

AFT-NH
Retirement and Legislative Update
June 22, 2009

The House-Senate negotiators have tentatively agreed on the details for the 2010-2011 budget. Both legislative bodies will vote on the compromise Wednesday, June 24, 2009.

AFT-NH has been monitoring several sections of the budget. We had some success and some disappointment with retirement issues contained in the budget:

- **Only** State employees hired after July 1, 2009 will have to put an extra 2% contribution into the New Hampshire Retirement system.
- **Our retirees** will receive the same COLA as last year.

Other retirement bills affecting our members include:

SB 108 establishes a committee to study the imposition of assessments to retirement system employers for excess benefits paid to retirees.

This bill will:

- The duties of this committee are to: study the law requiring the imposition of assessments to retirement system employers for excess benefits paid to retirees, including earnable compensation of members;
- Explore alternatives to the procedure in RSA 100-A:16, III-a;
- The so-called load factor assessed to retirement system employers;
- The committee shall report its findings and any recommendations for proposed legislation to the President of the Senate, the Speaker of the House of Representatives, the Senate Clerk, the House Clerk, the Governor, and the State Library in an interim report on or before November 1, 2009, and a final report on or before November 1, 2010; and
- The New Hampshire Retirement System shall report on or before November 1 2009 to the chairpersons of the House and Senate Executive Departments and Administration Committees relative to death benefits under RSA 100-A.

HB 641 is relative to the determination of employer assessments for excess benefits paid by employers in the retirement system.

This bill will:

- Require the New Hampshire Retirement System (NHRS) to develop a specific methodology for individuals retiring after July 1, 2010, that determines the amount of the employer assessment for excess benefits charged but accounts for the portion

of the present value of the member's retirement benefit attributable to the compensation above base pay.

- The retirement system will submit a report regarding the methodology no later than December 1, 2009.
- Every employer shall annually report the annual base pay of each member to the NHRS.
- The provisions of Section 33 of RSA 100-A:16, III shall not apply to a binding contract or a binding collective bargaining agreement in place on the effective date of this section, to the extent required by contract or agreement, while the terms of the existing contract remain in force as a result of "either the operation of law or the status quo doctrine".
- Section 3 of this Act shall take effect July 1, 2010 at 12:01am and the remainder of this act shall take effect upon its passage.

AFT-NH will monitor both the committee hearings for both SB 108 and HB 641 and review all reports released to the public. It will be very important for you to watch for AFT-NH updates on these bills.

HB 590, which would have increased the number of years a Group II member would have to work, was killed because the House-Senate conferees could not reach agreement on the bill.

The House and Senate defined "extra or special duties" as: a member's work activities or details for which the employer bills or charges another entity, in whole or in part, for the work activities or details provided.

Charter Schools

The House and Senate put \$6.2 million back into the budget for Charter schools. **School Building Aid was restored to already approved school districts. They will receive a little over \$80 million.** These two additions to the budget contributed to increasing the projected deficit to \$200 million. Here are some of the decisions made to make up for this \$200 million shortfall.

- Close the Laconia prison and the Tobey school,
- Cut \$25 million from the state personal line, which could mean another 750 laid off state workers,
- Increase the meals and rooms tax from 8% to 9%,
- Increase the cigarette tax another \$0.45,
- Many cuts were made to Health and Human Services programs,
- Cut \$3 million for catastrophic aid,
- Add a 10% tax on gambling winnings over \$600 and
- New state surcharge on motor vehicle registration.

In closing, we still have a ways to go, so please remember, we are a much stronger voice when working together. It is very important to talk to your colleagues and encourage them to take action as well.

In Solidarity,

Laura Hainey
AFT-NH President