

Funding

NHRS benefits are funded by member contributions, employer contributions, and net investment income. Investment returns historically provide the majority of funding for pension benefits.

The New Hampshire Constitution (Article 36-a) protects trust fund assets for the exclusive purpose of providing benefits; requires Trustees to set actuarially sound employer contribution rates; and requires employers to pay those rates in full.

Trust Fund

The retirement system trust fund stood at \$11.51 billion as of June 30, 2023.

On that date, NHRS was 67.2% funded and had an Unfunded Actuarial Accrued Liability (“unfunded liability”) of \$5.61 billion. The unfunded liability is the difference between the actuarial value of the retirement system’s assets and the actuarial value of benefits already accrued.

The NHRS unfunded liability results from several factors, including legislative decisions made in the 1990s, investment losses in the 2008-09 great financial crisis, and the adoption of more conservative actuarial assumptions over the past decade.

Having an unfunded liability does not mean that a pension plan is unable to pay the benefits for which it is presently obligated or to meet its cash flow requirements.

Legislation enacted in 2018 requires the unfunded liability as of June 30, 2017, to be paid off through 2039. Biennial gains or losses since July 1, 2017, are separately amortized over fixed periods of no longer than 20 years.

Since 2013, the actuarial funded ratio has improved from 56.1% to 67.2%, an increase of approximately 20%.

Contribution Rates

By statute, Group I (Employee & Teacher) members contribute 7% of their salaries to NHRS. Group II (Police & Fire) members contribute 11.55% and 11.80%, respectively. Group II members do not participate in Social Security.

While member rates are set by statute, employer rates are set by the Board every two years and are based on the results of biennial actuarial valuations.

Employer contributions are assessed at different rates for state employees, political subdivision employees, teachers, police, and fire.



HOW TO REACH US

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Board of Trustees

NHRS has a unique status in state government. It is not a state agency under the executive branch; it is a component unit of the state governed by statute and overseen by a Board of Trustees. Trustees are fiduciaries bound by law to act solely in the interest of the members and beneficiaries of the pension plan.

Public Members

Timothy Lesko, Chair
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Robert Maloney
Paul Provost

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Employee
Sue Hannan,
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Joshua Quigley,
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NHRS 2024 FACT SHEET

A Quick Guide to the
New Hampshire
Retirement System
for Members, Retirees,
Employers, and Lawmakers



NHRS at-a-glance

From the Executive Director

This brochure offers a snapshot of the New Hampshire Retirement System (NHRS, the retirement system), which was established in 1967 as a contributory, defined benefit plan. The plan provides lifetime pension benefits, as well as disability and death benefits. It also provides a post-retirement Medical Subsidy benefit to eligible beneficiaries.

Benefit formulas and eligibility requirements are set by state law (RSA 100-A). The retirement system is also governed by administrative rules, policies adopted by the NHRS Board of Trustees, and the Internal Revenue Code.

NHRS has a very important role in the economic well-being of New Hampshire's retired public employees, teachers, police officers, and firefighters. In the fiscal year ended June 30, 2023, NHRS had 48,589 members and 43,603 benefit recipients; it paid out more than \$950 million in pension benefits.

Our mission is simple: "To provide secure retirement benefits and superior service."

All of us at NHRS are committed to the professional management and administration of pension benefits for the exclusive benefit of all of our members and beneficiaries.

*Jan Goodwin,
NHRS Executive Director*

Membership

NHRS members are full-time state, county, and municipal employees, teachers, police officers, and firefighters. The membership consists of two groups: Group I (Employee & Teacher) and Group II (Police & Fire).

Active Members

As of June 30, 2023

Employee	24,640
Teacher	18,141
Police	4,042
Fire	1,766
Total	48,589

Note: There are also 3,266 members no longer working in NHRS-eligible positions who are "vested," meaning they have earned a future benefit, and 18,826 non-vested members no longer working in NHRS-eligible positions who have kept their accumulated contributions with the retirement system.

Participating Employers

NHRS has 460 participating employers – the State of New Hampshire, counties, individual communities,

school districts, and others. Not every New Hampshire political subdivision participates in the retirement system for its employees, although most do. Participation is mandatory for police, fire, and teacher employers.

Retirees/Beneficiaries

As of June 30, 2023

Employee	21,302
Teacher	15,607
Police	4,764
Fire	1,930
Total	43,603

Average Annual Benefit

As of June 30, 2022

Employee	\$15,324
Teacher	\$23,441
Police	\$39,818
Fire	\$44,968
Total Average	\$22,218

NHRS paid \$971.1 million in pension benefits in fiscal year 2023. In addition to pensions, the retirement system paid \$41.9 million in post-retirement Medical Subsidy benefits. With nearly 80% of retirees and beneficiaries living in New Hampshire, these benefit payments have a significant positive impact on the state's economy.

Investments

NHRS pursues an investment strategy designed to meet its long-term funding requirements. The Board of Trustees, with research and input from NHRS investment staff, outside experts, and a recommendation from the Independent Investment Committee, sets an investment policy that includes asset allocation and an assumed rate of return.

The Independent Investment Committee manages investments based on Board policies, continuously monitors and evaluates performance, and makes

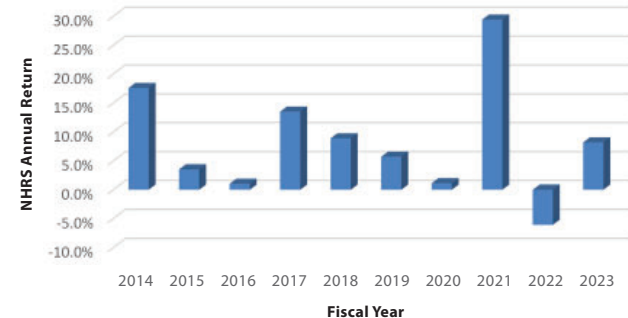
determinations regarding the hiring and retention of fund managers.

The goal is to meet or exceed the retirement system's assumed rate of return over the long term, while at the same time managing the risk, return, and liquidity of the portfolio.

NHRS realized an 8.2% investment return in Fiscal Year 2023.

The three-year, five-year, 10-year, and 25-year returns for the periods ended June 30, 2023, were 9.6%, 7.1%, 7.9%, and 6.5%, respectively. The assumed rate of return is 6.75%.

2014-23 Investment Returns



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Member/Retiree/Employer Information

Detailed information on NHRS benefits, news releases, forms, and answers to common questions for members, retirees, and employers may be viewed online at: <https://www.nhrs.org>

Financial/Investment Information

Comprehensive Annual Financial Reports, Summary Financial Reports, Annual Investment Reports, and Actuarial Valuations may be viewed online at: <https://www.nhrs.org/funding-and-investments>