

# NHRS

New Hampshire Retirement System  
A Component Unit Of The State Of New Hampshire

Comprehensive Annual Financial Report  
For The Fiscal Year Ended  
June 30, 2015



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NEW HAMPSHIRE RETIREMENT SYSTEM

# INTRODUCTORY SECTION

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

A Component Unit of the State of New Hampshire

Prepared by  
New Hampshire Retirement System  
54 Regional Drive  
Concord, New Hampshire 03301-8507  
[www.nhrs.org](http://www.nhrs.org)

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LETTER FROM  
THE CHAIR



NHRS

New Hampshire Retirement System



*Richard A. Gustafson, PhD  
Chair  
Board of Trustees*

December 8, 2015

To the Members and Beneficiaries of the New Hampshire Retirement System:

On behalf of the Board of Trustees of the New Hampshire Retirement System (NHRS, the retirement system), I am pleased to present NHRS' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This report describes the financial conditions of both the Pension Plan and the Other Post Employment Benefit (OPEB) Plans. The report also describes various changes that occurred during Fiscal Year 2015, as well as some of the challenges and opportunities that lie ahead.

The Board of Trustees has the responsibility to ensure that the interests of members and beneficiaries are properly safeguarded over the long term.

The Board sets an investment policy, including asset allocation, and selects investment consultants to advise the Independent Investment Committee (IIC). The IIC continuously works with consultants and staff to review and change, as appropriate, strategies, external asset managers, and selection of specific investments. NHRS realized a 3.5% return on investments in the fiscal year ended June 30, 2015. It is important to keep in mind that these investment returns are for a single year, and need to be considered within the context of the portfolio's performance over time as compared to the "target" or assumed rate of return of 7.75%.

The three-year, five-year, 10-year, and 20-year returns for the periods ended June 30, 2015, were 11.7%, 11.6%, 6.9%, and 7.8%, respectively. The relative performance of our investment portfolio has been strong. Compared to the members in the InvestorForce Public Defined Benefit Universe, which represents 242 public plans totaling more than \$435 billion in assets, NHRS performed better than 70% of its peers over the one-year period and better than 90% its peers over the three- and five-year periods. All returns are net of fees.

In addition to the information on investments contained in this report, more detailed information on NHRS-specific investment activities and current economic and market climate is provided in the Comprehensive Annual Investment Report for Fiscal Year 2015, issued separately by the IIC.

It is worth noting that the 7.75% assumed rate of return will be reviewed by the Board in 2016 as part of an actuarial experience study conducted every five years by the NHRS consulting actuary to analyze how the actual experience of the retirement system, including key economic and demographic factors, compares to the assumptions of these factors on which the actuarial model is based. The assumed rate of return is a significant assumption in the actuarial model and is used in the calculation of the cost of future benefits, discounted to today's dollars, which directly impacts the amount of employer contributions required to fund the plan.

At the close of the fiscal year, the retirement system's net position held in trust was \$7.53 billion, an increase of approximately \$116 million over the prior fiscal year.

At June 30, 2015, the funded ratio of the Pension Plan stood at 63.4% and the OPEB Plans at 2.9%, versus 60.7% and 3.0% in the previous year, respectively. Funding status is measured by comparing the actuarial value of assets to the cost of accrued benefits owed now and in the future.

There are four OPEB plans, which provide a post-employment medical subsidy benefit to qualified Group I and Group II members. Because the OPEB plans are closed to new members and are essentially funded on a pay-as-you-go basis, they do not, for the most part, have substantial assets set aside for future funding and benefits are paid from annual employer contributions. The reason this financing method is the most appropriate approach is that OPEB benefits will decline over time.

In recent years, a number of legislative and policy changes have put NHRS on a path to financial health, including a 30-year amortization of the retirement system's unfunded actuarial accrued liability (UAAL).



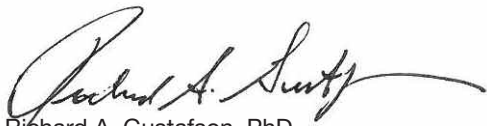
In addition to actuarial funding progress data noted above, this year's CAFR includes financial accounting information required under Governmental Accounting Standards Board (GASB) statement No. 67, which deals with financial reporting for pension plans. This is the second year that this financial accounting information has been included in the CAFR. GASB 67 reporting is for accounting purposes only and does not impact employer contribution rates or the statutory funding plan in place to pay down the NHRS unfunded liability. Additionally, because GASB 67 requires pension funding to be calculated based on the market value of assets at June 30, the funding information reported for accounting purposes will generally be more volatile than the actuarial funding calculation, which recognizes investment gains and losses over a rolling, five-year period.

We were pleased to welcome two new Trustees to the board in the past 12 months: Julia Griffin, municipal employer representative, and Bruce Moorehead, county employer representative. The Board expresses its thanks to former Trustee Jack Wozmak, who left the board in 2015.

Through a number of recent and ongoing initiatives, NHRS has continued to strengthen its operations, efficiency, and member services. Among these efforts were a redesigned, mobile-friendly website, improvements to our employer reporting processes, and significant upgrades to My Account, our secure online member portal. We have also made significant improvements in technology and training to better protect member information from cyber threats.

We are pleased with the ongoing, meaningful progress that has been made toward improving operational efficiencies, delivering timely and professional services, and implementing the necessary changes to support the sustainability and stability of NHRS. The Board and staff are committed to proactively meeting these challenges for the benefit of the retirement system's members and beneficiaries.

Sincerely,



Richard A. Gustafson, PhD  
Chair of the Board of Trustees  
New Hampshire Retirement System

**BOARD OF TRUSTEES**

**BOARD OF TRUSTEES**



**Richard A. Gustafson, PhD**  
*Chair, Public Member*  
August 2011 to August 2015



**J. David McCrillis**  
*Public Member*  
August 2012 to July 2016



**Maureen Kelliher**  
*Public Member*  
June 2014 to July 2015



**Hershel D. Sosnoff**  
*Public Member*  
November 2011 to November 2015



**Donald M. Roy, Jr.**  
*Employer Member*  
July 2011 to July 2015



**John T. Beardmore**  
*Employer Member*  
December 2012 to July 2015



**Julia N. Griffin**  
*Employer Member*  
December 2014 to September 2017



**Germano Martins**  
*Employee Member*  
May 2013 to July 2016



**Tonya J. Angwin**  
*Teacher Member*  
October 2014 to July 2016



**George A. Walker**  
*Firefighter Member*  
July 2012 to July 2016



**Dean Crombie**  
*Police Officer Member*  
April 2003 to July 2016



**William Dwyer**  
*Commissioner of the Treasury*  
March 2014 ex officio

**No Photo Available**

**Bruce C. Moorehead**  
*Employer Member*  
July 2015 to July 2017

**INDEPENDENT  
INVESTMENT  
COMMITTEE**

**INDEPENDENT MEMBERS**



**Senator Harold Janeway, Chair**  
January 2009–November 2010  
December 2010–Present



**David A. Jensen**  
January 2009–December 2010  
December 2011–Present



**Patrick O'Donnell**  
May 2009–December 2010  
July 2011–Present

**TRUSTEE MEMBERS**



**Maureen Kelliher**  
June 2014–Present



**Hershel Sosnoff**  
January 2012–Present



**Lawrence A. Johansen**  
Director of Investments

**CERTIFICATE OF  
ACHIEVEMENT**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

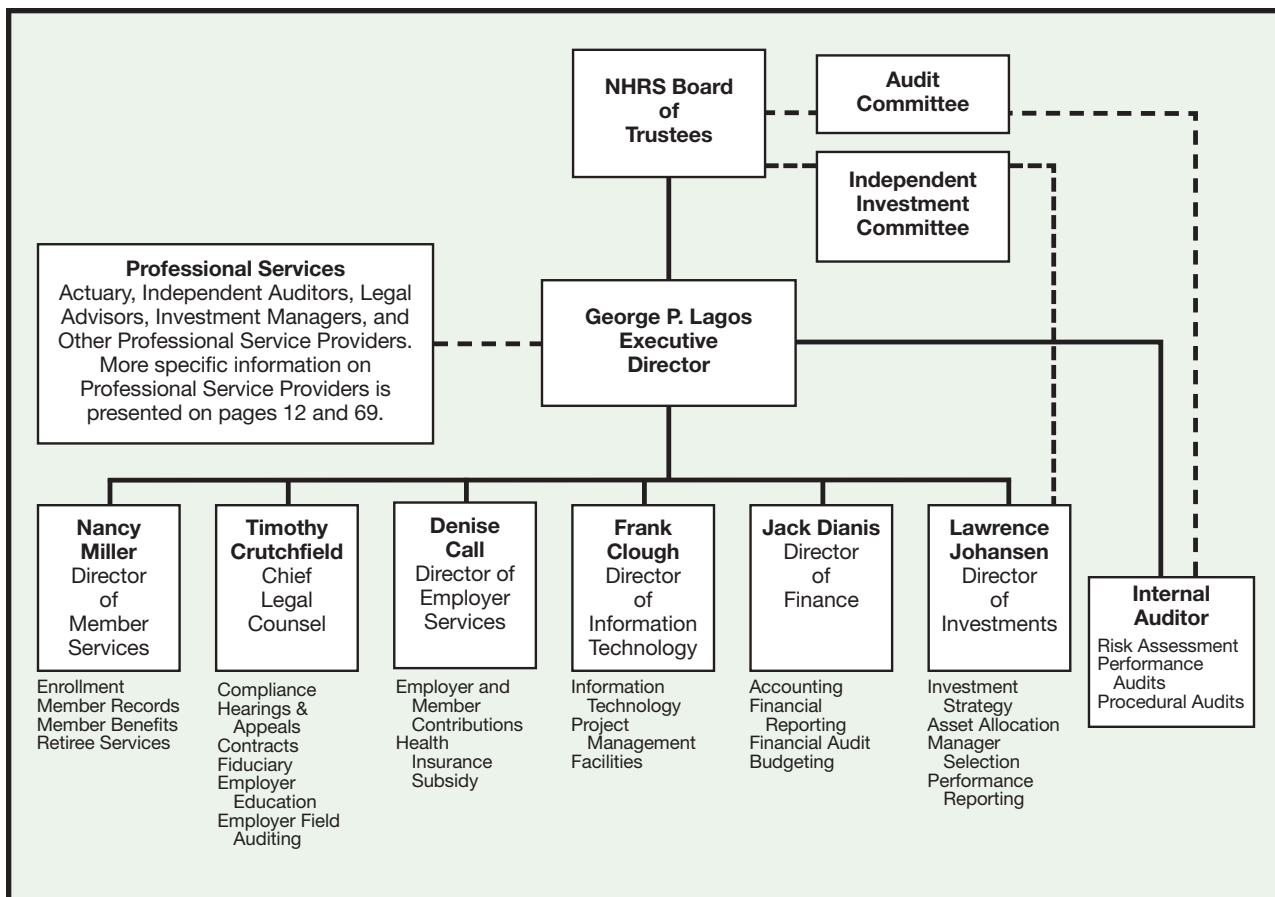
**New Hampshire  
Retirement System**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

**ADMINISTRATIVE ORGANIZATION**



**NHRS MANAGEMENT TEAM**



Seated left to right: Denise Call, George P. Lagos, John Browne, Nina Calkins. Standing left to right: Jack Dianis Timothy J. Crutchfield, Tracey Horner, Marty Karlon, Kathy DeNutte, Frank Clough, Cecile Merrill, Lawrence A. Johansen, Nancy Miller, Shannan Hudgins, Mark Cavanaugh, Rosamond Cain and Heather Fritzky. Absent when photo was taken: Tamre McCrea

## PROFESSIONAL MANAGERS, ADVISORS AND SERVICE PROVIDERS

### DOMESTIC EQUITY MANAGERS

AllianceBernstein L.P.  
Blackrock Institutional Trust  
Company, N.A.  
Boston Trust & Investment  
Management Company  
Institutional Capital LLC  
LSV Asset Management  
Segall, Bryant and Hamill  
Thompson, Siegel & Walmsley LLC  
Wellington Management Company,  
LLP

### NON-U.S. EQUITY MANAGERS

Aberdeen Asset Management Inc.  
Artisan Partners  
Causeway Capital Management  
Fisher Investments  
Grantham, Mayo, Van Otterloo & Co.  
LLC  
LSV Asset Management  
Neuberger Berman  
Thornburg Investment Management,  
Inc.  
Walter Scott & Partners Limited  
Wellington Trust Company, N.A.

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Brandywine Global Investment  
Management, LLC  
DoubleLine Capital  
GAM  
Income Research &  
Management  
Loomis Sayles &  
Company, L.P.  
Manulife Asset Management  
Pacific Investment Management  
Company, LLC

### PRIVATE DEBT & EQUITY MANAGERS

Alcentra  
Apax Partners  
Avenue Capital Group  
BlackRock Private Equity Partners  
Carlyle Group  
CarVal Investors  
CCMP Capital  
Comvest Partners  
Coller Capital  
Crescent Capital Group  
Edgewater Growth Capital Partners  
Gramercy  
HarbourVest Partners  
Industry Ventures  
Ironwood Capital  
Lexington Capital Partners  
MatlinPatterson Global Advisers  
Monroe Capital  
NGP Energy Capital Management  
Paul Capital  
Pine Brook Capital Partners  
RFE Investment Partners  
Siguler Guff & Co.  
St. Capital Partners  
Standard Life Investments  
Tennenbaum Capital Partners  
Top Tier Capital Partners  
VSS

### ABSOLUTE RETURN MANAGERS

Arden Asset Management, LLC

### REAL ESTATE MANAGERS

Hart Advisers, Inc.  
LaSalle Investment Management  
The Townsend Group

### TRANSITION MANAGERS

Abel/Noser Corporation  
BlackRock Institutional Trust  
Company, N.A.  
Russell Implementation Services  
State Street Bank and Trust  
Company

### INDEPENDENT AUDITORS

KPMG LLP

### INVESTMENT ADVISOR

NEPC, LLC

### ACTUARIAL CONSULTANT

Gabriel, Roeder, Smith & Company

### LEGAL ADVISORS

Foster Pepper PLLC  
Getman, Stacey, Schulthess &  
Steere, P.A.  
Groom Law Group  
Peter T. Foley, Esquire  
Sulloway & Hollis PLLC  
McLane Middleton, P.A.

### CUSTODIANS

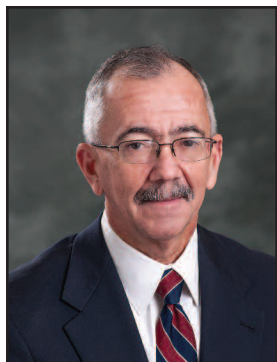
Citizens Bank-NH  
(In-state Custodian)  
BNY Mellon  
(Master Custodian)

### CORPORATE GOVERNANCE SERVICES

Institutional Shareholder Services,  
Inc.

### TRADING COST ADVISOR

Abel/Noser Corporation



*George P. Lagos  
Executive Director*

December 8, 2015

Dear Chair and Members of the Board of Trustees:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the New Hampshire Retirement System (NHRS) for the fiscal year ended June 30, 2015. This comprehensive report is designed to comply with the provisions of the Revised Statutes Annotated (RSA) 100-A:15, VI of the State of New Hampshire.

The management at NHRS is responsible for the complete and fair presentation of financial information and the accompanying disclosures in this report. This report fairly presents the combined assessment of the investment results and the financial condition of the Pension Plan and the Post-Employment Medical Plans.

The Pension Plan was established in 1967 to consolidate and replace four separate pension plan systems: the New Hampshire Teachers' Retirement System, the New Hampshire State Employees Retirement System, the New Hampshire Policemen's Retirement System, and the New Hampshire Permanent Firemen's Retirement System. The Pension Plan provides service retirement, disability retirement, and survivor benefits for all full-time state employees, public school teachers and administrators, permanent police officers, and permanent firefighters. Full-time employees of political subdivisions (such as county, municipal or school district employees) are also eligible to become members if the local governing body elects participation. At the close of the fiscal year, there were 47,812 active members and 31,350 retirees or beneficiaries.

The Pension Plan is a qualified governmental plan within the meaning of section 414(d) of the United States Internal Revenue Code and has a separately appointed governing body. Based on financial reporting guidelines, the Pension Plan is deemed to be a single pension plan. In addition, NHRS administers four post-employment medical plans (OPEB Plans) for qualified Group I and Group II members.

### **BUDGET CONTROLS AND NHRS ADMINISTRATION**

The administrative budget for fiscal year 2015 was proposed by management, approved by the Board of Trustees, submitted under the budget preparation guidelines of the State of New Hampshire, and passed into law by the New Hampshire Legislature. For financial reporting purposes, NHRS is considered a component unit of the State of New Hampshire.

NHRS is administered by a 13-member Board of Trustees, which includes the State Treasurer as an ex officio member, one employee member, one teacher member, one firefighter member, one police officer member, four public nonmembers, and four employer representatives. The Board of Trustees sets the investment policy, formulates administrative policies, and authorizes benefit payments to members and their beneficiaries. The NHRS Independent Investment Committee is responsible for investing in accordance with policies established by the Board; selecting investment managers, agents, and custodial banks; reviewing performance; and making recommendations to the Board regarding investment consultants, asset allocation, and other investment policy matters. Administrative functions are directed by the Executive Director and are carried out by the administrative staff.

### **ACCOUNTING SYSTEM AND INTERNAL CONTROL**

The CAFR has been prepared in conformity with U.S. generally accepted accounting principles (GAAP). The financial statements are prepared on the accrual basis of accounting. Contributions are recognized as revenue in the period when they become due pursuant to statutory requirements. Investment income is recognized as it is earned. Benefits, refunds, and investment expenses are recognized when they become due and payable. Net appreciation (depreciation) in the fair value of investments is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the financial statements. Trade commissions and related transaction costs are netted against the fair value of investments. Capital assets are recognized in the financial statements in accordance with NHRS's established capital asset policy.

The management at NHRS is responsible for maintaining a system of internal controls which is designed to provide reasonable assurance that the assets are adequately safeguarded and the financial reports and financial statements are fairly

stated. There is not an expectation from management that the internal controls will prevent or detect all errors and fraud. A control system, no matter how well designed and operated, can provide reasonable, not absolute, assurance that the objectives of the control system are met. The concept of reasonable assurance recognizes that: (1) The cost of a control should not exceed the benefits likely to be derived; and (2) The evaluation of costs and benefits requires estimates and judgments by management. Management believes its internal control structure meets these objectives.

**FINANCIAL PERFORMANCE**

For the fiscal year ended June 30, 2015, plan net position increased \$116.0 million to \$7,530.1 million compared to a \$986.1 million net position increase for the prior year. Positive investment returns of 3.5% in fiscal year 2015 contributed to continued improvement in the retirement system’s funded ratio. While the economy is showing slow but incremental signs of improvement, the retirement system still has significant financial challenges ahead of it. A detailed discussion of investment performance, the sources of additions and deductions, and results of operations is covered in the Management’s Discussion and Analysis beginning on page 21.

**FUNDING STATUS**

In order to ensure that current and future retirement benefits are safeguarded and available to members at retirement, NHRS evaluates the actuarial value of the Plans’ assets compared to the actuarial value of the Plans’ liabilities as an indication of the extent to which the Plans are funded each year. This measure is called the plan funded ratio. Significant legislation was enacted in the 2008 and 2011 legislative sessions aimed at improving the funded ratios of the Plans, some of which remain the subject of pending litigation (See Note 9, Page 48).

The Pension Plan funded ratio at June 30, 2015, based on the June 30, 2015, actuarial valuation was 63.4%. The comparable funded ratio at June 30, 2014, based on the June 30, 2014, interim actuarial valuation was 60.7%. The increase in the funded ratio was largely attributable to the elimination of investment losses in 2009 from the calculation of the actuarial values of assets, together with investment returns of 3.5% in FY 15. In addition, lower-than-expected growth of covered payroll reduced projected future liabilities. While the smoothing of investment returns helps to reduce the volatility in the rates that the retirement system charges employers year to year, it also means that the full effect of recent investment gains will not be recognized completely for several more years.

The funded ratios of the four OPEB Plans as of June 30, 2015, and June 30, 2014, are as follows:

	<b>June 30 2015</b>	<b>June 30 2014</b>
Group I Political Subdivision Employees OPEB Plan	37.5%	34.8%
Group I State Employees OPEB Plan	0.7%	0.4%
Group I Teachers OPEB Plan	( 5.8%)	( 4.7%)
Group II Police Officers and Firefighters OPEB Plan	3.3%	2.8%

A comprehensive analysis of funding progress for the Plans is provided in the Required Supplementary Information beginning on page 49.

NHRS adopted an actuarial funding policy in FY 2014 which defines the actuarial method and assumptions used to determine the employer contribution rates necessary to fund the plan. For more details on NHRS’ actuarial funding policy, go to [www.nhrs.org](http://www.nhrs.org).

**NET PENSION LIABILITY**

The total pension liability is the accrued liability for benefits owed now and in the future based on the Entry Age Normal funding method. The fiduciary net position is the fair value of plan net assets. The net pension liability is the total pension liability, less the amount of the pension plan’s fiduciary net position. These disclosures are accounting measurements, not actuarial measurements of the funded status of the plan, and are not used to develop employer contribution rates.

**INVESTMENTS**

RSA 100-A:15 grants the New Hampshire Retirement System Board of Trustees the authority to adopt the investment policy for NHRS. Effective January 1, 2009, an Independent Investment Committee was established by statute granting the authority to invest and reinvest NHRS funds in accordance with the investment policy adopted by the Board of Trustees. Prior to January 1, 2009, the Board of Trustees had the authority to invest and reinvest NHRS funds.

The Independent Investment Committee consists of not more than five members, three of whom are not members of the Board of Trustees and up to two of whom are members of the Board of Trustees appointed by the chairperson of the Board of Trustees. The Trustees and Independent Investment Committee members are fiduciaries and discharge their duties solely in the interest of the Plans’ participants and beneficiaries. In the management of the Plans’ assets, the Board of Trustees and the Independent Investment Committee members must exercise the care, skill, and caution under the



circumstances then prevailing that a prudent person acting in a like capacity would use in the conduct of an activity of like character and purpose.

The annualized total fund investment returns for the one-year, three-year, five-year, ten-year, and twenty-year periods ended June 30, 2015, were 3.5%, 11.7%, 11.6%, 6.9%, and 7.8%, respectively. A discussion about comparative annualized returns and related benchmark indices for fiscal years 2015 and 2014 is presented in the Management's Discussion and Analysis beginning on page 21.

### MAJOR INITIATIVES

NHRS faces many of the same issues common to other public employee retirement plans. As part of its proactive response to these challenges, the retirement system strives to create a culture of constant improvement. Some of the significant accomplishments during fiscal year 2015 were:

- Provided NHRS members with the option for electronic filing of popular forms via My Account, the retirement system's secure online member portal.
- Restructured the Retiree Services department to take advantage of efficiencies identified in the course of an ongoing Process Improvement Project ("PIP"), resulting in significant annual cost savings.
- Achieved investment performance for FY 2015 of 3.5%, which placed NHRS in the top 30 percent of its peer universe of public pension plans for the one-year period.
- Successfully coordinated the implementation of GASB statements 67 and 68, including the introduction of new GASB 67 financial disclosures in the June 30, 2014 CAFR, the completion of employer-level GASB 67 census testing, and the preparation of FY 2013 and 2014 GASB 68 reports for participating employers, which were released in July 2015. The implementation effort included an extensive communication and education campaign for retirement system employers.
- Installed new IT system infrastructure, implemented email encryption and 24/7 intrusion monitoring, initiated security training for staff, and purchased cyber liability insurance coverage. All of these steps have been taken as part of an ongoing effort toward assuring the protection of personal information and other sensitive data.
- Entered into an agreement to provide for disaster recovery services for our pension database, which assures that in the event of a catastrophic event, retiree pension payments will continue to be processed.
- Completed a website redesign project that culminated with a January 2015 launch. In addition to visual appeal and ease of use, the new site gives NHRS much more flexibility for adding new content.
- Created an unclaimed contribution page for the NHRS website to provide information to former members who may have left funds in the system.
- Provided insurance vendors with the ability to submit rate changes electronically, saving substantial staff time and reducing the opportunities for data entry errors.
- Held 36 member benefit information sessions at NHRS and other locations throughout the state. Also participated in an additional 20 presentations for retirees, employers, legislators or professional organizations.
- Further diversified manager-specific investment risk and increased expected sources of return by transitioning assets from a terminated international equity manager to three new international equity managers and by transitioning assets from a terminated fixed income manager to three new fixed income managers.
- Implemented an online employment application process for recruitment of new employees.
- Developed and implemented, collaboratively with outside consultants, leadership workshops for Executive and Management team members.
- Continued to maintain administrative and investment expenses at favorable levels as compared to peer pension plans.
- Revised the Investment Policy to update benchmarks for measuring performance.
- Revised the disability review process to assure that all applicants were seen by an independent medical examiner in those situations where a file review was not sufficient to demonstrate eligibility.
- Amended the employer withdrawal policy to assure that any participating employer seeking to withdraw must fund its share of the unfunded actuarial accrued liability as a condition of withdrawal.

### INDEPENDENT AUDIT

RSA 100-A:15 VI. (a) requires the Audit Committee of the Board of Trustees to engage the services of a qualified independent auditor to perform an annual audit each fiscal year. For fiscal year 2015, the Audit Committee designated KPMG LLP to conduct the annual audit. The independent auditors' report, audited financial statements, required supplementary information, and supporting schedules are included in the Financial Section of this report.

**ACTUARIAL REVIEW AND VALUATION**

An actuarial review, commonly called an experience study, of the mortality, service, withdrawals, and compensation experience of members is required by statute at least once during each five-year period. The last actuarial review was performed during fiscal year 2011 by NHRS' current actuary, Gabriel, Roeder, Smith and Company and was based on the information available as of June 30, 2010. An actuarial valuation of the assets and liabilities is required by statute at least once during each two-year period. The most recent actuarial valuation was performed as of June 30, 2015, by Gabriel, Roeder, Smith and Company. The June 30, 2015, actuarial valuation together with any revised assumptions from the pending actuarial experience study, will be used to determine employer contribution rates for fiscal years 2018 and 2019. The actuarial certification and supporting statistics are included in the Actuarial and Statistical Sections of this report.

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The NHRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition in the area of state and local governmental accounting and financial reporting, and attaining it represents a significant accomplishment by a government and its management. We are gratified that NHRS has received this award for 23 of the past 24 years. A copy of the fiscal year 2014 award is presented on page 10.

**ACKNOWLEDGMENTS**

The compilation of this report reflects the combined efforts of the NHRS administrative staff under the direction of the Board of Trustees. It is intended to provide extensive and reliable information as a basis for making management decisions, determining compliance with legal provisions, and for determining responsible stewardship for the investment and accounting for assets of plan participants. We would like to take this opportunity to express our gratitude to the Board of Trustees for its guidance and support and to the administrative staff for their dedication and commitment to the mission, vision and values of the New Hampshire Retirement System. We would also like to note our appreciation for the professional and diligent work of the Independent Investment Committee whose efforts have generated superior returns in accordance with the Board's investment policy.

Respectfully submitted,

George P. Lagos



*Executive Director*

Jack W. Dianis



*Director of Finance*

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NEW HAMPSHIRE RETIREMENT SYSTEM

# FINANCIAL SECTION

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**INDEPENDENT  
AUDITORS'  
REPORT**



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Two Financial Center  
60 South Street  
Boston, MA 02111

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Fax +1 617 507 8321  
Internet [www.us.kpmg.com](http://www.us.kpmg.com)

The Board of Trustees  
New Hampshire Retirement System:

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the New Hampshire Retirement System (the System), a component unit of the State of New Hampshire, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System, as of June 30, 2015, and the changes in its fiduciary net position for the year then ended in accordance with U.S. generally accepted accounting principles.

**OTHER MATTERS**

***Prior-Year Comparative Information***

We have previously audited the System's 2014 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 9, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Required Supplementary Information**

U.S. generally accepted accounting principles require that management's discussion and analysis on pages 21–25, the schedule of changes in the employer's net pension liability and related ratios, employer contributions, investment returns — pension plan on page 49, and the schedules of funding progress and employer contributions — OPEB plans on pages 52–53, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary and Other Information**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The schedules under Supporting Schedules in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supporting Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory, Investment, Actuarial and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.



December 8, 2015

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## MANAGEMENT'S DISCUSSION AND ANALYSIS – REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

This section presents management's discussion and analysis of the New Hampshire Retirement System's (NHRS) financial performance during the fiscal year ended June 30, 2015 and is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal included in the Introductory Section of the System's Comprehensive Annual Financial Report. The report presents the combined assessment of the financial performance of the Pension Plan and the OPEB Plans.

The discussion and analysis is intended to serve as an introduction to the basic financial statements. These statements include the Combining Statements of Fiduciary Net Position and Changes in Fiduciary Net Position, and the related Notes to the Financial Statements for the fiscal year ended June 30, 2015 with summarized comparable totals for fiscal year 2014. In addition, Required Supplementary Information is provided for the Pension plan and OPEB plans. The excess of assets over liabilities is reported as "Net Position Restricted for Pension and Other Post Employment Benefits (OPEB)."

### FINANCIAL HIGHLIGHTS

Net position increased by \$116.0 million (1.6%) from the prior year's net position reflecting the improvement in the financial market.

Net investment income during fiscal year 2015 was \$250.9 million, a \$847.1 million (-77.1%) decrease over the prior fiscal year. The net investment income for fiscal year 2015 reflects a time-weighted return for the total fund during the year of 3.5% compared to a time-weighted investment return of 17.6% for the fiscal year ended June 30, 2014.

The total contributions received during the fiscal year were \$585.3 million. For fiscal year 2014, total contributions received were \$576.3 million.

Employer contributions for fiscal year 2015 increased to \$381.2 million (1.0%) compared with employer contributions in fiscal year 2014 of \$377.3 million. The increase in employer contributions in fiscal year 2015 was primarily due to an increase in earnable compensation for contributing members.

Member contributions were \$204.1 million in fiscal year 2015, an increase of (2.6%) over fiscal year 2014 member contributions of \$199.0 million. The increase in member contributions is primarily due to an increase in earnable compensation for contributing members. Overall member normal contributions increased by \$4.8 million (2.5%) over the prior fiscal year. Voluntary member contributions increased by \$0.3 million (5.2%) over fiscal year 2014.

Benefits paid during fiscal year 2015 were \$684.6 million, an increase of 4.8% over the benefits paid in fiscal year 2014 of \$653.3 million. The increase in benefits paid in fiscal year 2015 is primarily due to an increase in the number of retirees and increased average benefit levels for those new retirees.

### FINANCIAL ANALYSIS

The following schedules report the Condensed Net Position Information and the Condensed Changes in Net Position Information for the NHRS for the fiscal years ended June 30, 2015 and June 30, 2014.

#### Condensed Comparative Plan Net Position – Combined Plans

(Dollar Values Expressed in Millions)

	As of June 30, 2015	As of June 30, 2014	Amount Increase (Decrease)	Percentage Increase (Decrease)
Cash	\$ 5.2	\$ 9.9	\$ (4.7)	(47.5%)
Receivables	106.2	109.6	(3.4)	(3.1%)
Investments	7,460.7	7,334.0	126.7	1.7%
Other Assets	0.2	0.2	0.0	0.0%
<b>Total Assets</b>	<b>\$ 7,572.3</b>	<b>\$ 7,453.7</b>	<b>\$ 118.6</b>	<b>1.6%</b>
Other Liabilities	42.2	39.6	2.6	6.6%
<b>Total Liabilities</b>	<b>\$ 42.2</b>	<b>\$ 39.6</b>	<b>\$ 2.6</b>	<b>6.6%</b>
<b>Net Position Restricted for Pension and Other Post Employment Benefits</b>	<b>\$ 7,530.1</b>	<b>\$ 7,414.1</b>	<b>\$ 116.0</b>	<b>1.6%</b>

Total assets increased by \$118.6 million (1.6%) in fiscal year 2015. Cash on hand at fiscal year end was \$5.2 million (-47.5%) lower than at fiscal year end 2014 reflecting higher draw downs of liquidity reserves necessary to meet operating obligations. Receivables decreased by \$3.4 million (-3.1%) over the prior fiscal year primarily due to a decrease in the amounts due from employers at fiscal year end. Investments increased by \$126.6 million (1.7%) in fiscal year 2015. The increase in investments is attributable to steady improvement in the U.S. economy and new commitments in the alternative and real estate asset classes. Other assets remained unchanged at \$0.2 million (0.0%) for fiscal year 2015.

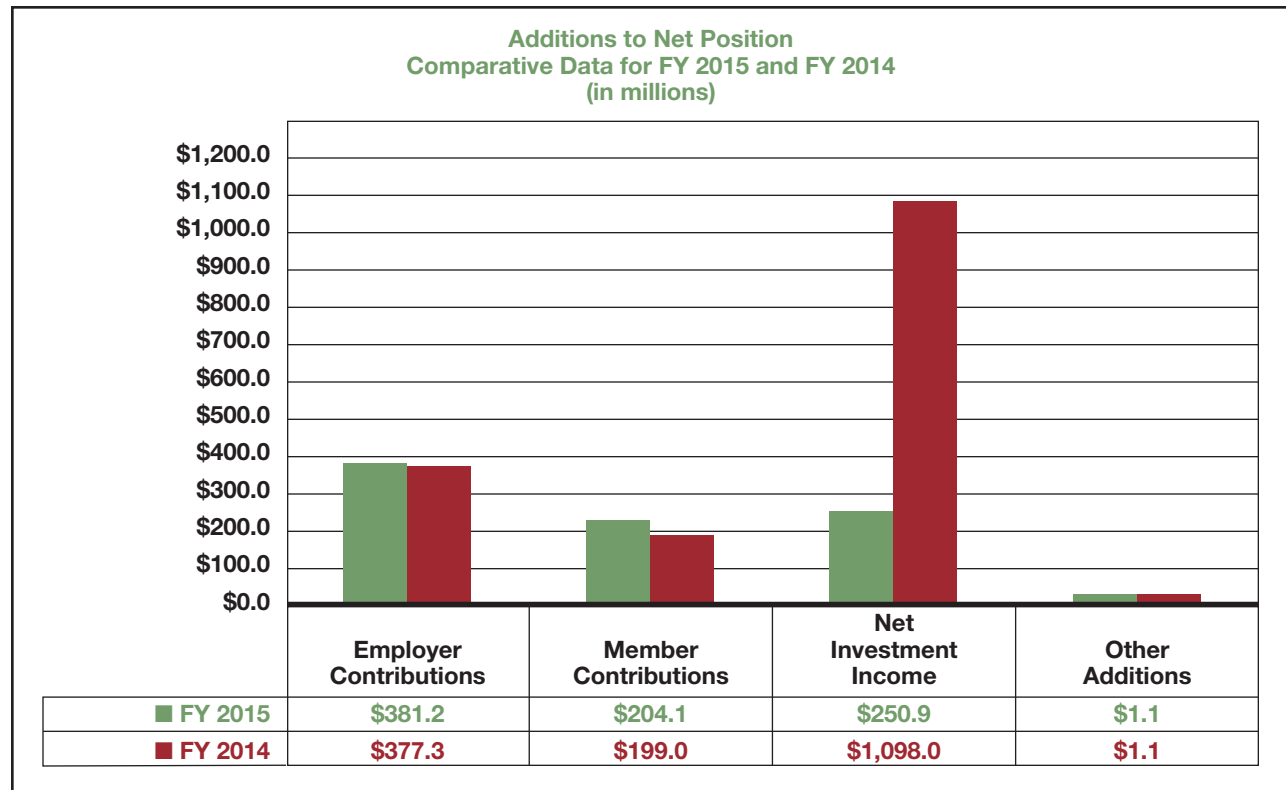
Total liabilities increased by \$2.6 million (-6.6%) at the end of fiscal year 2015 primarily due to an increase in the pending purchase of securities at fiscal year end.

