

Amendment to HB 559-FN

1 Amend the bill by replacing all after the enacting clause with the following:

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3 1 Participation by Members; Retirement System; Defined Contribution Plan. Amend the
4 introductory paragraph of RSA 100-A:3, I(a) to read as follows:

5 I.(a) Any person who becomes [~~an~~] ***a political subdivision*** employee, teacher, permanent
6 policeman, or permanent fireman after the date of establishment, ***or who begins state employee***
7 ***service before July 1, 2024***, working in a position for an employer under this chapter as
8 determined by common law standards, shall become a member of the ***defined benefit*** retirement
9 system as a condition of employment. In addition, employees appointed to an unclassified position
10 with no fixed term on or after July 1, 2011 ***and before July 1, 2024*** shall become members of the
11 ***defined benefit*** retirement system as a condition of employment, if they are receiving benefits from
12 the retirement system. Any retirement benefit collected by such an unclassified employee shall be
13 suspended during the period of employment. Membership in the retirement system shall be optional
14 in the case of elected officials, officials appointed for fixed terms, employees appointed to an
15 unclassified position with no fixed term prior to July 1, 2011, or those employees of the general court
16 who are eligible for membership in the retirement system. [~~Other~~] Elected officials and officials
17 appointed for fixed terms shall, however, be eligible for membership in the retirement system only
18 under the following conditions:

19 2 Unfunded Accrued Liability; Group III Members. Amend RSA 100-A:16, II(e)(1) to read as
20 follows:

21 (e)(1) Immediately following the actuarial valuation prepared as of June 30 of each fiscal
22 year, the board shall have an actuary determine the amount of the unfunded accrued liability for
23 each member classification, proportionally reduced using sums dedicated as provided in RSA 21-I:95,
24 II, as the amount of the total liabilities of the state annuity accumulation fund on account of such
25 classification which is not dischargeable by the total of the funds in hand to the credit of the state
26 annuity accumulation fund on account of such classification, and the aforesaid normal contributions
27 to be made on account of the members in such classification during the remainder of their active
28 service. The amount so determined with respect to each member classification shall be known as the
29 "unfunded accrued liability" with respect to such classification. ***The accrued liability***
30 ***contribution percentage chargeable to a group III employer shall be determined by***
31 ***charging the group I member accrued liability contribution for the group III members.***

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1 100-A:63 Administration of Plan. The commission may contract with a third-party
2 administrator for the plan for the administration of assets accumulated under each participant's
3 account.

4 100-A:64 Powers of the Commission. The commission, in addition to its powers and duties set
5 forth in this subdivision and RSA 101-B, shall have the following powers and duties to establish the
6 plan and trust and administer the provisions of this subdivision:

7 I. The commission may commingle or pool assets with the assets of other persons or entities.

8 II. The commission shall pay all administrative fees, costs and expenses of managing,
9 investing and administering the plan, and the individual investment accounts from the balance of
10 such individual investment accounts except as otherwise provided under this part or as the
11 legislature otherwise provides by appropriation.

12 III. The commission shall have the power to change the terms of the plan as may be
13 necessary to maintain the tax-qualified status of the plan.

14 IV. The commission may establish a process for election to participate in the plan by those
15 employees eligible to do so for whom participation is not mandatory.

16 V. The commission may allow an inactive participant to maintain the participant's
17 individual investment account within the plan.

18 VI. The commission shall ensure that participants are provided with educational materials
19 about investment options and choices.

20 100-A:65 Contributions by Member. The member participating under this subdivision shall
21 contribute 7 percent of earnable compensation to the plan.

22 100-A:66 Limitations on Contributions. Notwithstanding any other provisions of this plan, the
23 annual total member contributions to each individual's account under this plan, including any
24 additional voluntary contributions under RSA 101-B, may not exceed, for any limitation year, the
25 amount permitted under 26 U.S.C. section 415 at any time. If the amount of a member's defined
26 contribution plan contributions exceeds the limitation of 26 U.S.C. section 415(c) for any limitation
27 year, the administrator shall take any necessary remedial action to correct an excess contribution.

28 100-A:67 Contributions by Employer. Employers under the plan shall contribute an amount
29 equal to or greater than 5 percent of a member's earnable compensation for deposit in the member's
30 individual account.

31 100-A:68 Investment of Individual Accounts.

32 I. A member's individual account shall be invested as authorized in RSA 101-B.

33 II. Except to the extent clearly set out in the terms of the investment plans offered by the
34 employer to the employee, the employer is not liable to the participant for investment losses if the
35 prudent investment standard has been met.

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1 III. The employer, administrator, state, or commission, or a person or entity who is
2 otherwise a fiduciary, is not liable for any participant's investment loss that results from the
3 participant's directing the investment of plan assets allocated to the participant's account.

4 100-A:69 Vesting. Contributions and investment return attributable to contributions shall be
5 100 percent vested as of the date of contribution or accrual.

6 100-A:70 Withdrawal of Funds. Distributions from an account of a member shall be permitted
7 in the following circumstances, subject to applicable rules and limitations under federal regulations:

8 I. Termination of employment.

9 II. Retirement.

10 III. Upon turning age 59½ and still employed as limited by federal regulations.

11 IV. If the member becomes disabled.

12 V. If the member dies.

13 VI. Financial hardship as defined in applicable federal regulations.

14 VII. Required distributions.

15 100-A:71 Required Distributions. All payments under this subdivision shall start and be made
16 in compliance with the minimum distribution requirements and incidental death benefit rules of
17 Internal Revenue Code section 401(a)(9). The commission shall take any action and make any
18 distributions it may determine are necessary to comply with those requirements.

19 100-A:72 Health Insurance Group Insurance Inclusion. Any retired member and his or her
20 beneficiaries may participate in the retiree group insurance programs authorized by RSA 21-I:26
21 through RSA 21-I:36 at his or her own expense unless otherwise provided.

22 4 Initial Funding; Appropriation. All initial fees, costs and expenses of establishing and
23 administering the plan and investing the assets of the plan under RSA 100-A:59 through 100-A:72
24 shall be borne by the state general fund until July 1, 2025, after which they will be borne by the
25 participants and paid from assessments against the balances of the individual investment accounts
26 as established by the commission. The governor is authorized to draw a warrant for the sum
27 necessary for such administration out of any money in the treasury not otherwise appropriated.

28 5 Effective Date. This act shall take effect June 30, 2024.