

## NHRS Bill Brief: HB 619 (as introduced)

*Prepared for the House ED&A Committee*

**Summary:** “AN ACT designating police and fire dispatchers as Group II members of the retirement system.”

**Analysis:** “This bill designates police and fire dispatchers as Group II members of the retirement system.”

**Sponsors:** Rep. Trottier, Belk. 6; Rep. Littlefield, Belk. 3; Rep. Harvey-Bolia, Belk. 4; Rep. Bordes, Belk. 3; Rep. O'Hara, Belk. 9

### Background

Dispatchers were members of Group II prior to being removed in 1981, along with several other positions (mechanics, clerical workers, etc.) within police, fire, or correctional departments. Dispatchers who were employed when the change was made were allowed to remain in Group II.

The most recent legislative attempt to restore dispatchers to Group II membership was HB 1539 in the 2000 legislative session. This bill came out of the House ED&A Committee with a 14-0 ITL recommendation, which the House adopted on a voice vote.

### Financial Considerations

The fiscal impact of this bill is indeterminable because the retirement system does not track membership by position title and has no method to determine the number of positions statewide that would be affected. Employer contributions are currently (and historically) higher for Group II positions. If an existing position is reclassified from Group I to Group II, an employer would pay more in contributions than it would have had the position remained in Group I.

#### FY 22-23 Employer Contributions

Employee (local/state)	Police	Fire
14.06%/14.53%	33.88%	32.99%

#### Cost Example

If a dispatcher working for a political subdivision has annual earnable compensation of \$50,000, the employer contribution would be:

Group I Employee	Group II Police	Group II Fire
\$7,030	\$16,940	\$16,495
Increase:	+ \$9,910	+ \$9,465

**Note:** The bill does not explicitly state whether benefits attributable to past service would be treated as

split service between Group I and Group II or if its past service would convert to Group II service. NHRS interprets this change to be prospective. If the intent is to grant retroactive Group II service, unless some provision is made for capturing appropriate prior contributions from both the employer and employee, this will impact the retirement system unfunded liability to some degree and additional actuarial analysis would be required.

### **Other Considerations**

-- Nearly all Group I positions in the state participate in Social Security. All Group II positions do not participate in Social Security. It is unclear whether or not dispatchers would continue to participate in Social Security if moved into Group II.

-- Note: Since the date of the underlying actuarial analysis and preparation of this Brief, we have been advised by a representative of the NH Emergency Dispatchers' Association (NHEDA) that there are approximately 500 full-time dispatchers in NH.

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**Note:** The content provided above is for informational purposes; NHRS neither supports nor opposes this legislation.