



## Positive News on Local Retirement Contributions

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The New Hampshire Retirement System (NHRS) employer contributions rates for fiscal years 2028-2029 are good news for municipalities, made even better by the collective advocacy of NHMA and its members.

The NHRS Board of Trustees approved the rates, which take effect July 1, 2027, in April. The employer contribution rates for all four member groups—employee, police, fire, and teacher—are all going down, with municipal employee, police, and fire rates decreasing more than 10 percent from the current rates. (State of NH Rates are also going down, but by lower percentages.)

	<b>Political Subdivision Members</b>			
	<b>Employees</b>	<b>Teachers</b>	<b>Police</b>	<b>Fire</b>
Pension	11.36%	17.49%	25.21%	23.13%
Medical Subsidy	0.15%	0.77%	1.50%	1.50%
<b>Total</b>	<b>11.51%</b>	<b>18.26%</b>	<b>26.71%</b>	<b>24.63%</b>
<b>Additional Contributions Attributable to the Adoption of HB 282</b>				
<b>Paid by the State for Political Subdivision Members<sup>^</sup></b>				
	<b>Employees</b>	<b>Teachers</b>	<b>Police</b>	<b>Fire</b>
Pension	n/a	n/a	2.27%	1.65%

*Source: NHRS*

Overall, the retirement system stated that rates decreased due to strong investment performance over the two-year period ended June 30, 2025. Local employer rates for police and fire costs also decreased due to a \$42 million state appropriation included in legislation last year that restored most pension benefits for about 1,500 first responders hired before July 1, 2011, and not vested prior to January 1, 2012, that were changed through legislation in 2011. The FY 2026 appropriation was \$14.5 million, and the FY 2027 appropriation is \$27.5 million.

The retirement legislation (Chapter 142, Laws of 2025-HB 282) included the promise of at least \$262 million in state funding through 2034, although only the \$42 million in the current budget cycle is guaranteed.

NHMA did not oppose the benefit changes; our concern was only to ensure that there was no cost downshifting to municipalities to pay for these changes. Thanks to the ongoing advocacy of NHMA and its members, the Senate included the funding language in the final bill.

While the rates won't change until next year, based on projected municipal police and fire payroll data, municipalities will save approximately \$10 million per year in FY 28-29 retirement contributions over what they would have paid without the state appropriation.

Members are encouraged to thank their local legislative delegation and the governor for supporting this funding last year—and including it in future state budgets, as promised.

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*For more information on the rates, see the NHRS FAQ at:  
<https://www.nhrs.org/faqs/faq---employer-contribution-rates>*

### **STATE RETIREMENT CONTRIBUTION HISTORY**

For more than 30 years beginning in 1977, the state paid 35% of the NHRS employer contributions for police, fire and teacher members employed by political subdivisions.

In 2009, the statute was amended to reduce the state's share to 30% in FY 2010 and 25% in FY 2011. The 2009 amendment also restored the state's contribution to 35% in FY 2012. However, the statute was amended again in 2011 to eliminate the state's percentage share of local employer contributions altogether. The change from municipalities paying 65% to paying 100% represented a 54% increase in local taxpayer-funded employer contribution costs.

Multiple unsuccessful bills were introduced over the past 15 years to restore some level of state funding; legislation adopted in 2022 provided one-time funding for local employers in FY 2023, equal to 7.5% of actual employer contributions made toward police, fire, and teacher retirement costs.