

**NOTE:** These minutes from the August 1, 2018 Benefits Committee meeting were approved at the November 1, 2018 Committee meeting.

**Benefits Committee  
Board of Trustees  
August 1, 2018**

**Public Minutes**

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

*Committee Members:* Trustee George Walker, Chair, *present.* Trustees Bill Hart and Don Roy, *telephonically.*

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

Chair Walker called the Benefits Committee meeting to order at 2:02 pm.

On a motion by Trustee Hart, seconded by Trustee Roy, the Committee voted to approve the public and non-public minutes of the May 29, 2018 Benefits Committee meeting.

Chief Legal Counsel Crutchfield began by explaining that the annual Charter Review was before the Committee. He noted that all Committees are asked to review their charters at least annually as a best practice to determine if there are any revisions needed. At this time, the Committee did not have any recommended revisions.

Mr. Crutchfield next addressed the annual IME review. Trustee Hart asked if a rotation method is used among the medical examiners. Mr. Crutchfield replied that NHRS tries to have a number of Independent Medical Examiners available and the System tries to keep them over an extended period of time so they get more familiar with our statute and process. This past year NHRs experienced more turnover than usual among IMEs but now there are three IMEs conducting physical exams and three IMEs conducting psychiatric exams.

Director of Member Services Nancy Miller reported that due to the volume of cases, IME appointments are based on whoever can conduct the IME as soon as possible rather than on a rotation basis.

Associate Counsel & Compliance Officer Mark Cavanaugh then addressed the State's new short-term disability program that is self-funded through payroll withholding for classified State employees, except State troopers. This program has been implemented to replace the sick bank that relied on employee contributions. Now, if an employee runs out of sick time, the short-term disability program pays the employee the minimum of 100% of salary for the first month, 85% for the second month and 75% for the third month. The applicable NHRS statute refers to this type of program as salary continuance. the general rule for service credit under a salary continuance program is that a member can receive service credit while out on sick leave as long as that person is receiving at least 50% of his or her typical compensation in a month. In order to keep track of who should receive service credit, employers are requested to submit a salary continuance form monthly that details how much was paid as a result of the short-term disability program. This serves two purposes: 1) it alerts NHRS to those that are on salary continuance plans so that they can receive the service credit to which they are entitled and 2) if an employee is paid directly by an insurance company, it provides NHRS the information needed to bill the individual for the proper member contribution. Staff noted that this method is cumbersome and subject to inaccurate reporting. Because the State's new short-term disability program is paid through payroll, the salary continuance form is no longer needed, which is expected to improve efficiency and proper reporting.

Mr. Cavanaugh then addressed the proposed revisions to the Disability Re-exam Policy. The proposed revisions were intended to bring the Policy into conformance with changes in administrative practice since the original adoption, as well as reinforce the authority granted under RSA 100-A and the NHRS administrative rules. These revisions were put on hold pending final adoption of the gainful occupation amendments under Ret 309.01. Any questions or comments regarding the proposed revisions should be addressed to Atty. Cavanaugh over the next month so that the revisions can be voted on by the Committee at its next meeting

On a motion by Trustee Hart, seconded by Trustee Roy, 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 on a roll call vote as follows:

Ayes: Trustees Walker, Hart, and Roy.

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

Back in public session, on a motion by Trustee Hart, seconded by Trustee Roy, the Committee unanimously voted to recommend to the full Board that it approve the proposed recommendation of the Hearings Examiner in the disability matter of L.N.

There was no further business to discuss.

On a motion by Trustee Roy, seconded by Trustee Hart, the Committee unanimously voted to adjourn.

Respectfully submitted,

Margaret M. Astles  
Executive Assistant