



Jack Blalock
Mayor

CITY OF PORTSMOUTH

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February 6, 2018

Portsmouth Legislative Delegates:

On Wednesday, February 7th, HB 413 is up for reconsideration. If passed, HB 413 would restore a portion (15 percent) of the State retirement contribution for teachers, police and firefighters. I strongly urge you to vote for the reconsideration and to vote to support the bill.

When the New Hampshire Retirement System was established in 1967, the State of New Hampshire contributed 35 percent of the employer's share for Police, Fire and Teachers. This was a commitment the State made to local governments as an incentive to join the retirement system. However, in 2010 the State's portion of its retirement contribution was lowered from 35 percent to 30 percent, and in 2011 it was lowered again to 25 percent. The State's reduction of its portion of retirement system contributions was intended to just be a temporary measure to help the State weather the recession, but in 2012 municipalities experienced the elimination of the State's contribution altogether.

As a result of the State reducing/eliminating their share of the employer contribution, the City of Portsmouth has been forced to pay the portion of the contribution that was historically paid by the State. For Fiscal Year 18, that amount totaled over \$2 million, and a total of \$12.6 million over the past nine fiscal years.

If HB 413 passes, the City of Portsmouth's contribution to the New Hampshire Retirement System would be reduced by almost \$1 million, resulting in a 19 cent reduction in the tax rate.

Although this bill is only requiring a portion of the share the State had previously been contributing, it is a step in the right direction. By having the State pay this percentage, it will help municipalities, schools and counties restore some of the services that have been lost over the years as a result of these groups having to absorb this cost.

The passage of HB 413 will significantly ease the financial burden on all New Hampshire municipalities and taxpayers.

Thank you for your consideration.

Sincerely,

Jack Blalock
Mayor