government	Employees	Rank	System	Employees	Rank	System
State of New Hampshire	10,009	1	20.56%	11,768	1	23.33%
SAU 42 (Nashua School District)	1,285	2	2.64%	1,313	3	2.60%
Manchester School District	1,218	3	2.50%	1,396	2	2.77%
Community College System of New Hampshire	759	4	1.56%	—	—	—
Timberlane School District	661	5	1.36%	645	4	1.28%
Merrimack School District	620	6	1.27%	481	9	0.95%
City of Nashua	616	7	1.26%	603	6	1.20%
City of Dover	588	8	1.21%	—	—	—
SAU 54 (Rochester School District)	583	9	1.20%	588	8	1.17%
Concord School District	575	10	1.18%	623	5	1.24%
All Other*	31,774		65.26%	33,003		65.46%
Total (476 Governments)	48,688		100.00%	50,420		100.00%

*As of June 30, 2013, "All Other" consisted of:

Type	Number	Employees
State Government	4	112
City Governments	11	2,307
Town Governments & Related Entities	243	5,550
County Governments & Related Entities	12	3,232
School Districts & School Administrative Units	196	20,573
Total	466	31,774

A full list of participating employers as of June 30, 2013 begins on page 127.

PRINCIPAL PARTICIPATING EMPLOYERS – GROUP II POLICE OFFICERS AND FIREFIGHTERS OPEB PLAN CURRENT YEAR AND NINE YEARS AGO

	As Of June 30, 2013			As Of June 30, 2008**		
	# of Covered	Rank	Percentage of Total	# of Covered	Rank	Percentage of Total
Participating Government	Employees	Rank	OPEB Plan	Employees	Rank	OPEB Plan
State of New Hampshire	644	1	24.91%	620	1	25.83%
City of Manchester	286	2	11.06%	310	2	12.92%
City of Nashua	245	3	9.48%	221	3	9.21%
City of Concord	112	4	4.33%	118	4	4.92%
Town of Salem	109	5	4.22%	98	5	4.08%
City of Portsmouth	87	6	3.36%	80	6	3.33%
City of Dover	75	7	2.90%	61	7	2.54%
City of Keene	58	8	2.24%	50	8	2.08%
Town of Derry	57	9	2.20%	48	9	2.00%
Town of Hampton	49	10	1.89%	48	9	2.00%
All Other*	864		33.41%	746		31.09%
Total (140 Governments)	2,586		100.00%	2,400		100.00%

*As of June 30, 2013, "All Other" consisted of:

Type	Number	Employees
City Governments	7	205
Town Governments & Related Entities	113	549
County Governments & Related Entities	10	110
Total	130	864

**Data for nine years ago is not available due to changes in accounting systems. Data for June 30, 2008 will be reported prospectively until such time as data is available for nine years ago.

**PRINCIPAL PARTICIPATING EMPLOYERS – GROUP I TEACHERS
OPEB PLAN CURRENT YEAR AND NINE YEARS AGO**

	As Of June 30, 2013			As Of June 30, 2008**		
	# of Covered	Rank	Percentage of Total OPEB Plan	# of Covered	Rank	Percentage of Total OPEB Plan
Participating Government	Employees	Rank	OPEB Plan	Employees	Rank	OPEB Plan
Manchester School District	510	1	11.61%	464	1	12.57%
SAU 42 (Nashua School District)	385	2	8.77%	304	2	8.24%
Concord School District	195	3	4.44%	181	3	4.91%
Keene School District	165	4	3.76%	147	4	3.98%
Portsmouth School District	143	5	3.26%	142	5	3.85%
Salem School District	117	6	2.67%	90	6	2.44%
Dover School District	99	7	2.26%	85	7	2.30%
Merrimack School District	95	8	2.16%	—	—	—
SAU 54 (Rochester School District)	90	9	2.05%	73	9	1.98%
SAU 10 (Derry Coop School District)	82	10	1.87%	—	—	—
All Other*	2,509		57.15%	2,204		59.73%
Total (164 Governments)	4,390		100.00%	3,690		100.00%

*As of June 30, 2013, "All Other" consisted of:

Type	Number	Employees
School Districts & School Administrative Units	154	2,509
Total		

**Data for nine years ago is not available due to changes in accounting systems. Data for June 30, 2008 will be reported prospectively until such time as data is available for nine years ago.