**Condensed Comparative Changes in Plan Net Position – Combined Plans**  
(Dollar Values Expressed in Millions)

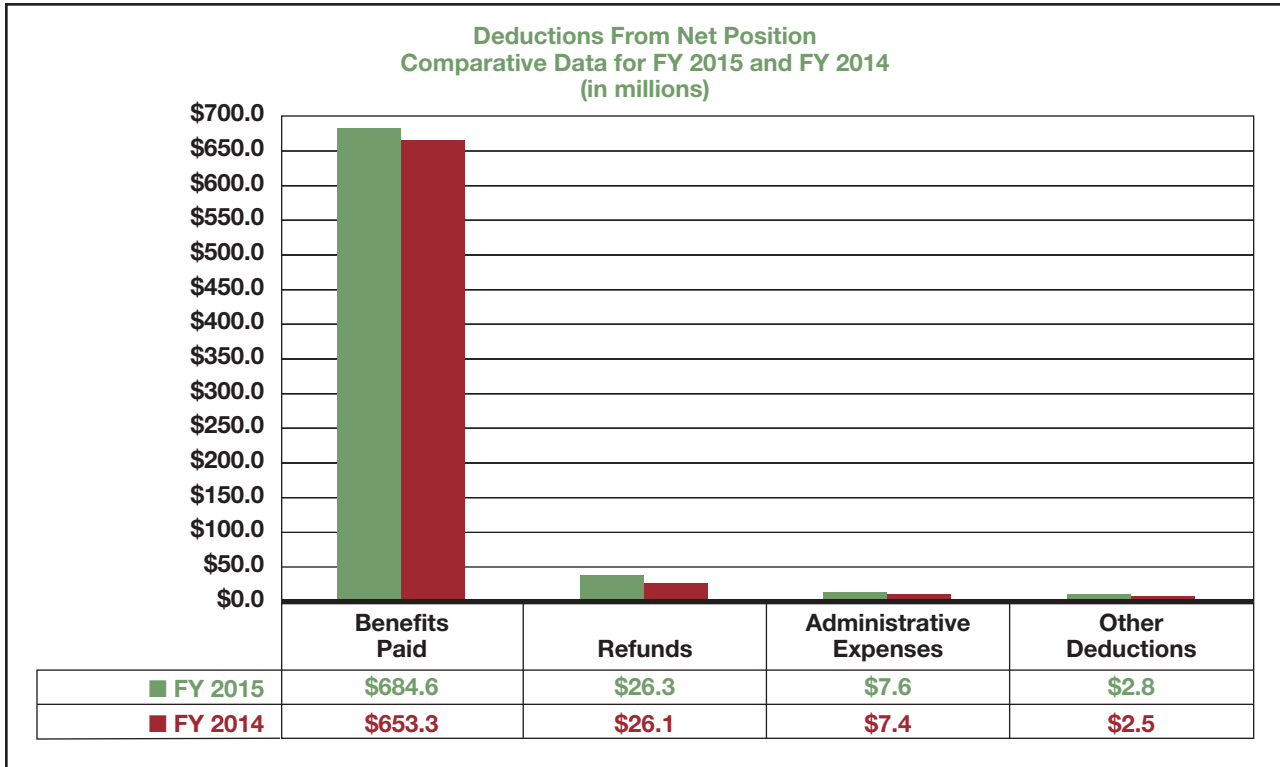
	Year Ended June 30, 2015	Year Ended June 30, 2014	Amount Increase (Decrease)	Percentage Increase (Decrease)
<b>ADDITIONS:</b>				
Employer Contributions	\$ 381.2	\$ 377.3	\$ 3.9	1.0%
Member Contributions	204.1	199.0	5.1	2.6%
Net Investment Income (Loss)	250.9	1,098.0	(847.1)	(77.1%)
Other Income	1.1	1.1	0.0	0.0%
<b>Total Additions to Plan Net Position</b>	<b>\$ 837.3</b>	<b>\$ 1,675.4</b>	<b>\$ (838.1)</b>	<b>(50.0%)</b>
<b>DEDUCTIONS:</b>				
Benefits Paid	\$ 684.6	\$ 653.3	\$ 31.3	4.8%
Refunds of Contributions	26.3	26.1	0.2	0.8%
Administrative Expense	7.6	7.4	0.2	2.7%
Other Deductions	2.8	2.5	0.3	12.0%
<b>Total Deductions From Plan Net Position</b>	<b>\$ 721.3</b>	<b>\$ 689.3</b>	<b>\$ 32.0</b>	<b>4.6%</b>
<b>Total Changes in Plan Net Position</b>	<b>\$ 116.0</b>	<b>\$ 986.1</b>	<b>\$ (870.1)</b>	<b>(88.2%)</b>

**ADDITIONS TO NET POSITION**

For fiscal year 2015, the combined total of employer and member contributions increased by \$9.0 million (1.6%). Employer contributions increased from \$377.3 million in fiscal year 2014 to \$381.2 million (1.0%) in fiscal year 2015. The increase in employer contributions is primarily due to an increase in earnable compensation for contributing members. Member contributions for fiscal year 2015 were \$204.1 million, an increase of \$5.1 million (2.6%) from fiscal year 2014. Member normal contributions increased \$4.8 million (2.5%) in fiscal year 2015 and voluntary member contributions increased by \$0.3 million (5.2%).







Over the long term, the Plan’s investment portfolio has been a major source for additions to plan net position. There was a net investment gain in fiscal year 2015 of \$250.9 million compared with a net investment gain in fiscal year 2014 of \$1,098.0 million. The net change from year-to-year was \$(847.1) million (–77.1%), a significant decrease from fiscal year 2014. The change in investment income reflects the increased volatility in global markets due to the strength of the U.S. dollar and uncertainty of future U.S. interest rates.

**DEDUCTIONS FROM NET POSITION**

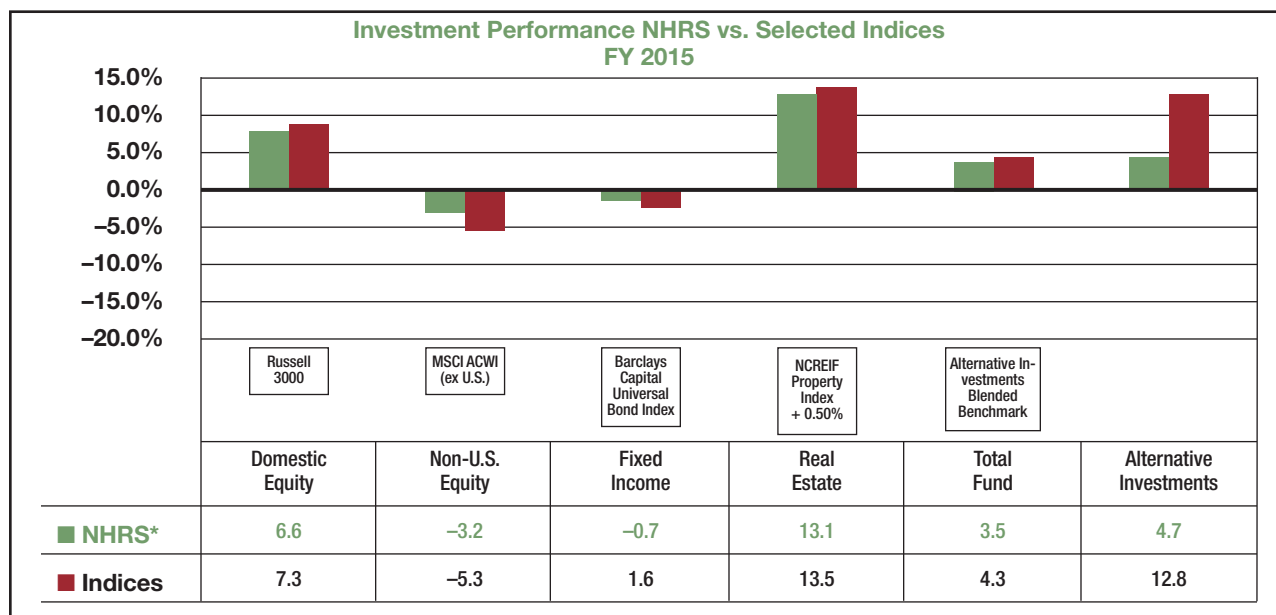
Total benefits paid in fiscal year 2015 were \$684.6 million, an increase of \$31.3 million (4.8%) over the fiscal year 2014 level of \$653.3 million. Pension benefits paid in fiscal year 2015 were \$631.3 million, an increase of \$31.8 million (5.3%) compared with the pension benefits paid in fiscal year 2014 of \$599.5 million. The increase in pension benefits paid in fiscal year 2015 is primarily due to an increase in the number of retirees and increased average benefit levels for those new retirees. OPEB benefits paid in fiscal year 2015 were \$53.3 million which was slightly lower than the benefits that were paid in 2014. The OPEB benefits that will be paid will continue to remain flat or go down over time since there is a very small population of active members that can still qualify for this benefit. Refunds of contributions were \$26.3 million, an increase of \$0.2 million (0.8%) over the 2014 level of \$26.1 million. The increase reflects an increase in the number and dollar value of refund requests from terminated members in 2015.

Administrative expenses increased by \$0.2 million (2.7%) in fiscal year 2015 to a level of \$7.6 million compared with \$7.4 million in 2014. Administrative expenses increased primarily due to increased compensation and positions being filled that were previously vacant.

**PLAN FUNDING STATUS**

Funded ratios are a useful measurement that can be used in conjunction with many other factors to assess the financial soundness of a pension or OPEB plan. The Pension Plan’s funded ratio is calculated by dividing the plan fiduciary value of assets available to pay pension benefits by the total pension liability. The OPEB plan’s funded ratio is calculated by dividing its actuarial value of assets at year end (5 year smoothing of fair values) by its actuarial accrued liability at year end. The liabilities that were used to determine the funded ratios for both the Pension and OPEB plans were determined using the entry age normal actuarial cost method for both fiscal year 2015 and 2014.

The total pension liability at June 30, 2015, based on the June 30, 2015 actuarial valuation was \$11,471.4 million. The fiduciary net position available to pay pension benefits at June 30, 2015 was \$7,509.9 million, resulting in a net pension liability of \$3,961.5 million and a funded ratio of 65.5% at June 30, 2015. For fiscal year 2014, the total pension liability



\*\*Performance returns are calculated on a net-of-fees time-weighted rate of return basis.

based on the June 30, 2014 interim actuarial valuation was \$11,144.2 million. The plan fiduciary value of assets available to pay pension benefits at June 30, 2014 was \$7,390.6 million resulting in a net pension liability of \$3,753.6 million and a funded ratio of 66.3%.

The combined OPEB Plans actuarial accrued liability at June 30, 2015, based on the June 30, 2015 actuarial valuation, was \$675.7 million. The actuarial value of assets available to pay postemployment medical benefits at June 30, 2015 was \$19.5 million resulting in an unfunded actuarial accrued liability of \$656.1 million and a funded ratio of 2.9% at June 30, 2015. For fiscal year 2014, the OPEB Plans actuarial accrued liability at June 30, 2014, based on the June 30, 2014 interim actuarial valuation, was \$714.1 million. The actuarial value of assets available to pay OPEB benefits at June 30, 2014 was \$21.2 million resulting in an unfunded actuarial accrued liability of \$692.9 million and a funded ratio of 3.0%.

### INVESTMENT PERFORMANCE

NHRS recognizes that it operates in a dynamic economic environment. The challenges of investing the Plans' funds strategically to achieve the actuarial rate of return while controlling risk are greater than ever. As such, NHRS has allocated assets to a broad range of asset classes.

Equity (57%), fixed income investments (22%), and cash equivalents (2%) comprise approximately 81% of invested assets at June 30, 2015. The remaining 19% of assets are invested in real estate (9%) and alternative investments (10%), which include private equity, private debt and absolute return strategies. These illiquid assets are expected to earn enhanced returns and manage risk through further diversification.

Investment performance results are measured by the relationship of the Plans' portfolio returns for equity and fixed income investments against widely-accepted market indices. For the fiscal year ended June 30, 2015, the Plans' total fund return was 3.5% compared to 17.6% for the fiscal year ended June 30, 2014. The difference in year-over-year performance was due to the increased volatility in global markets due to the strength of the U.S. dollar, the slowdown in the economy of China, and increased currency volatility.

The total NHRS fund performance of 3.5% for fiscal year 2015 underperformed the total fund custom index (a blended composition of major market indices in proportion to the NHRS' asset allocation), which returned 4.3%, by 80 basis points. Domestic Equity generated a return of 6.6%, underperforming the Russell 3000 Index return of 7.3% by 70 basis points. The non-U.S. equity portfolio returned -3.2% during fiscal year 2015, outperforming the MSCI ACWI (ex U.S.) benchmark return of -5.3% by 210 basis points. Fixed income returned -0.7% and outperformed the Barclays Capital Universal Bond Index benchmark return of 1.6% by 230 basis points. The real estate portfolio gained 13.1% but underperformed the NCREIF Property Index +0.50% benchmark return of 13.5% by 40 basis points. The alternative investment class provided a 4.7% return and underperformed the blended benchmark return of 12.8% by 810 basis points. The benchmark for this asset class is the S&P 500 +5.0% weighted to the allocation of private equity and private debt weighted to the allocation of absolute return strategies.

**CONTACTING NHRS**

The Comprehensive Annual Financial Report is designed to provide a general overview of NHRS investment results and financial condition of the Pension Plan and OPEB Plans for the year ended June 30, 2015. Detailed information regarding NHRS' investments as of June 30, 2015 can be found in the Comprehensive Annual Investment Report which is published by the Independent Investment Committee of the NHRS. Please contact the NHRS office at 603.410.3500 for additional financial information or for questions related to this report, or the Comprehensive Annual Investment Report. Additional information can also be obtained from the NHRS website at [www.nhrs.org](http://www.nhrs.org).

## BASIC FINANCIAL STATEMENTS

### COMBINING STATEMENTS OF FIDUCIARY NET POSITION PENSION PLAN AND OTHER POSTEMPLOYMENT MEDICAL PLANS (OPEB) AS OF JUNE 30, 2015 (with summarized financial information as of June 30, 2014)

	PENSION PLAN 2015	GROUP II POLICE OFFICER & FIREFIGHTER OPEB PLAN 2015
<b>ASSETS:</b>		
Cash	\$ 5,261	\$ 4
Receivables:		
Due from Employers	40,597	—
Due from Group I Teacher OPEB Plan	—	4,309
Due from Plan Members	21,049	—
Due from Brokers for Securities Sold	10,796	9
Interest and Dividends	17,401	15
Other	2,519	2
<b>TOTAL RECEIVABLES</b>	<b>92,362</b>	<b>4,335</b>
<b>INVESTMENTS AT FAIR VALUE</b>		
Cash and Cash Equivalents:	170,907	145
Equity Investments:		
Domestic	2,974,900	2,524
Non-U.S.	1,234,176	1,048
Fixed Income Investments:		
Domestic	1,409,620	1,197
Non-U.S.	248,988	212
Real Estate	674,779	573
Alternative Investments	727,178	617
<b>TOTAL INVESTMENTS</b>	<b>7,440,548</b>	<b>6,316</b>
Other Assets	160	—
<b>TOTAL ASSETS</b>	<b>7,538,331</b>	<b>10,655</b>
<b>LIABILITIES:</b>		
Management Fees and Other Payables	9,056	8
Due to Group I Political Subdivision OPEB Plan	—	—
Due to Group II Police & Fire OPEB Plan	—	—
Due to Group I State Employee OPEB Plan	—	—
Due to Brokers for Securities Purchased	19,349	16
<b>TOTAL LIABILITIES</b>	<b>28,405</b>	<b>24</b>
<b>NET POSITION RESTRICTED FOR PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB)</b>	<b>\$7,509,926</b>	<b>\$10,631</b>

The accompanying notes are an integral part of the financial statements.

(in thousands)

GROUP I TEACHERS OPEB PLAN 2015	GROUP I POLITICAL SUBDIVISION OPEB PLAN 2015	GROUP I STATE EMPLOYEES OPEB PLAN 2015	TOTAL 2015	TOTAL 2014
\$ —	\$ 10	\$ —	\$ 5,275	\$ 9,908
—	—	—	40,597	42,262
—	9,184	231	13,724	12,406
—	—	—	21,049	21,869
—	20	—	10,825	11,961
—	31	1	17,448	18,578
—	5	—	2,526	2,497
<b>—</b>	<b>9,240</b>	<b>232</b>	<b>106,169</b>	<b>109,573</b>
—	309	8	171,369	174,248
—	5,380	135	2,982,939	3,264,007
—	2,232	56	1,237,512	1,286,446
—	2,548	65	1,413,430	1,158,754
—	450	11	249,661	318,290
—	1,220	31	676,603	657,233
—	1,315	33	729,143	474,983
<b>—</b>	<b>13,454</b>	<b>339</b>	<b>7,460,657</b>	<b>7,333,961</b>
—	—	—	160	239
<b>—</b>	<b>22,704</b>	<b>571</b>	<b>7,572,261</b>	<b>7,453,681</b>
—	16	—	9,080	8,994
9,184	—	—	9,184	9,180
4,309	—	—	4,309	3,226
231	—	—	231	—
—	35	1	19,401	18,219
<b>13,724</b>	<b>51</b>	<b>1</b>	<b>42,205</b>	<b>39,619</b>
<b>(\$ 13,724)</b>	<b>\$22,653</b>	<b>\$570</b>	<b>\$7,530,056</b>	<b>\$7,414,062</b>

**COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
PENSION PLAN AND OTHER POSTEMPLOYMENT MEDICAL PLANS (OPEB)  
FOR THE YEAR ENDED JUNE 30, 2015 (with summarized financial information for the year ended June 30, 2014)**

	PENSION PLAN 2015	GROUP II POLICE OFFICER & FIREFIGHTER OPEB PLAN 2015
<b>ADDITIONS:</b>		
Contributions (NOTE 7):		
Employer – Normal	\$ 332,147	\$15,958
Employer – Other	147	–
Total Employer Contributions	332,294	15,958
Plan Member	204,063	–
Total Contributions	536,357	15,958
<b>Investment Income (Loss)</b>		
From Investment Activities:		
Net Appreciation (Depreciation) in Fair Value of Investments	122,965	170
Interest	51,895	71
Dividends	79,539	108
Net Real Estate Income	10,360	14
Alternative Investment Income (Loss)	9,742	13
Total Income (Loss) from Investment Activities	274,501	376
Less: Investment Expenses:		
Investment Management Fees	22,718	31
Custodial Fees	672	1
Investment Advisor Fees	727	1
Investment Administrative Expense	578	1
Total Investment Activity Expenses	24,695	34
Total Net Income (Loss) from Investment Activities	249,806	342
Total Net Investment Income (Loss)	249,806	342
Interest Income	–	349
<b>TOTAL ADDITIONS</b>	<b>786,163</b>	<b>16,649</b>
<b>DEDUCTIONS:</b>		
Benefits Paid	631,312	16,374
Refunds of Contributions	26,345	–
Administrative Expense (NOTE 8)	7,582	11
Professional Fees	1,318	1
Interest Expense	–	–
Other	308	1
<b>TOTAL DEDUCTIONS</b>	<b>666,865</b>	<b>16,387</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 119,298</b>	<b>\$ 262</b>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)</b>		
Beginning of the Year	\$7,390,628	\$10,369
End of the Year	\$7,509,926	\$10,631

The accompanying notes are an integral part of the financial statements.

(in thousands)

GROUP I TEACHERS OPEB PLAN 2015	GROUP I POLITICAL SUBDIVISIONS OPEB PLAN 2015	GROUP I STATE EMPLOYEES OPEB PLAN 2015	TOTAL 2015	TOTAL 2014
\$22,557	\$ 1,848	\$ 8,552	\$ 381,062	\$ 377,325
—	—	—	147	—
22,557	1,848	8,552	381,209	377,325
—	—	—	204,063	199,033
22,557	1,848	8,552	585,272	576,358
—	377	5	123,517	963,924
—	160	2	52,128	58,440
—	245	3	79,895	90,945
—	32	—	10,406	7,773
—	30	—	9,785	1,423
—	844	10	275,731	1,122,505
—	70	1	22,820	22,371
—	2	—	675	773
—	2	—	730	720
—	2	—	581	674
—	76	1	24,806	24,538
—	768	9	250,925	1,097,967
—	768	9	250,925	1,097,967
—	745	19	1,113	1,051
22,557	3,361	8,580	837,310	1,675,376
22,762	5,792	8,369	684,609	653,287
—	—	—	26,345	26,120
—	23	—	7,616	7,413
—	4	—	1,323	1,085
1,113	—	—	1,113	1,051
—	1	—	310	367
23,875	5,820	8,369	721,316	689,323
(\$ 1,318)	(\$2,459)	\$ 211	\$ 115,994	\$ 986,053
(\$ 12,406)	\$25,112	\$ 359	\$7,414,062	\$6,428,009
(\$ 13,724)	\$22,653	\$ 570	\$7,530,056	\$7,414,062

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**NOTE 1 — NEW HAMPSHIRE RETIREMENT SYSTEM**

The New Hampshire Retirement System (NHRS) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan) and four separate cost-sharing multiple-employer postemployment medical subsidy healthcare plans. Collectively the Pension Plan and the postemployment medical subsidy healthcare plans are hereafter referred to as the Plans.

NHRS is administered by a 13-member Board of Trustees that includes one employee member, one teacher member, one firefighter member, one police officer member, four employer representatives, four public members, and the State Treasurer. Trustees are fiduciaries bound by law to act solely in the interest of the participants and beneficiaries of the pension plan.

All trustees — with the exception of the State Treasurer, who serves as an ex officio member — are nominated by the governor for two-year terms and must be confirmed by a vote of the Executive Council. Any newly appointed or reappointed trustee must have familiarity with or experience in finance or business management.

The New Hampshire State Employees' Association, the New Hampshire Education Association, the New Hampshire Police Association, and the New Hampshire State Permanent Firemen's Association each submit a list of five active members of the retirement system from which the governor chooses a nominee to represent each of the four member groups.

The New Hampshire Municipal Association, the New Hampshire School Boards Association, and the New Hampshire Association of Counties each put forth a name to the governor for nomination as an employer trustee. The Governor also identifies and nominates one person to represent management of state employees.

The governor identifies and nominates the public member trustees, all of whom must be qualified persons with investment and/or financial experience who are not members of the retirement system. The public trustees must also have substantial experience in the field of institutional investment or finance such as educational background, business experience, and/or professional licensure and designations.

The governor is responsible to designate one of the public trustees to serve as chair of the board.

Although the assets of the Plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the plan's individual terms. Accordingly, the results of each plan are presented separately in the accompanying financial statements.

The administrative office of NHRS, which functions as a self-sustaining governmental entity, operates under a budget which is proposed by management, approved by the Board of Trustees, submitted under the budget preparation guidelines of the State of New Hampshire (State), and passed into law by the New Hampshire Legislature. NHRS participates as an employer in the Plans and its employees are members of the Plans.

In accordance with Governmental Accounting Standards Board (GASB) No. 14, as amended, the New Hampshire Retirement System is a component unit of the State. This determination was made on the basis of fiscal dependence on the State solely for budget oversight over certain administrative expenses. A copy of the State of New Hampshire's CAFR may be viewed at [www.admin.state.nh.us/accounting/](http://www.admin.state.nh.us/accounting/).

**PENSION PLAN**

The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The type and number of employers contributing to the Pension Plan during the years ended June 30, 2015 and 2014 are presented below.

For GASB 67 disclosure purposes all State entities contributing to the pension plan are considered one employer.

<b>EMPLOYERS CONTRIBUTING</b>	<b>2015</b>	<b>2014</b>
State Government	1	1
City Governments	13	13
Town Governments and Related Entities	242	243
County Governments and Related Entities	12	12
School Districts and School Administrative Units	200	202
<b>Total Employers</b>	<b>468</b>	<b>471</b>

As of June 30, 2015 and 2014 membership data related to the Pension Plan was as follows:

<b>MEMBERSHIP DATA</b>	<b>2015</b>	<b>2014</b>
Retired plan members (or their beneficiaries) currently receiving benefits	31,350	31,054
Inactive members entitled to but not yet receiving benefits	10,689	9,399
Active members	47,812	48,307
<b>Total Membership</b>	<b>89,851</b>	<b>88,760</b>

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police officers and firefighters belong to Group II. All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each membership group are summarized below.

Group I Members at age 60 qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest three years. Members commencing service on or after July 1, 2011 qualify for a normal service retirement allowance at age 65 based on years of creditable service and average final compensation for the highest five years. Members hired prior to July 1, 2011 with a non-vested status as of January 1, 2012 qualify for a normal service retirement allowance at age 60 based on years of creditable service and average final compensation for the highest five years. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. AFC is defined as the average of the three or five highest salary years, and for benefit calculation purposes only, the final year's compensation cannot exceed by more than 150% the higher of the previous year's compensation or the compensation for the highest year used in the calculation of AFC (not including the final year's compensation). At age 65, the yearly pension amount is re calculated at 1/66 or 1.515% of AFC multiplied by years of creditable service. Members in service with 10 or more years of creditable service who are between age 50 and 60 or members in service with at least 20 years of creditable service, whose age plus service is equal to or greater than 70, are entitled to a retirement allowance with the appropriate graduated reduction based on years of creditable service. Members commencing service on or after July 1, 2011 at age 60 with 30 years of creditable service are entitled to a retirement allowance with the appropriate graduated reduction based on years of creditable service.

Group II Members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a non-vested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by  $\frac{1}{4}$  of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Members are required to contribute a percentage of gross earnings to the Pension Plan as more fully described in Note 7. The percentage rates, established by state statute, are dependent upon member group classification. The deductions are made from member wages and are remitted by the employer to the Pension Plan on a monthly basis. If a member leaves employment prior to retirement or vesting, accumulated member contributions plus earned interest are refunded to the withdrawing member or to the designated beneficiary in the case of death. However, accumulated contributions plus interest of a non-vested, non-contributing member may remain in the Pension Plan and continue to earn interest. The interest credited to the inactive member's accumulated contributions will be 2 percentage points less than the assumed rate of return or the actual rate of return, whichever is less as reported in the preceding fiscal year's comprehensive annual financial report, but will not be less than zero.

Employers make monthly contributions to the Pension Plan based on rates determined by periodic actuarial valuations as more fully described in Note 7.

**OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)**

Pursuant to RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b, the NHRS administers four defined benefit postemployment medical subsidy healthcare plans designated in statute by membership type. The four plans are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plans.

The OPEB Plans provide a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. Detailed descriptions of those eligibility requirements can be found in the Actuarial Section beginning on page 74.

Membership of each OPEB plan consisted of the following eligible retirees receiving benefits as of June 30, 2015:

Plan	Number Of Retirees	1 Person Plan		2 Person Plan	
		Pre 65	Post 65	Pre 65	Post 65
Group II Police Officer & Firefighters	2,718	582	1,430	669	37
Group I Teachers	4,411	309	3,681	90	331
Group I Political Subdivision Employees	1,272	95	1,129	15	33
Group I State Employees	1,864	96	1,654	41	73
<b>Total OPEB Membership</b>	<b>10,265</b>	<b>1,082</b>	<b>7,894</b>	<b>815</b>	<b>474</b>

The number of contributing employers for each of the OPEB plans at June 30, 2015 is:

Group II Police Officer & Firefighters	203
Group I Teachers	192
Group I Political Subdivision Employees	413
Group I State Employees	6

Membership of each OPEB plan consisted of the following eligible retirees receiving benefits as of June 30, 2014:

Plan	Number Of Retirees	1 Person Plan		2 Person Plan	
		Pre 65	Post 65	Pre 65	Post 65
Group II Police Officer & Firefighters	2,635	566	1,340	693	36
Group I Teachers	4,371	368	3,527	149	327
Group I Political Subdivision Employees	1,313	82	1,170	24	37
Group I State Employees	1,924	104	1,699	54	67
<b>Total OPEB Membership</b>	<b>10,243</b>	<b>1,120</b>	<b>7,736</b>	<b>920</b>	<b>467</b>

The number of contributing employers for each of the OPEB plans at June 30, 2014 is:

Group II Police Officer & Firefighters	204
Group I Teachers	192
Group I Political Subdivision Employees	413
Group I State Employees	6

The maximum monthly subsidy amounts paid during fiscal year 2015 and 2014 were as follows:

For qualified retirees not eligible for Medicare the amounts were \$375.56 for a single person plan and \$751.12 for a two person plan. For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single person plan and \$473.68 for a two person plan. There have been no increases in the monthly maximum subsidy amounts payable since July 1, 2007.

Benefit provisions of the OPEB Plans can be amended only by legislative action taken by the New Hampshire State Legislature pursuant to the authority granted them under the New Hampshire State Constitution. The Legislature may cease providing the medical subsidy benefits under the OPEB Plans, for any reason, at any time.

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS*****BASIS OF ACCOUNTING***

The System's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which the contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

***PRIOR YEAR RECLASSIFICATION***

Certain 2014 information has been reclassified to conform to the 2015 presentation. These reclassifications had no impact to the Net Assets Held in Trust for Pensions and Other Post Employment Benefit.

***INVESTMENTS***

Investments are reported at fair value.

Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value (NAV) as a practical expedient to estimate fair value.

Real estate includes investments in commingled funds. The financial statements for commingled funds are typically audited as of the calendar year-end. The NAVs for real estate investments recorded in this report were obtained from financial statements provided by the general partners of commingled funds. NAVs are used as a practical expedient to estimate fair value. Real estate commingled funds are selected by the System's discretionary real estate manager.

Alternative investments include investments in private equity, private debt and absolute return strategies. The NAVs for alternative investments recorded in this report were obtained from statements provided by the investment managers. These financial statements are typically audited as of the calendar year-end.

Cash and cash equivalents are valued at cost, which approximates fair value. Cash and cash equivalents primarily represent investments in the pooled short term investment fund managed by NHRS' master custodian. This fund invests mainly in high-grade money market instruments with maturities averaging less than three months. The fund provides daily liquidity.

The Plans hold no investments, either directly or indirectly, nor participates in any loans or leases, nor other party-in-interest transactions with any NHRS officials, New Hampshire State Government officials, or parties related to these officials.

***MONEY WEIGHTED RATE OF RETURN***

The annual money-weighted rate of return at June 30, 2015 was 3.4% and 17.6% for June 30, 2014. The return shows the investment performance net of fees and is adjusted for the timing of cash flows and the changing amounts actually invested.

***USE OF ESTIMATES***

Management of the System has made a number of estimates and assumptions relating to the reporting of assets and liabilities and in the disclosure of contingencies to prepare these financial statements in conformity with U.S. generally accepted accounting principles. The System's most significant estimates relate to assumptions made about future events as part of the annual actuarial valuation process, and the valuation of alternative investments. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**NOTE 3 — INVESTMENTS AND DEPOSITS**

RSA 100-A:15, I, provides separate and specific authorities to the Board of Trustees and the Independent Investment Committee for the management of the funds of the Plans and charges them with exercising the judgment and care under the circumstances then prevailing, which persons of prudence, discretion and intelligence, acting in a like capacity and familiar with such matters, would use in the conduct of a pension plan of like character and with like aims of the Plans.

To aid in the prudent investment of the Plans' assets, NHRS has adopted an Investment Manual which includes an investment policy. Primary components of the investment policy include the delineation of roles and responsibilities of the Board of Trustees, Independent Investment Committee, staff, and service providers; investment objectives; asset allocation policy; and asset class performance measurement and monitoring policy. This policy may be modified by the Board of

Trustees as deemed necessary. In addition, the Investment Manual includes asset class guidelines which provide parameters for investment management.

Professional investment managers are bound by policy and contract to a standard of care that establishes a fiduciary relationship, to the extent permitted by law, requiring the manager to act prudently and solely in the best interest of the Plans and beneficiaries. Investment guidelines provide portfolio-level standards for separate account management including permissible investment types; security concentration thresholds; investment restrictions; and benchmarks for performance measurement and monitoring. NHRS utilizes a custodial bank compliance system to monitor the marketable investment portfolios against their respective guidelines.

The System's asset allocation as of June 30, 2015 and 2014, as recommended by the Independent Investment Committee and adopted by the Board of Trustees, is as follows:

ASSET ALLOCATION	2015		2014	
	Target	Range	Target	Range
<b>Asset Class:</b>				
Large Cap Equities	22.5%		22.5%	
Small/Mid Cap Equities	7.5%		7.5%	
<b>Total Domestic Equity</b>	<b>30.0%</b>	<b>20–50%</b>	<b>30.0%</b>	<b>20–50%</b>
Int'l Equities (Unhedged)	13.0%		13.0%	
Emerging Int'l Equities	7.0%		7.0%	
<b>Total Non-U.S. Equity</b>	<b>20.0%</b>	<b>15–25%</b>	<b>20.0%</b>	<b>15–25%</b>
Core Bonds	18.0%		18.0%	
High-Yield Bonds	1.5%		1.5%	
Global Bonds (Unhedged)	5.0%		5.0%	
Emerging Market Debt (External)	0.5%		0.5%	
<b>Total Fixed Income</b>	<b>25.0%</b>	<b>20–30%</b>	<b>25.0%</b>	<b>20–30%</b>
Real Estate	10.0%		10.0%	
Private Equity	5.0%		5.0%	
Private Debt	5.0%		5.0%	
Opportunistic	5.0%		5.0%	
<b>Total Alternative Investments</b>	<b>25.0%</b>	<b>0–20%</b>	<b>25.0%</b>	<b>0–20%</b>
<b>TOTAL</b>	<b>100.0%</b>		<b>100.0%</b>	

### **CUSTODIAL CREDIT RISK – DEPOSITS**

Custodial credit risk for deposits is the risk that in an event of a bank failure, deposits may not be recovered. NHRS does not have a deposit policy to manage custodial credit risk on deposits.

At June 30, 2015 and June 30, 2014, NHRS held deposits of \$5,275 thousand and \$9,908 thousand, respectively, in the local custodian bank. These deposits are fully insured or collateralized and are used to support the daily working capital needs of NHRS.

### **CUSTODIAL CREDIT RISK – INVESTMENTS**

Investment securities are exposed to custodial credit risk if the investment securities are uninsured, are not registered in the name of the Plans, and are held by either:

- a. The counterparty to a transaction or
- b. The counterparty's trust department or agent but not in the Plans' name.

All of the System's securities are held by the System's bank in the System's name.

### **CONCENTRATION OF CREDIT RISK**

Concentration of credit risk is the risk of loss attributable to the magnitude of the Plans' investments in a single issuer. NHRS policy is expressed through individual separate account manager guidelines which limit investments in a single issuer to 10%, or less, of the portfolio value in order to control the overall risk of loss on a total portfolio level. This threshold is set as an upper limit, and in actual practice, managers generally do not reach this limit. Certain securities may be excluded from this limitation due to the nature of the investments (such as U.S. government securities, government-sponsored enterprise obligations, and supranational debt). NHRS fixed income managers have consistently adhered to the

established guidelines for issuer concentration. The fixed income commingled fund managers have established investment guidelines regarding concentration of credit risk. The total portfolio is broadly-diversified across equities, fixed income, cash equivalent securities, real estate and alternative investments. Due to this diversification, the concentration of credit risk in a single issuer is below 5% at the total portfolio level.

**INVESTMENT CONCENTRATION RISK**

As of June 30, 2015 and 2014, the System did not hold investments in any one issuer that would represent 5% or more of fiduciary net position. Investments issued or explicitly guaranteed by the U.S. government are excluded from this regulation.

**INTEREST RATE RISK – FIXED INCOME INVESTMENTS**

Interest rate risk is the effect on the fair value of fixed income investments from changes in interest rates. Duration measures a debt investment’s change in fair value arising from a change in interest rates.

Interest rate risk is illustrated below using the effective duration or option-adjusted methodology. This methodology is widely-used in the management of fixed income portfolios to quantify the risk associated with interest rate changes. The effective duration methodology takes into account the most likely timing and magnitude of variable cash flows, such as callable options, prepayments and other factors, and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve.

The NHRS policy on duration is expressed through individual portfolio guidelines with each investment manager in lieu of a broad, plan-level policy. Duration guidelines have been established with each fixed income manager in order to manage interest rate risk within the separate account portfolios. The fixed income commingled fund managers also have established investment guidelines regarding duration. These provisions specify that the duration of each individual fixed income portfolio will be managed within a specified percentage or number of years relative to its benchmark index. NHRS fixed income managers follow the established guidelines for duration. If there is an occasional exception, the manager prudently remedies the guideline breach.

The following effective duration tables quantify the interest rate risk of the Plans’ fixed income assets at June 30, 2015 and 2014:

**EFFECTIVE DURATION – FIXED INCOME INVESTMENTS** (dollars in thousands)  
**AT JUNE 30, 2015**

Investment Type	Fair Value June 30, 2015	Percentage of Fixed Income Investments	Effective Duration in Years	Weighted Average Effective Duration in Years
Collateralized/Asset Backed Obligations	\$ 192,791	11.6%	4.4	0.5
Corporate Bonds	541,735	32.6%	5.7	1.9
Government and Agency Bonds	528,210	31.8%	5.8	1.8
Commingled Fund	204,102	12.2%	(0.06)	(0.01)
Commingled Fund	196,253	11.8%	3.8	0.4
<b>Totals</b>	<b>\$ 1,663,091</b>	<b>100.0%</b>		<b>4.6</b>

**EFFECTIVE DURATION — FIXED INCOME INVESTMENTS  
AT JUNE 30, 2014**

(dollars in thousands)

Investment Type	Fair Value June 30, 2014	Percentage of Fixed Income Investments	Effective Duration in Years	Weighted Average Effective Duration in Years
Collateralized/Asset Backed Obligations	\$ 110,545	7.4%	2.3	0.2
Corporate Bonds	433,691	29.4%	6.2	1.8
Government and Agency Bonds	547,762	37.1%	6.1	2.3
Commingled Fund	385,046	26.1%	5.2	1.4
<b>Totals</b>	<b>\$ 1,477,044</b>	<b>100.0%</b>		<b>5.7</b>

**CREDIT RISK — FIXED INCOME SECURITIES**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

NHRS controls credit risk on debt securities by establishing requirements for average credit quality at the separate account portfolio level and through credit quality standards for individual securities. The NHRS policy on credit quality is expressed through individual portfolio guidelines with each investment manager in lieu of a broad, plan-level policy. The investment guidelines are customized to the individual manager's strategy. NHRS fixed income managers follow established guidelines for credit quality. If there is an occasional exception, the manager prudently remedies the guideline breach. NHRS applies standards with regard to securities rated by nationally recognized statistical rating organizations ("NRSRO") and uses the lowest agency ratings for evaluating the credit quality of a specific security. The fixed income commingled fund managers have established investment guidelines regarding concentration of credit risk.

