



NH Retirement System  
 54 Regional Drive  
 Concord, NH 03301  
 Phone: (603) 410-3500; www.nhrs.org

## EARNABLE COMPENSATION

Earnable Compensation is the compensation paid to a member that may be included in calculating Average Final Compensation (AFC). Here is a summary of changes to the definition of Earnable Compensation pursuant to House Bill 2, Chapter 0224, Laws of 2011.

**KEY:** Y – Included as Earnable Compensation.  
 N – Not included as Earnable Compensation.  
 Y<sup>1</sup> – Excluded if member's NHRS-eligible service commenced on or after 7/1/11.  
 \*\*\* – Contact NHRS.

Type of Compensation	Prior to HB 2	Effective On and After 1/1/12	
		Vested Prior to 1/1/12	Not Vested Prior to 1/1/12
Full Base Rate of Compensation Paid	Y	Y	Y
Overtime Pay	Y	Y	Y
Holiday Pay	Y	Y	Y
Vacation Pay	Y	Y	Y
Sick Pay	Y	Y	Y
Annual Longevity Pay	Y	Y	Y
Cost of Living Bonus	Y	Y	Y
Additional Pay for Extracurricular & Instructional Activities (Teacher members only)	Y	Y	Y
Military Differential Pay - No Termination of Employment	Y	Y	Y
Fair Market Value of Employer Furnished Meals & Lodging, if Subject to Federal Income Tax	Y	Y	Y
Supplemental Pay by Employer while Member is Receiving Workers' Comp.	Y	Y	Y
Teacher Development Pay Not Part of Contracted Salary	Y	Y	Y
Military Differential Pay After Employment Termination to Enter United States Armed Forces	Y	Y	Y
Extra or Special Duty Pay (Group II members only)	Y	Y	Y
Severance Pay	Y	Y	N
Cash Incentives Paid by Employer to Encourage Member to Retire	Y	Y	N
Pay for Unused Vacation Time	Y	Y	N
Pay for Unused Sick Time	Y	Y	N
End of Career Additional Longevity Pay	Y	Y	N
Fair Market Value of Other Non-cash Compensation, if Subject to Federal Income Tax	N	N	N
Other Compensation & Fringe Benefits Subject to Federal Income Tax	N	N	N
Settlement Agreements	***	***	***
Amounts paid more than 120 days after Termination of Employment	***	***	N

Note: AFC is subject to limitations contained in RSA 100-A: 1, XVIII.