

April 12 Legislative Update:

It was another busy week for the Legislature as they completed the eighth and ninth legislative days of the Regular Session.

The Senate Governmental Affairs committee gave a favorable report to SB57 by Sen. Ward, which would allow RSA to make beneficiary payments to special needs trusts upon written direction by the member or the trustee. This bill does not increase costs to members, employers, or the systems.

The Senate Finance and Taxation General Fund committee passed out SB206 by Sen. Ward, which would provide a \$2 per month of service bonus to ERS State retirees with a \$300 minimum. Local governments that participate in ERS would have the option to give the bonus to their retirees. The bonus would be paid out in December and is estimated to cost \$13.5M. RSA would be reimbursed for the bonus by an increase in the FY21 employer contribution rate.

The Senate considered SB147 by Sen. Waggoner, which would allow local governments that participate in ERS to provide Tier I benefits to Tier II members. Two amendments were made to the bill, and a third amendment was proffered.

- The first amendment would grant the ERS Board the discretion to deny a local government's election to provide Tier I benefits based upon historical compliance with ERS requirements and the financial stability of the entity.
- Second, a technical amendment was added to allow RSA to calculate split service time if needed upon retirement. For instance, if a member worked for a local employer with Tier I benefits, then went to work for the state with Tier II benefits, upon retirement RSA would calculate the time with the local employer at the Tier I multiplier and the time with the state at the Tier II multiplier.
- The third amendment would require that an entity have a funded ratio of 85% or higher for three consecutive years before such election could be made. After a motion to table this amendment failed, the bill was carried over to the call of the chair at the request of the sponsor.

In the House, the Chairman of the House Ways and Means committee indicated that the committee needed further time to review HB77, but that it should be taken up for a vote by the committee at its next meeting. The House also introduced only one new bill, HB389 by Rep. Rogers, which would impact RSA. This bill would allow the purchase of service credit for a TRS member who served as a postdoctoral fellow at UAB.