The following schedules illustrate the Plans' fixed income investments as of June 30, 2015 and 2014, including the distribution of those investments by Standard & Poor's quality credit ratings:

**CREDIT QUALITY RISK — FIXED INCOME SECURITIES AT JUNE 30, 2015**

(in thousands)

Investment Type	Quality Ratings <sup>1</sup>					
	Fair Value June 30, 2015	AAA	AA	A	BBB or Lower	Unrated
Collateralized/Asset Backed Obligations	\$ 192,791	\$108,174	\$ 23,953	\$ 16,291	\$ 37,201	\$ 7,172
Corporate Bonds	541,734	7,403	35,745	175,308	322,618	660
Government and Agency Bonds <sup>2</sup>	262,688	45,390	53,689	71,768	79,064	12,777
Commingled Fund <sup>3</sup>	204,102	—	204,102	—	—	—
Commingled Fund <sup>3</sup>	196,253	—	—	196,253	—	—
<b>Totals</b>	<b>\$1,397,568</b>	<b>\$160,967</b>	<b>\$317,489</b>	<b>\$459,620</b>	<b>\$438,883</b>	<b>\$20,609</b>
<b>Percent of Total Fair Value</b>		<b>11.52%</b>	<b>22.72%</b>	<b>32.89%</b>	<b>31.40%</b>	<b>1.47%</b>

<sup>1</sup>Ratings were derived primarily from Standard & Poor's (S&P). In instances where S&P did not rate a security, the Moody's rating was used.

<sup>2</sup>Government and Agency Bonds exclude U.S. government securities and securities explicitly guaranteed by the U.S. government (\$265,523) because these securities are not considered to have credit risk.

<sup>3</sup>Average credit quality rating for the commingled funds was provided by GAM and Manulife respectively.

**CREDIT QUALITY RISK – FIXED INCOME SECURITIES AT JUNE 30, 2014**

(in thousands)

Investment Type	Quality Ratings <sup>1</sup>					
	Fair Value June 30, 2014	AAA	AA	A	BBB or Lower	Unrated
Collateralized/Asset Backed Obligations	\$ 114,136	\$ 69,973	\$ 5,621	\$ 17,192	\$ 21,350	\$ –
Corporate Bonds	394,442	3,295	40,365	120,802	229,747	233
Government and Agency Bonds <sup>2</sup>	315,809	58,841	71,825	82,029	92,049	11,065
Commingled Fund <sup>3</sup>	385,046	–	385,046	–	–	–
<b>Totals</b>	<b>\$1,209,433</b>	<b>\$132,109</b>	<b>\$502,857</b>	<b>\$220,023</b>	<b>\$343,146</b>	<b>\$11,298</b>
<b>Percent of Total Fair Value</b>		<b>10.92%</b>	<b>41.58%</b>	<b>18.19%</b>	<b>28.37%</b>	<b>0.93%</b>

<sup>1</sup>Ratings were derived primarily from Standard & Poor's (S&P). In instances where S&P did not rate a security, the Moody's rating was used.

<sup>2</sup>Government and Agency Bonds exclude U.S. government securities and securities explicitly guaranteed by the U.S. government (\$231,953) because these securities are not considered to have credit risk.

<sup>3</sup>Average credit quality rating for the commingled fund was provided by Pacific Investment Management Company.

Investments in asset-backed and mortgage-backed securities are reported at fair value. Although not generally considered to be derivatives, asset-backed and mortgage-backed securities receive cash flows from interest and principal payments on the underlying assets and mortgages. As a result, they are exposed to prepayment risk. As of June 30, 2015 and 2014, the Plans' combined investment in asset-backed and mortgage-backed securities held in separate account portfolios totaled \$146.1 million and \$114.4 million, respectively.

**FOREIGN CURRENCY RISK – INVESTMENTS:**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

NHRS manages its foreign currency risk primarily through its strategic asset allocation policy. As of June 30, 2015, investments in non-U.S. equity securities have a target asset allocation of 20% of total investments with a target range of 15–25%. As of June 30, 2015, non-U.S. fixed income securities represent 3.3% of the total investments as a result of the managers' security selection process. Non-U.S. investments are permitted in the alternative investment asset class, which includes private equity, private debt and absolute return strategy investments. The target allocation for alternative investments is 15% and the NHRS investment policy does not set limits for foreign investments in this asset class. The target allocation for real estate investments is 10%, and up to 35% of the Plans' real estate allocation may be invested in non-U.S. investments.

In addition, foreign currency risk is mitigated through the investment guidelines. NHRS manages its foreign exposure by requiring that separate account managers diversify their non-U.S. portfolios by country, sector and issuer to limit both foreign currency risk and security risk. Managers of commingled funds have discretion over their respective investment guidelines which must be consistent with strategies approved by the NHRS. In certain instances, where permitted in the investment guidelines, investment managers may also use foreign currency forward contracts to hedge against foreign currency risk.



The Plans' exposure to foreign currency risk at June 30, 2015 and 2014 is presented on the following schedules:

**FOREIGN CURRENCY RISK — NON-U.S. INVESTMENTS** (in thousands)  
**AS OF JUNE 30, 2015**

Currency	Equity*	Fixed Income	Real Estate & Alternative Investments	Cash and Cash Equivalents	Totals
Argentina peso	\$ —	\$ —	\$ —	\$ 3	\$ 3
Australian dollar	10,107	29,139	—	—	39,246
Brazilian real	2,991	16,835	—	—	19,826
British pound sterling	116,907	432	9,792	37	127,168
Canadian dollar	13,029	22,079	—	—	35,108
Danish krone	15,830	—	—	—	15,830
Euro	185,704	28,538	11,272	—	225,514
Hong Kong dollar	71,976	—	—	—	71,976
Hungarian forint	—	11,771	—	—	11,771
Indonesian rupiah	2,423	13,966	—	—	16,389
Japanese yen	85,199	—	18,549	65	103,813
Malaysian ringgit	—	8,683	—	—	8,683
Mexican new peso	1,940	55,852	—	—	57,792
New turkish lira	1,393	—	—	—	1,393
New Zealand dollar	—	23,863	—	—	23,863
Norwegian krone	—	5,223	—	—	5,223
Polish zloty	—	6,711	—	—	6,711
Singapore dollar	5,138	—	—	—	5,138
South African rand	—	12,791	—	—	12,791
South Korean won	14,930	13,778	—	—	28,708
Swedish krona	9,830	—	—	—	9,830
Swiss franc	95,568	—	—	—	95,568
<b>Total investments subject to foreign currency risk</b>	<b>\$632,965</b>	<b>\$249,661</b>	<b>\$39,613</b>	<b>\$105</b>	<b>\$ 922,344</b>

\*NHRS also invests in commingled funds where foreign currency risk information is not available. As a result, totals for equity shown on this schedule will not match the total non-U.S. equity shown on the Combining Statements of Fiduciary Net Position.

**FOREIGN CURRENCY RISK — NON-U.S. INVESTMENTS**  
**AS OF JUNE 30, 2014**

(in thousands)

Currency	Equity*	Fixed Income	Real Estate & Alternative Investments	Cash and Cash Equivalents	Totals
Argentina peso	\$ —	\$ —	—	\$ 4	\$ 4
Australian dollar	17,843	41,734	—	—	59,577
Brazilian real	7,106	19,541	—	—	26,647
British pound sterling	168,099	18,803	7,638	66	194,606
Canadian dollar	23,549	24,987	—	—	48,536
Danish krone	30,856	—	—	—	30,856
Euro	258,387	42,992	4,146	35	305,560
Hong Kong dollar	95,724	—	3,724	—	99,448
Hungarian forint	—	12,286	—	—	12,286
Indonesian rupiah	5,262	11,447	—	—	16,709
Japanese yen	104,354	—	19,627	—	123,981
Malaysian ringgit	1,242	6,566	—	—	7,808
Mexican new peso	5,329	60,607	—	—	65,936
New turkish lira	3,503	4,499	—	—	8,002
New Zealand dollar	—	27,600	—	—	27,600
Norwegian krone	—	6,797	—	—	6,797
Polish zloty	—	14,489	—	—	14,489
Singapore dollar	4,493	—	1,079	—	5,572
South African rand	—	10,976	—	—	10,976
South Korean won	9,303	14,966	—	—	24,269
Swedish krona	18,835	—	372	—	19,207
Swiss franc	111,857	—	—	—	111,857
Thailand Baht	—	—	432	—	432
<b>Total investments subject to foreign currency risk</b>	<b>\$865,742</b>	<b>\$318,290</b>	<b>\$37,018</b>	<b>\$105</b>	<b>\$1,221,155</b>

\*NHRS also invests in commingled funds where foreign currency risk information is not available. As a result, totals for equity shown on this schedule will not match the total non-U.S. equity shown on the Combining Statements of Fiduciary Net Position.

**DERIVATIVES**

Derivative instruments are contracts whose values are based on the valuation of an underlying asset, reference rate or index. Derivatives include futures, options, forward contracts and forward foreign currency exchanges. NHRS managers may enter into certain derivative instruments primarily to enhance the efficiency and reduce the volatility of the portfolio. As of June 30, 2015, there was \$7.6 million invested in equity futures and there were no investments in options within the separate account portfolios. As of June 30, 2014, there was \$13.8 million invested in equity futures and there were no investments in options within the separate account portfolios. The NHRS investment policy and certain investment manager guidelines allow for the use of derivative instruments. The use of futures, options, or forward contracts is not permitted for any speculative hedging or leveraging of the portfolios and is prohibited in separate account mandates. Managers of commingled funds have discretion over their respective investment guidelines which may allow for the use of derivative instruments.

The Plans could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. To mitigate this risk, investment managers conduct assessments of their counterparties and utilize exchanges which have trading standards.

NHRS managers may use futures, options, and foreign currency exchange contracts in order to manage currency risk or initiate transactions in non-U.S. investments. NHRS may be positively or negatively impacted by foreign currency risk due to fluctuations in the value of different currencies. The Plans could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. To mitigate this risk, investment managers conduct assessments of their counterparties and utilize exchanges which have trading standards. The fair value of open foreign currency exchange contracts including unrealized appreciation or depreciation is recorded on the Statements of Net Plan Assets as Due from Brokers for Securities Sold and as Due to Brokers for Securities Purchased.

Foreign currency exchange contracts open at June 30, 2015 and 2014 are shown below and on the following page:

**OPEN FOREIGN CURRENCY EXCHANGE CONTRACTS  
AT JUNE 30, 2015**

(in thousands)

	Local Currency Amount	Effective Date	Maturity Date	Original Foreign Exchange Rate	Unrealized Appreci- ation	Unrealized (Depre- ciation)
Foreign currency exchange contracts purchased:						
Chilean Peso	3,719,000	3/12/15	7/24/15	641.000000 CLP / USD	2	—
Chilean Peso	3,498,200	4/8/15	8/10/15	617.700000 CLP / USD	—	(213)
Chilean Peso	1,266,000	5/5/15	9/16/15	618.400000 CLP / USD	—	(82)
Chilean Peso	2,720,000	5/26/15	9/28/15	619.580000 CLP / USD	—	(172)
Chilean Peso	3,010,000	6/17/15	10/19/15	645.100000 CLP / USD	—	(6)
Euro	136	6/29/15	7/2/15	1.120700 EUR / USD	—	—
Euro	191	6/30/15	7/2/15	1.115100 EUR / USD	—	—
Euro	600	6/26/15	7/8/15	1.120319 EUR / USD	—	(4)
Euro	2,660	6/3/15	8/12/15	1.128010 EUR / USD	—	(35)
Hong Kong dollar	339	6/29/15	7/2/15	7.752200 HKD / USD	—	—
Hong Kong dollar	138	6/30/15	7/2/15	7.752508 HKD / USD	—	—
Indian Rupee	980,000	6/11/15	9/16/15	65.090000 INR / USD	155	—
Japanese Yen	35,203	6/22/15	7/1/15	123.016700 JPY / USD	1	—
Norwegian Krone	74,900	4/16/15	7/20/15	7.79940 NWK / USD	—	(87)
Swedish Krona	82,800	4/16/15	7/20/15	8.638460 SWK / USD	397	—
Swiss Franc	62	6/29/15	7/1/15	0.9264000 CHF / USD	—	—
Swiss Franc	58	6/30/15	7/2/15	0.9347000 CHF / USD	—	—
Foreign currency exchange contracts sold:						
Euro	29,058	5/7/15	8/12/15	1.114807 USD / EUR	452	—
Japanese Yen	26	6/26/15	7/1/15	0.008172 USD / JPY	—	—
New Zealand dollar	10,172	4/13/15	7/16/15	0.675476 USD / NZD	856	—
<b>Totals</b>					<b>\$1,863</b>	<b>\$(599)</b>

**OPEN FOREIGN CURRENCY EXCHANGE CONTRACTS**  
**AT JUNE 30, 2014**

(in thousands)

	Local Currency Amount	Effective Date	Maturity Date	Original Foreign Exchange Rate	Unrealized Appreci- ation	Unrealized (Depre- ciation)
Foreign currency exchange contracts purchased:						
Chilean Peso	17,000	5/7/14	8/12/14	565.2900000 CLP / USD	\$ 45	\$ —
Chilean Peso	1,938,000	3/6/14	7/28/14	561.6610000 CLP / USD	40	—
Chilean Peso	1,072,000	3/27/14	7/28/14	557.0000000 CLP / USD	6	—
Chilean Peso	3,719,000	5/13/14	8/18/14	553.7200000 CLP / USD	—	( 32)
Chilean Peso	3,498,000	6/3/14	9/10/14	556.6500000 CLP / USD	—	( 13)
Chilean Peso	2,720,000	6/10/14	9/26/14	557.8000000 CLP / USD	—	( 8)
Euro	13	6/26/14	7/1/14	1.3615780 EUR / USD	—	—
Euro	7	6/17/14	7/1/14	1.363440 EUR / USD	—	—
Euro	218	6/17/14	7/2/14	1.363507 EUR / USD	1	—
Euro	1,007	6/27/14	7/2/14	1.364500 EUR / USD	5	—
Euro	330	6/30/14	7/3/14	1.368470 EUR / USD	1	—
Indian Rupee	939,000	6/12/14	9/17/14	60.013000 INR / USD	—	( 217)
Japanese Yen	871,859	2/5/14	7/7/14	101.14100 JPY / USD	—	( 14)
Japanese Yen	607,076	5/21/14	7/7/14	101.42400 JPY / USD	7	—
Japanese Yen	2,718,066	6/30/14	7/7/14	101.25000 JPY / USD	—	( 13)
Pound Sterling	263	6/27/14	7/2/14	1.702190 GBP/USD	2	—
Swiss Franc	400	6/27/14	7/2/14	0.8916900 CHF / USD	2	—
Swiss Franc	397	6/30/14	7/3/14	0.8866900 CHF / USD	—	—
Foreign currency exchange contracts sold:						
Australian Dollar	29,210	5/7/14	8/12/14	0.941050 USD / AUD	—	( 236)
Euro	326	6/30/14	7/2/14	1.369150 USD / EUR	—	—
Euro	21,560	5/2/14	8/7/14	1.369336 USD / EUR	273	—
Euro	3,670	5/9/14	8/7/14	1.369336 USD / EUR	23	—
Euro	850	5/28/14	8/7/14	1.369336 USD / EUR	—	( 9)
Euro	625	6/24/14	8/7/14	1.369336 USD / EUR	—	( 5)
Euro	910	6/25/14	8/7/14	1.369336 USD / EUR	—	( 6)
Euro	1,010	6/27/14	8/7/14	1.369336 USD / EUR	—	( 5)
Euro	20,193	4/24/14	10/28/14	1.369777 USD / EUR	225	—
Hong Kong Dollar	3,399	6/27/14	7/2/14	0.129026 USD / HKD	—	—
Japanese Yen	4,197,000	1/2/14	7/7/14	0.009872 USD / JPY	—	(1,360)
Japanese Yen	2,884,573	6/30/14	10/2/14	0.009878 USD / JPY	12	—
New Zealand Dollar	11,370	6/12/14	9/19/14	0.869112 USD / NZD	—	( 92)
Polish Zloty	39,640	4/22/14	7/25/14	0.328813 USD / PLN	—	( 40)
<b>Totals</b>					<b>\$642</b>	<b>\$(2,050)</b>

**NOTE 4—FUNDING PROGRESS — OPEB PLANS****SCHEDULE OF FUNDING PROGRESS — OPEB PLANS**

(\$ in thousands)

The funding status of the OPEB Plans as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
<b>Group II — Police Officers &amp; Firefighters</b>						
06/30/15	\$ 10,306	\$313,933	\$303,627	3.3%	\$ 396,818	76.5%
06/30/14	\$ 9,401	\$331,744	\$322,343	2.8%	\$ 385,524	83.6%
06/30/13	\$ 8,686	\$337,097	\$328,411	2.6%	\$ 382,563	85.8%
06/30/12	\$ 8,813	\$336,241	\$327,428	2.6%	\$ 374,321	87.5%
<b>Group I — Teachers</b>						
06/30/15	(\$ 13,305)*	\$229,404	\$242,709	(5.8%)	\$1,050,447	23.1%
06/30/14	(\$ 11,248)	\$238,681	\$249,929	(4.7%)	\$1,033,867	24.2%
06/30/13	(\$ 10,314)	\$245,465	\$255,779	(4.2%)	\$1,039,933	24.6%
06/30/12	(\$ 9,097)	\$254,850	\$263,947	(3.6%)	\$1,036,605	25.5%
<b>Group I — Political Subdivision Employees</b>						
06/30/15	\$ 21,961	\$ 58,609	\$ 36,648	37.5%	\$ 609,625	6.0%
06/30/14	\$ 22,767	\$ 65,506	\$ 42,739	34.8%	\$ 590,653	7.2%
06/30/13	\$ 23,356	\$ 67,667	\$ 44,311	34.5%	\$ 591,224	7.5%
06/30/12	\$ 25,519	\$ 73,254	\$ 47,735	34.8%	\$ 584,871	8.2%
<b>Group I — State Employees</b>						
06/30/15	\$ 553	\$ 73,716	\$ 73,163	0.7%	\$ 518,141	14.1%
06/30/14	\$ 325	\$ 78,172	\$ 77,847	0.4%	\$ 497,855	15.6%
06/30/13	\$ 95	\$ 81,643	\$ 81,548	0.1%	\$ 488,021	16.7%
06/30/12	(\$ 917)	\$ 88,414	\$ 89,331	(1.0%)	\$ 491,960	18.2%

\*\*The Group I Teachers OPEB plan currently has a negative balance due to higher than anticipated retirement rates, lower than expected payroll growth and the lag of when contribution rates are set vs. when they become effective. Although this is a closed group, meaning members who are currently working and contributing will not qualify for this benefit, this plan continues to pay benefits to retirees who were eligible for this benefit at the time of their retirement. This negative balance has been addressed in the current valuation and is expected to be collected through higher future contribution rates which are expected to begin in FY 2016.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and pension and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The Schedule of Employer Contributions provided in required supplementary information presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between employer and plan members to that point.

	OPEB Plans
<b>Valuation Date</b>	06/30/2015
<b>Actuarial Cost Method</b>	Entry age normal
<b>Amortization Method</b>	Level percentage of payroll, closed
<b>Equivalent single amortization period</b>	16 years*
<b>Asset valuation method</b>	5-year smoothed market
<b>Actuarial Assumptions:</b>	
<b>Investment rate of return*</b>	3.75%
<b>Projected salary increases*</b>	4.15% to 24.55%
<b>*Includes Price Inflation at</b>	3.0%
<b>Rate of Payroll Growth</b>	3.75%
<b>Valuation Health Care Trend Rate</b>	N/A — The OPEB Plans provide a specific dollar subsidy to be used for health care. The subsidy increased 8.0% for fiscal year 2007 by statute. There have been no annual increases since July 1, 2007

\*The ARC is based on the greater of a 22-year amortization period or the amount necessary to meet cash flow.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation can be found in the actuarial section of this report.

**NOTE 5 – NET PENSION LIABILITY OF EMPLOYERS – PENSION PLAN**

The net pension liability of employers as of June 30, 2015 and 2014 is shown below:

<b>SCHEDULE OF NET PENSION LIABILITY OF EMPLOYERS</b>				(\$ in thousands)
<b>Fiscal Year Ended</b>	<b>(a) Total Pension Liability</b>	<b>(b) Plan Net Position</b>	<b>(c) Net Pension Liability (a-b)</b>	<b>(d) Plan Net Position as a % of Total Pension Liability (b/a)</b>
6/30/2015	\$11,471,453	\$7,509,926	\$3,961,527	65.5%
6/30/2014	\$11,144,214	\$7,390,628	\$3,753,586	66.3%
6/30/2013	\$10,708,768	\$6,404,984	\$4,303,784	59.8%

**ACTUARIAL ASSUMPTIONS**

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2014 rolled forward to the measurement date of June 30, 2015. The roll-forward procedure increases the June 30, 2014 actuarial accrued liability with normal cost and interest and decreases it with actual benefit payments and administrative expenses paid.

The actuarial valuation used the following actuarial assumptions:

<b>Price Inflation</b>	3.0% per year
<b>Wage Inflation</b>	3.75% per year
<b>Salary Increases</b>	5.8% average, including inflation
<b>Investment Rate of Return</b>	7.75% per year
<b>Retirement Age</b>	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2005–2010.
<b>Mortality</b>	RP-2000 mortality table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements.

The asset allocation is recommended by the Independent Investment Committee and approved by the Board of Trustees. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided. The following table displays the approved asset allocation for 2015 and 2014 and the geometric real rates of return for each asset class:

#### LONG-TERM EXPECTED REAL RATE OF RETURN\*

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return	
		2015	2014
Large Cap Equities	22.50%	3.00%	3.25%
Small/Mid Cap Equities	7.50%	3.00%	3.25%
<b>Total Domestic Equity</b>	<b>30.00%</b>		
Int'l Equities (unhedged)	13.00%	4.00%	4.25%
Emerging Int'l Equities	7.00%	6.00%	6.50%
<b>Total International Equity</b>	<b>20.00%</b>		
Core Bonds	4.50%	-0.70%	-0.47%
Short Duration	2.50%	-1.00%	—
Global Multi-Sector Fixed Income	11.00%	0.28%	—
Unconstrained Fixed Income	7.00%	0.16%	—
High-Yield Bonds	—	—	1.50%
Global Bonds (unhedged)	—	—	-1.75%
Emerging Market Debt (external)	—	—	2.00%
<b>Total Fixed Income</b>	<b>25.00%</b>		
Private Equity	5.00%	5.50%	5.75%
Private Debt	5.00%	4.50%	5.00%
Real Estate	10.00%	3.50%	3.25%
Opportunistic	5.00%	2.75%	2.50%
<b>Total Alternative Investments</b>	<b>25.00%</b>		
<b>TOTAL</b>	<b>100.00%</b>		

\*Real rates of return are presented net of the inflation assumption, which was 3.0% for 2015 and 2014.

A single discount rate of 7.75% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%, which is not reported net of the inflation assumption used to obtain the real weighted returns shown above. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following page shows a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan’s net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

**SENSITIVITY OF THE NET PENSION LIABILITY TO THE SINGLE**

**DISCOUNT RATE ASSUMPTION**

(\$ in thousands)

Fiscal Year Ended	1% Decrease to 6.75%	Current Single Rate Assumption 7.75%	1% Increase to 8.75%
6/30/2015	\$5,214,835	\$3,961,527	\$2,893,074
6/30/2014	\$4,944,083	\$3,753,586	\$2,749,223

**NOTE 6—SIGNIFICANT CHANGES IN ACTUARIAL ASSUMPTIONS AND BENEFIT PROVISIONS OCCURRING SINCE THE JUNE 30, 2014 ACTUARIAL VALUATION**

**Changes in actuarial assumptions for fiscal year 2015:**

None

**Legislation was enacted in the 2015 legislative session which:**

None

**Changes in actuarial assumptions for fiscal year 2014:**

None

**Legislation was enacted in the 2014 legislative session which:**

- (a) Amends the definition of “Employer” to clarify that political units that combine payroll operations continue to be considered separate employers for the purposes of administering benefits under RSA 100-A.
- (b) Amends the definition of “Employee” to clarify that “nonclassified” state employees are included.
- (c) Changes the cost calculation to purchase most types of prior service credit.
- (d) Members do not continue to earn service credit while on a salary continuance following termination of employment.
- (e) Compensation for “extracurricular and instructional activities” is Earnable Compensation for full-time paraprofessionals and other full-time school support staff, as well as for teachers.
- (f) Creates employer penalties for incorrect data submission of active member records and late or incorrect reporting of retiree data.
- (g) Exempts employers from tracking and reporting hours worked and compensation paid to retirees serving as elected officials.
- (h) Allows retirees who have worked fewer than 1,300 hours in a calendar year to exceed the 32-hour per week statutory limit on part-time employment “while providing assistance during an emergency.” For purposes of this section, an emergency includes any event declared by the governor or while working under the direction of the director of the Division of Forests and Lands during woodland fire control.
- (i) Allows the retirement system to make a payment of \$15,000 or less to the next of kin of a deceased member when no probate proceedings are pending.
- (j) Grants NHRS electronic access to a limited data set of death, marriage, and divorce information of members and beneficiaries held by the Division of Vital Records Administration for purposes of administering RSA 100-A.
- (k) RSA 100-A:17, relative to transfer of funds from predecessor systems, is repealed.
- (l) RSA 100-A:19, relative to the optional benefit program for eligible call, substitute, or volunteer firefighters, is repealed. (The repeal provides for the refund of remaining funds after the completion of payments to the two remaining beneficiaries.)
- (m) RSA 100-A:41-b, relative to previously paid, one-time supplemental allowances for certain retired Group II members, is repealed.



**NOTE 7—CONTRIBUTIONS AND RESERVES****PENSION PLAN**

As a condition of participation, members are required to contribute a set percentage of their salary to the Pension Plan. The percentage rates, as outlined below, are set by statute under RSA 100-A:16 and depend on the member's group affiliation.

RSA 100-A:16 outlines the employer contributions made to the Pension Plan. Employer contributions to the Pension Plan since fiscal year 2007 have been determined on an actuarial basis using the entry age normal cost method.

The annual covered payroll for the year ended June 30, 2015 is \$2,575.0 million and the annual covered payroll for the fiscal year ended June 30, 2014 was \$2,507.9 million.

The following tables show the percentages of gross payroll contributed by the State, other contributing employers, and members to the pension plan and the OPEB plans.

**TOTAL CONTRIBUTION RATES — PENSION PLAN**

Member Category	Member Normal Share	(FY 2015)			Member Normal Share	(FY 2014)		
		State	Employer Normal Share Local	Total		State	Employer Normal Share Local	Total
Employees								
State	7.00%	10.51%	—	10.51%	7.00%	10.51%	—	10.51%
Local	7.00%	—	10.44%	10.44%	7.00%	—	10.44%	10.44%
Teachers	7.00%	—	11.96%	11.96%	7.00%	—	11.96%	11.96%
Police Officers								
State	11.55%	21.45%	—	21.45%	11.55%	21.45%	—	21.45%
Local	11.55%	—	21.35%	21.35%	11.55%	—	21.35%	21.35%
Firefighters								
State	11.80%	23.90%	—	23.90%	11.80%	23.90%	—	23.90%
Local	11.80%	—	23.79%	23.79%	11.80%	—	23.79%	23.79%

**OPEB PLANS**

In accordance with RSA 100-A:53, RSA 100-A:53-b, RSA 100-A:53-c and RSA 100-A:53-d, benefits are provided by a 401(h) subtrust of the Pension Plan. For fiscal year 2009 and prior, the OPEB Plans were funded by allocating 25% of all employer contributions made in accordance with RSA 100-A:16 to the 401(h) subtrust until such time as the benefits were fully funded.

Beginning with fiscal year 2010, the OPEB Plans are to be funded by allocating to the 401(h) subtrust the lesser of:

- 25% of all employer contributions made in accordance with RSA 100-A:16; or
- the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53, RSA 100-A:53-b, RSA 100-A:53-c and RSA 100-A:53-d.

For fiscal year 2015, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust.

The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plans. Administrative costs are allocated to the OPEB Plans based on fund balances.

**TOTAL CONTRIBUTION RATES — OPEB PLANS**

Member Category	Member Normal Share	(FY 2015)			Member Normal Share	(FY 2014)		
		State	Employer Normal Share Local	Total		State	Employer Normal Share Local	Total
Employees								
State	—	1.62%	—	1.62%	—	1.62%	—	1.62%
Local	—	—	.33%	.33%	—	—	.33%	.33%
Teachers	—	—	2.20%	2.20%	—	—	2.20%	2.20%
Police Officers								
State	—	3.95%	—	3.95%	—	3.95%	—	3.95%
Local	—	—	3.95%	3.95%	—	—	3.95%	3.95%
Firefighters								
State	—	3.95%	—	3.95%	—	3.95%	—	3.95%
Local	—	—	3.95%	3.95%	—	—	3.95%	3.95%

The following tables show the amounts contributed by participating employers and members and these contributions expressed as a percentage of the respective covered payrolls.

**TOTAL AMOUNTS CONTRIBUTED – PENSION AND OPEB PLANS**

(in thousands)

Member Category	Member Normal Share**	(FY 2015)			Member Normal Share**	(FY 2014)		
		Pension Plan*	Employer Normal Share OPEB Plans*	Total Contributions		Pension Plan*	Employer Normal Share OPEB Plans*	Total Contributions
Employees	\$ 81,656	\$118,208	\$10,400	\$210,264	\$ 78,869	\$115,499	\$10,166	\$204,534
Teachers	74,770	124,137	22,557	221,464	74,674	126,145	23,277	224,096
Police Officers	33,414	61,098	11,276	105,788	31,814	58,899	10,830	101,543
Firefighters	14,223	28,704	4,682	47,609	13,676	27,901	4,608	46,185
<b>Total Contributed</b>	<b>\$204,063</b>	<b>\$332,147</b>	<b>\$48,915</b>	<b>\$585,125</b>	<b>\$199,033</b>	<b>\$328,444</b>	<b>\$48,881</b>	<b>\$576,358</b>

\*Includes contributions made by both State and local employers

\*\*Includes voluntary member contributions of \$5.4 million in FY 2015 and \$5.1 million in FY 2014.

**TOTAL AMOUNTS CONTRIBUTED EXPRESSED AS A PERCENTAGE OF COVERED PAYROLL PENSION AND OPEB PLANS**

Member Category	Member Normal Share**	(FY 2015)			Member Normal Share	(FY 2014)		
		Pension Plan*	Employer Normal Share OPEB Plans*	Total Contributions		Pension Plan*	Employer Normal Share OPEB Plans*	Total Contributions
Employees	7.24%	10.49%	0.92%	18.65%	7.25%	10.61%	0.93%	18.79%
Teachers	7.12%	11.82%	2.15%	21.09%	7.22%	12.20%	2.25%	21.67%
Police Officers	11.95%	21.86%	4.03%	37.84%	11.76%	21.77%	4.00%	37.54%
Firefighters	12.13%	24.48%	3.99%	40.60%	11.89%	24.26%	4.01%	40.15%
<b>Total Contributed</b>	<b>7.92%</b>	<b>12.90%</b>	<b>1.90%</b>	<b>22.72%</b>	<b>7.94%</b>	<b>13.10%</b>	<b>1.95%</b>	<b>22.98%</b>

As a matter of practice, actual contribution rates are determined by the previous valuation. Using the forecast rates delays implementation of the rates proposed by the actuary until the beginning of the subsequent biennium, allowing employers to budget for changes in employer rates. The employer normal contribution rates for the 2015 and 2014 fiscal years were based on the June 30, 2011 actuarial valuation.

**NOTE 8 – ADMINISTRATIVE EXPENSES**

Certain expenses related to the administration of the Plans are budgeted and approved by the Board of Trustees, and are subject to appropriation biennially by the State Legislature. Administrative expenses are included in the accompanying financial statements.

Administrative expenses consist primarily of salaries and benefits for 59 full-time and part-time employees and the costs associated with operating and maintaining computer systems.

**NOTE 9 – CONTINGENT MATTERS**

There was a suit (HB 2 Contributions) filed in 2011 in Merrimack County (NH) Superior Court related to HB 2 by a coalition representing active NHRS members and retirees against the State of New Hampshire but the NHRS was not a named party. The coalition challenged two HB 2 provisions:

- The rate recertification methodology;
- The increase in member contribution rates for all members classifications.

In September 2013, an Order was issued finding that it was unconstitutional to increase the level of contributions required from those petitioners who were vested by virtue of the fact they had 10 years of creditable service as of the legislative enactment date of July 1, 2011.

This case was argued at the New Hampshire Supreme Court on May 15, 2014. A decision from the Court was issued December 10, 2014 in favor of the State, finding that NHRS members do not have contractual right to a fixed contribution rate for the entirety of their public careers. This case was technically remanded back to the Superior Court where final judgement for the State was formally entered on January 5, 2015.

In the opinion of management and legal counsel, this suit will not have an adverse effect on the NHRS's financial status.

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS — PENSION PLAN

(\$ in thousands)

Fiscal Year Ended	June 30, 2015	June 30, 2014	June 30, 2013
<b>Total Pension Liability</b>			
Service Cost	\$ 243,965	\$ 245,828	\$ 255,178
Interest on the Total Pension Liability	847,646	815,214	789,792
Benefit Changes	—	—	—
Difference between expected and actual of the Total Pension Liability	( 106,715 )	—	( 101,141 )
Assumption Changes	—	—	—
Benefit Payments	( 631,312 )	( 599,476 )	( 573,470 )
Refunds	( 26,345 )	( 26,120 )	( 23,191 )
Net Changes in Total Pension Liability	327,239	435,446	347,168
Total Pension Liability — Beginning	11,144,214	10,708,768	10,361,600
<b>Total Pension Liability — Ending</b>	<b>\$11,471,453</b>	<b>\$11,144,214</b>	<b>\$10,708,768</b>
<b>Plan Fiduciary Net Position</b>			
Contributions — Employer	\$ 332,294	\$ 328,444	\$ 249,835
Contributions — Member	204,063	199,033	196,489
Pension Plan Net Investment Income	249,806	1,092,586	813,798
Benefit Payments	( 631,312 )	( 599,476 )	( 573,470 )
Refunds	( 26,345 )	( 26,120 )	( 23,191 )
Pension Plan Administrative Expense	( 7,582 )	( 7,377 )	( 6,999 )
Other custodial, professional and non-investment expenses	( 1,626 )	( 1,446 )	( 1,805 )
Net Change in Plan Fiduciary Net Position	119,298	985,644	654,657
Plan Fiduciary Net Position — Beginning	7,390,628	6,404,984	5,750,327
<b>Plan Fiduciary Net Position — Ending</b>	<b>\$ 7,509,926</b>	<b>\$ 7,390,628</b>	<b>\$ 6,404,984</b>
<b>Net Pension Liability</b>	<b>\$ 3,961,527</b>	<b>\$ 3,753,586</b>	<b>\$ 4,303,784</b>
Plan Fiduciary Net Position as a Percentage of of Total Pension Liability	65.5%	66.3%	59.8%
Covered Employee Payroll	\$ 2,575,031	\$ 2,507,899	\$ 2,501,742
Net Pension Liability as a Percentage of Covered Employee Payroll	153.8%	149.7%	172.0%

Schedule is intended to show information for 10 years. Additional years will be added as they become available.

### SCHEDULE OF EMPLOYER CONTRIBUTIONS — PENSION PLANS

(\$ in thousands)

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2015	\$332,294	\$332,294	—	\$2,575,031	12.9%
6/30/2014	\$328,444	\$328,444	—	\$2,507,899	13.1%
6/30/2013	\$249,836	\$249,836	—	\$2,501,742	10.0%
6/30/2012	\$254,557	\$254,557	—	\$2,487,757	10.2%
6/30/2011	\$274,582	\$274,582	—	\$2,517,779	10.9%
6/30/2010	\$269,677	\$269,677	—	\$2,481,384	10.9%
6/30/2009	\$261,230	\$261,230	—	\$2,448,287	10.7%
6/30/2008	\$250,520	\$250,520	—	\$2,308,321	10.9%
6/30/2007	\$178,053	\$178,053	—	\$2,195,339	8.1%
6/30/2006	\$170,578	\$170,578	—	\$2,141,016	8.0%

### SCHEDULE OF INVESTMENT RETURNS

Fiscal Year Ended

Annual Money Weighted Rate of Return — Net of Investment Expenses

6/30/2015	3.4%
6/30/2014	17.6%

Schedule is intended to show information for 10 years. Additional years will be added as they become available.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – LAST TEN FISCAL YEARS**

**CHANGES OF BENEFIT TERMS**

- Modified the calculation of Average Final Compensation (AFC) for members not vested prior to Jan. 1, 2012, by changing the “compensation over base pay” factor used in the AFC formula from a dollar average to a percentage average.
- Clarifies the date from which NHRS must begin calculating a 7-year average of Extra or Special Duty Pay for Group II (Police and Fire) members vested prior to Jan. 1, 2012. This change excludes from the calculation any months prior to July 1, 2009, which is when ESDP began to be separately reported to NHRS.
- Clarifies the number of years of creditable service Group II (Police and Fire) members in service prior to July 1, 2011, but not vested prior to Jan. 1, 2012, must have in order to qualify for the supplemental disability benefit available to eligible Accidental Disability retirees.
- Clarifies that the maximum benefit limit for members hired before July 1, 2009, is 100 percent of Earnable Compensation and the maximum benefit limit for members hired after that date, and not vested by Jan. 1, 2012, is the lesser of 85 percent of AFC or \$120,000 per year.
- Changes the definition of Earnable Compensation for active members who begin service on or after July 1, 2011 or who are not in vested status as of January 1, 2012.
- For active members who commenced service on or after July 1, 2011 or who have non-vested status as of January 1, 2012 Average Final Compensation (AFC) equals the average annual Earnable Compensation during the highest five years of creditable service.
- For members who commenced service on or after July 1, 2009 or are not vested as of January 1, 2012, a member’s retirement benefit shall not exceed the lesser of 85 percent of the member’s highest AFC or \$120,000.
- Group I members commencing service on or after July 1, 2011 are eligible to retire at age 65 and are eligible for a reduced annuity at age 60 with 30 years of creditable service. Prior to age 65, the state annuity, together with the member annuity, shall be equal to 1/66th of AFC multiplied by creditable service reduced for each month prior to the month after the member attains age 65 by ¼ of 1 percent. After age 65, the state annuity, together with the member annuity, shall be equal to 1/66th of AFC multiplied by creditable service, reduced for each month prior to the month after the member attains age 65 by 1/4 of 1 percent.
- Group II members commencing service on or after July 1, 2011 are eligible to retire at age 52.5 with 25 years of creditable service or age 60. The benefit shall be equal to 2 percent of AFC multiplied by creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a Service Retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age, by 1/4 of 1 percent.
- Group II members hired prior to July 1, 2011 who have non-vested status as of January 1, 2012 shall be subject to transition provisions for years of service required for regular Service Retirement, the minimum age for regular Service Retirement, and the multiplier used to calculate the retirement annuity, which shall be applicable on January 1, 2012.