**PRINCIPAL PARTICIPATING EMPLOYERS – GROUP I POLITICAL SUBDIVISION EMPLOYEES
OPEB PLAN CURRENT YEAR AND NINE YEARS AGO**

	As Of June 30, 2013			As Of June 30, 2008**		
	# of Covered	Rank	Percentage of Total OPEB Plan	# of Covered	Rank	Percentage of Total OPEB Plan
Participating Government	Employees	Rank	OPEB Plan	Employees	Rank	OPEB Plan
City of Concord	71	1	5.28%	71	1	6.08%
City of Nashua	43	2	3.20%	37	2	3.17%
Hillsborough County	42	3	3.13%	36	3	3.08%
Concord School District	35	4	2.60%	27	5	2.31%
City of Portsmouth	35	4	2.60%	26	6	2.23%
Rockingham County	33	5	2.46%	28	4	2.40%
Merrimack County	29	6	2.16%	27	5	2.31%
Grafton County	29	6	2.16%	26	6	2.23%
City of Keene	28	7	2.08%	—	—	—
City of Dover	27	8	2.01%	—	—	—
All Other*	972		72.32%	889		73.79%
Total (211 Governments)	1,344		100.00%	1,167		100.00%

*As of June 30, 2013, "All Other" consisted of:

Type	Number	Employees
City Governments	11	96
Town Governments & Related Entities	62	219
County Governments & Related Entities	7	61
School Districts & School Administrative Units	121	596
Total	201	972

**Data for nine years ago is not available due to changes in accounting systems. Data for June 30, 2008 will be reported prospectively until such time as data is available for nine years ago.

**PRINCIPAL PARTICIPATING EMPLOYERS – GROUP I STATE EMPLOYEES
OPEB PLAN CURRENT YEAR AND NINE YEARS AGO**

	As Of June 30, 2013			As Of June 30, 2008**		
	# of Covered	Rank	Percentage of Total	# of Covered	Rank	Percentage of Total
Participating Government	Employees	Rank	OPEB Plan	Employees	Rank	OPEB Plan
State of New Hampshire	1,828	1	94.03%	2,320	1	99.70%
Community College System of New Hampshire	109	2	5.61%	—	—	—
New Hampshire Retirement System	7	3	0.36%	7	2	0.30%
Total (6 Governments)	1,944		100.00%	2,327		100.00%

**Data for nine years ago is not available due to changes in accounting systems. Data for June 30, 2008 will be reported prospectively until such time as data is available for nine years ago.

**LISTING OF PARTICIPATING
EMPLOYERS**

STATE GOVERNMENT

State of New Hampshire E, P, F
 Community College System of
 New Hampshire E
 Community Development Finance
 Authority E
 Land & Community Heritage
 Investment Program E
 New Hampshire Retirement
 System E
 Pease Development Authority E

**CITIES AND TOWNS (AND
RELATED ENTITIES)**

Albany E
 Alexandria E, P
 Allenstown E, P, F
 Allenstown Sewer Commission E
 Alstead P
 Alton E, P, F
 Amherst P, F
 Andover P
 Androscoggin Valley Regional
 Refuse Disposal Dist. E
 Antrim E, P
 Ashland E, P
 Ashland Electric Department E
 Atkinson E, P
 Auburn E, P, F
 Baker Free Library E
 Barnstead E, P, F
 Barrington E, P, F
 Bartlett P, F
 BCEP Solid Waste
 District E
 Bedford E, P, F
 Belmont E, P, F
 Bennington E, P
 Berlin E, P, F
 Berlin Housing Authority E
 Berlin Water Works E

