
FISCAL NOTE

House Bill 376 as introduced increases the maximum compensation that a Teachers' Retirement System (TRS) or Employees' Retirement System (ERS) retiree may earn, without suspension of their retirement allowance, through returning to work with any employer participating in the TRS or ERS from \$30,000, currently set in statute, to \$52,000 commencing with the bill's effective date. This bill provides that this new annual earning limit will be increased, based on the Consumer Price Index (CPI), on January 1, 2024 and each year thereafter. Under current law, the earning limit is adjusted each year according to the CPI, and the current compensation cap for 2022 is \$34,000, after CPI adjustment. In addition, the bill provides that the new compensation cap established by this bill shall be repealed on December 31, 2026, unless extended by an act of the Legislature.

This bill could increase the obligations of several state and local agencies or entities that employ such retirees by an undetermined amount dependent upon any additional compensation paid to such retiree under the provisions of this bill. This bill could also increase the obligations of RSA by an undetermined amount dependent upon the number of employees that retire and return to work and earn compensation above the current retiree compensation cap but less than the proposed new maximum of \$52,000 but who would not otherwise have retired and received retirement benefits absent the provisions of this bill.

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Steve Clouse, Chair
Ways and Means General Fund