<b>Years of Creditable Service as of January 1, 2012</b>	<b>Minimum Age</b>	<b>Minimum Service</b>	<b>Benefit Multiplier</b>
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%
Hired on or after July 1, 2011	52.5*	25	2.0%

\*These members are eligible for a reduced service retirement pension at age 50.

- Member Contribution changes
  - (a) Group I (Employee and Teacher) members: 7.0 percent of Earnable Compensation.
  - (b) Group II Fire members: 11.80 percent of Earnable Compensation.
  - (c) Group II Police members: 11.55 percent of Earnable Compensation.
  - (d) Group II (Police and Fire) member contributions cease for members who are in vested status before January 1, 2012 with creditable service in excess of 40 years. Member contributions cease for all other Group II (Police and Fire) members with creditable service in excess of 42.5 years.

- Re-defines Extra or Special Duty Pay (ESDP) as a component of a member's Earnable Compensation to mean member work activities or details for which the employer bills or charges another entity for the work activities provided.
- Requires that for fiscal years beginning on or after July 1, 2009, political subdivision employers must report monthly to NHRS all ESDP paid to Group II (Police and Fire) members. Employers are also required to include in their billing to the entity for whom the ESDP is provided, the full amount of employer contributions required under RSA 100-A:16, II(b), which are applicable to the ESDP paid to Group II members. If the contributions are not paid by the entity, employers are required to pay 100 percent of the employer contributions attributable to all ESDP paid to Group II members.
- Repeals RSA 457-A regarding civil unions and amends RSA 457 to allow same gender couples to marry in New Hampshire. Because NHRS must follow the federal definition of marriage when administering pension plan benefits, certain retirement benefits for same gender married couples will be limited, as is currently the case with civil union partners.
- In accordance with the federal Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008, provides that Ordinary Death benefits paid to a surviving spouse in the form of an annuity will not terminate upon the remarriage of such surviving spouse. Further, the law defines "qualified military service and provides Ordinary Death benefits for beneficiaries of NHRS members who die on or after January 1, 2007 while performing qualified military service.
- Establishes that the maximum retirement benefit granted under RSA 100-A:5 or RSA 100-A:6 for members hired after June 30, 2009 shall not exceed \$120,000 annually.
- Permits a member of the New Hampshire Retirement System to purchase up to two years of service credit for the period of time in which a member served in the Peace Corps or Americorps, subject to certain specified eligibility requirements.
- Establishes that the maximum retirement benefit granted under RSA 100-A:5 or RSA 100-A:6 shall not exceed 100 percent of the member's highest year of Earnable Compensation.

### **CHANGES OF ASSUMPTIONS**

An actuarial review, commonly called an experience study, of the mortality, service, withdrawals, and compensation experience of members is required by statute at least once during each five-year period. The last actuarial review was performed during fiscal year 2011 and was based on the information available as of June 30, 2010.

There were many assumption changes adopted by the Board based on the study. Two changes of particular importance were:

- The investment rate of return assumption was reduced from 8.5% to 7.75%
- The wage inflation assumption was reduced from 4.50% to 3.75%

The full experience study results can be viewed at [www.nhrs.org/documents/NHRS\\_5\\_Year\\_Experience\\_Study\\_March\\_2011.pdf](http://www.nhrs.org/documents/NHRS_5_Year_Experience_Study_March_2011.pdf)

**SCHEDULE OF FUNDING PROGRESS – OPEB PLAN**

(\$ in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
<b>Group II – Police Officers &amp; Firefighters</b>						
06/30/15	\$ 10,306	\$313,933	\$303,627	3.3%	\$ 396,818	76.5%
06/30/14	\$ 9,401	\$331,744	\$322,343	2.8%	\$ 385,524	83.6%
06/30/13	\$ 8,686	\$337,097	\$328,411	2.6%	\$ 382,563	85.8%
06/30/12	\$ 8,813	\$336,241	\$327,428	2.6%	\$ 374,321	87.5%
06/30/11	\$ 9,907	\$341,942	\$332,035	2.9%	\$ 367,536	90.3%
06/30/10	\$ 16,475	\$443,589	\$427,114	3.7%	\$ 367,492	116.2%
<b>Group I – Teachers</b>						
06/30/15	(\$ 13,305)	\$229,404	\$242,709	(5.8%)	\$1,050,447	23.1%
06/30/14	(\$ 11,248)	\$238,681	\$249,929	(4.7%)	\$1,033,867	24.2%
06/30/13	(\$ 10,314)	\$245,465	\$255,779	(4.2%)	\$1,039,933	24.6%
06/30/12	(\$ 9,097)	\$254,850	\$263,947	(3.6%)	\$1,036,605	25.5%
06/30/11	(\$ 6,131)	\$262,107	\$268,238	(2.3%)	\$1,036,376	25.9%
06/30/10	\$ 7,365	\$367,482	\$360,117	2.0%	\$1,020,745	35.3%
<b>Group I – Political Subdivision Employees</b>						
06/30/15	\$ 21,961	\$ 58,609	\$ 36,648	37.5%	\$ 609,625	6.0%
06/30/14	\$ 22,767	\$ 65,506	\$ 42,739	34.8%	\$ 590,653	7.2%
06/30/13	\$ 23,356	\$ 67,667	\$ 44,311	34.5%	\$ 591,224	7.5%
06/30/12	\$ 25,519	\$ 73,254	\$ 47,735	34.8%	\$ 584,871	8.2%
06/30/11	\$ 28,917	\$ 77,650	\$ 48,733	37.2%	\$ 579,579	8.4%
06/30/10	\$ 33,978	\$100,507	\$ 66,529	33.8%	\$ 572,435	11.6%
<b>Group I – State Employees</b>						
06/30/15	\$ 553	\$ 73,716	\$ 73,163	0.7%	\$ 518,141	14.1%
06/30/14	\$ 325	\$ 78,172	\$ 77,847	0.4%	\$ 497,855	15.6%
06/30/13	\$ 95	\$ 81,643	\$ 81,548	0.1%	\$ 488,021	16.7%
06/30/12	(\$ 917)	\$ 88,414	\$ 89,331	(1.0%)	\$ 491,960	18.2%
06/30/11	\$ 527	\$ 95,873	\$ 95,346	0.5%	\$ 534,288	17.8%
06/30/10	–	\$122,285	\$122,285	0.0%	\$ 520,712	23.5%

The schedule of funding progress presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS — OPEB PLANS**

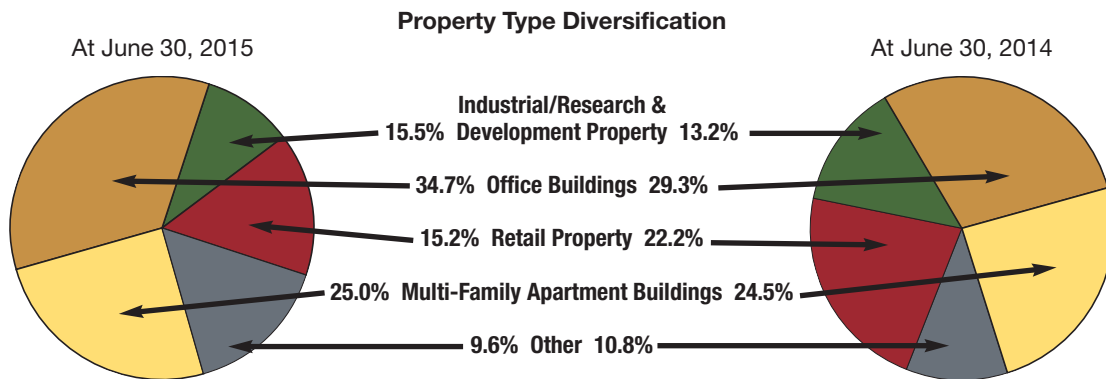
<b>Fiscal Year</b>	<b>Classification</b>	<b>Annual Contribution (ARC) (in thousands)</b>	<b>Percent of ARC Recognized as Contributions</b>
2015	Group II Police Officers & Firefighters	15,958	100.00%
	Group I Teachers	22,557	100.00%
	Group I Political Subdivision Employees	8,552	100.00%
	Group I State Employees	1,848	100.00%
2014	Group II Police Officers & Firefighters	15,438	100.00%
	Group I Teachers	23,277	100.00%
	Group I Political Subdivision Employees	2,010	100.00%
	Group I State Employees	8,156	100.00%
2013	Group II Police Officers & Firefighters	15,260	100.00%
	Group I Teachers	23,767	100.00%
	Group I Political Subdivision Employees	1,885	100.00%
	Group I State Employees	8,800	100.00%
2012	Group II Police Officers & Firefighters	14,683	100.00%
	Group I Teachers	24,021	100.00%
	Group I Political Subdivision Employees	1,928	100.00%
	Group I State Employees	8,332	100.00%
2011	Group II Police Officers & Firefighters	8,355	100.00%
	Group I Teachers	13,790	100.00%
	Group I Political Subdivision Employees	423	100.00%
	Group I State Employees	10,333	100.00%
2010	Group II Police Officers & Firefighters	8,143	100.00%
	Group I Teachers	13,614	100.00%
	Group I Political Subdivision Employees	404	100.00%
	Group I State Employees	10,399	100.00%

**SUPPORTING SCHEDULES**

**REAL ESTATE INVESTMENTS BY TYPE**

(in thousands)

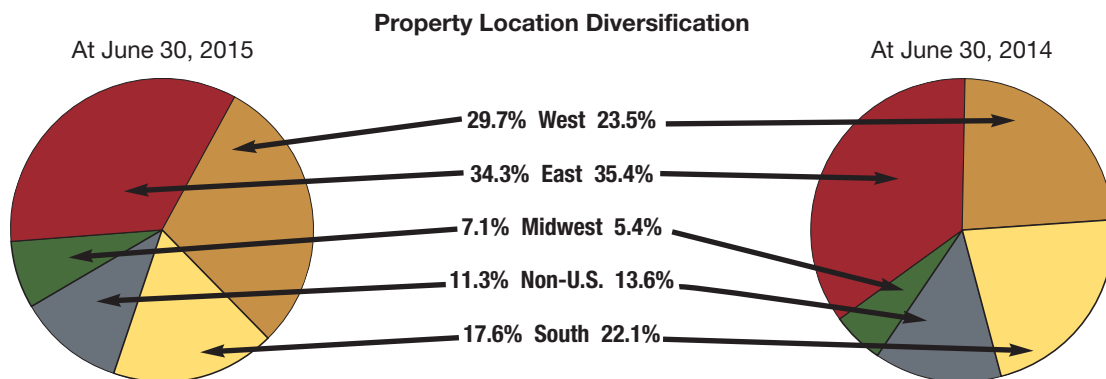
	<b>JUNE 30</b>	
	<b>2015</b>	<b>2014</b>
Office Buildings	\$234,939	\$192,603
Multi-Family Apartment Buildings	168,922	160,843
Retail Property	102,861	145,836
Industrial/Research & Development Property	105,114	86,719
Other	64,767	71,232
<b>TOTAL REAL ESTATE INVESTMENTS BY TYPE</b>	<b>\$676,603</b>	<b>\$657,233</b>



**REAL ESTATE INVESTMENTS BY LOCATION**

(in thousands)

	<b>JUNE 30</b>	
	<b>2015</b>	<b>2014</b>
West	\$200,851	\$154,341
East	232,105	232,460
South	119,698	145,522
Midwest	47,742	35,364
Non-U.S.	76,207	89,546
<b>TOTAL REAL ESTATE INVESTMENTS BY LOCATION</b>	<b>\$676,603</b>	<b>\$657,233</b>





ALTERNATIVE INVESTMENTS	(in thousands)	
	2015	2014
Venture Capital	\$ 542	\$ 542
Growth Equity	78,437	30,742
Buyouts	67,626	19,320
Secondaries	108,556	85,252
Mezzanine	12,263	8,355
Distressed	114,812	101,353
Absolute Return Strategies	2,918	4,074
Opportunistic	214,839	205,728
Direct Lending Strategies	125,994	19,617
Energy	3,156	—
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>\$729,143</b>	<b>\$474,983</b>

**NET APPRECIATION (DEPRECIATION)  
IN FAIR VALUE OF INVESTMENTS**

(in thousands)

	<b>YEAR ENDED JUNE 30</b>	
	<b>2015</b>	<b>2014</b>
Equity Investments:		
Domestic	\$ 145,337	\$ 613,115
Non-U.S.	( 57,045)	179,471
Fixed Income Investments	( 60,946)	49,082
Real Estate	72,058	87,504
Venture Capital	—	448
Growth Equity	( 9,199)	( 102)
Buyouts	7,823	794
Secondaries	13,574	13,929
Mezzanine	813	718
Distressed	1,180	12,623
Absolute Return Strategies	( 156)	519
Opportunistic	8,347	5,214
Direct Lending	2,477	609
Energy	( 746)	—
<b>TOTAL NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS</b>	<b>\$ 123,517</b>	<b>\$ 963,924</b>

**REAL ESTATE INVESTMENTS INCOME AND EXPENSES**

(in thousands)

	<b>INCOME</b>		<b>EXPENSE</b>		<b>NET INCOME</b>	
	<b>YEAR ENDED JUNE 30</b>		<b>YEAR ENDED JUNE 30</b>		<b>YEAR ENDED JUNE 30</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Office Buildings	\$ 2,702	\$ 2,533	\$ —	\$ 1,252	\$ 2,702	\$ 1,281
Multi-Family Apartment Buildings	1,853	4,392	1	2,028	1,852	2,364
Retail Property	1,145	1,921	3	898	1,142	1,023
Industrial/Research & Development Property	1,599	1,641	1	347	1,598	1,294
Hotels	1,190	828	—	—	1,190	828
Other	1,922	983	—	—	1,922	983
<b>TOTAL</b>	<b>\$ 10,411</b>	<b>\$12,298</b>	<b>\$ 5</b>	<b>\$ 4,525</b>	<b>\$10,406</b>	<b>\$ 7,773</b>

**INVESTMENT ACTIVITY FEES AND  
OTHER INVESTMENT RELATED EXPENSES**

(in thousands)

	<b>YEAR ENDED JUNE 30</b>	
	<b>2015</b>	<b>2014</b>
<b>INVESTMENT ACTIVITY FEES:</b>		
Equity Investments:		
Domestic	\$ 8,802	\$ 8,517
Non-U.S.	8,386	8,161
Fixed Income Investments	3,802	3,820
Real Estate	1,830	1,873
Custodial Fees	675	773
Investment Advisor Fees	730	720
Investment Staff Administrative Expense	581	674
<b>TOTAL INVESTMENT ACTIVITY FEES</b>	<b>\$24,806</b>	<b>\$ 24,538</b>

INTEREST INCOME	(in thousands)	
	YEAR ENDED JUNE 30	
	2015	2014
Fixed Income Investments	\$ 51,887	\$ 58,340
Cash and Cash Equivalents	241	100
<b>TOTAL INTEREST INCOME</b>	<b>\$ 52,128</b>	<b>\$ 58,440</b>

DIVIDEND INCOME	(in thousands)	
	YEAR ENDED JUNE 30	
	2015	2014
Equity Investments:		
Domestic	\$ 56,459	\$ 60,895
Non-U.S.	23,436	30,050
<b>TOTAL DIVIDEND INCOME</b>	<b>\$ 79,895</b>	<b>\$ 90,945</b>

ALTERNATIVE INVESTMENT INCOME (LOSS)	(in thousands)	
	YEAR ENDED JUNE 30	
	2015	2014
Distressed	1,467	( 430)
Secondaries	626	117
Direct Lending	6,477	857
Absolute Return Strategies	—	61
Opportunistic	611	818
Energy	( 16)	—
Mezzanine	478	—
Buyouts	57	—
Growth Equity	85	—
<b>TOTAL ALTERNATIVE INVESTMENT INCOME*</b>	<b>9,785</b>	<b>1,423</b>

\*Other alternative investment types not listed above had no income (loss) for either of the years reported. For a complete list of alternative investment types see page 55.

CONTRIBUTIONS	(in thousands)	
	YEAR ENDED JUNE 30	
	2015	2014
<b>CONTRIBUTIONS—PENSION PLAN</b>		
EMPLOYER CONTRIBUTIONS:		
Employees	\$ 118,280	\$115,499
Teachers	124,206	126,145
Police Officers	61,099	58,899
Firefighters	28,709	27,901
<b>TOTAL EMPLOYER CONTRIBUTIONS</b>	<b>332,294</b>	<b>328,444</b>
PLAN MEMBER CONTRIBUTIONS:		
Employees	81,656	78,869
Teachers	74,770	74,674
Police Officers	33,414	31,814
Firefighters	14,223	13,676
<b>TOTAL PLAN MEMBER CONTRIBUTIONS</b>	<b>204,063</b>	<b>199,033</b>
<b>TOTAL CONTRIBUTIONS—PENSION PLAN</b>	<b>536,357</b>	<b>527,477</b>
<b>CONTRIBUTIONS — OPEB PLANS</b>		
EMPLOYER NORMAL:		
Group II — Police Officers and Firefighters	15,958	15,438
Group I — Teachers	22,557	23,277
Group I — Political Subdivision Employees	1,848	2,010
Group I — State Employees	8,552	8,156
<b>TOTAL CONTRIBUTIONS — OPEB PLANS</b>	<b>48,915</b>	<b>48,881</b>
<b>TOTAL CONTRIBUTIONS</b>	<b>\$585,272</b>	<b>\$576,358</b>

BENEFITS	(in thousands)	
	YEAR ENDED JUNE 30	
	2015	2014
PENSION BENEFITS AND ADDITIONAL ALLOWANCES:		
Employees	\$ 207,011	\$ 196,260
Teachers	252,205	239,191
Police Officers	116,742	110,693
Firefighters	55,354	53,332
<b>TOTAL PENSION BENEFITS AND ADDITIONAL ALLOWANCES</b>	<b>\$ 631,312</b>	<b>\$ 599,476</b>
POSTEMPLOYMENT MEDICAL BENEFITS:		
Group II Police and Fire	16,374	15,981
Group I Teachers	22,762	23,750
Group I Political Subdivision Employees	5,792	6,154
Group I State Employees	8,369	7,927
<b>TOTAL POSTEMPLOYMENT MEDICAL BENEFITS</b>	<b>\$ 53,297</b>	<b>\$ 53,812</b>
<b>TOTAL BENEFITS</b>	<b>\$ 684,609</b>	<b>\$ 653,287</b>

REFUNDS OF CONTRIBUTIONS	(in thousands)	
	YEAR ENDED JUNE 30	
	2015	2014
Employees	\$ 14,388	\$ 13,790
Teachers	7,073	7,188
Police Officers	4,294	4,289
Firefighters	590	853
<b>TOTAL REFUNDS OF CONTRIBUTIONS</b>	<b>\$ 26,345</b>	<b>\$ 26,120</b>

**ADMINISTRATIVE EXPENSE FOR THE YEARS ENDED  
JUNE 30, 2015 AND 2014**

(in thousands)

	<b>2015 EXPENSE</b>	<b>UNAUDITED 2015 BUDGET*</b>	<b>OVER (UNDER) BUDGET</b>	<b>2014 EXPENSE</b>	<b>UNAUDITED 2014 BUDGET*</b>	<b>OVER (UNDER) BUDGET</b>
Salaries and Wages	\$ 3,452	\$ 4,096	(\$ 644)	\$ 3,573	\$ 3,544	\$ 29
Fringe Benefits	1,818	2,493	( 675)	2,067	1,956	111
Supplies, Utilities and Postage	298	439	( 141)	313	315	( 2)
Organizational Dues	12	12	—	12	12	—
Equipment	12	27	( 15)	2	3	( 1)
Travel						
Board of Trustees	16	28	( 12)	25	23	2
Staff	12	23	( 11)	20	25	( 5)
State Services	32	62	( 30)	16	16	—
Office Rents and Expenses	483	533	( 50)	483	482	1
Computer Support and System Development	1,344	2,034	( 690)	756	756	—
Consulting	123	110	13	119	110	9
Workers Compensation	5	5	—	25	25	—
Unemployment Compensation	9	9	—	2	2	—
<b>TOTAL</b>	<b>\$ 7,616</b>	<b>\$ 9,871</b>	<b>(\$ 2,255)</b>	<b>\$ 7,413</b>	<b>\$ 7,269</b>	<b>\$ 144</b>

\*The New Hampshire biennial budget is composed of the initial operating budget and supplemented by additional appropriations. These appropriations are generated by Governor and Council action, annual session laws, and existing statutes which require appropriations under certain circumstances. The budget therefore is a flexible budget. It is a biennial budget which consists of balances brought forward plus current year appropriations, less balances carried forward into the following fiscal year. The balances carried forward into the following fiscal year are composed of encumbrances and non-lapsing appropriations.

**PROFESSIONAL FEES**

(in thousands)

	<b>YEAR ENDED JUNE 30</b>	
	<b>2015</b>	<b>2014</b>
Legal Fees	\$ 867	\$ 711
Actuarial Fees	249	192
Audit Fees	207	182
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 1,323</b>	<b>\$ 1,085</b>

**MEMBERSHIP COMPOSITION**

	<b>JUNE 30</b>	
	<b>2015</b>	<b>2014</b>
<b>ACTIVE CONTRIBUTING MEMBERS:</b>		
Employees	24,298	24,545
Teachers	17,732	17,986
Police Officers	4,174	4,166
Firefighters	1,608	1,610
<b>TOTAL ACTIVE CONTRIBUTING MEMBERS*</b>	<b>47,812</b>	<b>48,307</b>
*Excludes inactives		
<b>RETIRED MEMBERS:</b>		
Employees	15,483	15,314
Teachers	10,859	10,965
Police Officers	3,457	3,282
Firefighters	1,551	1,493
<b>TOTAL RETIRED MEMBERS</b>	<b>31,350</b>	<b>31,054</b>
<b>TERMINATED MEMBERS ENTITLED TO BUT NOT YET RECEIVING BENEFITS:</b>		
Employees	1,065	704
Teachers	822	531
Police Officers	98	55
Firefighters	14	7
<b>TOTAL TERMINATED MEMBERS ENTITLED TO BUT NOT YET RECEIVING BENEFITS:</b>	<b>1,999</b>	<b>1,297</b>
<b>INACTIVE MEMBERS:</b>		
Non-Vested Inactive Members	8,690	8,102
<b>TOTAL TERMINATED AND INACTIVE MEMBERS</b>	<b>10,689</b>	<b>9,399</b>



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NEW HAMPSHIRE RETIREMENT SYSTEM

# INVESTMENT SECTION

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## INVESTMENT CONSULTANT'S LETTER



NEPC, LLC

KEVIN M. LEONARD  
SENIOR CONSULTANT

October 30, 2015

Board of Trustees Investment Committee Executive Director  
The New Hampshire Retirement System  
54 Regional Drive  
Concord, NH 03301-8507

Dear NHRS Fiduciaries:

NEPC, LLC (NEPC) is pleased to introduce this overview of the New Hampshire Retirement System (NHRS) investment program for the fiscal year ended June 30, 2015.

The overall objective of NHRS is to provide service, disability, death and vested retirement benefits, and other post-employment benefits to members and their beneficiaries. To ensure a solid foundation for the future of the System, NHRS plans and implements an investment program designed to achieve the maximum rate of return over the long term, while prudently managing the risk of the portfolio. Additionally, the NHRS investment program is administered in accordance with sound governance practices and applicable statutes. The Board of Trustees (Trustees) established an Investment Policy which includes asset allocation targets and acceptable ranges as well as asset class benchmarks for performance measurement. The Trustees retain the services of actuaries and consultants to provide guidance regarding actuarial matters, asset allocation, and investment policy. The Independent Investment Committee (Committee) manages the investment program pursuant to the Investment Policy, develops asset class guidelines, monitors and evaluates performance, and makes determinations regarding the retention of managers. Professional investment managers are selected by the Committee to manage portfolios in accordance with investment management agreements. The Investment Manual includes all investment policies and asset class guidelines and may be obtained from the NHRS website at [www.nhrs.org](http://www.nhrs.org). The following pages report on the performance and attributes of the investment program for fiscal year 2015.

If 2013 was the year to own equities, and 2014 was the year to have balance, then 2015 has been defined as the year of moderation so far. U.S. equity markets continued to move higher, while bond markets produced modest returns. On the international side, non-U.S. equities edged lower as the U.S. dollar grew strong and commodity market turmoil heightened, though this trend has begun to turn in calendar year 2015. The U.S. economy appeared to exhibit continued resilience in the face of global market conditions and geo-political events. Based on more consistent economic news for the US, domestic equities topped off another positive year, yields on fixed income securities narrowed, the economy grew at a moderately-healthy pace and unemployment receded further. The broad domestic equity market, as measured by the S&P 500 Index, posted its tenth consecutive quarterly gain, capping off the fiscal year with a +7.4% return. The domestic bond market, as measured by the Barclays Aggregate Bond Index, returned +1.9% over the same period.

The global equity market, as measured by the MSCI World Index, returned -0.4% for the fiscal year, reflecting a blend of the positive results in the U.S. and the negative performance in the non-U.S. developed markets (MSCI EAFE -4.2% for the trailing year) and emerging markets (MSCI EM -5.1%).

For the fiscal year ended June 30, 2015, the NHRS Total Fund returned +3.5% on a net-of- fees basis, underperforming the Total Fund Custom Benchmark return of +4.3% and ranking in the 30th percentile (1% being the highest, 100% being the lowest) relative to other investors in the InvestorForce Public Defined Benefit Net Universe (Universe). During the following periods the NHRS Total Fund provided strong annualized net-of-fees returns relative to the Universe: For the trailing three years ending June 30, 2015, the NHRS Total Fund return of +11.7% ranked in the 10th percentile of the Universe; For the trailing five years ending June 30, 2015 the NHRS Total Fund return of +11.6% ranked in the 10th percentile of the Universe; For the trailing ten year period ending June 30, 2015, the NHRS Total Fund returned +6.9% and ranked in

One Main Street | Cambridge, MA 02142 | TEL: 617.374.1300 | [www.nepc.com](http://www.nepc.com)

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the 15th percentile of the Universe; For the trailing twenty year period ending June 30, 2015, the NHRS Total Fund returned +7.8%, exceeding the current assumed rate of return of 7.75%, and ranking in the 25th percentile of the Universe.

During fiscal year 2015, the Committee continued to implement the expansion of the alternative investment portfolio. In addition, the Committee further diversified the fixed income portfolio with the addition of four new managers. These managers were funded through the termination of one fixed income manager and rebalancing of the domestic equity portfolio.

NEPC provides NHRS with quarterly economic and investment market updates and performance reviews, investment manager monitoring and selection advice, and related investment services for traditional and non-traditional asset classes. Investment performance analysis and comparisons produced by NEPC have been calculated using standard performance evaluation methodologies and are consistent with industry standards. Performance results are calculated using a time-weighted return methodology and are reported on a net-of-fees basis.

Sincerely,

A handwritten signature in black ink, appearing to be 'D. M. L.', is written over a light blue horizontal line.

**INVESTMENT  
REPORTS**

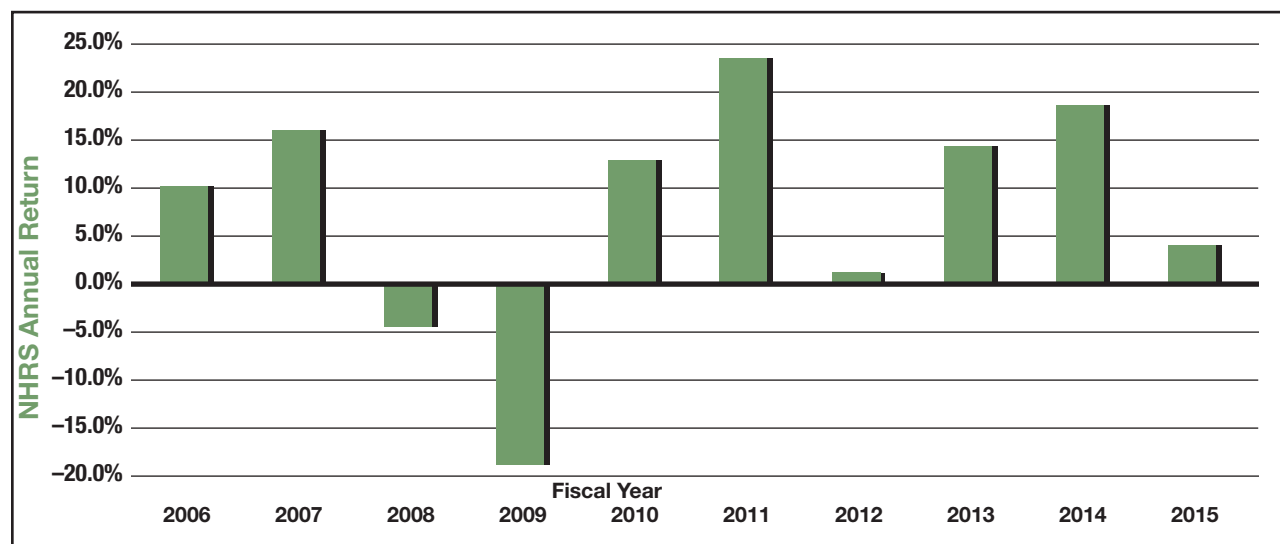
**ANNUALIZED INVESTMENT RETURNS—ACTUAL VERSUS INDICES**

	Current Year 2015	3 Year	Annualized 5 Year	10 Year
Total NHRS Fund	3.5%	11.7%	11.6%	6.9%
Total Fund Custom Index*	4.3	11.9	11.7	7.1
Domestic Equity	6.6	18.0	17.0	7.4
Total Domestic Equity Blended Benchmark*	7.3	17.7	17.5	8.2
Non-U.S. Equity	(3.2)	8.5	8.4	6.0
Total Non-U.S. Equity Blended Benchmark*	(5.3)	9.4	7.8	5.5
Fixed Income	(0.7)	3.0	4.9	5.7
Total Fixed Income Blended Benchmark*	1.6	2.3	3.8	4.6
Real Estate	13.1	14.2	13.6	7.4
Total Real Estate Blended Benchmark*	13.5	12.2	13.3	8.5
Alternative Investments	4.7	8.7	7.4	1.6
Total Alternative Investments Blended Benchmark*	12.8	21.3	16.1	11.7
Cash Equivalents	0.0	0.1	0.1	1.5
90 Day T-Bills	0.0	0.0	0.1	1.3

Performance returns are calculated on a net-of-fees time-weighted rate of return basis.

\*In a dynamic market, strategies and objectives evolve over time. Consequently, these benchmarks are blended due to historical investment strategy decisions. Detailed descriptions of the benchmarks above are available by contacting NHRS.

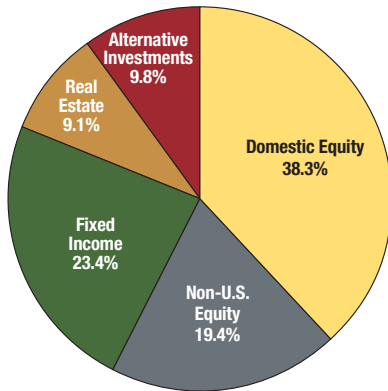
**Ten Year History of Time-Weighted Total NHRS Fund Annual Returns**



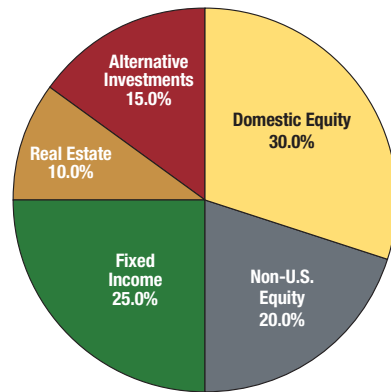
**ACTUAL ASSET ALLOCATION VERSUS TARGET ASSET ALLOCATION**

	Actual %	As of June 30, 2015 Target %	Target Range %
Domestic Equity	38.3%	30.0%	20 – 50
Non-U.S. Equity	19.4	20.0	15 – 25
Fixed Income	23.4	25.0	20 – 30
Real Estate	9.1	10.0	0 – 15
Alternative Investments	9.8	15.0	0 – 20
<b>TOTAL FUND</b>	<b>100.0%</b>	<b>100.0%</b>	

**Actual Asset Allocation as of June 30, 2015**



**Target Asset Allocation as of June 30, 2015**



**TEN LARGEST STOCK HOLDINGS BY FAIR VALUE\***

(in thousands)

	<b>Shares</b>	<b>Stock</b>	<b>June 30, 2015 Fair Value</b>
1	384,092	Apple Inc	\$48,175
2	61,090	Google Inc	32,276
3	379,351	Exxon Mobil Corp	31,562
4	921,696	Pfizer Inc	30,904
5	686,137	Microsoft Corp	30,293
6	289,739	Johnson & Johnson	28,238
7	407,021	JP Morgan Chase & Co	27,580
8	447,804	Wells Fargo & Co	25,184
9	441,693	Citigroup Inc	24,399
10	906,718	General Electric Co	24,091

**TEN LARGEST FIXED INCOME HOLDINGS BY FAIR VALUE\***

(in thousands)

	<b>Par</b>	<b>Security</b>	<b>June 30, 2015 Fair Value</b>
1	40,243,000	U.S. Treasury Bond – 2.500%, 2045	\$35,417
2	33,902,000	U.S. Treasury Note – 1.375%, 2020	33,568
3	27,113,000	U.S. Treasury Note – 0.875%, 2017	27,257
4	259,400,000	Mexican Bonos – 7.750%, 2042	18,424
5	16,485,000	U.S. Treasury Note – 0.250%, 2016	16,494
6	14,865,000	U.S. Treasury Note – 0.375%, 2016	14,880
7	184,420,000	Mexican Bonos – 8.500%, 2029	14,003
8	11,027,000	U.S. Treasury Bond – 4.500%, 2036	13,865
9	8,810,000	Italy Buoni Poliennali De Regs – 5.000%, 2039	12,605
10	12,000,000	U.S. Treasury Note – 0.625%, 2016	12,025

\*A complete listing of separate account portfolio holdings is available by contacting the NHRS offices. NHRS also invests in various commingled investment vehicles, which are custodied outside of The Bank of NY Mellon (Master Custodian for NHRS), as reported on the Summary of Investments schedule.

\*\*Par value is denoted in local currency.

**SCHEDULE OF INVESTMENT MANAGEMENT AND SERVICE FEES**

	YEAR ENDED JUNE 30, 2015		
	Assets Under Management (in thousands)	Fees (in thousands)	Average Basis Points
<b>INVESTMENT MANAGEMENT FEES</b>			
Equity Portfolios:			
Domestic	\$ 2,838,738	\$ 8,802	31
Non-U.S.	1,433,975	8,386	58
Fixed Income Portfolios	1,731,784	3,802	22
Alternative Investments*	729,143	—	—
Real Estate	676,603	1,830	27
Cash and Cash Equivalents**	50,414	—	—
<b>TOTAL INVESTMENT MANAGEMENT FEES</b>	<b>\$ 7,460,657</b>	<b>\$ 22,820</b>	<b>31</b>
<b>INVESTMENT SERVICE FEES</b>			
Custodial Fees	\$ 7,460,657	\$ 675	1
Investment Advisor Fees — External	7,460,657	730	1
Investment Administrative Expenses — Internal	7,460,657	581	1
<b>TOTAL INVESTMENT MANAGEMENT AND SERVICE FEES</b>	<b>\$ 7,460,657</b>	<b>\$ 24,806</b>	<b>33</b>

\*The custodian records all transactions on a net of fee basis.

