

Amendment to HB 1292-FN

1 Amend the section heading of section 1 of the bill by replacing it with the following:

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3 1 Manchester Retirement System; Definition; Final Average earnings. Amend 1973, 218:4, X as
4 amended by 2002, 194:1 to read as follows:

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6 Amend the section heading of section 2 of the bill by replacing it with the following:

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8 2 Definitions; Normal Retirement Date. Amend 1973, 218:4, XIII as amended by 2002, 194:1
9 and 2002, 147:4 to read as follows:

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11 Amend the section heading of section 3 of the bill by replacing it with the following:

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13 3 Employees to Whom the Act Applies. Amend 1973, 218:7, II as amended by 2002, 194:1 and
14 2008, 90:3 to read as follows:

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16 Amend the bill by replacing sections 4 and 5 with the following:

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18 4 Contributions by Employees. Amend 1973, 218:9, I as amended by 2002, 194:1 to read as
19 follows:

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21 I. The rate of contributions by each member *who commenced service prior to January 1,*
22 *2021* shall be 3.75 percent of that portion of earnings received during each calendar year or portion
23 thereof; *otherwise the rate of contributions shall be 5.75 percent and continuing until such*
24 *time as the board of trustees certify to the executive director that the actuarial funded*
25 *ratio of the Manchester's employees' contributory retirement system has reached a 100*
26 *percent funding level, when such contribution rate shall return to 3.75 percent for all*

27

28 5 Service Buybacks. Amend 1973, 218:10, III, as amended by 2002, 194:1 and 2006, 115:4, to
read as follows:

29

30 III. A member who ceases to be a member, withdraws his or her member contributions
31 pursuant to section 11 of this act, and later becomes a member again, may make a request after the
32 member's return to city employment for service buyback of prior service credit for the previous time
served as a member. If a service buyback is not made, the member's benefit shall be based solely on

1 the member's years of service and final average earnings after the break in service. *For former*
2 *members who return to service on or after January 1, 2021, the cost of the buyback shall be*
3 *determined by dividing the value of refunded contributions by the contribution rate in*
4 *effect during their withdrawn period of service, multiplying the results by the contribution*
5 *rate in effect under paragraph I of section 9, and then applying interest at the rate in effect*
6 *as determined by the board. Members who withdrew more than 5 years of service earned*
7 *prior to January 1, 2021, who return to service on or after January 1, 2021 shall pay*
8 *member contributions at the contribution rate in effect under paragraph I of section 9 for*
9 *other new hires, however, the returning member shall retain his or her original normal*
10 *retirement age of 60, and will have their earnings averaged over 3 years for benefit*
11 *calculation purposes. Former members who return to service on or after January 1, 2021*
12 *who withdrew with less than 5 years of service earned prior to January 1, 2021 shall be*
13 *subject to the 5-year earnings average and a normal retirement age of 62.*

2020-0203h

AMENDED ANALYSIS

This bill establishes new benefit provisions for the employees' contributory retirement system of the City of Manchester originally established in 1973, 218 for participants who commence service on or after January 1, 2021. This bill increases the member contribution for participants until the plan reaches a 100 percent funded ratio and increases the normal retirement age. This bill will also mitigate the cost to the Manchester employees' contributory retirement system for early retirement and adjust the final average earning calculation.