

Week 3 Legislative Update:

The Legislature completed the fifth and sixth legislative days of the Regular Session this week. The House unanimously passed two bills that affect RSA. On Tuesday, the House passed HB76, by Rep. Baker, which would create TRS Tier III. On Thursday, the House passed HB172, by Rep. Ingram, which would change the make-up of the ERS Board by adding two local seats. A number of new bills impacting RSA were filed in both the House and the Senate:

- **ERS Tier III**
HB268, by Rep. Ingram, and SB201, by Sen. Barfoot, would create Tier III for ERS State members and would mirror the Tier III for TRS proposed by HB76. Tier III would improve upon Tier II benefits by increasing the benefit multiplier, allowing 30-year retirement, and allowing sick leave conversion. Members would pay a higher contribution rate of 7.5% for the improved benefit. Tier III would be effective October 1, 2020, for new employees. Tier II members would automatically be converted to Tier III with the option to revert back to Tier II. Tier III would not apply to the local employers who participate in ERS.
- **EIRP**
HB271, by Rep. Sells, would create the Employees' Investment Retirement Plan ("EIRP"). EIRP is a modified version of DROP that is cost-neutral to employers and RSA, but would provide less of a benefit to members. The major differences between EIRP and DROP are that only 80% of a member's benefit will be deposited into his or her account, no interest will accrue, and employee contributions made during the participation period will be non-refundable.
- **State Police**
HB280, by Rep. Pettus, would provide State Police retirement benefits to all employees of ALEA who perform law enforcement duties. Currently, employees who perform law enforcement duties hired by ALEA after January 1, 2015, receive the same benefits as firefighters, law enforcement officers, and correctional officers (referred to as "FLC") and no new employees are eligible to receive State Police retirement benefits. Under this legislation, all current and new employees of ALEA who perform law enforcement duties would receive State Police retirement benefits. The bill would also modify the Tier II State Police benefit to allow 25-year retirement and to provide hazardous duty time as provided to Tier I FLC members.
- **FLC In-Service Death Benefits**
HB307, by Rep. Reynolds, would allow the use of hazardous duty time to calculate years of service for in-service death benefits for eligible firefighters, law enforcement officers, and correctional officers.
- **ERS Retiree Bonus**
SB218, by Sen. Waggoner, would provide a one-time bonus to ERS retirees in the amount of \$3 per month of service with a \$300 minimum. It would provide the local employers that participate in ERS the option to provide the bonus to their retirees.