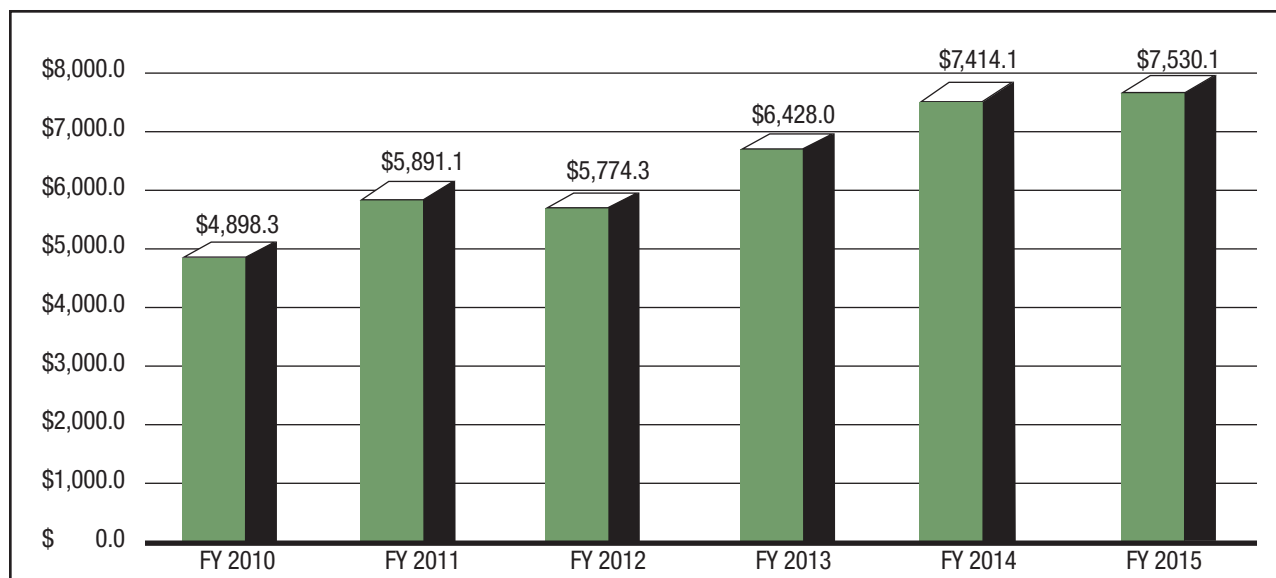
\*\*Does not include cash and cash equivalents held in manager portfolios, only in designated cash portfolios.

**SCHEDULE OF BROKERAGE COMMISSIONS PAID**

Brokerage Firm	YEAR ENDED JUNE 30, 2015		
	Number of Shares Traded (in thousands)	Total Commissions (in thousands)	Commissions Per Share
J.P. Morgan	16,039	\$ 150	0.01
G-Trade Services LTD	26,658	144	0.01
Morgan Stanley & Company Inc	24,159	143	0.01
Credit Suisse	8,560	123	0.01
Merrill Lynch & Company Inc	16,540	109	0.01
Goldman Sachs & Company Inc.	4,537	76	0.02
Abel Noser Corp	4,267	65	0.02
Citigroup Global Markets Inc.	5,888	56	0.01
Investment Tech Group	3,323	55	0.02
RBC Capital Markets, LLC	1,933	49	0.03
Jefferies & Company, Inc.	1,430	44	0.03
Liquidnet, Inc.	2,429	43	0.02
UBS Warburg	3,568	39	0.01
Barclay's Capital Inc.	2,238	39	0.02
Deutsche Bank	1,557	33	0.02
Instinet, Inc.	2,004	33	0.02
Jones Trading Instl Svs	943	28	0.03
ISI Group Inc	1,248	27	0.02
BNY Convergenx	1,752	27	0.02
All Others (142 not listed separately)	28,432	684	0.02
<b>TOTAL BROKERAGE COMMISSIONS PAID</b>	<b>157,505</b>	<b>\$ 1,967</b>	<b>0.01</b>

Commission detail is not included in the schedule above for the commingled funds in which NHRS invests.

**Net Position Held In Trust For Benefits  
(in millions)**



**SUMMARY OF INVESTMENTS**

TYPE OF INVESTMENT	June 30, 2015	
	Fair Value (in millions)	Percent of Total Fair Value
<b>FIXED INCOME</b>		
Collateralized/Asset Backed Securities	\$ 192.8	2.6%
Corporate Bonds	541.7	7.3%
Government and Agency Bonds	523.1	7.0%
Doubleline Capital	5.0	0.1%
GAM	204.1	2.7%
Manulife	196.3	2.6%
<b>TOTAL FIXED INCOME</b>	<b>\$1,663.0</b>	<b>22.3%</b>
<b>EQUITY</b>		
Consumer Discretionary	566.3	7.6%
Consumer Staples	202.8	2.7%
Energy	221.4	3.0%
Financial Services	747.7	10.0%
Health Care	546.9	7.3%
Producer Durables	421.5	5.6%
Information Technology	529.3	7.1%
Materials	195.4	2.6%
Utilities	189.8	2.5%
Aberdeen Emerging Markets Smaller Companies Fund	83.3	1.1%
Neuberger Berman Emerging Markets Equity Fund	102.2	1.4%
GMO Foreign Small Companies Fund	124.7	1.7%
Wellington Emerging Markets Local Equity Fund	95.9	1.3%
LSV International Value Fund	193.4	2.6%
<b>TOTAL EQUITY</b>	<b>\$4,220.6</b>	<b>56.6%</b>
<b>OTHER INVESTMENTS</b>		
Alternative Investments	729.1	9.8%
Real Estate	676.6	9.1%
Cash and Cash Equivalents	171.4	2.3%
<b>TOTAL INVESTMENTS</b>	<b>\$7,460.7</b>	<b>100.0%</b>



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NEW HAMPSHIRE RETIREMENT SYSTEM

# ACTUARIAL SECTION

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## ACTUARIAL CERTIFICATION

October 30, 2015

Board of Trustees  
New Hampshire Retirement System  
54 Regional Drive  
Concord, New Hampshire 03301-8509

Attention: Mr. George Lagos

Dear Board of Trustees:

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. This report should not be relied on for any purpose other than the purposes described below.

The purposes of this report are:

- To provide information in connection with Governmental Accounting Standards Board (GASB) Statement No. 67 “Financial Reporting for Pension Plans” as of June 30, 2015.
- To provide supporting schedules for the Comprehensive Annual Financial Report for the System’s use in the Actuarial Section, the Statistical Section, Notes to the Financial Statements, and Required Supplementary Information.

The report was based upon information, furnished by New Hampshire Retirement System (NHRS) staff, concerning Retirement System benefits, financial transactions, and active members, terminated members, retirees and beneficiaries as of June 30, 2015. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the data provided by NHRS.

We prepared the following supporting schedules for the Comprehensive Annual Financial Report for the System’s use in the Actuarial Section, the Statistical Section, Notes to the Financial Statements and Required Supplementary Information:

- Summary of Actuarial Assumptions and Methods
  - o Percent Retiring Within Next Year
  - o Probabilities of Becoming Disabled Within Next Year
  - o Percent Separating Within Next Year
  - o Individual Employee Pay Increases
- Retirees and Beneficiaries Age Distribution
- Active Members by Valuation Division
- Active Members Age and Service Distribution
- Historical Membership Data – Active and Retired
- Summary of Membership Data by Category
- Schedule of Average Benefit Payment Amounts
- Schedule of Retired and Vested Members by Type of Benefit
- Schedule of Funding Progress – Other Post Employment Benefits (OPEB)
- Solvency Test
- Schedule of Employer Contributions – Pension and OPEB
- Schedule of Changes in the Employers’ Net Pension Liability and Related Ratios – Pension Plan
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption Information in historical schedules prior to June 30, 2007 was provided by the previous actuary.

The schedules include information regarding plan funding under the New Hampshire Statute RSA 100-A:16. The basic financial objective of the New Hampshire Retirement System (NHRS) is to establish and receive pension contributions which:

- when expressed in terms of percents of active member payroll will remain approximately level from generation to generation; and
- when combined with present assets and future investment return will be sufficient to meet the financial obligations of NHRS to present and future retirees and beneficiaries.

The financial objective for medical subsidy benefits under RSA 100-A:53, 53-a, 53-b and 53-c is to contribute the lesser of 25 percent of the total employer contribution or the minimum amount necessary to maintain the benefit. The financial objectives are addressed within the biennial actuarial valuation. The valuation process develops pension contribution rates that are sufficient to fund the plan's current pension cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund pension unfunded actuarial accrued liabilities as a level percent of active member payroll over a closed 30-year period beginning with the fiscal year ending June 30, 2010.

The actuarial calculations for funding purposes as of June 30, 2015 in this report are based on the assumptions used in the June 30, 2014 valuation and the census information as of June 30, 2015. The actuarial accrued liability as of June 30, 2015 differs from the total pension liability as of June 30, 2015 under GASB No. 67 because the total pension liability is based on a roll-forward of the June 30, 2014 actuarial valuation under the System's accounting procedures.

The system is undergoing a 5-year experience study to review the actuarial assumptions used in the valuation and for financial reporting purposes. The experience study is scheduled to be completed after this report is finalized. Any new assumptions adopted by the Board of Trustees will be used for the final June 30, 2015 funding valuation to determine employer contribution rates for the 2018- 2019 biennium. The final June 30, 2015 actuarial valuation will be issued in a separate report after the completion of the experience study. Results may change from what is presented in this report.

For funding purposes, assets are valued on a market related basis that recognizes each year's difference between actual and assumed investment return over a closed five-year period. For GASB No. 67 purposes, assets are reported and used on a market basis.

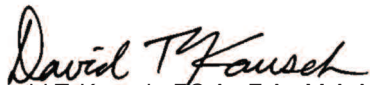
The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The actuarial assumptions are established by the Board after consulting with the actuary under New Hampshire Statute RSA 100-A:14 IX. We believe that the assumptions and methods used in this report are reasonable and appropriate for the purposes for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial. The actuarial funding method is the Individual Entry Age Actuarial Cost Method, in compliance with NHRS State Statutes. The assumptions and the methods comply with the requirements of Statements No. 67 and No. 43 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. Actuarial methods and assumptions were adopted by the Board pursuant to the June 30, 2010 Experience Study.

We certify that the information contained in this June 30, 2015 accounting report of the NHRS is accurate and fairly presents the actuarial position of the New Hampshire Retirement System as of June 30, 2015 under the current actuarial assumptions. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes RSA 100-A:16, 100-A:53, 100-A:53-b, 100-A:53-c, 100-A:53-d and 100-A:53-e.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The actuaries submitting this report are independent of the plan sponsor, are Members of the American Academy of Actuaries (M.A.A.A.), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



David T. Kausch, F.S.A., E.A., M.A.A.A.



Judith A. Kermans, E.A., F.C.A., M.A.A.A.



Heidi G. Barry, A.S.A., M.A.A.A.

## SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

The actuarial methods and assumptions that were in place at the time of issuing this report are shown below. NHRS is in the process of conducting an experience study for the period of 2011–2015, any assumptions that are changed and adopted as a result will be used in the June 30, 2015 actuarial valuation that will be used to determine contribution rates for fiscal years 2018 and 2019.

### VALUATION METHODS

#### PENSION

**Actuarial Cost Methods** — Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an Individual Entry-Age Actuarial Cost Method having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gain/(losses), as they occur, reduce (increase) the unfunded actuarial accrued liability.

**Financing of Unfunded Actuarial Accrued Liabilities** — unfunded actuarial accrued liabilities are amortized by level (principal and interest combined) percent-of-payroll contributions over 24 years from the contribution effective date of July 1, 2015 (FY 2016).

#### OPEB

- (i) Liabilities are determined under the entry-age actuarial cost method.
- (ii) Contribution rates to the 401(h) sub-trust are determined as the lesser of 25% of the employers' contributions or the actuarial required contribution rate that keeps the medical subsidy sub-trust solvent (the "solvency rate").

**Actuarial Value of Assets** — The actuarial value of assets recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased in over a closed 5 year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. The funding value of assets is unbiased with respect to market value. At any time it may be either greater or less than market value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to market value. Funding value was limited to a 20% corridor around the market value.

The actuarial value of assets was allocated to the pension and medical subsidy plans based on the market value of those plans. The actuarial value of assets was then further allocated to each fund (either pension or medical subsidy) based on the market value of those funds.

For purposes of determining the medical subsidy solvency rates, the Market Value of assets was used for all group funds due to the short time horizon before these closed group funds are expected to become pay-as-you-go.

### DEVELOPMENT OF AMORTIZATION PAYMENT

The employer contribution rate determined by the June 30, 2014 interim valuation is illustrative for the 2018–19 biennium. The unfunded actuarial accrued liability (UAAL) was determined using the funding value of assets and actuarial accrued liability calculated as of the valuation date. The UAAL amortization payment (one component of the contribution requirement), is the level percent of pay required to fully amortize the UAAL over a 24 year period beginning on July 1, 2015. This UAAL payment reflects any payments expected to be made and interest to be accrued between the valuation date and the date contributions determined by this report are scheduled to begin. It was assumed that the entire pension contribution determined by the June 30, 2011 valuation effective from July 1, 2013 to June 30, 2015 would be contributed to the net pension position.

### ECONOMIC ASSUMPTIONS

The investment return rate assumed in the valuation is 7.75% per year, compounded annually (net after investment expenses). The investment return rate assumed in the medical subsidy valuations is 3.75% per year, compounded annually (net after investment expenses) for purposes of computing accrued liabilities and other disclosures required by GASB Statement No. 43. However, for determining the solvency contribution rate for the medical subsidy account, the investment return rate assumption was 7.75% on the market value of assets.

The wage inflation rate assumed in this valuation was 3.75% per year. The wage inflation rate is defined to be the portion of total pay increases for an individual that are due to macro economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific price inflation assumption is required to perform this valuation, since there are no benefits that are linked to price increases. However, a price inflation assumption on the order of 3.0% would be consistent with the other economic assumptions.

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 7.75% investment return rate translates to an assumed real rate of return over wage inflation of 4.00%. The assumed real rate of return over price inflation would be higher — on the order of 4.75%, considering both an inflation assumption and an average expense provision.

The active member population is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll is assumed to grow at the wage inflation rate — 3.75% per year.

Pay increase assumptions for individual active members are shown for sample ages on pages 76–81. Part of the assumption for each age is for merit and/or seniority increase, and the other 3.75% recognizes wage inflation, including price inflation, productivity increases, and other macro economic forces.

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## TECHNICAL ASSUMPTIONS

<b>Administrative &amp; Investment Expenses</b>	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the prior year's administrative expenses. Assumed administrative expenses are added to the Normal Cost, and were 0.35% of payroll in the June 30, 2014 interim valuation.
<b>Benefit Service</b>	Exact fractional service is used to determine the amount of benefit payable.
<b>COLA</b>	None assumed.
<b>Decrement Operation</b>	Disability and withdrawal do not operate during normal retirement eligibility.
<b>Decrement Timing</b>	Normal and early retirement decrements for the Teachers group are assumed to occur at the beginning of the year. All other decrements were assumed to occur mid-year.
<b>Eligibility Testing</b>	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
<b>Forfeitures</b>	It is assumed that 25% of members who quit before retirement with 10–15 years of service will elect to refund and forfeit their pension.
<b>Incidence of Contributions</b>	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll at the time contributions are made.
<b>Liability Adjustments</b>	Normal, early, and vesting retirement liabilities are increased by 9.0%, 7.0%, 12.0%, and 12.0% for Employees, Teachers, Police, and Fire respectively to account for lump sum payments. Members hired after July 1, 2011 or who have non-vested status as of January 1, 2012 are assumed to have no adjustment for end of career payments.
<b>Marriage Assumption</b>	Group I: 70% of males and 70% of females are assumed to be married for purposes of death-in-service benefits. Group II: 50% of males and 50% of females are assumed to be married for purposes of death-in-service and death after retirement benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
<b>Normal Form of Benefit</b>	Group I: The assumed normal form of benefit is a straight life benefit. Group II: The assumed normal form of benefit is straight life for single members and joint and 50% survivor for married members.
<b>Pay Increase Timing</b>	Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
<b>Service Credit Accruals</b>	It is assumed that members accrue one year of service credit per year.
<b>Data Adjustments</b>	For the June 30, 2014 interim valuation, new active member pays were annualized.
<b>Medical Subsidy</b>	The solvency rate for the medical subsidy benefits were determined to provide an estimated margin of 20% of the benefits payable by June 30, 2016.

**GROUP I—EMPLOYEES**

**SEPARATIONS FROM ACTIVE SERVICE:** Representative values of the assumed annual rates of withdrawal and vesting, death, disability, and normal retirement are as follows:

Age	Years of Service	Annual Rate of					
		Withdrawal and Vesting		Death*		Disability**	
		Men	Women	Men	Women	Men	Women
	0	30.00%	30.00%				
	1	22.00	22.00				
	2	16.00	16.00				
	3	12.00	12.00				
	4	8.00	8.00				
25	5+	5.00	8.00	.04%	.02%	.02%	.02%
30		5.00	8.00	.04	.02	.02	.02
35		5.00	5.60	.05	.03	.03	.02
40		5.00	5.60	.08	.04	.08	.05
45		5.00	5.60	.12	.06	.15	.09
50		5.00	4.40	.18	.08	.25	.19
55		5.00	4.00	.25	.13	.43	.35
60		5.00	4.00	—	.—	.—	.—

Age	Annual Rate of Normal Retirement			
	For Members Hired Prior to July 1, 2011		For Members Hired On or After July 1, 2011	
	Men	Women	Men	Women
60	12.00%	12.00%	—	—
61	12.00	12.00	—	—
62	17.00	15.00	—	—
63	16.00	15.00	—	—
64	15.00	15.00	—	—
65	15.00	20.00	46.00%	45.00%
66	25.00	20.00	46.00	45.00
67	20.00	20.00	20.00	20.00
68	20.00	16.00	20.00	16.00
69	20.00	17.00	20.00	17.00
70	100.00	100.00	100.00	100.00

\*98% are assumed to be ordinary death and 2% are assumed to be accidental death.  
 \*\*50% are assumed to be ordinary disability and 50% are assumed to be accidental disability.

**SALARY INCREASES:** Representative values of the assumed rates of future salary increases are as follows:

Service Index	Merit & Seniority	Base	Annual Rate of Salary Increases
1	7.55%	3.75%	11.30%
2	5.25	3.75	9.00
3	3.55	3.75	7.30
4	2.25	3.75	6.00
5	1.75	3.75	5.50
6	1.55	3.75	5.30
7-25	0.75	3.75	4.50

**DEATHS AFTER RETIREMENT:**

AGE	MORTALITY RATE		AGE	MORTALITY RATE	
	MEN	WOMEN		MEN	WOMEN
35	.07%	.04%	60	.49%	.46%
40	.09	.05	65	.96	.88
45	.12	.08	70	1.64	1.52
50	.15	.12	75	2.85	2.39
55	.25	.23	80	5.27	3.99

**GROUP I—TEACHERS**

**SEPARATIONS FROM ACTIVE SERVICE:** Representative values of the assumed annual rates of withdrawal and vesting, death, disability, and normal retirement are as follows:

Age	Years of Service	Annual Rate of					
		Withdrawal and Vesting		Death*		Disability**	
		Men	Women	Men	Women	Men	Women
	0	35.00%	33.00%				
	1	17.00	18.00				
	2	14.00	13.00				
	3	10.00	11.00				
	4	8.00	9.00				
25	5+	3.50	4.50	.01%	.01%	.01%	.00%
30		3.50	4.50	.02	.01	.01	.00
35		3.50	4.50	.03	.02	.01	.00
40		3.50	4.50	.04	.02	.02	.02
45		3.50	4.50	.05	.03	.04	.02
50		3.50	4.50	.07	.05	.08	.05
55		3.50	4.50	.11	.09	.18	.14
60		3.50	4.50	—	—	—	—

\*98% are assumed to be ordinary death and 2% are assumed to be accidental death.

\*\*50% are assumed to be ordinary disability and 50% are assumed to be accidental disability.

Age	Annual Rate of Normal Retirement			
	For Members Hired Prior to July 1, 2011		For Members Hired On or After July 1, 2011	
	Men	Women	Men	Women
60	20.50%	17.00%	—	—
61	22.00	18.00	—	—
62	23.00	22.00	—	—
63	24.00	23.00	—	—
64	25.00	24.00	—	—
65	26.00	25.00	60.00%	60.00%
66	27.00	30.00	50.00	60.00
67	28.00	24.00	40.00	24.00
68	29.00	28.00	30.00	28.00
69	30.00	29.00	30.00	29.00
70	100.00	100.00	100.00	100.00

**SALARY INCREASES:** Representative values of the assumed rates of future salary increases are as follows:

Service Index	Merit & Seniority	Base	Annual Rate of Salary Increases
1	6.00%	3.75%	9.75%
2	4.00	3.75	7.75
3	3.00	3.75	6.75
4	2.50	3.75	6.25
5	2.50	3.75	6.25
6	2.20	3.75	5.95
7	1.70	3.75	5.45
8	1.40	3.75	5.15
9	1.20	3.75	4.95
10	1.20	3.75	4.95
11	1.00	3.75	4.75
12	1.00	3.75	4.75
13–22	0.80	3.75	4.55
23–25	0.70	3.75	4.45

**DEATHS AFTER RETIREMENT:**

MORTALITY RATE			MORTALITY RATE		
AGE	MEN	WOMEN	AGE	MEN	WOMEN
35	.07%	.04%	60	.49%	.46%
40	.09	.05	65	.96	.88
45	.12	.08	70	1.64	1.52
50	.15	.12	75	2.85	2.39
55	.25	.23	80	5.27	3.99

**GROUP II – POLICE OFFICERS**

**SEPARATIONS FROM ACTIVE SERVICE:** Representative values of the assumed annual rates of withdrawal, vesting, death, disability, and retirement are as follows:

Age	Years of Service	Annual Rate of					
		Withdrawal and Vesting		Death*		Disability**	
		Men	Women	Men	Women	Men	Women
	0	30.00%	40.00%				
	1	15.00	17.00				
	2	9.00	14.00				
	3	6.00	11.00				
	4	4.00	9.00				
25	5+	4.00	4.00	.01%	.01%	.04%	.02%
30		4.00	4.00	.02	.01	.04	.02
35		4.00	4.00	.03	.01	.08	.05
40		4.00	4.00	.03	.02	.18	.12
45		4.00	4.00	.04	.03	.32	.21
50		4.00	4.00	.06	.05	.50	.34
55		4.00	4.00	.09	.09	.75	.50
60		4.00	4.00	—	—	—	—

**SALARY INCREASES:** Representative values of the assumed rates of future salary increases are as follows:

Service Index	Merit & Seniority	Base	Annual Rate of Salary Increases
1	20.40%	3.75%	24.15%
2	10.40	3.75	14.15
3	7.90	3.75	11.65
4	5.40	3.75	9.15
5	2.90	3.75	6.65
6	2.90	3.75	6.65
7	1.20	3.75	4.95
8	0.90	3.75	4.65
9-10	0.70	3.75	4.45
11-12	0.60	3.75	4.35
13-20	0.50	3.75	4.25
21-25	0.40	3.75	4.15

**DEATHS AFTER RETIREMENT:**

MORTALITY RATE			MORTALITY RATE		
AGE	MEN	WOMEN	AGE	MEN	WOMEN
35	.07%	.04%	60	.49%	.46%
40	.09	.05	65	.96	.88
45	.12	.08	70	1.64	1.52
50	.15	.12	75	2.85	2.39
55	.25	.23	80	5.27	3.99



**NORMAL RETIREMENT**

For Members Hired Prior to July 1, 2011 Who Have Vested Status as of January 1, 2012		For Members Hired on or After July 1, 2011 and for Members Hired Prior to July 1, 2011 Who Have Non-Vested Status as of January 1, 2012				
Retirement Ages	% of Active Members Retiring Within Next Year	Age 46 with 21 years	Age 47 with 22 years	Age 48 with 23 years	Age 49 with 24 years	Age 50 with 25 years
45	25%					
46	25%	28%				
47	25%	28%	35%			
48	25%	28%	35%	35%		
49	25%	28%	30%	35%	40%	
50	25%	28%	30%	35%	40%	50%
51	25%	28%	30%	35%	40%	50%
52	25%	28%	30%	35%	40%	50%
53	30%	30%	30%	35%	35%	35%
54	30%	30%	30%	35%	35%	35%
55	30%	30%	30%	30%	35%	35%
56	25%	25%	25%	25%	25%	25%
57	25%	25%	25%	25%	25%	25%
58	30%	30%	30%	30%	30%	30%
59	25%	25%	25%	25%	25%	25%
60	25%	25%	25%	25%	25%	25%
61	20%	20%	20%	20%	20%	20%
62	20%	20%	20%	20%	20%	20%
63	25%	25%	25%	25%	25%	25%
64	25%	25%	25%	25%	25%	25%
65	25%	25%	25%	25%	25%	25%
66	100%	100%	100%	100%	100%	100%

**GROUP II – FIREFIGHTERS**

**SEPARATIONS FROM ACTIVE SERVICE:** Representative values of the assumed annual rates of withdrawal and vesting, death, disability, and retirement are as follows:

Age	Years of Service	Annual Rate of					
		Withdrawal and Vesting		Death*		Disability**	
		Men	Women	Men	Women	Men	Women
	0	8.00%	8.00%				
	1	6.00	6.00				
	2	4.50	4.50				
	3	3.00	3.00				
	4	2.00	2.00				
25	5+	1.50	1.50	.01%	.00%	.04%	.02%
30		1.50	1.50	.01	.01	.05	.02
35		1.50	1.50	.02	.01	.06	.02
40		1.50	1.50	.02	.01	.11	.08
45		1.50	1.50	.03	.02	.23	.08
50		1.50	1.50	.04	.03	.54	.33
55		1.50	1.50	.06	.06	1.21	.33
60		1.50	1.50	—	—	—	—

**SALARY INCREASES:** Representative values of the assumed rates of future salary increases are as follows:

Service Index	Merit & Seniority	Base	Annual Rate of Salary Increases
1	20.80%	3.75%	24.55%
2	10.80	3.75	14.55
3	8.30	3.75	12.05
4	5.80	3.75	9.55
5	3.30	3.75	7.05
6	3.30	3.75	7.05
7	1.60	3.75	5.35
8	1.30	3.75	5.05
9-10	1.10	3.75	4.85
11-12	1.00	3.75	4.75
13-20	0.90	3.75	4.65
21-25	0.80	3.75	4.55

**DEATHS AFTER RETIREMENT:**

AGE	MORTALITY RATE		AGE	MORTALITY RATE	
	MEN	WOMEN		MEN	WOMEN
35	.07%	.04%	60	.49%	.46%
40	.09	.05	65	.96	.88
45	.12	.08	70	1.64	1.52
50	.15	.12	75	2.85	2.39
55	.25	.23	80	5.27	3.99

**NORMAL RETIREMENT**

Retirement Ages	% of Active Members Retiring Within Next Year	For Members Hired on or After July 1, 2011 and for Members Hired Prior to July 1, 2011 Who Have Non-Vested Status as of January 1, 2012				
		Age 46 with 21 years	Age 47 with 22 years	Age 48 with 23 years	Age 49 with 24 years	Age 50 with 25 years
45	15%					
46	12%	15%				
47	12%	15%	17%			
48	12%	15%	17%	21%		
49	12%	15%	17%	21%	25%	
50	15%	15%	18%	21%	25%	32%
51	15%	15%	18%	21%	25%	32%
52	15%	15%	18%	21%	25%	32%
53	25%	25%	25%	25%	25%	25%
54	20%	20%	20%	20%	20%	20%
55	30%	30%	30%	30%	30%	30%
56	30%	30%	30%	30%	30%	30%
57	25%	25%	25%	25%	25%	25%
58	25%	25%	25%	25%	25%	25%
59	25%	25%	25%	25%	25%	25%
60	25%	25%	25%	25%	25%	25%
61	40%	40%	40%	40%	40%	40%
62	30%	30%	30%	30%	30%	30%
63	30%	30%	30%	30%	30%	30%
64	30%	30%	30%	30%	30%	30%
65	100%	100%	100%	100%	100%	100%

## HISTORICAL MEMBERSHIP DATA — ACTIVE AND RETIRED

The following 4 tables summarize the actuarial valuation data for the period from 2009 through 2013. Valuations are prepared biennially. An interim valuation was prepared in fiscal year 2008, 2010 and in fiscal year 2012.

### EMPLOYEES (aggregate compensation and annual allowance dollars in thousands)

#### ACTIVE MEMBERSHIP DATA

FISCAL YEAR	NUMBER OF ACTIVES**	AGGREGATE COMPENSATION	AVERAGE COMPENSATION	% INCREASE IN AVERAGE COMPENSATION
2015	24,298	\$1,127,766	\$ 46,414	4.66%
2014	25,545	1,088,508	44,347	1.94%
2013	24,809	1,079,245	43,502	(0.03%)
2012	24,747	1,076,831	43,514	(0.23%)
2011	25,539	1,113,867	43,614	3.68%
2010	25,987	1,093,147	42,065	2.72%

#### RETIRED MEMBERSHIP DATA

FISCAL YEAR	ADDED TO ROLLS		REMOVED FROM ROLLS		ROLLS END OF YEAR		% INCREASE IN ANNUAL ALLOWANCES
	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES	
2015	1,504	\$21,357	1,335	\$10,968	15,483	\$208,434	5.25%
2014	1,094	15,784	492	5,431	15,314	198,045	5.52%
2013	1,110	16,335	539	6,699	14,712	187,692	5.41%
2012	1,111	14,711	457	4,890	14,141	178,056	5.84%
2011	1,113	16,521	428	4,578	13,487	168,235	7.64%
2010	1,070	18,300	460	4,624	12,802	156,292	9.59%

### TEACHERS (aggregate compensation and annual allowance dollars in thousands)

#### ACTIVE MEMBERSHIP DATA

FISCAL YEAR	NUMBER OF ACTIVES**	AGGREGATE COMPENSATION	AVERAGE COMPENSATION	% INCREASE IN AVERAGE COMPENSATION
2015	17,732	\$1,050,447	\$ 59,240	3.06%
2014	17,986	1,033,867	57,482	(0.04%)
2013	18,084	1,039,934	57,506	0.75%
2012	18,161	1,036,605	57,079	1.70%
2011	18,466	1,036,376	56,123	2.28%
2010	18,603	1,020,745	54,870	2.30%

#### RETIRED MEMBERSHIP DATA

FISCAL YEAR	ADDED TO ROLLS		REMOVED FROM ROLLS		ROLLS END OF YEAR		% INCREASE IN ANNUAL ALLOWANCES
	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES	
2015	840	\$21,653	946	\$6,891	10,859	\$249,335	6.25%
2014	744	17,222	186	4,802	10,965	234,663	5.59%
2013	698	15,844	247	5,860	10,407	222,243	4.70%
2012	712	16,420	183	5,150	9,956	212,259	5.61%
2011	504	10,402	164	3,644	9,427	200,989	3.48%
2010	849	22,231	269	5,199	9,087	194,231	9.61%

\*Includes beneficiaries in receipt but excludes deferred vested terminations.

\*\*Includes additional COLA allowances. The benefit amounts shown are the monthly benefits as of the valuation date annualized and are not the actual benefits paid during the fiscal year.

\*\*\*Excludes temporary inactive members.

**POLICE OFFICERS** (aggregate compensation and annual allowance dollars in thousands)

**ACTIVE MEMBERSHIP DATA**

FISCAL YEAR	NUMBER OF ACTIVES***	AGGREGATE COMPENSATION	AVERAGE COMPENSATION	% INCREASE IN AVERAGE COMPENSATION
2015	4,174	\$ 279,555	\$ 66,975	3.15%
2014	4,166	270,497	64,930	1.91%
2013	4,187	266,775	63,715	0.20%
2012	4,118	261,865	63,590	1.20%
2011	4,130	259,509	62,835	2.86%
2010	4,231	258,472	61,090	2.27%

**RETIRED MEMBERSHIP DATA**

FISCAL YEAR	ADDED TO ROLLS		REMOVED FROM ROLLS		ROLLS END OF YEAR		% INCREASE IN ANNUAL ALLOWANCES
	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES	
2015	282	\$ 7,303	107	\$ 1,675	3,457	\$121,002	4.88%
2014	178	6,420	59	1,304	3,282	115,374	4.64%
2013	247	8,189	65	1,464	3,163	110,258	6.50%
2012	171	6,977	70	1,008	2,981	103,533	6.12%
2011	237	10,730	59	1,133	2,880	97,564	10.46%
2010	189	7,711	52	1,413	2,702	88,327	7.68%

**FIREFIGHTERS** (aggregate compensation and annual allowance dollars in thousands)

**ACTIVE MEMBERSHIP DATA**

FISCAL YEAR	NUMBER OF ACTIVES***	AGGREGATE COMPENSATION	AVERAGE COMPENSATION	% INCREASE IN AVERAGE COMPENSATION
2015	1,608	\$ 117,263	\$ 72,925	2.07%
2014	1,610	115,027	71,445	(0.78%)
2013	1,608	115,788	72,007	2.39%
2012	1,599	112,456	70,329	4.36%
2011	1,603	108,028	67,391	1.75%
2010	1,646	109,020	66,233	1.67%

**RETIRED MEMBERSHIP DATA**

FISCAL YEAR	ADDED TO ROLLS		REMOVED FROM ROLLS		ROLLS END OF YEAR		% INCREASE IN ANNUAL ALLOWANCES
	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES (IN DOLLARS)	NO.*	ANNUAL** ALLOWANCES	
2015	105	\$4,546	47	\$ 882	1,551	\$58,251	6.71%
2014	89	2,774	43	1,139	1,493	54,587	3.09%
2013	98	3,497	27	715	1,447	52,952	5.55%
2012	79	3,105	39	495	1,376	50,170	5.49%
2011	111	5,051	29	696	1,336	47,560	10.08%
2010	53	2,490	36	766	1,254	43,205	4.16%

\*Includes beneficiaries in receipt but excludes deferred vested terminations.

\*\*Includes additional COLA allowances. The benefit amounts shown are the monthly benefits as of the valuation date annualized and are not the actual benefits paid during the fiscal year.

\*\*\*Excludes temporary inactive members.

**SOLVENCY  
TEST**

**TOTAL OF ALL GROUPS**

(dollars in thousands)

Fiscal Year	Projected Liabilities For			Net Position Held For Benefits	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2015	\$2,886,196	\$3,210,280	\$1,820,582	\$4,862,256	100.00%	82.00%	0.00%
2014	\$2,842,340	\$5,789,052	\$2,413,782	\$6,700,553	100.00%	67.00%	0.00%
2013	\$2,808,526	\$5,519,814	\$2,380,428	\$6,070,681	100.00%	59.00%	0.00%
2012	\$2,773,081	\$5,246,672	\$2,341,847	\$5,817,882	100.00%	58.00%	0.00%
2011	\$2,631,430	\$4,959,865	\$2,406,956	\$5,740,516	100.00%	63.00%	0.00%
2010	\$2,553,612	\$4,378,205	\$2,022,115	\$5,233,838	100.00%	61.00%	0.00%

**EMPLOYEES**

(dollars in thousands)

Fiscal Year	Projected Liabilities For			Net Position Held For Benefits	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2015	\$1,107,866	\$1,916,257	\$840,426	\$2,403,294	100.00%	68.00%	0.00%
2014	\$1,083,878	\$1,823,517	\$784,437	\$2,195,284	100.00%	61.00%	0.00%
2013	\$1,069,628	\$1,729,855	\$755,482	\$1,977,479	100.00%	52.00%	0.00%
2012	\$1,052,106	\$1,641,026	\$756,255	\$1,877,395	100.00%	50.00%	0.00%
2011	\$995,389	\$1,548,109	\$810,983	\$1,834,609	100.00%	54.00%	0.00%
2010	\$955,735	\$1,344,902	\$680,958	\$1,721,002	100.00%	57.00%	0.00%

**TEACHERS**

(dollars in thousands)

Fiscal Year	Projected Liabilities For			Net Position Held For Benefits	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2015	\$1,127,439	\$2,323,302	\$988,870	\$2,682,083	100.00%	67.00%	0.00%
2014	\$1,113,650	\$2,198,892	\$966,511	\$2,482,496	100.00%	62.00%	0.00%
2013	\$1,107,192	\$2,087,926	\$977,937	\$2,255,011	100.00%	55.00%	0.00%
2012	\$1,101,262	\$1,999,152	\$949,670	\$2,173,315	100.00%	50.00%	0.00%
2011	\$1,041,699	\$1,893,862	\$973,407	\$2,153,182	100.00%	59.00%	0.00%
2010	\$998,775	\$1,770,635	\$783,710	\$2,049,651	100.00%	59.00%	0.00%

\*Liabilities for active members are based on service as of the valuation date and projected compensation at the member's expected retirement date. Also includes terminated vested members.

NOTE: Based on a 7.75% interest rate for fiscal year 2011 and later, and an 8.5% interest rate for fiscal year 2010.