Bethlehem E, P, F
 Boscawen E, P
 Bow E, P, F
 Bradford P
 Brentwood E, P, F
 Bridgewater P, F
 Bristol E, P, F
 Brookline E, P, F
 Brookline Public Library E
 Campton E, P
 Campton-Thornton Fire
 Department E, F
 Canaan E, P
 Candia P
 Canterbury E, P, F
 Carroll E, P, F
 Center Harbor P
 Central Hooksett Water
 Precinct E
 Charlestown E, P
 Chester E, P, F
 Chesterfield E, P
 Chichester E, P
 Claremont E, P, F
 Clarksville E
 Colebrook E, P
 Concord E, P, F
 Concord Regional Solid Waste
 Resource Recovery Facility E
 Conway E, P
 Conway Village Fire
 District E, F
 Cornish E
 Danville P
 Deerfield E, P
 Deering P
 Derry E, P, F
 Derry Housing Authority E
 Dorchester E
 Dover E, T, P, F

Dover Housing Authority E
 Dublin E, P
 Dunbarton E, P
 Durham E, P, F
 East Kingston E, P, F
 Effingham P
 Eidelweiss Village District E
 Enfield E, P
 Epping E, P, F
 Epsom E, P, F
 Exeter E, P, F
 Farmington P, F
 Fitzwilliam E, P
 Francestown E, P
 Franconia P
 Franklin E, P, F
 Freedom P, F
 Fremont P
 Gilford E, P, F
 Gilmanton E, P, F
 Goffstown E, P, F
 Goffstown Village Water
 Precinct E
 Gorham E, P, F
 Goshen E, P
 Grafton E, P
 Grantham E, P
 Greenfield E, P
 Greenland E, P
 Greenville E, P
 Groton E, P
 Hampstead E, P, F
 Hampton E, P, F
 Hampton Falls E, P, F
 Hancock P
 Hanover E, P, F
 Harrisville P
 Haverhill E, P
 Hebron E, P

KEY: E – Employees T – Teachers P – Police Officers F – Firefighters
 SAU – School Administrative Unit

NEW HAMPSHIRE RETIREMENT SYSTEM – STATISTICAL SECTION

Henniker E, P, F	Lyndeborough P	New Hampshire Municipal Bond Bank E
Hillsborough P, F	Madison E, P	North Conway Water Precinct/ Fire Department E, F
Hinsdale E, P	Manchester P, F	North Hampton E, P, F
Holderness E, P, F	Marlborough E, P	Northfield E, P
Hollis E, P, F	Marlow E	Northumberland E, P
Hooksett E, P, F	Mason P	Northwood E, P, F
Hooksett Public Library E	Maxfield Public Library E	Nottingham P, F
Hooksett Sewer Commission E	Meredith E, P, F	Orford E, P
Hooksett Village Water Precinct E	Meriden Village Water District E	Ossipee E, P
Hopkinton E, P, F	Merrimack E, P, F	Pelham E, P, F
Hudson E, P, F	Merrimack Village District E	Pembroke E, P
Jackson E, P	Middleton P	Penacook-Boscawen Water Precinct E
Jaffrey E, P, F	Milford E, P, F	Peterborough E, P, F
Jefferson E	Milford Area Communication Center E	Piermont P
Keene E, P, F	Milton E, F, P	Pittsburg E, P
Kensington P	Monroe E	Pittsfield E, P, F
Kingston E, F, P	Mont Vernon E, P	Plainfield E, P
Laconia E, P, F	Moultonborough E, P, F	Plaistow E, P, F
Laconia Housing & Redevelopment E	Nashua E, P, F	Plaistow Public Library E
Laconia Water Works E	Nashua Airport Authority E	Plymouth E, P, F
Lakes Region Mutual Fire Aid E, F	Nashua Housing Authority E	Plymouth Village Water & Sewer E
Lakes Region Planning Commission E	Nelson E	Portsmouth E, P, F
Lancaster E, P, F	New Boston P	Portsmouth Housing Authority E
Langdon P	New Castle E, P, F	Raymond E, P, F
Lebanon E, P, F	New Durham E, P	Rindge E, P, F
Lee E, P, F	New England Interstate Water Pollution Control Commission E	Rochester E, P, F
Lempster E, P	New Hampton E, P, F	Rockingham Planning Commission E
Lincoln E, P	New Ipswich E, P	Rollinsford P
Lisbon P	New London E, P, F	Rumney E, P
Litchfield E, P, F	New London-Springfield Water Precinct E	Rye E, P, F
Littleton E, P, F	Newbury P	Rye Water District E
Littleton Public Library E	Newfields E, P	Salem E, P, F
Littleton Water & Light Department E	Newington E, P, F	Salem Housing Authority E
Londonderry E, P, F	Newmarket E, P, F	Salisbury E
Loudon E, P, F	Newport E, P, F	Sanbornton E, P, F
Lyme E, P	Newton E, P	

