

These minutes from the January 25, 2013 Benefits Committee meeting were approved at the March 7, 2013 Committee meeting.

**Benefits Committee
Board of Trustees
January 25, 2013**

Public Minutes

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

Committee Members: Kate McGovern, Ph.D., *Chair*; David McCrillis; Don Roy; and George Walker. Jack Wozmak, *via telephone*.

Staff: George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Nancy Miller, *Director of Member Services*; Denise Call, *Director of Employer Services*; Carolyn Johnson, *Hearings Examiner*; Chris Stoddard, *Retiree Services Team Lead*; Shannan Hudgins, *Administrative Coordinator*.

Chair McGovern called the Committee meeting to order at 1:34 p.m. and requested a motion to approve the public minutes of the December 7, 2012, meeting. Moved by Trustee McCrillis, and seconded by Trustee Walker, the minutes were approved unanimously.

Chair McGovern stated she would entertain a motion to enter into non-public session under RSA 91-A:3, II(c) to discuss a disability application. Moved by Trustee Roy and seconded by Trustee Walker, the motion passed unanimously on a roll call vote, as follows:

Ayes: Trustees McGovern, McCrillis, Roy, Walker, and Wozmak.

Nays: None.

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

On a motion by Trustee Walker, seconded by Trustee Roy, the Committee unanimously voted to recommend to the full Board that it approve the Hearings Examiner's Disability Recommendation in the matter of R.C.

Chair McGovern next opened the discussion of the Administration Recommendation of G. Malisos, a matter that had been before the Board of Trustees at its December 11, 2012, meeting and was referred to the Committee for further review. A lengthy discussion of legal separation of a member and spousal medical subsidy payments ensued that included the Retirement System's obligation under RSA 458:26 that directs that legally separated spouses are to be treated as if they were divorced except for the ability to remarry. By consensus, the Committee suggested Staff include *legally separated* as a marital-status option in the annual medical subsidy questionnaire. On a motion by Trustee Walker, seconded by Trustee McCrillis, the Committee unanimously voted to recommend to the full Board that it approve the Hearings Examiner's Recommendation in the matter of G. Malisos.

Chair McGovern next led the discussion of the administrative appeal database. Atty. Crutchfield noted that disability applications were not in the document to protect member confidentiality, but Atty. Johnson confirmed that approximately ten applications were under consideration. Upon a question from Trustee McCrillis, Executive Director Lagos stated he and Staff would review the case load and construct an appropriate measurement tool that would properly measure the number of hearings, their length, and case particulars, while providing accurate data. Further discussion included continued hearings for reasons such as member-illness and scheduling of hearings with multiple external attorneys. Mr. Lagos reported that he and Staff would continue to review the appeals process for possible improvements for all involved. In preparation for discussion of legal considerations in possible recoupment cases, on a motion by Trustee McCrillis, seconded by Trustee Walker, the Committee unanimously voted to temporarily adjourn the meeting to consult with legal counsel under RSA 91-A2, I(b).

On a motion by Trustee Walker, seconded by Trustee Roy, the Committee unanimously voted to reconvene the meeting.

On a motion by Trustee Roy, seconded by Trustee McCrillis, the Committee unanimously voted to recommend to the full Board that it accept Staff's recommendation pursuant to the Recoupment Policy and procedures to recoup one case involving the erroneous payment to a spouse after remarriage and to waive recoupment in another spousal case where the beneficiary has passed.

Chair McGovern asked Mr. Lagos to introduce and discuss RSA 100-A:19 regarding call firemen and benefits currently being paid to two beneficiaries. The cost of the benefit had been statutorily set at \$6 per year since 1967, the annual allowance is set at \$1,250, and NHRS revenue is sufficient to cover the two current beneficiaries . He

expressed concern that a third claim under this provision would exceed the dues revenue and that such a situation could potentially create compliance issues with the IRS and the exclusive benefit rule because call firefighters were not statutorily defined members of NHRS. The Committee agreed that Mr. Lagos should bring the matter before the Board to attain authority to fully review the history of the statute and potential remedies.

Mr. Lagos next reported that a review of the administrative rules regarding disability eligibility identified issues concerning Administrative Rule 309.01(f) which limits the ability to conduct follow-up medical examinations for continued permanent disability benefits. A lengthy discussion ensued on the restrictive language of the medical review and the potential for a rule change. It was the will of the Committee for Staff to prepare recommendations for review and consideration at the next Benefits Committee meeting.

On a motion by Trustee Wozmak, seconded by Trustee McCrillis, the Committee unanimously voted to adjourn the meeting at approximately 3:10 p.m.

Respectfully submitted,
Shannan Hudgins