**POLICE OFFICERS**

(dollars in thousands)

Fiscal Year	Projected Liabilities For			Net Position Held For Benefits	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2015	\$ 429,115	\$1,266,591	\$463,902	\$ 1,477,517	100.00%	83.00%	0.00%
2014	\$ 422,972	\$1,209,741	\$454,133	\$ 1,361,280	100.00%	78.00%	0.00%
2013	\$ 417,630	\$1,160,173	\$438,580	\$ 1,236,579	100.00%	71.00%	0.00%
2012	\$ 411,672	\$1,092,005	\$949,670	\$ 1,189,308	100.00%	71.00%	0.00%
2011	\$ 396,344	\$1,030,900	\$432,256	\$ 1,179,798	100.00%	76.00%	0.00%
2010	\$ 397,440	\$ 851,136	\$386,621	\$ 997,325	100.00%	70.00%	0.00%

**FIREFIIGHTERS**

(dollars in thousands)

Fiscal Year	Projected Liabilities For			Net Position Held For Benefits	Percentage of Accrued Liabilities Covered By Net Position Held for Benefits		
	(1) Aggregate Member Contributions	(2) Current Retirees & Beneficiaries	(3) Active & Inactive Members (Employer Financed Portion)*		(1)	(2)	(3)
2015	\$ 221,776	\$592,362	\$210,708	\$ 718,867	100.00%	84.00%	0.00%
2014	\$ 221,840	\$556,902	\$208,701	\$ 661,493	100.00%	79.00%	0.00%
2013	\$ 214,076	\$541,860	\$208,430	\$ 601,612	100.00%	72.00%	0.00%
2012	\$ 208,041	\$514,489	\$203,805	\$ 577,864	100.00%	72.00%	0.00%
2011	\$ 197,998	\$486,994	\$190,310	\$ 572,927	100.00%	77.00%	0.00%
2010	\$ 201,661	\$411,532	\$170,827	\$ 465,861	100.00%	64.00%	0.00%

\*Liabilities for active members are based on service as of the valuation date and projected compensation at the member's expected retirement date. Also includes terminated vested members.

NOTE: Based on a 7.75% interest rate for fiscal year 2011 and later, and an 8.5% interest rate for fiscal year 2010.

**ANALYSIS OF  
PAST FINANCIAL  
EXPERIENCE**

This presentation shows the experience of actual financial results relative to expected results. It is an analysis which focuses on actuarial gains and losses over the most recent five actuarial valuations and reconciles the difference in the actuarial normal contribution rates from the expected to actual values.

**RECONCILIATION OF EMPLOYER NORMAL RATE \***

**EMPLOYEES**

YEAR ENDED	June 30, 2013		June 30 2011	June 30 2009	June 30 2007	June 30 2005
	State Employees	Political Subdivision Employees				
Projected Normal Rate*	10.51%	10.44%	10.71%	9.09%	8.74%	6.06%
Decremental Experience	—	—	—	—	—	.02
Pensioner's Experience	—	—	—	—	—	.02
Excess Salary Increases	—	—	—	—	—	(.01)
Method Change	—	—	—	—	0.98	—
Effect of Legislation	—	—	(1.95)	(0.15)	(0.57)	—
Asset (Gains)/Losses	0.52	0.52	0.31	1.18	(0.36)	.79
Current New Entrants	—	—	—	—	—	.04
Amendments	—	—	—	—	—	—
Target Rate System Experience	—	—	—	—	—	1.03
Assumption Changes	—	—	1.01	—	0.41	.39
Other (Gains)/Losses	( 0.17)	( 0.10)	0.36	0.59	(0.11)	.40
<b>ACTUAL NORMAL RATE</b>	<b>10.86%</b>	<b>10.86%</b>	<b>10.44%</b>	<b>10.71%</b>	<b>9.09%</b>	<b>8.74%</b>

**TEACHERS**

YEAR ENDED	June 30 2013	June 30 2011	June 30 2009	June 30 2007	June 30 2005
Projected Normal Rate *	11.96%	11.51%	9.38%	8.93%	4.67%
Decremental Experience	—	—	—	—	(.01)
Pensioner's Experience	—	—	—	—	—
Excess Salary Increases	—	—	—	—	.09
Method Change	—	—	—	0.82	—
Effect of Legislation	—	(2.27)	—	(0.72)	—
Asset (Gains)/Losses	0.61	0.39	1.55	(0.46)	1.52
Current New Entrants	—	—	—	—	.02
Amendments	—	—	—	—	—
Target Rate System Experience	—	—	—	—	1.14
Assumption Changes	—	2.05	—	0.80	.90
Other (Gains)/Losses	0.15	0.28	0.58	0.01	.60
<b>ACTUAL NORMAL RATE</b>	<b>12.72%</b>	<b>11.96%</b>	<b>11.51%</b>	<b>9.38%</b>	<b>8.93%</b>

\*Based on forecast valuations.



This presentation shows the experience of actual financial results relative to expected results. It is an analysis which focuses on actuarial gains and losses over the most recent five actuarial valuations and reconciles the difference in the actuarial normal contribution rates from the expected to actual values.

**RECONCILIATION OF EMPLOYER NORMAL RATE \***

**POLICE OFFICERS**

YEAR ENDED	June 30, 2013		June 30	June 30	June 30	June 30
	State Police Officers	Political Subdivision Police Officers	2011	2009	2007	2005
Projected Normal Rate *	21.45%	21.35%	22.92%	17.34%	18.21%	12.33%
Decremental Experience	—	—	—	—	—	.38
Pensioner's Experience	—	—	—	—	—	.01
Excess Salary Increases	—	—	—	—	—	(.12)
Method Change	—	—	—	—	1.11	—
Effect of Legislation	—	—	(7.15)	—	(2.17)	—
Asset (Gains)/Losses	1.31	1.31	0.85	2.89	(0.90)	1.85
Current New Entrants	—	—	—	—	—	.16
Amendments	—	—	—	—	—	—
Target Rate System Experience	—	—	—	—	—	1.47
Assumption Changes	—	—	4.00	—	0.31	2.08
Other Asset (Gains)/Losses	( 0.22)	( 0.12)	0.73	2.69	0.78	.05
<b>ACTUAL NORMAL RATE</b>	<b>22.54%</b>	<b>22.54%</b>	<b>21.35%</b>	<b>22.92%</b>	<b>17.34%</b>	<b>18.21%</b>

**FIREFIGHTERS**

YEAR ENDED	June 30, 2013		June 30	June 30	June 30	June 30
	State Firefighters	Political Subdivision Firefighters	2011	2009	2007	2005
Projected Normal Rate *	23.90%	23.79%	28.25%	22.52%	24.49%	16.31%
Decremental Experience	—	—	—	—	—	.04
Pensioner's Experience	—	—	—	—	—	(.06)
Excess Salary Increases	—	—	—	—	—	.17
Method Change	—	—	—	—	2.48	—
Effect of Legislation	—	—	(8.58)	—	(2.61)	—
Asset (Gains)/Losses	1.46	1.46	0.99	3.24%	(1.05)	2.23
Current New Entrants	—	—	—	—	—	.14
Amendments	—	—	—	—	—	—
Target Rate System Experience	—	—	—	—	—	6.22
Assumption Changes	—	—	3.39	—	0.21	(.32)
Other Asset (Gains)/Losses	( 0.04)	0.07	(0.26)	2.49%	(1.00)	(.24)
<b>ACTUAL NORMAL RATE</b>	<b>25.32%</b>	<b>25.32%</b>	<b>23.79%</b>	<b>28.25%</b>	<b>22.52%</b>	<b>24.49%</b>

\*Based on forecast valuations.

**SUMMARY OF PRINCIPAL PLAN PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES**

**1 – GENERAL**

<b>Legal Plan Name</b>	New Hampshire Retirement System.
<b>Effective Date</b>	July 1, 1967.
<b>Membership</b>	Prospectively, any employee or teacher becomes a Group I member as a condition of employment. Any employee appointed to an unclassified position with no fixed term on or after July 1, 2011 will also become a member of the retirement system as a condition of employment. Membership is optional for elected officials, officials appointed for fixed terms, unclassified state employees with no fixed term prior to July 1, 2011 or employees of the general court.
<b>Average Final Compensation (AFC)</b>	Average annual earnable compensation during highest 3 years of creditable service. For active members who commenced service on or after July 1, 2011 or who have non-vested status on or after January 1, 2012 – Average annual earnable compensation during the highest 5 years of creditable service.
<b>NOTE:</b>	A more detailed description of the plan provisions is available from the System’s administrative office or by visiting <a href="http://www.nhrs.org">www.nhrs.org</a> .

**2 – BENEFITS**

**GROUP I MEMBERS (EMPLOYEES AND TEACHERS)**

**Service Retirement**

<b>Eligibility</b>	Age 60 years (age 65 for members commencing service on or after July 1, 2011).
<b>Amount of Benefit</b>	A member annuity equal to the actuarial equivalent of the member’s accumulated contributions plus a state annuity.  Prior to the member’s attainment of age 65, the state annuity, together with the member annuity, shall be equal to 1/60 of AFC multiplied by years of service. (1/66 of AFC times creditable service for members commencing service on or after July 1, 2011.)  After attainment of age 65, the state annuity, together with the member annuity, shall be equal to 1/66 of AFC multiplied by years of service.

**Reduced Service Retirement**

<b>Eligibility</b>	Age plus service of at least 70, provided the member has at least 20 years of service or age 50 with at least 10 years of service (age 60 with 30 years of creditable service for members commencing service on or after July 1, 2011).
<b>Amount of Benefit</b>	Service retirement benefit is reduced by the following percents for each month that benefits commence prior to age 60.

	<b>Years of Service at Retirement</b>	<b>Monthly Percent Reduction</b>
	35 or more	1/8 of 1%
	30–35	1/4 of 1%
	25–30	1/3 of 1%
	20–25	5/12 of 1%
	less than 20	5/9 of 1%

For members commencing service on or after July 1, 2011, normal retirement benefit is reduced 1/4 or 1% for each month prior to age 65.

**Ordinary Disability Retirement**

<b>Eligibility</b>	10 years of service and permanent disability.
<b>Amount of Benefit</b>	Service retirement benefit if normal retirement age. Under age 60 a member annuity plus a state annuity which together equals 1.5% of AFC multiplied by the

number of years of creditable service at the time of disability; provided that the benefit shall not be less than 25% of AFC.

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#### Accidental Disability Retirement

<b>Eligibility</b>	Permanently disabled due to accident occurring while in the performance of duty.
<b>Amount of Benefit</b>	Service retirement benefit if age 60, otherwise a member annuity plus a state annuity which together equals 50% of AFC; provided that the benefit shall not be less than 50% of AFC.

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#### Ordinary Death Benefit

<b>Eligibility</b>	Death, other than accidental death.
<b>Amount of Benefit</b>	<p>(a) If 10 years of service or if eligible for service retirement and,</p> <p>(i) if survived by a spouse, 50% of the service retirement benefit payable until death or remarriage;</p> <p>(ii) if no surviving spouse or member designated a beneficiary other than a spouse, a lump sum equal to the greater of \$3,600 or the member's annual compensation.</p> <p>(b) If less than 10 years of service and if not eligible for service retirement, a lump sum equal to the greater of \$3,600 or the member's annual compensation.</p>

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#### Accidental Death Benefit

<b>Eligibility</b>	Accidental death occurring while in the performance of duty.
<b>Amount of Benefit</b>	Benefit equal to 50% of AFC.

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#### Vested Deferred Retirement

<b>Eligibility</b>	10 years of service, if no withdrawal of contributions.
<b>Amount of Benefit</b>	Payable at age 60, a member annuity plus a state annuity which together equals the service retirement benefit that would be payable after age 60. The benefit changes at age 65 as for service retirement. At any time after attainment of age 50 (age 60 for members hired on or after July 1, 2011), a member may have his benefit commence early, however, the benefit will be reduced for early commencement using the same early retirement reduction factors as described under reduced service retirement.

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#### Return of Members' Contributions

- |  |  |
|--|--|
|  | <p>(a) Upon termination of service other than for retirement or death, and if vested deferred retirement benefit has not been elected, the member's accumulated contributions are returned to him.</p> <p>(b) Upon accidental death or upon other death for which no surviving spouse's benefit is payable, the member's accumulated contributions will be paid to the member's beneficiary or estate.</p> <p>(c) Upon death prior to age 60 of a member on deferred vested retirement, the member's accumulated contributions will be paid to the member's beneficiary or estate.</p> <p>(d) Upon death of a retired member (or the survivor of a retired member, if an optional benefit was elected), the excess of his accumulated contributions at retirement over the benefits received by the retired member (and, in the case of election of an optional benefit, the benefits received by the survivor) will be paid to the beneficiary or estate of the member.</p> |
|--|--|

Special Provisions Applicable to Certain Members Transferred from the Employees' Retirement System of the State of New Hampshire

Certain employee members transferred to the New Hampshire Retirement System effective January 1, 1976 have elected to have their benefits calculated on the basis of the provisions of the Predecessor System.

**GROUP II MEMBERS (POLICE OFFICERS AND FIREFIGHTERS)**

Service Retirement

**Eligibility** Age 45 and 20 years of creditable service or age 60 (age 52.5 with 25 years of creditable service or age 60 for members commencing service on or after July 1, 2011).

**Amount of Benefit** A member annuity that is the actuarial equivalent of the member's accumulated contributions plus a state annuity.

The state annuity, together with the member annuity, shall be equal to 2-1/2% of AFC times creditable service up to 40 years (2% of AFC times creditable service up to 42.5 years for members commencing service on or after July 1, 2011). However, a member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining the age of 52.5.

Members hired prior to July 1, 2011 who have non-vested status as of January 1, 2012 shall be subject to the following transition provisions for years of service required for regular service retirement, the minimum age for regular service retirement, and the multiplier used to calculate the retirement annuity, which shall be applicable on January 1, 2012 according to the following table:

Creditable Service on January 1, 2012	Minimum Years of Service	Minimum Age Attained	Annuity Multiplier
(1) Less than 4 years	24 Years	Age 49	2.1%
(2) At least 4 years but less than 6 years	23 Years	Age 48	2.2%
(3) At least 6 years but less than 8 years	22 Years	Age 47	2.3%
(4) At least 8 years but less than 10 years	21 Years	Age 46	2.4%

Effective July 1, 1992, if a member retires on a full service retirement, the minimum annual benefit (prior to reduction for optional form of payment) is \$10,000.

Reduced Service Retirement

**Eligibility** Members commencing service on or after July 1, 2011 after attaining age 52.5 with at least 25 years of creditable service.

**Amount of Benefit** The allowance shall be reduced for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age, by 1/4 of 1%.

Ordinary Disability Retirement

**Eligibility** 10 years service and permanent disability.

**Amount of Benefit** A member annuity plus a state annuity which together equals the service retirement benefit; provided that the benefit shall not be less than 25% of the member's annual compensation.

Accidental Disability Retirement

**Eligibility** Permanent disability occurring while in the performance of duty.

**Amount of Benefit** Members hired prior to July 1, 2011 who have vested status as of January 1, 2012 are eligible for an accidental disability benefit and shall receive a benefit equal to 2/3 of AFC. If a member has more than 26-2/3 years of service, the member will

receive a supplemental disability benefit equal to 2-1/2% of AFC times years of creditable service in excess of 26-2/3 years but not in excess of 40 years. Members commencing service on or after July 1, 2011 are eligible for an accidental disability benefit and shall receive a benefit equal to 2/3 of AFC. If a member has more than 33-1/3 years of service, the member will receive a supplemental disability benefit equal to 2% of AFC times years of creditable service in excess of 33-1/3 years but not in excess of 42.5 years. Members hired prior to July 1, 2011 who have non-vested status as of January 1, 2012 are eligible for an accidental disability benefit and shall receive a benefit equal to 2/3 of AFC. The calculation of the supplemental allowance shall be as provided in the transition provisions with the number of years for the supplement adjusted proportionally.

Ordinary Death Benefit

<b>Eligibility</b>	Death other than accidental death.
<b>Amount of Benefit</b>	<p>(a) If 10 years service or if eligible for service retirement and,</p> <p>(i) if survived by a spouse, 50% of the service retirement benefit payable until death or remarriage.</p> <p>(ii) if no surviving spouse or member designated a beneficiary other than a spouse, a lump sum equal to the greater of \$3,600 or member's annual compensation.</p> <p>(b) If less than 10 years service and not eligible for service retirement, a lump sum equal to the greater of \$3,600 or the member's annual compensation.</p>

Accidental Death Benefit

<b>Eligibility</b>	Accidental death occurring while in the performance of duty.
<b>Amount of Benefit</b>	50% of the annual rate of compensation payable first to spouse until death or remarriage, then to children under age 18 or if no spouse or children, to dependent parent.

Death after Retirement

Retirement Prior to April 1, 1987

Lump sum of \$3,600 unless accidental disability retirement, then surviving spouse receives 50% of the retired member's disability benefits payable until death or remarriage.

Retirement on or after April 1, 1987

Benefit payable to surviving spouse until death or remarriage equal to 50% of the member's service, ordinary disability or accidental disability retirement allowance if member was married on the date of retirement plus a lump sum. The lump sum shall be equal to:

If retired prior to July 1, 1988:	\$ 3,600
If retired on or after July 1, 1988:	
If Group II member as of June 30, 1988	\$10,000
If becomes a Group II member after June 30, 1988 and prior to July 1, 1993	\$ 3,600

Special Death Benefit – Old Firefighter's System

Continuance of duty-connected disability benefits to spouse of deceased retired member payable until death or remarriage.

Vested Deferred Retirement

<b>Eligibility</b>	10 years of service, if no withdrawal of contributions.
<b>Amount of Benefit</b>	A benefit determined as for service retirement payable when the member would be age 45 with 20 years of service or age 60 if earlier.

Return of Members' Contributions

- (a) Upon termination of service other than for retirement or death, and if vested deferred retirement has not been elected, the member's accumulated contributions are returned to the member.
- (b) Upon accidental death or upon other death for which no surviving spouse's benefit is payable, the member's accumulated contributions will be paid to the member's beneficiary or estate.
- (c) Upon death of a member on vested deferred retirement prior to the time benefits commence, the member's accumulated contributions will be paid to the member's beneficiary or estate.
- (d) Upon death of the survivor of a member retired on accidental disability and his spouse in receipt of the accidental disability survivor benefit, the excess of the member's accumulated contributions at retirement over the benefits received by the member and the spouse will be paid to the beneficiary or estate.
- (e) Upon death of a retired member (or the survivor of a retired member, if an optional benefit was elected), the excess of accumulated contributions at retirement over the benefits received by the retired member (and, in the case of election of an optional benefit, the benefits received by the survivor) will be paid to the beneficiary or estate of the member.

**3—CONTRIBUTIONS**

**GROUP I MEMBERS (EMPLOYEES AND TEACHERS)**

<b>By Members</b>	7.0% of earnable compensation. Interest on member contributions shall be 2 percentage points less than either the most recent Board of Trustees approved assumed rate of return determined under RSA 100-A:16, II(h) or the actual rate of return, whichever is lower.
<b>By Local Employer</b>	
<b>For Employee Members</b>	100% of the normal contribution rate for their employees, plus accrued liability contributions, if any.
<b>For Teacher Members</b>	100% of the normal contribution rate for their employees, plus accrued liability contributions, if any.
<b>By the State</b>	
<b>For Employee Members</b>	100% of the normal contribution rate for its employees, plus accrued liability contributions, if any.
<b>For Teacher Members</b>	100% of the normal contribution rate for teachers employed by local employers, plus accrued liability contributions, if any.

**GROUP II MEMBERS (POLICE OFFICERS AND FIREFIGHTERS)**

<b>By Members</b>	
<b>Firefighters</b>	11.80% of earnable compensation.
<b>Police Officers</b>	11.55% of earnable compensation.
<b>By Local Employer</b>	100% of the normal contribution rate for their employees, plus accrued liability contributions, if any.
<b>By the State</b>	100% of both the normal and accrued liability contributions, if any.

**OPEB PLAN PROVISIONS**

Medical subsidy benefits provided under the OPEB plans as of July 1, 2007 are as follows:

	<b>Monthly Amounts</b>	
	<b>Pre-65</b>	<b>Post-65</b>
<b>Single</b>	\$375.56	\$236.84
<b>Couple</b>	\$751.12	\$473.68

The amounts above will not increase.

The following Group I members and their qualified spouses are eligible for coverage under the postemployment medical plans if they are receiving health coverage under the group plan offered by their former employer:

- Employee and teacher members of political subdivisions who were eligible to retire as of July 1, 2008 and who actually retired on or before July 1, 2009, on Service, Early Service, Vested Deferred or Ordinary Disability retirement after completing at least 20 years of creditable service and who subsequently attain age 60 or after completing at least 30 years of creditable service and who subsequently attain age 55.
- Employee and teacher members of political subdivisions who retired on Accidental Disability Retirement on or before July 1, 2004.
- Employee members of the State who retired on or before July 1, 2004, on Service, Ordinary Disability or Vested Deferred Retirement become eligible for the medical subsidy at age 60 with at least 20 years of creditable service; or as early as age 55 with at least 30 years of creditable service.
- Surviving spouses of deceased employee and teacher members of political subdivisions who die while in service, provided that such surviving spouse was covered as the member's spouse in the employer-sponsored plan before the member's death and is entitled to a monthly allowance under Accidental Death, Ordinary Death, or an Optional Allowance.
- Surviving spouses and children of employee and teacher members of political subdivisions and employee members of the State who die as the natural and proximate result of injuries suffered while in the performance of duty. Eligibility for the medical subsidy ceases when the dependent child attains age 18 or age 23, if attending school on a full-time basis, or upon the spouse's remarriage.
- Vested terminated employee members of the State (and spouses) who completed at least 20 years of creditable service and as of July 1, 2004 received an allowance and who subsequently attain age 60.
- Employee members of the State (and spouses) who retired on or before July 1, 2004 after completing at least 20 years of creditable service and who subsequently attained age 60; or after completing at least 30 years of creditable service and who subsequently attained age 55.
- Surviving spouses of deceased employee members of the State who died while in service on or before July 1, 2004, provided that such surviving spouse was covered as the member's spouse in the employer-sponsored plan before the member's death and is entitled to a monthly allowance under Accidental Death, Ordinary Death, or an Optional Allowance.

The following Group II members are eligible for the postemployment medical plans:

- Group II police officer members (or beneficiaries) who are active or retired as of June 30, 2000.
- Group II firefighter members (or beneficiaries) who are active or retired as of June 30, 2000.
- Persons who prior to July 1, 1988, had completed at least 20 years of Group II service and were eligible as of July 1, 1993 for a vested deferred retirement benefit.
- Group II members retired as of July 1, 1991 with a split benefit under RSA 100-A:19-c who had at least 10 years of Group II service.
- Group II members as of June 30, 2005 who subsequently became disabled while in the performance of duty at any time in the future.
- Surviving spouses of deceased Group II members who retired prior to April 1, 1987 and who are not receiving a monthly allowance.

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NEW HAMPSHIRE RETIREMENT SYSTEM

# STATISTICAL SECTION

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**STATISTICAL  
SECTION  
SUMMARY**

The schedules that follow in this Statistical Section contain statistical and historical data that is considered useful in assessing the economic condition of the Pension and OPEB plans and for evaluating financial and demographic trends over longer periods of time. Included in this section are the following schedules:

- Schedules of Changes in Net Position for all plans for the past ten years
- Schedules of Benefit and Refund Deductions for all plans over the past ten years
- Schedules of Retired Members by Type of Benefit for all plans
- Schedules of Average Benefit Payment Amounts for all plans
- Schedules of the Principal Participating Employers for all plans
- A Listing of Participating Employers

The NHRS has prepared the data presented for the Changes in Net Position schedules, Benefit and Refund Deduction schedules, the Principal Participating Employers schedules and the Listing of Participating Employers. The schedules of Retired Members by Type of Benefit and the Schedules of Average Benefit Payments Amounts were prepared by the NHRS's actuary. Due to changes in accounting systems, some data is not available or is limited for the full ten year periods but data for the full ten year periods will be added prospectively.

The investment climate over the past decade has been volatile. Investment returns for fiscal year 2015 (3.5%), fiscal year 2014 (17.6%), fiscal year 2013 (14.5%), and fiscal year 2012 (0.9%) have offset most of the losses experienced during the economic crisis and recession of fiscal years 2008–2009. Although investment returns were positive overall for the decade, net investment income did not achieve the assumed investment return assumption for that period. In absolute dollars, employer contributions to the pension plan have risen 204% over the decade and member contributions to the pension plan have risen 38% over the same period. Pension benefits rose 99% over the decade. Similar increases have been experienced in OPEB contributions and benefits.

The number of NHRS retirees continues to grow along with the average annual benefits amounts paid out. The active membership rolls have remained fairly static throughout the decade but have decreased slightly in fiscal years 2015 and 2014 reflecting the constrained economic environment. The number of participating employers remains stable.

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**CHANGES IN NET POSITION – PENSION PLAN LAST TEN FISCAL YEARS**

	FY 2015	FY 2014	FY 2013	FY 2012
<b>Additions:</b>				
Employer Contributions	\$ 332,294	\$ 328,444	\$ 249,835	\$ 254,557
Member Contributions	204,063	199,033	196,489	199,593
Net Investment Income (Loss)	249,806	1,092,585	813,671	19,811
Postemployment Medical Plan Transfers on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	—
Other	—	—	111	—
<b>Total Additions to Net Position</b>	<b>\$ 786,163</b>	<b>\$ 1,620,062</b>	<b>\$ 1,260,106</b>	<b>\$ 473,961</b>
<b>Deductions:</b>				
Pension Benefits	\$ 631,312	\$ 599,476	\$ 573,469	\$ 547,051
Refunds of Contributions	26,345	26,120	23,191	26,535
Net Position Transfers	—	—	—	—
Administrative Expense	7,582	7,377	6,999	6,261
Professional Fees	1,318	1,080	972	1,162
Other	308	366	818	50
<b>Total Deductions from Net Position</b>	<b>\$ 666,865</b>	<b>\$ 634,419</b>	<b>\$ 605,449</b>	<b>\$ 581,059</b>
<b>Change in Net Position</b>	<b>\$ 119,298</b>	<b>\$ 985,643</b>	<b>\$ 654,657</b>	<b>(\$ 107,098)</b>

**CHANGES IN NET POSITION – GROUP II POLICE OFFICER & FIREFIGHTER OPEB PLAN  
LAST TEN FISCAL YEARS**

	FY 2015	FY 2014	FY 2013	FY 2012
<b>Additions:</b>				
Employer Contributions	\$ 15,958	\$ 15,438	\$ 15,260	\$ 14,683
Net Investment Income (Loss)	342	1,484	1,179	(\$ 6)
Net Position Transfers	—	—	—	—
Interest Income	349	273	243	190
Other	—	—	—	—
<b>Total Additions to Net Position</b>	<b>\$ 16,649</b>	<b>\$ 17,195</b>	<b>\$ 16,682</b>	<b>\$ 14,867</b>
<b>Deductions:</b>				
Benefits Paid	\$ 16,374	\$ 15,980	\$ 16,209	\$ 16,231
Postemployment Medical Plan Transfers to Pension Plan on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	—
Administrative Expense	11	10	10	( 2)
Professional Fees	1	1	1	—
Other	1	—	1	—
<b>Total Deductions from Net Position</b>	<b>\$ 16,387</b>	<b>\$ 15,991</b>	<b>\$ 16,221</b>	<b>\$ 16,229</b>
<b>Change in Net Position</b>	<b>\$ 262</b>	<b>\$ 1,204</b>	<b>\$ 461</b>	<b>(\$ 1,362)</b>

(in thousands)					
FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 274,582	\$ 269,677	\$ 196,214	\$ 188,197	\$ 120,438	\$ 109,372
152,412	149,512	142,528	157,985	272,369	147,821
1,121,460	546,492	(\$ 962,057)	(\$ 284,095)	769,701	417,927
—	—	—	—	58,201	61,449
—	89,505	—	—	295,392	—
13,399	( 1,292)	622	1,721	86	745
<b>\$ 1,561,853</b>	<b>\$ 1,053,894</b>	<b>(\$ 622,693)</b>	<b>\$ 63,808</b>	<b>\$ 1,516,187</b>	<b>\$ 737,314</b>
\$ 519,970	\$ 490,075	\$ 452,380	\$ 391,929	\$ 344,851	\$ 316,637
22,830	21,851	24,204	32,297	34,080	29,382
—	—	—	—	—	—
7,312	6,391	6,968	6,691	5,607	4,799
1,425	1,205	1,372	1,382	665	965
743	1,776	2,331	1,910	1,775	1,807
<b>\$ 552,280</b>	<b>\$ 521,298</b>	<b>\$ 487,255</b>	<b>\$ 434,209</b>	<b>\$ 386,978</b>	<b>\$ 353,590</b>
<b>\$ 1,009,573</b>	<b>\$ 532,596</b>	<b>(\$ 1,109,948)</b>	<b>(\$ 370,401)</b>	<b>\$ 1,129,209</b>	<b>\$ 383,724</b>

(in thousands)					
FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 8,355	\$ 8,143	\$ 18,707	\$ 17,369	\$ 18,078	\$ 20,891
3,333	12,876	(\$ 21,012)	(\$ 5,895)	40,736	23,545
—	—	—	—	—	—
—	—	—	—	—	—
40	( 30)	14	36	2	75
<b>\$ 11,728</b>	<b>\$ 20,989</b>	<b>(\$ 2,291)</b>	<b>\$ 11,510</b>	<b>\$ 58,816</b>	<b>\$ 44,511</b>
\$ 16,019	\$ 15,916	\$ 15,688	\$ 15,229	\$ 13,672	\$ 12,374
—	—	—	—	18,078	20,891
—	89,505	—	—	160,377	—
22	151	152	139	295	277
5	28	30	29	25	87
2	42	51	40	90	135
<b>\$ 16,048</b>	<b>\$ 105,642</b>	<b>\$ 15,921</b>	<b>\$ 15,437</b>	<b>\$ 192,537</b>	<b>\$ 33,764</b>
<b>(\$ 4,320)</b>	<b>(\$ 84,653)</b>	<b>(\$ 18,212)</b>	<b>(\$ 3,927)</b>	<b>(\$ 133,721)</b>	<b>\$ 10,747</b>

**CHANGES IN NET POSITION – GROUP I TEACHERS OPEB PLAN  
LAST TEN FISCAL YEARS**

	FY 2015	FY 2014	FY 2013	FY 2012
<b>Additions:</b>				
Employer Contributions	\$ 22,557	\$ 23,277	\$ 23,767	\$ 24,021
Net Investment Income (Loss)	—	—	—	—
Net Position Transfers	—	—	—	—
Other	—	—	—	—
<b>Total Additions to Net Position</b>	<b>\$ 22,557</b>	<b>\$ 23,277</b>	<b>\$ 23,767</b>	<b>\$ 24,021</b>
<b>Deductions:</b>				
Benefits Paid	\$ 22,762	\$ 23,750	\$ 24,731	\$ 25,856
Postemployment Medical Plan Transfers to Pension Plan on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	—
Administrative Expense	—	—	—	—
Professional Fees	—	—	—	—
Interest Expense	1,113	1,051	933	921
Other	—	—	—	—
<b>Total Deductions from Net Position</b>	<b>\$ 23,875</b>	<b>\$ 24,801</b>	<b>\$ 25,664</b>	<b>\$ 26,777</b>
<b>Change in Net Position</b>	<b>(\$ 1,318)</b>	<b>(\$ 1,524)</b>	<b>(\$ 1,897)</b>	<b>(\$ 2,756)</b>

**CHANGES IN NET POSITION – GROUP I POLITICAL SUBDIVISION  
EMPLOYEES OPEB PLAN  
LAST TEN FISCAL YEARS**

	FY 2015	FY 2014	FY 2013	FY 2012
<b>Additions:</b>				
Employer Contributions	\$ 1,848	\$ 2,010	\$ 1,885	\$ 1,928
Net Investment Income (Loss)	768	3,867	3,312	( 92)
Net Position Transfers	—	—	—	—
Interest Income	745	778	690	755
Other	—	—	—	—
<b>Total Additions to Net Position</b>	<b>\$ 3,361</b>	<b>\$ 6,655</b>	<b>\$ 5,887</b>	<b>\$ 2,591</b>
<b>Deductions:</b>				
Benefits Paid	\$ 5,792	\$ 6,154	\$ 6,413	\$ 6,804
Postemployment Medical Plan Transfers to Pension Plan on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	—
Administrative Expense	23	26	28	—
Professional Fees	4	4	4	( 29)
Other	1	1	3	( 5)
<b>Total Deductions from Net Position</b>	<b>\$ 5,820</b>	<b>\$ 6,185</b>	<b>\$ 6,448</b>	<b>\$ 6,770</b>
<b>Change in Net Position</b>	<b>(\$ 2,459)</b>	<b>\$ 470</b>	<b>(\$ 561)</b>	<b>(\$ 4,179)</b>

(in thousands)

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 13,790	\$ 13,614	\$ 22,998	\$ 22,887	\$ 17,791	\$ 19,857
314	2,662	( 3,701)	( 1,151)	15,294	9,948
—	—	—	—	—	—
4	( 6)	2	7	—	—
<b>\$ 14,108</b>	<b>\$ 16,270</b>	<b>\$ 19,299</b>	<b>\$ 21,743</b>	<b>\$ 33,085</b>	<b>\$ 29,805</b>
\$ 26,766	\$ 26,779	\$ 24,489	\$ 21,018	\$ 17,260	\$ 14,575
—	—	—	—	17,791	19,857
—	—	—	—	78,362	—
2	31	27	27	109	111
—	6	5	5	7	6
—	—	—	—	—	—
—	9	9	7	33	25
<b>\$ 26,768</b>	<b>\$ 26,825</b>	<b>\$ 24,530</b>	<b>\$ 21,057</b>	<b>\$ 113,562</b>	<b>\$ 34,574</b>
<b>(\$ 12,660)</b>	<b>(\$ 10,555)</b>	<b>(\$ 5,231)</b>	<b>\$ 686</b>	<b>(\$ 80,477)</b>	<b>(\$ 4,769)</b>

(in thousands)

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 423	\$ 404	\$ 12,381	\$ 11,420	\$ 11,858	\$ 11,102
6,460	6,239	( 8,466)	( 1,632)	13,254	8,779
—	—	—	—	—	—
—	—	—	—	—	—
77	( 15)	1,023	449	942	983
<b>\$ 6,960</b>	<b>\$ 6,628</b>	<b>\$ 4,938</b>	<b>\$ 10,237</b>	<b>\$ 26,054</b>	<b>\$ 20,864</b>
\$ 7,193	\$ 7,009	\$ 6,496	\$ 5,732	\$ 4,880	\$ 4,003
—	—	—	—	11,858	11,102
—	17,482	—	—	27,805	—
42	73	61	38	94	97
8	14	12	8	8	5
5	20	21	11	29	23
<b>\$ 7,248</b>	<b>\$ 24,598</b>	<b>\$ 6,590</b>	<b>\$ 5,789</b>	<b>\$ 44,674</b>	<b>\$ 15,230</b>
<b>(\$ 288)</b>	<b>(\$ 17,970)</b>	<b>(\$ 1,652)</b>	<b>\$ 4,448</b>	<b>(\$ 18,620)</b>	<b>\$ 5,634</b>

**CHANGES IN NET POSITION – GROUP I STATE EMPLOYEES OPEB PLAN  
LAST TEN FISCAL YEARS**

	FY 2015	FY 2014	FY 2013	FY 2012
<b>Additions:</b>				
Employer Contributions	\$ 8,552	\$ 8,156	\$ 8,800	\$ 8,332
Net Investment Income (Loss)	9	30	( 1)	( 66)
Net Position Transfers	—	—	—	—
Interest Income	19	—	—	—
Other	—	—	—	—
<b>Total Additions to Net Position</b>	<b>\$ 8,580</b>	<b>\$ 8,186</b>	<b>\$ 8,799</b>	<b>\$ 8,266</b>
<b>Deductions:</b>				
Benefits Paid	\$ 8,369	\$ 7,927	\$ 7,793	\$ 9,708
Postemployment Medical Plan Transfers to Pension Plan on Behalf of Employers	—	—	—	—
Net Position Transfers	—	—	—	—
Administrative Expense	—	—	—	( 21)
Professional Fees	—	—	—	( 4)
Interest Expense	—	—	—	24
Other	—	—	—	—
<b>Total Deductions from Net Position</b>	<b>\$ 8,369</b>	<b>\$ 7,927</b>	<b>\$ 7,793</b>	<b>\$ 9,707</b>
<b>Change in Net Position</b>	<b>\$ 211</b>	<b>\$ 259</b>	<b>\$ 1,006</b>	<b>(\$ 1,441)</b>



(in thousands)					
FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 10,333	\$ 10,399	\$ 11,150	\$ 10,030	\$ 10,474	\$ 9,599
87	—	—	—	—	—
—	17,482	—	—	—	—
—	—	—	—	—	—
1	—	—	—	—	—
<b>\$ 10,421</b>	<b>\$ 27,881</b>	<b>\$ 11,150</b>	<b>\$ 10,030</b>	<b>\$ 10,474</b>	<b>\$ 9,599</b>
\$ 9,885	\$ 10,171	\$ 10,926	\$ 11,266	\$ 10,941	\$ 10,687
—	—	—	—	10,474	9,599
—	—	—	—	28,848	—
1	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	1,017	439	942	983
<b>\$ 9,886</b>	<b>\$ 10,171</b>	<b>\$ 11,943</b>	<b>\$ 11,705</b>	<b>\$ 51,205</b>	<b>\$ 21,269</b>
<b>\$ 535</b>	<b>\$ 17,710</b>	<b>(\$ 793)</b>	<b>(\$ 1,675)</b>	<b>(\$ 40,731)</b>	<b>(\$ 11,670)</b>