KEY: E – Employees T – Teachers P – Police Officers F – Firefighters
SAU – School Administrative Unit

Sanbornton Public Library E	Waterville Valley E, P, F	Barrington School District E, T
Sandown E, P, F	Weare E, P	Bartlett School District E, T
Sandown Public Library E	Webster E, P	Bath School District E, T
Sandwich P	Weeks Public Library E	Bedford School District E, T
Seabrook P, F	Westmoreland E	Bethlehem School District E, T
Shelburne E	Whitefield E, P, F	Bow School District E, T
Somersworth E, P, F	Wilmot E, P	Brentwood School District E, T
Somersworth Housing Authority E	Wilton P	Brookline School District E, T
South Hampton P	Winchester E, P	Campton School District E, T
Southern NH Planning Commission E	Windham E, P, F	Candia School District E, T
Springfield E, P	Wolfeboro E, P, F	Chester School District E, T
Stark E	Woodstock E, P	Chesterfield School District E, T
Stewartstown E, P	Woodsville Fire District E	Chichester School District E, T
Strafford P	Woodsville Water & Light Department E	Claremont School District E, T
Stratford E		Cocheco Arts & Technology Academy T
Stratham E, P	COUNTY GOVERNMENTS (AND RELATED ENTITIES)	Colebrook School District T
Sugar Hill E, P	Belknap County E, P	Concord School District E, T
Sunapee E, P	Belknap County Conservation District E	Contoocook Valley Regional School District-SAU 1 E, T
Sutton P	Carroll County E, P	Conway School District E, T
Swanzey P, F	Cheshire County E, P	Cornish School District E, T
SWNH District Fire Mutual Aid E, F	Coos County E, P	Croydon School District T
Tamworth E, P, F	Coos County Nursing Home E	Deerfield School District T
Thornton E, P	Grafton County E, P	Dresden School District E, T
Tilton E, P	Hillsborough County E, P	Dunbarton School District T
Tilton/Northfield Fire District E, F	Merrimack County E, P	East Kingston School District E, T
Troy E, P	Rockingham County E, P, F	Epping School District E, T
Troy Water & Sewer E	Strafford County E, P	Epsom School District T
Tuftonboro E, P, F	Sullivan County E, P	Errol School District T
Unity E		Exeter School District E, T
Village District of Eastman E	SCHOOL DISTRICTS	Exeter Regional Co-Op School District E, T
Wakefield E, P, F	Allenstown School District T	Fall Mountain Regional School District E, T
Walpole E, P	Alton School District E, T	Farmington School District E, T
Warner E, P	Amherst School District E, T	Franklin School District E, T
Warner Village Water District E	Andover School District E, T	Freedom School District E, T
Washington E, P	Ashland School District E, T	Fremont School District E, T
Waterville Estates Village District E	Auburn School District E, T	Gilford School District E, T
	Barnstead School District E, T	

KEY: E – Employees T – Teachers P – Police Officers F – Firefighters
SAU – School Administrative Unit

