



January 22, 2019

NHRS Testimony on House Bill 468

The New Hampshire Retirement System Board of Trustees has not taken a position on this legislation.

This bill would add attendance stipends paid to full-time teachers and full-time paraprofessional or educational support personnel as a type of earnable compensation to be included for NHRS reporting purposes. The scope of impacted employers, members, and dollars at issue are indeterminable.

From an administrative perspective, the retirement system has the following observations regarding this legislation:

- Such stipends paid in cash (and not as additional days off) have not been eligible for inclusion as earnable compensation under RSA 100-A since 2008, when HB 1645 was enacted. Since that time, when NHRS has become aware of such stipends being reported as earnable compensation it has refunded those attributable contributions to employers and members. In addition, if an attendance bonus is an award of extra days off that can be later cashed in, amounts received upon cashing in would still be excludable for members not vested prior to 7/1/2012 as compensation for unused sick or vacation time.
- Requiring retroactive adjustments at this point would create significant administrative, income tax and budget issues for employers and NHRS to properly identify the stipends and calculate the resulting contributions necessary on behalf of impacted employers and members.
- The NHRS interprets the proposed retroactive language in section 2 to include attendance stipends for current members only and not for any retirees.
- NHRS further interprets the proposed language as including attendance stipends for those members who may have earned such stipends for both their current and prior employers.
- NHRS also notes that some employers also pay such attendance stipends to employees, police and fire members and, as such, this legislation would result in inconsistent treatment across member classes.