## SCHEDULE OF BENEFIT AND REFUND DEDUCTIONS BY TYPE

### BENEFIT AND REFUND DEDUCTIONS BY TYPE – PENSION PLAN LAST TEN FISCAL YEARS

	FY 2015	FY 2014	FY 2013	FY 2012
<b>Type of Benefit</b>				
Age and Service Benefits:				
Service Retirement	\$ 368,298	\$ 344,810	\$ 325,542	\$ 308,230
Early Retirement	159,342	156,539	154,821	150,023
Survivors	34,572	32,444	30,738	29,128
Vested Deferred	24,161	22,463	20,730	19,446
Other	10,421	9,585	8,800	7,826
Death in Service Benefit	2,430	1,744	1,719	1,800
Disability Benefits				
Duty Related	21,152	20,837	20,674	20,374
Non Duty Related	9,047	9,080	8,787	8,581
Survivors	1,889	1,974	1,658	1,643
<b>Total Benefits</b>	<b>\$ 631,312</b>	<b>\$ 599,476</b>	<b>\$ 573,469</b>	<b>\$ 547,051</b>
<b>Type of Refund</b>				
Separation	\$ 20,121	\$ 21,429	\$ 18,133	\$ 20,299
Death	6,224	4,691	5,058	6,236
<b>Total Refunds</b>	<b>\$ 26,345</b>	<b>\$ 26,120</b>	<b>\$ 23,191</b>	<b>\$ 26,535</b>

### BENEFIT AND REFUND DEDUCTIONS BY TYPE – OPEB PLANS LAST TEN FISCAL YEARS

	FY 2015	FY 2014	FY 2013	FY 2012
<b>GROUP II POLICE OFFICERS &amp; FIREFIGHTERS</b>				
<b>Type of Benefit</b>				
Medical Subsidy Payments	\$ 16,374	\$ 15,981	\$ 16,209	\$ 16,231
<b>Total Benefits</b>	<b>\$ 16,374</b>	<b>\$ 15,981</b>	<b>\$ 16,209</b>	<b>\$ 16,231</b>
<b>GROUP I TEACHERS</b>				
<b>Type of Benefit</b>				
Medical Subsidy Payments	\$ 22,762	\$ 23,750	\$ 24,731	\$ 25,856
<b>Total Benefits</b>	<b>\$ 22,762</b>	<b>\$ 23,750</b>	<b>\$ 24,731</b>	<b>\$ 25,856</b>
<b>GROUP I POLITICAL SUBDIVISION EMPLOYEES</b>				
<b>Type of Benefit</b>				
Medical Subsidy Payments	\$ 5,792	\$ 6,154	\$ 6,413	\$ 6,804
<b>Total Benefits</b>	<b>\$ 5,792</b>	<b>\$ 6,154</b>	<b>\$ 6,413</b>	<b>\$ 6,804</b>
<b>GROUP I STATE EMPLOYEES OPEB PLAN</b>				
<b>Type of Benefit</b>				
Medical Subsidy Payments	\$ 8,369	\$ 7,927	\$ 7,793	\$ 9,708
<b>Total Benefits</b>	<b>\$ 8,369</b>	<b>\$ 7,927</b>	<b>\$ 7,793</b>	<b>\$ 9,708</b>

(in thousands)

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 287,736	\$ 270,523	\$ 249,909	\$ 216,344	\$ 190,973	\$ 176,207
145,483	138,643	125,471	101,286	86,655	78,718
28,986	27,079	25,160	21,961	19,915	18,438
19,217	18,063	17,042	18,573	16,054	14,064
6,803	5,882	5,040	5,546	3,959	3,163
1,654	1,326	2,000	2,396	2,456	2,383
19,769	18,682	18,043	16,869	16,198	15,575
8,676	8,312	8,261	7,567	7,253	6,753
1,646	1,565	1,454	1,387	1,388	1,336
<b>\$ 519,970</b>	<b>\$ 490,075</b>	<b>\$ 452,380</b>	<b>\$ 391,929</b>	<b>\$ 344,851</b>	<b>\$ 316,637</b>
\$ 18,362	\$ 18,580	\$ 20,364	\$ 29,613	\$ 31,502	\$ 26,630
4,468	3,271	3,840	2,684	2,578	2,752
<b>\$ 22,830</b>	<b>\$ 21,851</b>	<b>\$ 24,204</b>	<b>\$ 32,297</b>	<b>\$ 34,080</b>	<b>\$ 29,382</b>

(in thousands)

FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
\$ 16,019	\$ 15,916	\$ 15,688	\$ 15,229	\$ 13,672	\$ 12,374
<b>\$ 16,019</b>	<b>\$ 15,916</b>	<b>\$ 15,688</b>	<b>\$ 15,229</b>	<b>\$ 13,672</b>	<b>\$ 12,374</b>
\$ 26,767	\$ 26,779	\$ 24,489	\$ 21,018	\$ 17,260	\$ 14,575
<b>\$ 26,767</b>	<b>\$ 26,779</b>	<b>\$ 24,489</b>	<b>\$ 21,018</b>	<b>\$ 17,260</b>	<b>\$ 14,575</b>
\$ 7,193	\$ 7,010	\$ 6,496	\$ 5,732	\$ 4,880	\$ 4,003
<b>\$ 7,193</b>	<b>\$ 7,010</b>	<b>\$ 6,496</b>	<b>\$ 5,732</b>	<b>\$ 4,880</b>	<b>\$ 4,003</b>
\$ 9,885	\$ 10,170	\$ 10,926	\$ 11,266	\$ 10,941	\$ 10,687
<b>\$ 9,885</b>	<b>\$ 10,170</b>	<b>\$ 10,926</b>	<b>\$ 11,266</b>	<b>\$ 10,941</b>	<b>\$ 10,687</b>

## SCHEDULE OF RETIRED AND VESTED MEMBERS BY TYPE OF BENEFIT

### SCHEDULE OF RETIRED AND VESTED MEMBERS BY TYPE OF BENEFITS AS OF JUNE 30, 2015 PENSION PLAN

Amount of Monthly Benefit	Number of Retirees	Type of Retirement*						
		1	2	3	4	5	6	7
<b>EMPLOYEES</b>								
\$1-500	4,501	3,452	51	2	12	—	556	428
501-1,000	4,846	3,619	260	125	8	2	415	417
1,001-1,500	2,857	2,244	80	230	12	4	154	133
1,501-2,000	1,704	1,427	23	95	4	2	96	57
2,001-2,500	980	876	2	25	—	2	57	18
2,501-3,000	649	590	3	7	—	1	41	7
3,001-3,500	392	366	—	3	—	—	19	4
3,501-4,000	274	262	1	1	—	10	10	—
Over 4,000	345	333	1	2	1	—	7	1
<b>Totals</b>	<b>16,548</b>	<b>13,169</b>	<b>421</b>	<b>490</b>	<b>37</b>	<b>11</b>	<b>1,355</b>	<b>1,065</b>
<b>TEACHERS</b>								
\$1-500	849	544	1	—	—	—	70	234
501-1,000	1,865	1,353	44	—	3	—	116	349
1,001-1,500	1,694	1,390	70	4	4	—	93	133
1,501-2,000	1,762	1,581	29	6	5	—	71	70
2,001-2,500	1,804	1,700	15	9	—	1	57	22
2,501-3,000	1,452	1,394	8	3	—	—	41	6
3,001-3,500	1,146	1,100	3	1	—	—	36	6
3,501-4,000	633	617	—	—	1	—	13	2
Over 4,000	476	461	—	—	—	—	15	—
<b>Totals</b>	<b>11,681</b>	<b>10,140</b>	<b>170</b>	<b>23</b>	<b>13</b>	<b>1</b>	<b>512</b>	<b>822</b>
<b>POLICE OFFICERS</b>								
\$1-500	198	160	—	—	—	2	36	—
501-1,000	329	173	9	1	—	—	132	14
1,001-1,500	377	183	25	8	—	1	121	39
1,501-2,000	333	203	21	32	2	1	55	19
2,001-2,500	382	275	8	62	1	1	22	13
2,501-3,000	392	277	—	84	—	—	25	6
3,001-3,500	356	299	—	42	2	3	9	1
3,501-4,000	289	254	—	23	1	—	8	3
Over 4,000	899	839	1	46	1	1	8	3
<b>Totals</b>	<b>3,555</b>	<b>2,663</b>	<b>64</b>	<b>298</b>	<b>7</b>	<b>9</b>	<b>416</b>	<b>98</b>
<b>FIREFIIGHTERS</b>								
\$1-500	45	23	—	—	—	2	20	—
501-1,000	110	36	1	—	—	—	72	1
1,001-1,500	160	67	8	5	1	5	70	4
1,501-2,000	144	68	8	11	—	1	52	4
2,001-2,500	180	115	3	21	1	3	35	2
2,501-3,000	171	131	2	26	—	—	9	3
3,001-3,500	151	129	1	16	—	2	3	—
3,501-4,000	135	125	—	8	—	1	1	—
Over 4,000	469	448	—	10	1	—	10	—
<b>Totals</b>	<b>1,565</b>	<b>1,142</b>	<b>23</b>	<b>97</b>	<b>3</b>	<b>14</b>	<b>272</b>	<b>14</b>

\* Type of Retirement: 1—Service and early retirement. 2—Ordinary disability retirement. 3—Accidental disability retirement. 4—Ordinary death in active service. 5—Accidental death in active service. 6—Beneficiaries of deceased members who retired on a service or disability allowance. 7—Vested member with future benefit.

Option Selected #										
No Option	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9	Other*
2,685	157	247	99	662	211	6	6	—	—	428
2,670	111	317	109	877	329	12	4	—	—	417
1,463	78	219	94	603	260	6	1	—	—	133
796	39	160	69	422	151	7	3	—	—	57
420	11	97	42	299	90	1	2	—	—	18
248	16	88	30	181	76	1	2	—	—	7
155	6	55	17	115	40	—	—	—	—	4
83	5	43	22	88	32	1	—	—	—	—
102	4	53	29	106	48	1	1	—	—	1
<b>8,622</b>	<b>427</b>	<b>1,279</b>	<b>511</b>	<b>3,353</b>	<b>1,237</b>	<b>35</b>	<b>19</b>	<b>—</b>	<b>—</b>	<b>1,065</b>
428	31	39	2	95	16	3	1	—	—	234
954	77	88	27	295	68	5	2	—	—	349
830	51	120	48	396	110	5	1	—	—	133
778	54	143	44	494	170	2	7	—	—	70
764	40	143	68	549	212	1	5	—	—	22
602	40	128	53	430	186	3	4	—	—	6
477	23	102	44	369	118	3	4	—	—	6
264	19	67	23	174	84	—	—	—	—	2
212	6	58	18	128	54	—	—	—	—	—
<b>5,309</b>	<b>341</b>	<b>888</b>	<b>327</b>	<b>2,930</b>	<b>1,018</b>	<b>22</b>	<b>24</b>	<b>—</b>	<b>—</b>	<b>822</b>
130	1	9	13	22	23	—	—	—	—	—
238	5	14	9	20	26	2	1	—	—	14
234	12	17	16	20	39	—	—	—	—	39
185	12	8	30	16	63	—	—	—	—	19
184	18	13	48	14	90	—	2	—	—	13
158	22	10	69	19	108	—	—	—	—	6
123	16	4	91	8	113	—	—	—	—	1
88	8	2	64	10	114	—	—	—	—	3
221	18	9	279	14	354	1	—	—	—	3
<b>1,561</b>	<b>112</b>	<b>86</b>	<b>619</b>	<b>143</b>	<b>930</b>	<b>3</b>	<b>3</b>	<b>—</b>	<b>—</b>	<b>98</b>
40	—	2	—	1	2	—	—	—	—	—
105	—	1	—	1	2	—	—	—	—	1
122	6	6	7	8	7	—	—	—	—	4
100	8	5	10	7	10	—	—	—	—	4
98	13	8	23	7	29	—	—	—	—	2
63	8	5	30	10	52	—	—	—	—	3
41	7	3	39	2	59	—	—	—	—	—
40	5	1	30	2	57	—	—	—	—	—
119	12	2	128	5	201	1	1	—	—	—
<b>728</b>	<b>59</b>	<b>33</b>	<b>267</b>	<b>43</b>	<b>419</b>	<b>1</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>14</b>

# Option Selected: No option—Straight life. Option 1—Cash refund. Option 2—100% Joint & Survivorship. Option 3—50% Joint & Survivorship. Option 4—100% Pop-Up. Option 5—50% Pop-Up. Option 6—Other % Joint & Survivorship. Option 7—Other % Pop-Up. Option 8—Fixed amount to Beneficiaries. Option 9—Widow’s benefit (accidental disability) 50%

\* Elections for vested members with future benefits are made at commencement of benefits.

**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFITS AS OF JUNE 30, 2015**  
**OPEB PLANS**

Amount of Monthly Benefit	Number of Retirees	One Person		Two Person	
		Pre 65	Post 65	Pre 65	Post 65
<b>GROUP II POLICE OFFICERS &amp; FIREFIGHTERS</b>					
\$1-500	1,654	435	1,194	13	12
501-1,000	1,039	143	235	641	20
1,001-1,500	16	4	1	6	5
1,501-2,000	9	—	—	9	—
Over \$2,000	—	—	—	—	—
<b>Total</b>	<b>2,718</b>	<b>582</b>	<b>1,430</b>	<b>669</b>	<b>37</b>
<b>GROUP I TEACHERS OPEB PLAN</b>					
\$1-500	3,653	207	3,419	1	26
501-1,000	704	93	243	74	294
1,001-1,500	39	7	18	3	11
1,501-2,000	15	2	1	12	—
Over \$2,000	—	—	—	—	—
<b>Total</b>	<b>4,411</b>	<b>309</b>	<b>3,681</b>	<b>90</b>	<b>331</b>
<b>GROUP I POLITICAL SUBDIVISION EMPLOYEES OPEB PLAN</b>					
\$1-500	1,149	75	1,070	—	4
501-1,000	121	20	59	15	27
1,001-1,500	2	—	—	—	2
1,501-2,000	—	—	—	—	—
Over \$2,000	—	—	—	—	—
<b>Total</b>	<b>1,272</b>	<b>95</b>	<b>1,129</b>	<b>15</b>	<b>33</b>
<b>GROUP I STATE EMPLOYEES OPEB PLAN</b>					
\$1-500	1,666	81	1,546	—	39
501-1,000	195	15	106	41	33
1,001-1,500	3	—	2	—	1
1,501-2,000	—	—	—	—	—
Over \$2,000	—	—	—	—	—
<b>Total</b>	<b>1,864</b>	<b>96</b>	<b>1,654</b>	<b>41</b>	<b>73</b>
<b>TOTAL – OPEB PLANS</b>					
\$1-500	8,122	798	7,229	14	81
501-1,000	2,059	271	643	771	374
1,001-1,500	60	11	21	9	19
1,501-2,000	24	2	1	21	—
Over \$2,000	—	—	—	—	—
<b>Total</b>	<b>10,265</b>	<b>1,082</b>	<b>7,894</b>	<b>815</b>	<b>474</b>

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## SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS

### SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS PENSION PLAN – EMPLOYEES

2015 Service	Years Credited Service						30 or more yrs.	Total
	0–4 yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$299	\$451	\$622	\$941	\$1,234	\$1,718	\$2,519	\$1,122
Average annual benefit	\$3,592	\$5,409	\$7,466	\$11,288	\$14,811	\$20,622	\$30,227	\$13,462
Average final average salary	\$44,554	\$43,186	\$41,904	\$47,573	\$49,030	\$55,589	\$64,928	\$49,559
Number of retired members	1,227*	1,638	3,881	2,457	2,448	1,419	2,413	15,483**

\* Includes 273 members who did not have service reported.

\*\* Includes 6,453 members who did not have FAS reported.

2014 Service	Years Credited Service						30 or more yrs.	Total
	0–4 yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$326	\$418	\$591	\$878	\$1,158	\$1,568	\$2,319	\$1,078
Average annual benefit	\$3,911	\$5,019	\$7,088	\$10,532	\$13,902	\$18,812	\$27,833	\$12,932
Average final average salary	\$35,623	\$41,017	\$41,061	\$46,293	\$48,678	\$55,009	\$64,041	\$48,488
Number of retired members	992*	1,497	3,835	2,426	2,546	1,475	2,543	15,314**

\* Includes 192 members who did not have service reported.

\*\* Includes 7,334 members who did not have FAS reported.

2013 Service	Years Credited Service						30 or more yrs.	Total
	0–4 yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$324	\$409	\$584	\$863	\$1,150	\$1,558	\$2,303	\$1,063
Average annual benefit	\$3,883	\$4,906	\$7,013	\$10,359	\$13,801	\$18,691	\$27,633	\$12,758
Average final average salary	\$35,604	\$39,229	\$40,738	\$45,238	\$47,897	\$54,324	\$63,541	\$47,906
Number of retired members	968*	1,444	3,705	2,345	2,434	1,394	2,422	14,712**

\* Includes 172 members who did not have service reported.

\*\* Includes 7,506 members who did not have FAS reported.

2012 Service	Years Credited Service						30 or more yrs.	Total
	0–4 yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$343	\$400	\$576	\$854	\$1,142	\$1,535	\$2,274	\$1,049
Average annual benefit	\$4,114	\$4,804	\$6,911	\$10,243	\$13,706	\$18,421	\$27,284	\$12,591
Average final average salary	\$34,356	\$38,505	\$39,797	\$44,567	\$46,998	\$52,948	\$62,444	\$47,037
Number of retired members	992*	1,389	3,511	2,261	2,340	1,323	2,325	14,141**

\* Includes 194 members who did not have service reported.

\*\* Includes 7,748 members who did not have FAS reported.

2011 Service	Years Credited Service						30 or more yrs.	Total
	0–4 yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$336	\$393	\$571	\$837	\$1,126	\$1,519	\$2,257	\$1,039
Average annual benefit	\$4,032	\$4,719	\$6,856	\$10,049	\$13,517	\$18,228	\$27,079	\$12,474
Average final average salary	\$32,512	\$37,153	\$38,954	\$43,438	\$45,838	\$51,964	\$61,282	\$46,178
Number of retired members	936*	1,341	3,334	2,144	2,226	1,277	2,229	13,487**

\* Includes 172 members who did not have service reported.

\*\* Includes 7,913 members who did not have FAS reported.

2010 Service	Years Credited Service						30 or more yrs.	Total
	0–4 yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$335	\$386	\$561	\$822	\$1,110	\$1,495	\$2,222	\$1,017
Average annual benefit	\$4,017	\$4,632	\$6,738	\$9,861	\$13,321	\$17,938	\$26,660	\$12,208
Average final average salary	\$32,068	\$35,498	\$37,739	\$41,663	\$44,745	\$50,812	\$60,543	\$45,062
Number of retired members	900*	1,291	3,169	2,059	2,091	1,213	2,079	12,802**

\* Includes 161 members who did not have service reported.

\*\* Includes 8,088 members who did not have FAS reported.

NOTE: Due to system changes, average final average salary data is only available for fiscal years 2007–2014. The available data is limited and represents average final average salary for those members who have retired since fiscal year 2004. Additional years data will be added prospectively.



2009 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$325	\$374	\$547	\$802	\$1,084	\$1,438	\$2,152	\$975
Average annual benefit	\$3,897	\$4,493	\$6,568	\$9,627	\$13,008	\$17,259	\$25,826	\$11,697
Average final average salary	\$31,667	\$35,280	\$36,695	\$40,033	\$43,215	\$48,520	\$58,876	\$43,547
Number of retired members	876*	1,299	3,051	1,971	1,942	1,139	1,914	12,192**

\* Includes 141 members who did not have service reported.

\*\* Includes 8,241 members who did not have FAS reported.

2008 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$314	\$368	\$538	\$785	\$1,070	\$1,428	\$2,096	\$948
Average annual benefit	\$3,766	\$4,411	\$6,454	\$9,418	\$12,846	\$17,141	\$25,150	\$11,380
Average final average salary	\$30,781	\$36,237	\$35,989	\$39,536	\$42,625	\$47,998	\$57,600	\$42,962
Number of retired members	838*	1,268	2,940	1,896	1,786	1,058	1,794	11,580**

\* Includes 121 members who did not have service reported.

\*\* Includes 8,377 members who did not have FAS reported.

2007 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$312	\$338	\$515	\$751	\$1,031	\$1,380	\$1,990	\$906
Average annual benefit	\$3,740	\$4,057	\$6,180	\$9,011	\$12,371	\$16,564	\$23,878	\$10,874
Average final average salary	\$30,208	\$35,154	\$35,536	\$38,286	\$41,757	\$46,491	\$54,769	\$41,602
Number of retired members	685*	1,240	2,745	1,885	1,666	966	1,672	10,859**

\* Includes 81 members who did not have service reported.

\*\* Includes 8,518 members who did not have FAS reported.

**SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS  
PENSION PLAN – TEACHERS**

2015 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$485	\$570	\$743	\$1,172	\$1,603	\$2,072	\$2,883	\$1,913
Average annual benefit	\$5,825	\$6,840	\$8,919	\$14,059	\$19,239	\$24,868	\$34,595	\$22,961
Average final average salary	\$52,242	\$56,107	\$49,238	\$58,293	\$62,540	\$67,126	\$71,943	\$64,076
Number of retired members	259*	307	1,346	1,280	2,079	1,808	3,780	10,859**

\* Includes 108 members who did not have service reported.

\*\* Includes 4,203 members who did not have FAS reported.

2014 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$457	\$531	\$702	\$1,081	\$1,459	\$1,872	\$2,702	\$1,783
Average annual benefit	\$5,480	\$6,367	\$8,419	\$12,976	\$17,506	\$22,467	\$32,419	\$21,401
Average final average salary	\$51,979	\$56,039	\$48,107	\$57,182	\$61,625	\$66,117	\$71,311	\$63,299
Number of retired members	239*	289	1,342	1,241	2,126	1,889	3,839	10,965**

\* Includes 100 members who did not have service reported.

\*\* Includes 4,974 members who did not have FAS reported.

2013 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$433	\$526	\$691	\$1,051	\$1,454	\$1,862	\$2,686	\$1,780
Average annual benefit	\$5,200	\$6,315	\$8,295	\$12,615	\$17,451	\$22,347	\$32,229	\$21,355
Average final average salary	\$51,604	\$55,373	\$47,276	\$55,688	\$60,708	\$64,999	\$70,712	\$62,669
Number of retired members	214*	255	1,260	1,155	2,045	1,795	3,683	10,407**

\* Includes 86 members who did not have service reported.

\*\* Includes 5,020 members who did not have FAS reported.

2012 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$434	\$491	\$684	\$1,039	\$1,447	\$1,856	\$2,673	\$1,777
Average annual benefit	\$5,203	\$5,892	\$8,214	\$12,473	\$17,363	\$22,272	\$32,080	\$21,320
Average final average salary	\$51,428	\$53,206	\$46,917	\$54,779	\$59,762	\$64,214	\$70,113	\$62,128
Number of retired members	207*	236	1,190	1,100	1,951	1,703	3,569	9,956**

\* Includes 88 members who did not have service reported.

\*\* Includes 5,098 members who did not have FAS reported.

2011 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$432	\$484	\$670	\$1,023	\$1,439	\$1,848	\$2,664	\$1,777
Average annual benefit	\$5,185	\$5,804	\$8,044	\$12,271	\$17,272	\$22,178	\$31,972	\$21,321
Average final average salary	\$50,528	\$53,243	\$45,371	\$53,207	\$58,790	\$63,226	\$69,426	\$61,398
Number of retired members	188*	214	1,111	1,021	1,859	1,608	3,426	9,427**

\* Includes 79 members who did not have service reported.

\*\* Includes 5,148 members who did not have FAS reported.

2010 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$417	\$478	\$664	\$1,005	\$1,435	\$1,847	\$2,656	\$1,781
Average annual benefit	\$5,001	\$5,733	\$7,970	\$12,064	\$17,224	\$22,162	\$31,869	\$21,375
Average final average salary	\$50,790	\$52,875	\$44,197	\$51,833	\$57,897	\$62,372	\$68,973	\$60,970
Number of retired members	171*	203	1,040	965	1,793	1,570	3,345	9,087**

\* Includes 72 members who did not have service reported.

\*\* Includes 5,182 members who did not have FAS reported.

NOTE: Due to system changes, average final average salary data is only available for fiscal years 2007–2014. The available data is limited and represents average final average salary for those members who have retired since fiscal year 2004. Additional years data will be added prospectively.

2009 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$422	\$477	\$653	\$984	\$1,409	\$1,817	\$2,591	\$1,736
Average annual benefit	\$5,069	\$5,729	\$7,838	\$11,805	\$16,910	\$21,804	\$31,096	\$20,830
Average final average salary	\$49,132	\$52,820	\$43,328	\$50,592	\$57,660	\$61,404	\$67,107	\$59,692
Number of retired members	155*	179	986	931	1,702	1,477	3,077	8,507**

\* Includes 69 members who did not have service reported.

\*\* Includes 5,217 members who did not have FAS reported.

2008 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$418	\$457	\$636	\$966	\$1,381	\$1,789	\$2,528	\$1,674
Average annual benefit	\$5,015	\$5,478	\$7,633	\$11,590	\$16,568	\$21,470	\$30,334	\$20,087
Average final average salary	\$48,040	\$53,161	\$42,990	\$50,213	\$56,717	\$60,162	\$65,739	\$58,253
Number of retired members	137*	171	929	886	1,531	1,347	2,653	7,654**

\* Includes 59 members who did not have service reported.

\*\* Includes 5,208 members who did not have FAS reported.

2007 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$392	\$417	\$614	\$931	\$1,348	\$1,761	\$2,446	\$1,615
Average annual benefit	\$4,708	\$5,003	\$7,363	\$11,171	\$16,172	\$21,137	\$29,353	\$19,376
Average final average salary	\$48,572	\$51,663	\$41,693	\$49,356	\$56,367	\$58,937	\$63,650	\$56,556
Number of retired members	103*	163	842	855	1,390	1,245	2,330	6,928**

\* Includes 37 members who did not have service reported.

\*\* Includes 5,209 members who did not have FAS reported

**SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS  
PENSION PLAN – POLICE OFFICERS**

2015 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$929	\$1,380	\$1,607	\$2,256	\$3,032	\$4,501	\$5,999	\$2,917
Average annual benefit	\$11,149	\$16,561	\$19,287	\$27,067	\$36,380	\$54,010	\$71,987	\$35,002
Average final average salary	\$53,397	\$57,211	\$53,878	\$64,646	\$78,872	\$94,266	\$107,053	\$77,621
Number of retired members	362*	188	396	314	1,395	599	203	3,457**

\* Includes 222 members who did not have service reported.

\*\* Includes 1,785 members who did not have FAS reported.

2014 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$1,003	\$1,380	\$1,519	\$2,111	\$2,964	\$4,362	\$5,623	\$2,929
Average annual benefit	\$12,039	\$16,555	\$18,226	\$25,335	\$35,571	\$52,347	\$67,472	\$35,154
Average final average salary	\$42,303	\$51,636	\$49,456	\$60,358	\$76,729	\$90,857	\$99,377	\$77,381
Number of retired members	286*	160	355	270	1,383	601	227	3,282**

\* Includes 190 members who did not have service reported.

\*\* Includes 1,816 members who did not have FAS reported.

2013 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$989	\$1,402	\$1,525	\$2,096	\$2,937	\$4,304	\$5,557	\$2,905
Average annual benefit	\$11,867	\$16,827	\$18,305	\$25,149	\$35,240	\$51,642	\$66,680	\$34,859
Average final average salary	\$43,717	\$51,752	\$49,166	\$60,656	\$76,404	\$90,096	\$98,639	\$77,294
Number of retired members	273*	159	336	271	1,319	584	221	3,163**

\* Includes 177 members who did not have service reported.

\*\* Includes 1,825 members who did not have FAS reported.

2012 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$986	\$1,414	\$1,520	\$2,101	\$2,936	\$4,235	\$5,469	\$2,894
Average annual benefit	\$11,835	\$16,968	\$18,238	\$25,218	\$35,230	\$50,824	\$65,631	\$34,731
Average final average salary	\$43,717	\$51,792	\$48,430	\$59,074	\$75,343	\$89,117	\$98,085	\$76,294
Number of retired members	238*	151	325	255	1,255	547	210	2,981**

\* Includes 145 members who did not have service reported.

\*\* Includes 1,766 members who did not have FAS reported.

2011 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$957	\$1,386	\$1,482	\$2,072	\$2,893	\$4,082	\$5,432	\$2,823
Average annual benefit	\$11,485	\$16,635	\$17,788	\$24,867	\$34,719	\$48,981	\$65,188	\$33,876
Average final average salary	\$47,377	\$52,498	\$46,123	\$58,423	\$74,403	\$87,050	\$97,076	\$75,213
Number of retired members	230*	149	314	251	1,218	523	195	2,880**

\*\*Includes 140 members who did not have service reported.

\*\*Includes 1,794 members who did not have FAS reported.

2010 Service	Years Credited Service						30 or more yrs.	Total
	0–4. yrs.	5–9 yrs.	10–14 yrs.	15–19 yrs.	20–24 yrs.	25–29 yrs.		
Average monthly benefit	\$942	\$1,352	\$1,483	\$2,034	\$2,845	\$3,940	\$5,114	\$2,724
Average annual benefit	\$11,310	\$16,222	\$17,792	\$24,413	\$34,137	\$47,277	\$61,371	\$32,689
Average final average salary	\$44,656	\$50,016	\$45,342	\$57,278	\$70,960	\$85,452	\$93,848	\$72,439
Number of retired members	218*	145	305	241	1,140	482	171	2,702**

\* Includes 129 members who did not have service reported.

\*\* Includes 1,814 members who did not have FAS reported.

NOTE: Due to system changes, average final average salary data is only available for fiscal years 2007–2014. The available data is limited and represents average final average salary for those members who have retired since fiscal year 2004. Additional years data will be added prospectively.

2009 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$931	\$1,337	\$1,453	\$2,026	\$2,816	\$3,768	\$5,068	\$2,665
Average annual benefit	\$11,166	\$16,048	\$17,438	\$24,309	\$33,797	\$45,213	\$60,811	\$31,980
Average final average salary	\$42,229	\$50,574	\$44,919	\$56,748	\$70,720	\$82,705	\$91,617	\$71,464
Number of retired members	200*	139	293	232	1,093	455	153	2,565**

\* Includes 115 members who did not have service reported.

\*\* Includes 1,808 members who did not have FAS reported.

2008 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$904	\$1,319	\$1,447	\$2,012	\$2,757	\$3,631	\$4,802	\$2,580
Average annual benefit	\$10,847	\$15,829	\$17,362	\$24,149	\$33,081	\$43,574	\$57,628	\$30,961
Average final average salary	\$42,170	\$50,113	\$45,063	\$57,239	\$69,092	\$80,884	\$87,128	\$69,835
Number of retired members	191*	137	281	221	1,044	424	138	2,436**

\* Includes 106 members who did not have service reported.

\*\* Includes 1,806 members who did not have FAS reported.

2007 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$857	\$1,229	\$1,441	\$1,924	\$2,659	\$3,417	\$4,396	\$2,482
Average annual benefit	\$10,287	\$14,754	\$17,293	\$23,083	\$31,912	\$41,008	\$52,757	\$29,783
Average final average salary	\$42,069	\$44,602	\$45,745	\$54,398	\$68,606	\$78,547	\$82,489	\$68,235
Number of retired members	162*	130	264	225	959	411	142	2,293**

\* Includes 74 members who did not have service reported.

\*\* Includes 1,810 members who did not have FAS reported.

**SCHEDULE OF AVERAGE BENEFIT PAYMENT AMOUNTS  
PENSION PLAN – FIREFIGHTERS**

2015 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$1,132	\$1,417	\$1,750	\$2,114	\$2,735	\$4,101	\$5,681	\$3,130
Average annual benefit	\$13,579	\$17,007	\$20,997	\$25,371	\$32,821	\$49,215	\$68,168	\$37,557
Average final average salary	\$55,075	\$59,425	\$61,768	\$68,985	\$77,441	\$90,785	\$96,758	\$83,520
Number of retired members	139*	30	91	119	611	389	172	1,551**

\* Includes 120 members who did not have service reported.

\*\* Includes 949 members who did not have FAS reported.

2014 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$1,068	\$1,450	\$1,724	\$2,004	\$2,687	\$3,997	\$5,494	\$3,047
Average annual benefit	\$12,812	\$17,405	\$20,686	\$24,051	\$32,249	\$47,960	\$65,932	\$35,562
Average final average salary	\$45,602	\$64,928	\$56,150	\$65,849	\$75,732	\$89,221	\$93,573	\$81,886
Number of retired members	128*	29	87	119	589	383	158	1,493**

\* Includes 106 members who did not have service reported.

\*\* Includes 958 members who did not have FAS reported.

2013 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$1,050	\$1,513	\$1,720	\$2,007	\$2,685	\$4,053	\$5,336	\$3,050
Average annual benefit	\$12,597	\$18,154	\$20,640	\$24,080	\$32,216	\$48,683	\$64,036	\$36,595
Average final average salary	\$49,479	\$64,928	\$55,062	\$62,052	\$75,328	\$90,016	\$93,076	\$81,986
Number of retired members	120*	30	82	116	577	364	158	1,447**

\* Includes 99 members who did not have service reported.

\*\* Includes 956 members who did not have FAS reported.

2012 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$1,062	\$1,523	\$1,701	\$2,072	\$2,672	\$3,956	\$5,192	\$3,038
Average annual benefit	\$12,740	\$18,280	\$20,416	\$24,865	\$32,067	\$47,475	\$62,306	\$36,461
Average final average salary	\$50,146	\$51,114	\$53,705	\$64,002	\$74,611	\$88,513	\$92,039	\$80,981
Number of retired members	96*	29	78	110	564	343	156	1,376**

\* Includes 77 members who did not have service reported.

\*\* Includes 931 members who did not have FAS reported.

2011 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$1,063	\$1,519	\$1,600	\$2,062	\$2,656	\$3,846	\$4,971	\$2,967
Average annual benefit	\$12,751	\$18,225	\$19,194	\$24,749	\$31,877	\$46,151	\$59,651	\$35,599
Average final average salary	\$50,146	\$51,114	\$49,051	\$64,919	\$73,582	\$86,853	\$90,415	\$79,520
Number of retired members	90*	30	73	111	555	328	149	1,336**

\*\*Includes 71 members who did not have service reported.

\*\*Includes 942 members who did not have FAS reported.

2010 Service	Years Credited Service						30 or more yrs.	Total
	0-4. yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$1,020	\$1,487	\$1,607	\$2,041	\$2,592	\$3,770	\$4,749	\$2,871
Average annual benefit	\$12,244	\$17,846	\$19,283	\$24,493	\$31,109	\$45,240	\$59,983	\$34,454
Average final average salary	\$55,668	\$47,729	\$50,024	\$62,405	\$71,694	\$86,042	\$89,392	\$78,232
Number of retired members	80*	28	73	109	530	304	130	1,254**

\* Includes 62 members who did not have service reported.

\*\* Includes 946 members who did not have FAS reported.

NOTE: Due to system changes, average final average salary data is only available for fiscal years 2007–2014. The available data is limited and represents average final average salary for those members who have retired since fiscal year 2004. Additional years data will be added prospectively.

2009 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$967	\$1,439	\$1,585	\$1,998	\$2,537	\$3,707	\$4,592	\$2,794
Average annual benefit	\$11,607	\$17,274	\$19,025	\$23,973	\$30,440	\$44,489	\$55,102	\$33,533
Average final average salary	\$55,668	\$46,372	\$48,616	\$63,891	\$70,685	\$83,078	\$88,852	\$76,730
Number of retired members	78*	28	72	107	534	295	123	1,237

\* Includes 60 members who did not have service reported.

\*\* Includes 963 members who did not have FAS reported.

2008 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$958	\$1,438	\$1,545	\$1,958	\$2,488	\$3,661	\$4,526	\$2,743
Average annual benefit	\$11,495	\$17,254	\$18,541	\$23,499	\$29,857	\$43,934	\$54,311	\$32,914
Average final average salary	\$55,668	\$42,455	\$46,301	\$64,705	\$69,420	\$83,187	\$87,553	\$76,307
Number of retired members	74*	27	70	105	523	287	114	1,200**

\* Includes 56 members who did not have service reported.

\*\* Includes 966 members who did not have FAS reported.

2007 Service	Years Credited Service						30 or more yrs.	Total
	0-4 yrs.	5-9 yrs.	10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.		
Average monthly benefit	\$924	\$1,286	\$1,534	\$1,933	\$2,396	\$3,495	\$4,229	\$2,651
Average annual benefit	\$11,091	\$15,431	\$18,407	\$23,199	\$28,751	\$41,935	\$50,743	\$31,807
Average final average salary	\$57,429	\$0	\$45,518	\$64,027	\$69,135	\$82,005	\$86,698	\$75,540
Number of retired members	67*	22	73	108	488	297	113	1,168**

\* Includes 47 members who did not have service reported.

\*\* Includes 978 members who did not have FAS reported.

**SCHEDULES OF AVERAGE BENEFIT PAYMENT AMOUNTS – OPEB PLANS\***

**GROUP II – POLICE OFFICERS AND FIREFIGHTERS\*\*\***

	2015		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$392	\$405
Annual Benefits		\$291,312	\$407,761
Number of retired members		62	84
*Includes 19 members who did not have service reported.			
	2014		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$431	\$425
Annual Benefits		\$300,025	\$412,628
Number of retired members		58	81
*Includes 16 members who did not have service reported.			
	2013		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$465	\$469
Annual Benefits		\$407,321	\$512,068
Number of retired members		73	91
**Includes 16 members who did not have service reported.			
	2012		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$419	\$460
Annual Benefits		\$322,069	\$496,368
Number of retired members		64	90
**Includes 19 members who did not have service reported.			
	2011		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$433	\$459
Annual Benefits		\$327,489	\$512,666
Number of retired members		63	93
**Includes 17 members who did not have service reported.			
	2010		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$447	\$472
Annual Benefits		\$343,140	\$509,409
Number of retired members		64	90
**Includes 17 members who did not have service reported.			
	2009		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$442	\$481
Annual Benefits		\$333,960	\$525,662
Number of retired members		63	91
**Includes 16 members who did not have service reported.			
	2008		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$438	\$480
Annual Benefits		\$331,421	\$512,554
Number of retired members		63	89
**Includes 17 members who did not have service reported.			
	2007		
	Service	0-4 yrs.**	5-9 yrs.
Average Monthly Benefit		\$421	\$436
Annual Benefits		\$257,860	\$402,482
Total Retirees		51	77
**Includes 11 members who did not have service reported.			