NEW HAMPSHIRE RETIREMENT SYSTEM — STATISTICAL SECTION

Gilmanton School District E, T	Lafayette Regional Cooperative School District E, T	Newmarket School District E, T
Goffstown School District E, T	Landaff School District T	Newport School District E, T
Goshen-Lempster School District E, T	Lebanon School District E, T	Next Charter School T
Governor Wentworth Regional School District E, T	Lincoln Woodstock Coop School District E, T	North Country Charter Academy T
Grantham School District E, T	Lisbon Regional School District E, T	North Country Education Service E, T
Great Bay eLearning Charter School T	Litchfield School District E, T	North Hampton School District E, T
Greenland School District E, T	Littleton School District E, T	Northumberland School District E, T
GRS Cooperative School District E, T	Londonderry School District E, T	Northwood School District E, T
Hampstead School District E, T	Lyme School District E, T	Nottingham School District E, T
Hampton Falls School District E, T	Madison School District E, T	Oyster River Coop School District E, T
Hampton School District E, T	Manchester School District E, T	Pelham School District E, T
Hanover School District E, T	Marlborough School District E, T	Pembroke School District E, T
Harrisville School District E, T	Marlow School District E, T	Pemi-Baker Regional School District E, T
Haverhill Coop School District E, T	Mascenic Regional School District E, T	Piermont School District E, T
Henniker School District E, T	Mascoma Valley Regional School District E, T	Pittsburg School District E, T
Hill School District E, T	Mason School District E, T	Pittsfield School District E, T
Hillsboro-Deering School District E, T	Merrimack School District E, T	Plainfield School District E, T
Hinsdale School District E, T	Merrimack Valley School District E, T	Plymouth School District E, T
Holderness School District E, T	Milan School District E, T	Portsmouth School District — SAU 52 E, T
Hollis School District E, T	Milford School District E, T	Portsmouth—Josie F. Prescott E
Hollis/Brookline Coop School District E, T	Milton School District E, T	Profile Coop School District E, T
Hooksett School District E, T	Monadnock Regional School District E, T	Propsect Mountain High School E, T
Hopkinton School District E, T	Monroe School District E, T	Raymond School District E, T
Hudson School District E, T	Mont Vernon School District E, T	Rivendell Interstate School District E, T
Inter-Lakes Cooperative School District E, T	Moultonborough School District E, T	Rollinsford School District E, T
Jackson School District E, T	Nelson School District T	Rumney School District T
Jaffrey-Rindge Co-op E, T	New Boston School District E, T	Rye School District E, T
John Stark Regional School District E, T	New Castle School District E, T	Salem School District E, T
Kearsarge Regional Cooperative School District E, T	Newfields School District E, T	Sanborn Regional School District E, T
Keene School District E, T	Newfound Area School District E, T	Seabrook School District E, T
Kensington School District E, T	Newington School District E, T	Seacoast Charter School T
Laconia School District E, T		Shaker Regional School District E, T

KEY: E – Employees T – Teachers P – Police Officers F – Firefighters
SAU – School Administrative Unit

Somersworth School District E, T	Wentworth School District T	SAU 20 E
Souhegan Cooperative School District E, T	Westmoreland School District E, T	SAU 21 E, T
South Hampton School District E, T	White Mountains Regional School District E, T	SAU 23 E, T
Stark School District E, T	Wilton-Lyndeborough School District E, T	SAU 24 E, T
Stewartstown School District T	Winchester School District E, T	SAU 28 E
Stoddard School District E, T	Windham School District E, T	SAU 29 E, T
Strafford School District E, T	Winnacunnet Coop School District E, T	SAU 34 E, T
Stratford School District E, T	Winnisquam Regional Coop School District E, T	SAU 35 E, T
Stratham School District E, T		SAU 39 E
Sunapee School District E, T		SAU 41 E
Surry Village Charter School T		SAU 42 E, T
Tamworth School District E, T	SCHOOL ADMINISTRATIVE UNITS	SAU 43 E, T
Thornton School District E, T	SAU 2 E, T	SAU 44 E, T
Timberlane Regional School District E, T	SAU 3 E, T	SAU 46 E
Unity School District E, T	SAU 6 E	SAU 48 E, T
Virtual Learning Academy Charter School T	SAU 7 E, T	SAU 50 E, T
Wakefield School District E, T	SAU 9 E, T	SAU 53 E, T
Warren School District E, T	SAU 10 E, T	SAU 54 E, T
Washington School District E, T	SAU 13 E	SAU 55 E
Waterville Valley School District E, T	SAU 15 E, T	SAU 56 E, T
Weare School District T	SAU 16 E, T	SAU 58 E
	SAU 18 E, T	SAU 61 E
	SAU 19 E, T	SAU 64 E, T
		SAU 70 E

KEY: E – Employees T – Teachers P – Police Officers F – Firefighters
SAU – School Administrative Unit



NHRS

New Hampshire Retirement System

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