

4/2/2019 Benefits Committee Minutes

NOTE: These minutes from the April 2, 2019 Benefits Committee meeting were approved and executed at the June 4, 2019 meeting of the Benefits Committee.

**Benefits Committee
Board of Trustees
April 2, 2019**

Public Minutes

**New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301**

Committee Members present: Trustee Melvin Friese

Telephonically: Trustees Christopher Coates and Bill Hart

Staff: George Lagos, Executive Director; Mark Cavanaugh, Esq., *Associate Counsel & Compliance Officer*; Diana Crichton, Esq., *Hearings Examiner*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Marty Karlon, *PIO Officer*; Nancy Miller, *Director of Member Services*; and Margaret Astles, *Executive Assistant*.

Acting Chair Bill Hart called the Benefits Committee meeting to order at 9:35 a.m.

Having established a quorum, Acting Chair Hart called for a motion to accept the public and non-public minutes of the February 8, 2019, Benefits Committee meeting. On a motion by Trustee Coates, seconded by Trustee Friese, the Committee voted to approve the public and non-public minutes of the February 8, 2019 Benefits Committee meeting, as presented.

Abstention: Trustee Friese

Chief Legal Counsel Tim Crutchfield provided information to the Benefits Committee concerning a review of the IME Standards of Review that Assistant Counsel and Compliance Officer Mark Cavanaugh drafted. Mr. Crutchfield noted that the IME Standards of Review was given to the Benefits Committee for information only. Its purpose is to provide general guidelines to IME's who perform independent medical and psychological exams for NHRS pursuant to RSA 100-A.

Acting Chair Hart introduced the Medical Review of Disability Retirees Policy. Attorney Cavanaugh, responsible for the proposed amendments to the Medical

Review Policy explained that the proposed amendments, also known as re-examinations, are intended to bring the Policy in to conformance with changes in administrative practice regarding re-examinations since its original adoption, as well as to reinforce the authority granted under RSA 100-A:6 and the amendments to the NHRS Administrative Rules. The revisions have been on hold pending final adoption of the amendments to the Administrative Rules.

On a motion by Trustee Friese, seconded by Trustee Coates, the Committee unanimously voted to recommend to the full Board to adopt the revisions to the Medical Review of Disability Retirees Policy at the May 2019 Board of Trustees meeting.

Mr. Crutchfield gave the Committee an update on Salary Continuance, noting that this matter dates back to the November 2018 hearing regarding the Scaglione salary continuance matter. At that time, the Board requested staff to assess how many members had been affected by the 2014 amendment to salary continuance statutory provision, as was the case with Ms. Scaglione. Director of Member Services, Nancy Miller explained that the requested assessment could not be done with the degree of accuracy needed. She noted that Member Services chose to insert communication within the Employer and Member newsletters, addressing salary continuances. This will serve as a reminder to employers or members, who may come across salary continuances after a termination, to contact NHRS. Internally, Member Services has gathered all documents that reference salary continuance, and used the documents as similar reminders to employers and members, as to the types of documents that salary continuance references could be found.

Executive Director Lagos informed the Benefits Committee that the Manchester Police Department matter has to do with working after retirement and reporting requirements. He noted that recently, the Retirement System requested that employers notify NHRS with the grandfathered retirees under their employ. NHRS was made aware, for the first time, that the Manchester PD reported that 22 of their police officers are retirees that are employed part-time. Subsequently, a letter was sent to the Manchester PD requesting information as to why NHRS has not seen this report before. A reply was received from the Manchester PD, which outlined that their present staff was misinformed and operating under incorrect procedures. After discussing the matter with the Legal Team, the Benefits Committee agreed that in going forward, as long as the Manchester PD handles retirement reporting correctly, by adhering to HB 342, the penalties that could have been assessed for past actions under a law no longer in existence, would not be assessed.

Attorney Cavanaugh reported on Fire Standards and Training and Group II eligibility and their request to reclassify employees to Group II. It was found that most of the training staff had been improperly enrolled in Group II. The employees at Fire Standards and Training would not qualify as permanent

firemen because their exposures to the hazards of firefighting is only occasional, under the definition of RSA 100-A: 8. When DFST moved into the Department of Safety, acting legislation revised 100 A: 3, to say that if someone had 10 years prior Group II service or 10 years prior fire service personnel experience, they could remain in Group II. From the NHRS records, it did not appear that a number of employees designated as Group II had 10 years of prior Group II experience. In discussing the matter with Fire Standards and Training, NHRS was made aware that the employees did not have Group II experience, but they had 10 years of Group II Fire Service Personnel experience, which Attorney Cavanaugh received substantiation for. In conclusion, those DFST employees were enrolled correctly as Group II, except for one employee whose position was not outlined in the statute and that individual's case is pending in the Legislature.

Executive Director Lagos explained to the Benefits Committee, the current situation concerning State Retiree Medical Subsidy payments. The State of New Hampshire now requires eight current state retirees to participate in the out-of-pocket cost of their insurance by contributing 10 percent. A circumstance has arisen in which married couples, both who have worked for the state or otherwise worked for retiree system employers, would make the couple entitled to the double subsidy. The amount of that subsidy is sometimes in excess of the cost of insurance. The state and NHRS are not in agreement on how the statutes should be applied. The Retirement System's view is that the subsidy is payable by the System, first, and if there is a premium due, the retiree would pay that to the state. At this time, the scope of the issue is very narrow and the parties involved have agreed to meet again later this month for further discussion.

On a motion by Trustee Coates, seconded by Trustee Friese, the Committee unanimously voted to enter into non-public session under RSA 91-A:3, II(c) to discuss a matter that would likely adversely affect the reputation of a person other than a member of this public body.

Roll Call Vote: Acting Chair Bill Hart, Trustee Friese and Trustee Coates.

On a motion by Trustee Coates, seconded by Trustee Friese, the Committee unanimously voted to conclude non-public session.

With no further business to discuss, on a motion by Trustee Friese, seconded by Trustee Coates, the Committee voted unanimously to adjourn the meeting.

Respectfully submitted,

Margaret M. Astles
Executive Assistant