\*Data prior to fiscal year 2007 is not available. Data for future fiscal years will be added prospectively.  
 \*\*\*In addition, there are 941 retirees eligible for a deferred subsidy.



						2015
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$457	\$425	\$504	\$542	\$519	\$501	
\$970,582	\$892,798	\$7,674,258	\$4,303,589	\$1,793,931	\$16,334,231	
177	175	1,270	662	288	2,718	
						2014
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$465	\$429	\$510	\$547	\$527	\$508	
\$977,307	\$880,113	\$7,532,342	\$4,215,463	\$1,750,238	\$16,068,116	
175	171	1,231	642	277	2,635	
						2013
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$468	\$436	\$518	\$553	\$532	\$516	
\$964,925	\$893,878	\$7,365,223	\$4,099,008	\$1,755,277	\$15,997,700	
172	171	1,186	618	275	2,586	
						2012
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$468	\$449	\$533	\$558	\$536	\$523	
\$989,289	\$948,587	\$7,617,692	\$4,041,300	\$1,698,972	\$16,114,277	
176	176	1,192	604	264	2,566	
						2011
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$475	\$455	\$545	\$557	\$546	\$531	
\$991,312	\$988,209	\$7,868,124	\$3,972,987	\$1,638,323	\$16,299,110	
174	181	1,202	594	250	2,557	
						2010
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$481	\$460	\$548	\$557	\$540	\$533	
\$1,038,333	\$987,831	\$7,695,267	\$3,823,520	\$1,516,304	\$15,913,804	
180	179	1,170	572	234	2,489	
						2009
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$485	\$469	\$548	\$556	\$532	\$533	
\$1,060,239	\$1,013,207	\$7,655,729	\$3,773,959	\$1,367,171	\$15,729,927	
182	180	1,165	566	214	2,461	
						2008
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$493	\$471	\$551	\$559	\$527	\$535	
\$1,047,356	\$982,995	\$7,565,509	\$3,682,116	\$1,283,509	\$15,405,460	
177	174	1,145	549	203	2,400	
						2007
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$482	\$460	\$492	\$522	\$479	\$502	
\$1,012,913	\$998,782	\$6,675,988	\$3,437,413	\$1,185,193	\$13,970,631	
175	181	1,080	549	206	2,319	

**SCHEDULES OF AVERAGE BENEFIT PAYMENT AMOUNTS – OPEB PLANS\***

**GROUP I – TEACHERS\*\*\***

	2015		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$255	\$237
Annual Benefits		\$61,247	\$11,368
Number of retired members		20	4
*Includes 13 members who did not have service reported.			
	2014		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$298	\$283
Annual Benefits		\$42,954	\$10,191
Number of retired members		12	3
*Includes 10 members who did not have service reported.			
	2013		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$285	\$329
Annual Benefits		\$47,941	\$11,856
Number of retired members		14	3
**Includes 11 members who did not have service reported.			
	2012		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$286	\$306
Annual Benefits		\$37,741	\$7,349
Number of retired members		11	2
**Includes 8 members who did not have service reported.			
	2011		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$321	\$376
Annual Benefits		\$38,535	\$4,507
Number of retired members		10	1
**Includes 7 members who did not have service reported.			
	2010		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$332	\$376
Annual Benefits		\$27,890	\$4,507
Number of retired members		7	1
**Includes 7 members who did not have service reported.			
	2009		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$330	\$376
Annual Benefits		\$27,729	\$4,507
Number of retired members		7	1
**Includes 7 members who did not have service reported.			
	2008		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$336	\$376
Annual Benefits		\$28,218	\$4,507
Number of retired members		7	1
**Includes 7 members who did not have service reported.			
	2007		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$300	\$348
Annual Benefits		\$28,759	\$4,173
Total Retirees		8	1
**Includes 8 members who did not have service reported.			

\*Data prior to fiscal year 2007 is not available. Data for future fiscal years will be added prospectively.

\*\*\*In addition, there are 1,419 retirees eligible for a deferred subsidy.

10–14 yrs.	15–19 yrs.	20–24 yrs.	2015 25–29 yrs.	30 or more yrs.	Total
\$390	\$474	\$376	\$386	\$448	\$417
\$18,717	\$5,684	\$4,563,825	\$4,461,226	\$12,940,878	\$22,062,945
4	1	1,011	963	2,408	4,411
10–14 yrs.	15–19 yrs.	20–24 yrs.	2014 25–29 yrs.	30 or more yrs.	Total
\$566	\$474	\$391	\$401	\$470	\$436
\$20,382	\$5,684	\$4,652,955	\$4,566,115	\$13,586,048	\$22,884,329
3	1	992	949	2,411	4,371
10–14 yrs.	15–19 yrs.	20–24 yrs.	2013 25–29 yrs.	30 or more yrs.	Total
\$462	\$355	\$402	\$410	\$489	\$451
\$27,731	\$8,526	\$4,808,676	\$4,703,090	\$14,142,923	\$23,750,743
5	2	998	957	2,411	4,390
10–14 yrs.	15–19 yrs.	20–24 yrs.	2012 25–29 yrs.	30 or more yrs.	Total
\$484	\$474	\$415	\$421	\$505	\$466
\$23,224	\$5,684	\$5,028,708	\$4,888,880	\$14,831,920	\$24,823,506
4	1	1,009	968	2,446	4,441
10–14 yrs.	15–19 yrs.	20–24 yrs.	2011 25–29 yrs.	30 or more yrs.	Total
\$484	\$474	\$429	\$439	\$525	\$484
\$23,224	\$5,684	\$5,214,828	\$5,032,007	\$15,538,525	\$25,857,310
4	1	1,014	956	2,467	4,453
10–14 yrs.	15–19 yrs.	20–24 yrs.	2010 25–29 yrs.	30 or more yrs.	Total
\$566	\$474	\$438	\$449	\$532	\$492
\$20,382	\$11,368	\$5,334,533	\$5,139,796	\$15,865,603	\$26,404,079
3	2	1,016	954	2,487	4,470
10–14 yrs.	15–19 yrs.	20–24 yrs.	2009 25–29 yrs.	30 or more yrs.	Total
\$566	\$474	\$436	\$448	\$526	\$488
\$20,382	\$11,368	\$5,012,288	\$4,890,068	\$14,497,402	\$24,463,744
3	2	959	909	2,298	4,179
10–14 yrs.	15–19 yrs.	20–24 yrs.	2008 25–29 yrs.	30 or more yrs.	Total
\$484	\$474	\$420	\$438	\$513	\$474
\$23,224	\$11,368	\$4,291,716	\$4,272,401	\$12,376,720	\$21,008,154
4	2	851	813	2,012	3,690
10–14 yrs.	15–19 yrs.	20–24 yrs.	2007 25–29 yrs.	30 or more yrs.	Total
\$402	\$439	\$383	\$408	\$467	\$435
\$24,135	\$10,526	\$3,481,912	\$3,611,050	\$10,115,236	\$17,275,791
5	2	754	737	1,804	3,311

**SCHEDULES OF AVERAGE BENEFIT PAYMENT AMOUNTS – OPEB PLANS\***

**GROUP I – POLITICAL SUBDIVISION EMPLOYEES\*\*\***

	2015		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$272	\$220
Annual Benefits		\$52,132	\$26,435
Number of retired members		16	10
*Includes 6 members who did not have service reported.			
	2014		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$310	\$341
Annual Benefits		\$52,132	\$28,644
Number of retired members		14	7
*Includes 6 members who did not have service reported.			
	2013		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$299	\$342
Annual Benefits		\$57,378	\$41,047
Number of retired members		16	10
**Includes 6 members who did not have service reported.			
	2012		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$322	\$341
Annual Benefits		\$65,652	\$32,763
Number of retired members		17	8
**Includes 7 members who did not have service reported.			
	2011		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$330	\$348
Annual Benefits		\$67,317	\$41,814
Number of retired members		17	10
**Includes 8 members who did not have service reported.			
	2010		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$367	\$338
Annual Benefits		\$65,985	\$44,665
Number of retired members		15	11
**Includes 8 members who did not have service reported.			
	2009		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$364	\$350
Annual Benefits		\$65,541	\$46,198
Number of retired members		15	11
**Includes 7 members who did not have service reported.			
	2008		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$327	\$373
Annual Benefits		\$62,810	\$49,275
Number of retired members		16	11
**Includes 9 members who did not have service reported.			
	2007		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$312	\$327
Annual Benefits		\$48,722	\$39,286
Total Retirees		13	10
**Includes 10 members who did not have service reported.			

\*Data prior to fiscal year 2007 is not available. Data for future fiscal years will be added prospectively.  
 \*\*\*In addition, there are 492 retirees eligible for a deferred subsidy.

						2015
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$259	\$260	\$354	\$359	\$426	\$370	
\$40,461	\$18,717	\$2,581,495	\$1,262,906	\$1,667,570	\$5,649,716	
13	6	608	293	326	1,272	
						2014
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$362	\$390	\$383	\$375	\$440	\$396	
\$43,404	\$18,717	\$2,813,725	\$1,383,078	\$1,896,501	\$6,236,201	
10	4	612	307	359	1,313	
						2013
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$419	\$390	\$395	\$389	\$455	\$409	
\$60,359	\$18,717	\$2,965,642	\$1,446,483	\$2,000,382	\$6,590,008	
12	4	626	310	366	1,344	
						2012
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$382	\$359	\$403	\$398	\$469	\$419	
\$59,623	\$21,559	\$3,137,104	\$1,534,994	\$2,196,314	\$7,048,009	
13	5	649	321	390	1,403	
						2011
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$404	\$390	\$415	\$416	\$493	\$435	
\$58,229	\$18,717	\$3,257,086	\$1,655,639	\$2,314,398	\$7,413,200	
12	4	654	332	391	1,420	
						2010
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$424	\$373	\$428	\$424	\$502	\$446	
\$60,991	\$17,881	\$3,406,946	\$1,689,244	\$2,404,823	\$7,690,535	
12	4	663	332	399	1,436	
						2009
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$447	\$390	\$428	\$417	\$505	\$444	
\$75,081	\$18,717	\$3,179,812	\$1,515,015	\$2,029,561	\$6,929,925	
14	4	619	303	335	1,301	
						2008
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$472	\$390	\$423	\$416	\$512	\$443	
\$73,661	\$18,717	\$2,789,673	\$1,334,025	\$1,879,964	\$6,208,125	
13	4	550	267	306	1,167	
						2007
10-14 yrs.	15-19 yrs.	20-24 yrs.	25-29 yrs.	30 or more yrs.	Total	
\$462	\$358	\$396	\$375	\$459	\$408	
\$83,195	\$21,504	\$2,107,362	\$1,094,540	\$1,492,664	\$4,887,273	
15	5	442	243	271	999	

**SCHEDULES OF AVERAGE BENEFIT PAYMENT AMOUNTS – OPEB PLANS\***

**GROUP I – STATE EMPLOYEES\*\*\***

	2015		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$408	\$410
Annual Benefits		\$401,058	\$344,263
Number of retired members		82	70

\*Includes 5 members who did not have service reported.

	2014		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$439	\$439
Annual Benefits		\$416,243	\$353,356
Number of retired members		79	67

\*Includes 3 members who did not have service reported.

	2013		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$458	\$440
Annual Benefits		\$428,585	\$369,538
Number of retired members		78	70

\*\*Includes 4 members who did not have service reported.

	2012		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$401	\$444
Annual Benefits		\$649,228	\$367,976
Number of retired members		135	69

\*\*Includes 60 members who did not have service reported.

	2011		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$408	\$455
Annual Benefits		\$724,932	\$382,467
Number of retired members		148	70

\*\*Includes 76 members who did not have service reported.

	2010		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$411	\$483
Annual Benefits		\$789,405	\$405,955
Number of retired members		160	70

\*\*Includes 76 members who did not have service reported.

	2009		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$410	\$497
Annual Benefits		\$842,110	\$411,185
Number of retired members		171	69

\*\*Includes 86 members who did not have service reported.

	2008		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$405	\$499
Annual Benefits		\$889,207	\$419,431
Number of retired members		183	70

\*\*Includes 99 members who did not have service reported.

	2007		
	Service	0–4 yrs.**	5–9 yrs.
Average Monthly Benefit		\$373	\$499
Annual Benefits		\$838,008	\$455,030
Total Retirees		187	76

\*\*Includes 115 members who did not have service reported.

\*Data prior to fiscal year 2007 is not available. Data for future fiscal years will be added prospectively.

\*\*\*In addition, there are 135 retirees eligible for a deferred subsidy.

10–14 yrs.	15–19 yrs.	20–24 yrs.	2015 25–29 yrs.	30 or more yrs.	Total
\$384	\$396	\$343	\$367	\$371	\$367
\$345,515	\$194,804	\$2,086,895	\$1,500,527	\$3,329,873	\$8,202,936
75	41	507	341	748	1,864
10–14 yrs.	15–19 yrs.	20–24 yrs.	2014 25–29 yrs.	30 or more yrs.	Total
\$397	\$405	\$351	\$366	\$373	\$373
\$385,589	\$199,311	\$2,211,341	\$1,555,990	\$3,478,906	\$8,600,736
81	41	525	354	777	1,924
10–14 yrs.	15–19 yrs.	20–24 yrs.	2013 25–29 yrs.	30 or more yrs.	Total
\$408	\$404	\$353	\$369	\$384	\$379
\$435,853	\$203,412	\$2,213,280	\$1,575,687	\$3,624,803	\$8,851,158
89	42	522	356	787	1,944
10–14 yrs.	15–19 yrs.	20–24 yrs.	2012 25–29 yrs.	30 or more yrs.	Total
\$419	\$398	\$360	\$369	\$395	\$384
\$437,722	\$205,609	\$2,349,911	\$1,642,715	\$3,805,681	\$9,458,842
87	43	544	371	802	2,051
10–14 yrs.	15–19 yrs.	20–24 yrs.	2011 25–29 yrs.	30 or more yrs.	Total
\$432	\$405	\$370	\$378	\$403	\$393
\$482,302	\$208,938	\$2,503,738	\$1,772,785	\$4,052,072	\$10,127,234
93	43	564	391	838	2,147
10–14 yrs.	15–19 yrs.	20–24 yrs.	2010 25–29 yrs.	30 or more yrs.	Total
\$432	\$412	\$376	\$381	\$412	\$400
\$487,783	\$212,754	\$2,559,991	\$1,858,335	\$4,238,332	\$10,552,555
94	43	567	406	857	2,197
10–14 yrs.	15–19 yrs.	20–24 yrs.	2009 25–29 yrs.	30 or more yrs.	Total
\$436	\$406	\$384	\$384	\$420	\$406
\$497,284	\$214,419	\$2,678,358	\$1,952,886	\$4,460,274	\$11,056,516
95	44	581	424	884	2,268
10–14 yrs.	15–19 yrs.	20–24 yrs.	2008 25–29 yrs.	30 or more yrs.	Total
\$437	\$414	\$392	\$399	\$427	\$413
\$509,140	\$223,432	\$2,815,199	\$2,051,632	\$4,628,374	\$11,536,415
97	45	599	429	904	2,327
10–14 yrs.	15–19 yrs.	20–24 yrs.	2007 25–29 yrs.	30 or more yrs.	Total
\$409	\$424	\$334	\$375	\$406	\$393
\$456,490	\$274,872	\$2,535,540	\$1,965,753	\$4,669,153	\$11,194,846
93	54	570	437	958	2,375

**PRINCIPAL PARTICIPATING EMPLOYERS**

**PRINCIPAL PARTICIPATING EMPLOYERS – PENSION PLAN  
CURRENT YEAR AND NINE YEARS AGO**

	As Of June 30, 2015			As Of June 30, 2006		
	# of Covered	Rank	Percentage of Total	# of Covered	Rank	Percentage of Total
<b>Participating Government</b>	<b>Employees</b>	<b>Rank</b>	<b>Pension Plan</b>	<b>Employees</b>	<b>Rank</b>	<b>Pension Plan</b>
State of New Hampshire	10,862	1	22.72%	12,009	1	23.39%
SAU 42 (Nashua School District)	1,279	2	2.68%	1,318	3	2.57%
Manchester School District	1,252	3	2.62%	1,460	2	2.84%
Timberlane School District	660	4	1.38%	654	5	1.27%
City of Nashua	614	5	1.28%	577	9	1.12%
Merrimack School District	610	6	1.28%	661	4	1.29%
City of Dover	608	7	1.27%	—	—	—%
SAU 54 (Rochester School District)	576	8	1.20%	589	8	1.15%
Concord School District	568	9	1.19%	619	6	1.20%
Londonderry School District	541	10	1.13%	606	7	1.18%
All Other*	30,242		63.25%	32,885		64.01%
<b>Total (468 Governments)</b>	<b>47,812</b>		<b>100.00%</b>	<b>51,378</b>		<b>100.00%</b>

\*As of June 30, 2015, "All Other" consisted of:

Type	Number	Employees
City Governments	11	2,376
Town Governments & Related Entities	242	5,419
County Governments & Related Entities	12	3,234
School Districts & School Administrative Units	193	19,213
<b>Total</b>	<b>458</b>	<b>30,242</b>

A full list of participating employers as of June 30, 2015 begins on page 129.

**PRINCIPAL PARTICIPATING EMPLOYERS – GROUP II POLICE OFFICERS AND FIREFIGHTERS OPEB PLAN  
CURRENT YEAR AND NINE YEARS AGO**

	As Of June 30, 2015			As Of June 30, 2008**		
	# of Covered	Rank	Percentage of Total	# of Covered	Rank	Percentage of Total
<b>Participating Government</b>	<b>Employees</b>	<b>Rank</b>	<b>OPEB Plan</b>	<b>Employees</b>	<b>Rank</b>	<b>OPEB Plan</b>
State of New Hampshire	770	1	28.33%	620	1	25.83%
City of Manchester	293	2	10.78%	310	2	12.92%
City of Nashua	245	3	9.02%	221	3	9.21%
City of Concord	112	4	4.12%	118	4	4.92%
Town of Salem	109	5	4.01%	98	5	4.08%
City of Portsmouth	81	6	2.98%	80	6	3.33%
City of Dover	81	6	2.98%	61	7	2.54%
Town of Derry	59	7	2.17%	48	9	2.00%
City of Keene	59	7	2.17%	50	8	2.08%
Town of Hampton	55	8	2.02%	48	9	2.00%
All Other*	854		31.42%	746		31.09%
<b>Total (145 Governments)</b>	<b>2,718</b>		<b>100.00%</b>	<b>2,400</b>		<b>100.00%</b>

\*As of June 30, 2015, "All Other" consisted of:

Type	Number	Employees
City Governments	7	199
Town Governments & Related Entities	118	542
County Governments & Related Entities	10	113
<b>Total</b>	<b>135</b>	<b>854</b>

\*\*Data for nine years ago is not available due to changes in accounting systems. Data for June 30, 2008 will be reported prospectively until such time as data is available for nine years ago.



**PRINCIPAL PARTICIPATING EMPLOYERS – GROUP I TEACHERS  
OPEB PLAN CURRENT YEAR AND NINE YEARS AGO**

	As Of June 30, 2015			As Of June 30, 2008**		
	# of Covered		Percentage of Total	# of Covered		Percentage of Total
<b>Participating Government</b>	<b>Employees</b>	<b>Rank</b>	<b>OPEB Plan</b>	<b>Employees</b>	<b>Rank</b>	<b>OPEB Plan</b>
Manchester School District	489	1	11.09%	464	1	12.57%
SAU 42 (Nashua School District)	389	2	8.82%	304	2	8.24%
Concord School District	196	3	4.44%	181	3	4.91%
Keene School District	163	4	3.70%	147	4	3.98%
Portsmouth School District	142	5	3.22%	142	5	3.85%
Salem School District	118	6	2.68%	90	6	2.44%
Dover School District	100	7	2.27%	85	7	2.30%
Merrimack School District	97	8	2.20%	—	—	—
SAU 54 (Rochester School District)	95	9	2.15%	73	9	1.98%
SAU 10 (Derry Coop School District)	79	10	1.79%	—	—	—
All Other*	2,543		57.64%	2,204		59.73%
<b>Total (165 Governments)</b>	<b>4,411</b>		<b>100.00%</b>	<b>3,690</b>		<b>100.00%</b>

\*As of June 30, 2015, "All Other" consisted of:

<b>Type</b>	<b>Number</b>	<b>Employees</b>
School Districts & School Administrative Units	155	2,543
<b>Total</b>	<b>155</b>	<b>2,543</b>

\*\*Data for nine years ago is not available due to changes in accounting systems. Data for June 30, 2008 will be reported prospectively until such time as data is available for nine years ago.

**PRINCIPAL PARTICIPATING EMPLOYERS – GROUP I POLITICAL SUBDIVISION EMPLOYEES  
OPEB PLAN CURRENT YEAR AND NINE YEARS AGO**

	As Of June 30, 2015			As Of June 30, 2008**		
	# of Covered		Percentage of Total	# of Covered		Percentage of Total
<b>Participating Government</b>	<b>Employees</b>	<b>Rank</b>	<b>OPEB Plan</b>	<b>Employees</b>	<b>Rank</b>	<b>OPEB Plan</b>
City of Concord	73	1	5.74%	71	1	6.08%
City of Nashua	44	2	3.46%	37	2	3.17%
Hillsborough County	45	3	3.54%	36	3	3.08%
Concord School District	33	4	2.59%	27	5	2.31%
City of Portsmouth	33	4	2.59%	26	6	2.23%
Rockingham County	33	4	2.59%	28	4	2.40%
City of Keene	31	5	2.44%	—	—	—
Merrimack County	29	6	2.28%	27	5	2.31%
Grafton County	28	7	2.20%	26	6	2.23%
City of Dover	28	7	2.20%	—	—	—
All Other*	895		70.37%	889		73.79%
<b>Total (214 Governments)</b>	<b>1,272</b>		<b>100.00%</b>	<b>1,167</b>		<b>100.00%</b>

\*As of June 30, 2015, "All Other" consisted of:

<b>Type</b>	<b>Number</b>	<b>Employees</b>
City Governments	11	85
Town Governments & Related Entities	63	231
County Governments & Related Entities	7	58
School Districts & School Administrative Units	123	521
<b>Total</b>	<b>204</b>	<b>895</b>

\*\*Data for nine years ago is not available due to changes in accounting systems. Data for June 30, 2008 will be reported prospectively until such time as data is available for nine years ago.

**PRINCIPAL PARTICIPATING EMPLOYERS – GROUP I STATE EMPLOYEES  
OPEB PLAN CURRENT YEAR AND NINE YEARS AGO**

	As Of June 30, 2015			As Of June 30, 2008**		
	# of Covered	Percentage of Total		# of Covered	Percentage of Total	
<b>Participating Government</b>	<b>Employees</b>	<b>Rank</b>	<b>OPEB Plan</b>	<b>Employees</b>	<b>Rank</b>	<b>OPEB Plan</b>
State of New Hampshire	1,811	1	94.13%	2,320	1	99.70%
Community College System of New Hampshire	106	2	5.51%	—	—	—
New Hampshire Retirement System	7	3	0.36%	7	2	0.30%
<b>Total (6 Governments)</b>	<b>1,924</b>		<b>100.00%</b>	<b>2,327</b>		<b>100.00%</b>

\*\*Data for nine years ago is not available due to changes in accounting systems. Data for June 30, 2008 will be reported prospectively until such time as data is available for nine years ago.

## LISTING OF PARTICIPATING EMPLOYERS

### STATE GOVERNMENT

State of New Hampshire E, P, F  
 Community College System of  
 New Hampshire E  
 Community Development Finance  
 Authority E  
 Land & Community Heritage  
 Investment Program E  
 New Hampshire Retirement System E  
 Pease Development Authority E

### CITIES AND TOWNS (AND RELATED ENTITIES)

Albany E  
 Alexandria E, P  
 Allentown E, P, F  
 Allentown Sewer Commission E  
 Alstead P  
 Alton E, P, F  
 Amherst P, F  
 Andover P  
 Androscoggin Valley Regional Refuse  
 Disposal Dist. E  
 Antrim E, P  
 Ashland E, P  
 Ashland Electric Department E  
 Atkinson E, P  
 Auburn E, P, F  
 Baker Free Library E  
 Barnstead E, P, F  
 Barrington E, P, F  
 Bartlett P, F  
 BCEP Solid Waste District E  
 Bedford E, P, F  
 Belmont E, P, F  
 Bennington E, P  
 Berlin E, P, F  
 Berlin Housing Authority E  
 Berlin Water Works E  
 Bethlehem E, P, F  
 Boscawen E, P  
 Bow E, P, F  
 Bradford P

Brentwood E, P, F  
 Bristol E, P, F  
 Brookline E, P, F  
 Brookline Public Library E  
 Campton E, P  
 Campton-Thornton Fire  
 Department E, F  
 Canaan E, P  
 Candia P  
 Canterbury E, P, F  
 Carroll E, P, F  
 Center Harbor P  
 Central Hooksett Water Precinct E  
 Charlestown E, P  
 Chester E, P, F  
 Chesterfield E, P  
 Chichester E, P  
 Claremont E, P, F  
 Clarksville E  
 Colebrook E, P  
 Concord E, P, F  
 Concord Regional Solid Waste  
 Resource Recovery Facility E  
 Conway E, P  
 Conway Village Fire District E, F  
 Cornish E  
 Danville P  
 Deerfield E, P  
 Deering P  
 Derry E, P, F  
 Derry Housing Authority E  
 Dorchester E  
 Dover E, T, P, F  
 Dover Housing Authority E  
 Dublin E, P  
 Dunbarton E, P  
 Durham E, P, F  
 East Kingston E, P, F  
 Effingham P  
 Edelweiss Village District E  
 Enfield E, P  
 Epping E, P, F

Epsom E, P, F  
 Exeter E, P, F  
 Farmington P, F  
 Fitzwilliam E, P  
 Francestown E, P  
 Franconia P  
 Franklin E, P, F  
 Freedom P, F  
 Fremont P  
 Gilford E, P, F  
 Gilmanton E, P, F  
 Goffstown E, P, F  
 Goffstown Village Water Precinct E  
 Gorham E, P, F  
 Goshen E, P  
 Grafton E, P  
 Grantham E, P  
 Greenfield E, P  
 Greenland E, P  
 Greenville E, P  
 Groton E, P  
 Hampstead E, P, F  
 Hampton E, P, F  
 Hampton Falls E, P, F  
 Hancock P  
 Hanover E, P, F  
 Harrisville P  
 Haverhill E, P  
 Hebron E, P  
 Henniker E, P, F  
 Hillsborough P, F  
 Hinsdale E, P  
 Holderness E, P, F  
 Hollis E, P, F  
 Hooksett E, P, F  
 Hooksett Public Library E  
 Hooksett Sewer Commission E  
 Hooksett Village Water Precinct E  
 Hopkinton E, P, F  
 Hudson E, P, F  
 Jackson E, P

Jaffrey E, P, F	Mont Vernon E, P	Plaistow Public Library E
Jefferson E	Moultonborough E, P, F	Plymouth E, P, F
Keene E, P, F	Nashua E, P, F	Plymouth Village Water & Sewer E
Kensington P	Nashua Airport Authority E	Portsmouth E, P, F
Kingston E, F, P	Nashua Housing Authority E	Portsmouth Housing Authority E
Laconia E, P, F	Nelson E	Raymond E, P, F
Laconia Housing & Redevelopment E	New Boston P	Rindge E, P, F
Laconia Water Works E	New Castle E, P, F	Rochester E, P, F
Lakes Region Mutual Fire Aid E, F	New Durham E, P	Rockingham Planning Commission E
Lakes Region Planning Commission E	New England Interstate Water Pollution Control Commission E	Rollinsford P
Lancaster E, P, F	New Hampton E, P, F	Rumney E, P
Langdon P	New Ipswich E, P	Rye E, P, F
Lebanon E, P, F	New London E, P, F	Rye Water District E
Lee E, P, F	New London-Springfield Water Precinct E	Salem E, P, F
Lempster E, P	Newbury P	Salem Housing Authority E
Lincoln E, P	Newfields E, P	Salisbury E
Lisbon P	Newington E, P, F	Sanbornton E, P, F
Litchfield E, P, F	Newmarket E, P, F	Sanbornton Public Library E
Littleton E, P, F	Newport E, P, F	Sandown E, P, F
Littleton Public Library E	Newton E, P	Sandown Public Library E
Littleton Water & Light Department E	New Hampshire Municipal Bond Bank E	Sandwich P
Londonderry E, P, F	North Conway Water Precinct/ Fire Department E, F	Seabrook P, F
Loudon E, P, F	North Hampton E, P, F	Shelburne E
Lyme E, P	Northfield E, P	Somersworth E, P, F
Lyndeborough P	Northumberland E, P	Somersworth Housing Authority E
Madison E, P	Northwood E, P, F	South Hampton P
Manchester P, F	Nottingham P, F	Southern NH Planning Commission E
Marlborough E, P	Orford E, P	Springfield E, P
Marlow E	Ossipee E, P	Stark E
Mason P	Pelham E, P, F	Stewartstown E, P
Maxfield Public Library E	Pembroke E, P	Strafford P
Meredith E, P, F	Penacook-Boscawen Water Precinct E	Stratford E
Meriden Village Water District E	Peterborough E, P, F	Stratham E, P
Merrimack E, P, F	Piermont P	Sugar Hill E, P
Merrimack Village District E	Pittsburg E, P	Sunapee E, P
Middleton P	Pittsfield E, P, F	Sutton P
Milford E, P, F	Plainfield E, P	Swanzey P, F
Milford Area Communication Center E	Plaistow E, P, F	SWNH District Fire Mutual Aid E, F
Milton E, F, P		Tamworth E, P, F
Monroe E		Thornton E, P
		Tilton E, P

Tilton/Northfield Fire District E, F  
 Troy E, P  
 Troy Water & Sewer E  
 Tuffonboro E, P, F  
 Unity E  
 Village District of Eastman E  
 Wakefield E, P, F  
 Walpole E, P  
 Warner E, P  
 Warner Village Water District E  
 Washington E, P  
 Waterville Estates Village District E  
 Waterville Valley E, P, F  
 Weare E, P  
 Webster E, P  
 Weeks Public Library E  
 Westmoreland E  
 Whitefield E, P, F  
 Wilmot E, P  
 Wilton P  
 Winchester E, P  
 Windham E, P, F  
 Wolfeboro E, P, F  
 Woodstock E, P  
 Woodsville Fire District E  
 Woodsville Water & Light  
 Department E

#### COUNTY GOVERNMENTS (AND RELATED ENTITIES)

Belknap County E, P  
 Belknap County Conservation  
 District E  
 Carroll County E, P  
 Cheshire County E, P  
 Coos County E, P  
 Coos County Nursing Home E  
 Grafton County E, P  
 Hillsborough County E, P  
 Merrimack County E, P  
 Rockingham County E, P, F

Strafford County E, P  
 Sullivan County E, P

#### SCHOOL DISTRICTS

Allenstown School District T  
 Alton School District E, T  
 Amherst School District E, T  
 Andover School District E, T  
 Ashland School District E, T  
 Auburn School District E, T  
 Barnstead School District E, T  
 Barrington School District E, T  
 Bartlett School District E, T  
 Bath School District E, T  
 Bedford School District E, T  
 Bethlehem School District E, T  
 Bow School District E, T  
 Brentwood School District E, T  
 Brookline School District E, T  
 Campton School District E, T  
 Candia School District E, T  
 Chester School District E, T  
 Chesterfield School District E, T  
 Chichester School District E, T  
 Claremont School District E, T  
 Cocheco Arts & Technology  
 Academy T  
 Colebrook School District T  
 Concord School District E, T  
 Contoocook Valley Regional  
 School District-SAU 1 E, T  
 Conway School District E, T  
 Cornish School District E, T  
 Croydon School District T  
 Deerfield School District T  
 Dresden School District E, T  
 Dunbarton School District T  
 East Kingston School District E, T  
 Epping School District E, T  
 Epsom School District T  
 Errol School District T  
 Exeter School District E, T

Exeter Regional Co-Op School  
 District E, T  
 Fall Mountain Regional School  
 District E, T  
 Farmington School District E, T  
 Franklin School District E, T  
 Freedom School District E, T  
 Fremont School District E, T  
 Gilford School District E, T  
 Gilmanton School District E, T  
 Goffstown School District E, T  
 Goshen-Lempster School  
 District E, T  
 Governor Wentworth Regional  
 School District E, T  
 Grantham School District E, T  
 Great Bay eLearning Charter  
 School T  
 Greenland School District E, T  
 GRS Cooperative School  
 District E, T  
 Hampstead School District E, T  
 Hampton Falls School  
 District E, T  
 Hampton School District E, T  
 Hanover School District E, T  
 Harrisville School District E, T  
 Haverhill Coop School  
 District E, T  
 Henniker School District E, T  
 Hill School District E, T  
 Hillsboro-Deering School District E, T  
 Hinsdale School District E, T  
 Holderness School District E, T  
 Hollis School District E, T  
 Hollis/Brookline Coop School  
 District E, T  
 Hooksett School District E, T  
 Hopkinton School District E, T  
 Hudson School District E, T  
 Inter-Lakes Cooperative  
 School District E, T  
 Jackson School District E, T  
 Jaffrey-Rindge Co-op E, T

John Stark Regional School District E, T	Newmarket School District E, T	Strafford School District E, T
Kearsarge Regional Cooperative School District E, T	Newport School District E, T	Stratford School District E, T
Keene School District E, T	Next Charter School T	Stratham School District E, T
Kensington School District E, T	North Country Charter Academy T	Sunapee School District E, T
Laconia School District E, T	North Country Education Service E, T	Tamworth School District E, T
Lafayette Regional Cooperative School District E, T	North Hampton School District E, T	Thornton School District E, T
Landaff School District T	Northumberland School District E, T	Timberlane Regional School District E, T
Lebanon School District E, T	Northwood School District E, T	Unity School District E, T
Lincoln Woodstock Coop School District E, T	Nottingham School District E, T	Virtual Learning Academy Charter School T
Lisbon Regional School District E, T	Oyster River Coop School District E, T	Wakefield School District E, T
Litchfield School District E, T	Pelham School District E, T	Warren School District E, T
Littleton School District E, T	Pembroke School District E, T	Washington School District E, T
Londonderry School District E, T	Pemi-Baker Regional School District E, T	Waterville Valley School District E, T
Lyme School District E, T	Piermont School District E, T	Weare School District T
Madison School District E, T	Pittsburg School District E, T	Wentworth School District E, T
Manchester School District E, T	Pittsfield School District E, T	Westmoreland School District E, T
Marlborough School District E, T	Plainfield School District E, T	White Mountains Regional School District E, T
Marlow School District E, T	Plymouth School District E, T	Wilton-Lyndeborough School District E, T
Mascenic Regional School District E, T	Portsmouth School District — SAU 52 E, T	Winchester School District E, T
Mascoma Valley Regional School District E, T	Portsmouth—Josie F. Prescott E	Windham School District E, T
Mason School District E, T	Profile Coop School District E, T	Winnacunnet Coop School District E, T
Merrimack School District E, T	Propsect Mountain High School E, T	Winnisquam Regional Coop School District E, T
Merrimack Valley School District E, T	Raymond School District E, T	
Milan School District E, T	Rivendell Interstate School District E, T	<b>SCHOOL ADMINISTRATIVE UNITS</b>
Milford School District E, T	Rollinsford School District E, T	SAU 2 E, T
Milton School District E, T	Rumney School District T	SAU 3 E, T
Monadnock Regional School District E, T	Rye School District E, T	SAU 6 E
Monroe School District E, T	Salem School District E, T	SAU 7 E, T
Mont Vernon School District E, T	Sanborn Regional School District E, T	SAU 9 E, T
Moultonborough School District E, T	Seabrook School District E, T	SAU 10 E, T
Nelson School District T	Seacoast Charter School T	SAU 13 E, T
New Boston School District E, T	Shaker Regional School District E, T	SAU 15 E, T
New Castle School District E, T	Somersworth School District E, T	SAU 16 E, T
Newfields School District E, T	Souhegan Cooperative School District E, T	SAU 18 E, T
Newfound Area School District E, T	South Hampton School District E, T	SAU 19 E, T
Newington School District E, T	Stark School District E, T	SAU 20 E
	Stewartstown School District T	SAU 21 E, T
	Stoddard School District E, T	

SAU 23 E, T  
SAU 24 E, T  
SAU 29 E, T  
SAU 34 E, T  
SAU 35 E, T  
SAU 39 E  
SAU 41 E  
SAU 42 E, T  
SAU 43 E, T  
SAU 44 E, T  
SAU 46 E  
SAU 48 E, T  
SAU 50 E, T  
SAU 53 E, T  
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SAU 70 E, T

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