



New Hampshire School Boards Association
2010 Delegate Assembly
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RETIREMENT UPDATE: 125% RULE - GENERAL CONSIDERATIONS

POINTS TO DISCUSS WITH YOUR ATTORNEY/NEGOTIATOR WHEN ENGAGING IN COLLECTIVE BARGAINING

- Include a provision stating that the District's responsibility at the time of an employee's retirement shall be limited, so that the employee's average final compensation shall not exceed 1.25 times the base salary.
- Place caps on accumulated sick leave and early retirement incentives so that employee redemption of these provisions do not invoke the spiking charge.
- Place new limits on overtime, payments for special details, and payouts for accumulated unused sick and annual leave time are included in the calculation of an employee's average final compensation.
- Bargain provisions stating that the employee will pay (or reimburse the district) the "spiking charge" that is imposed upon the district by NHRS that result from the employee's average final compensation being above 1.25 times their base salary.
- Provision allowing the District to redeem sick leave after the date of retirement in a manner that does not invoke or trigger the spiking charge.
- As always, consult with your district's own attorney or negotiator.