

**NOTE:** These minutes from the February 6, 2014 Benefits Committee meeting were approved at the March 14, 2014 Committee meeting.

**Benefits Committee  
Board of Trustees  
February 6, 2014**

**Public Minutes**

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

*Committee Members:* George Walker, *Chair*; David McCrillis. Jack Wozmak, *telephonically*. John Beardmore and Don Roy, *absent*.

*Trustee:* Germano Martins.

*Staff:* George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Denise Call, *Director of Employer & Retiree Services*; Nancy Miller, *Director of Member Services*; Mark Cavanaugh, Esq., *Regulatory Compliance Officer*; Carolyn Johnson, Esq., *Hearings Examiner*; Christine Stoddard, *Employer Reporting Team Lead*; Kathy DeNutte, *Employer Services Team Lead*; Shannan Hudgins, *Administrative Coordinator*.

Trustee Walker called the Committee meeting to order at 1:35 p.m. and requested a motion to approve the minutes of the January 3, 2014, meeting. Moved by Trustee McCrillis, and seconded by Trustee Wozmak, the minutes were approved. Trustee McCrillis abstained.

Chair Walker opened the discussion items with third-party hiring agencies, specifically Granite State Transitional Principals, who had provided an NHRS retiree to fill the interim principal position in the Allenstown School District. Atty. Crutchfield reported that Staff and GSTP were scheduling a meeting later this month.

Acting on Board approval, Atty. Crutchfield and Ms. Miller were preparing an RFP for the NHRS disability process. He noted that they were in the early stages of preparation and would report to the Committee at its next meeting.

Chair Walker discussed the proposed revisions regarding reexaminations of disability retirees under Ret. 309 that had been tabled at the January 14, 2014 Board of Trustees' meeting. After a brief discussion, the Committee agreed with its January 3, 2014 recommendation to the Board to approve the proposed revisions.

Chair Walker moved to the Mandatory Distribution Policy that had also been tabled at the January 14, 2014 Board meeting, and Staff explained that the 90-day response period stated in the Policy was a suggestion, not fixed by law. Atty. Crutchfield confirmed that undistributed monies remained in the trust and were technically defined as administrative forfeitures. However, those funds would always be claimable by a beneficiary. A lengthy discussion ensued that confirmed that such funds remained in the pension trust but interest would not be posted to the individual's benefit as of the date of the forfeiture. Also, the funds would not escheat to the State. The Committee agreed with its previous recommendation to the Board to approve the Policy.

Mr. Lagos presented information regarding the system's Recoupment Policy and the proposed recoupment legislation by Rep. Hansen. Noting his concern with some of the provisions of the proposed legislation, Mr. Lagos stated that NHRS would continue its course of providing information to the Legislature.

Atty. Crutchfield announced that Mr. Carrier, who had lost his appeal to the NH Supreme Court, had submitted a hardship request to reduce the amount of repayment of the benefits which had been paid to him as well as extend the repayment period beyond the period detailed in the Recoupment Policy. The Committee briefly discussed the merits of his request with staff. Atty. Crutchfield noted that under the Board's Hardship Policy, staff would require Mr. Carrier to provide requested financial information. Staff would review the submitted information and make a recommendation regarding Mr. Carrier's request to the Benefits Committee.

An extended discussion of the medical subsidy program followed, with Mr. Lagos describing revised questionnaires with the goal of improving the form review and evaluation process. Trustee McCrillis suggested Medicare eligibility and life-event issues might be further clarified, acknowledging that many retirees can find the paperwork daunting to comprehend and correctly complete. Ms. Call reported that clarifying language specific to medical subsidy could be added to the NHRS website.

Next, Staff opened a preliminary discussion on potential revisions to the current Recoupment Policy. Emphasizing its preliminary nature, Mr. Lagos was interested in exploring ways NHRS could improve the effectiveness of the Policy and requested the Benefits Committee consider further review of the the Policy.

A brief discussion of the married-couple-double-subsidy ("MCDS") issue followed, and Ms. Call reported approximately 537 recipients of the MCDS resulted in \$457,000 in monthly payments. She explained that most recipients were political subdivision retirees. The total of medical subsidy payments to over 10,000 retirees and beneficiaries was approximately \$4.5 million annually, meaning payments attributed to the MCDS was roughly 5%

of the total medical subsidy payments. Staff explained that pursuant to a unanimous vote of the Board in 1991, the MCDS payments were made to retirees' former employers. It was noted that the vast majority of members who would be eligible for this benefit were already receiving it, and that it was essentially a "closed group." Given the complexity of the issue and the potential implications to the system and its retirees, Mr. Lagos suggested reaching out to external counsel for an independent legal review, and although he was not requesting a formal vote, the Committee concurred with the proposed course of action.

Following brief concluding remarks, on a motion by Trustee McCrillis, seconded by Trustee Wozmak, the Committee voted to adjourn the meeting at 2:38 p.m.

*Respectfully submitted,*  
*Shannan Hudgins*