

**NOTE:** These minutes from the January 3, 2014 Benefits Committee meeting were approved at the February 6, 2014 Committee meeting.

**Benefits Committee  
Board of Trustees  
January 3, 2014**

**Public Minutes**

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

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

*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*; Christine Stoddard, *Retiree Services Team Lead*; Shannan Hudgins, *Administrative Coordinator*.

Chair Walker called the Committee meeting to order at 2:42 p.m. and requested a motion to approve the minutes of the December 4, 2013, meeting. Moved by Trustee Beardmore, and seconded by Trustee Wozmak, the minutes were approved.

Chair Walker opened the discussion items with third-party hiring agencies engaged by New Hampshire school districts to fill administrator positions. As requested at the December meeting, Staff discussed its inquiry with regard to the Allenstown School District and the details of its hiring an interim principal. The discussion included a review of the definition of participating member, working in an NHRS covered position, and independent contractors in general. Mr. Lagos stated that Staff was diligently investigating the facts and circumstances of this situation in recognition of the likelihood that there were other similar arrangements with other system employers.

Ms. Miller addressed the migration of NHRS forms to a web-based application and reported that full retirement packets would be available on the NHRS website by the end of January. She continued to work with the IT department and the legal team to facilitate e-filing for future retirees who wished to complete their applications electronically.

The Committee next discussed investigation of potentially outsourcing the disability review process. Ms. Miller stated she had long been concerned

about the length and complications in the NHRS disability application process in light of staff qualifications for medical review procedures, as well as overall work load. She noted that there are vendors who manage the collection of records, the scheduling of medical examinations, and the compilation of IME reviews. It was emphasized that the decision-making role of the Benefits Committee and the Board of Trustees would remain unchanged, whether or not an outsourcing solution were to be utilized. The Committee discussion included the potential for more in-depth medical reviews, reduced staff time and costs, as well as improved services for NHRS members. On a motion by Trustee Wozmak, seconded by Trustee Beardmore, the Committee voted to recommend that Staff prepare a request-for-proposals (RFP) for disability review management services.

The Committee next engaged in a review of the Medical Subsidy Action Plan, with a brief discussion of the Memorandum of Understanding with the New Hampshire Department of Administrative Services. Mr. Lagos stated that he anticipated completion of the various action plans in accordance with their stated due dates.

Atty. Cavanaugh presented a review of the Ret. 309 Revisions, noting that the suggested alterations were written to fashion a consequence that more closely fit with the statute while also addressing equity matters. On a motion by Trustee Beardmore, seconded by Trustee Wozmak, the Committee voted to recommend to the full Board that it approve the proposed revisions to administrative rule Ret. 309.

Trustee Walker next addressed the recent Department of Corrections' request for reclassification of 44 Group I employees to Group II status. Atty. Crutchfield explained that the December 2013 request mirrored a request generated in June of 2009. He confirmed that reclassification requests were strictly the purview of the Legislature pursuant to statute and that Staff was not seeking action from the Benefits Committee on this issue.

Mr. Lagos discussed Recoupment Policy matters, advising Committee members that there was increased legislative interest in NHRS recoupment policy and procedures. He reported that in lengthy discussions with legislators in the fall of 2013, he had explained the System's policies and procedures in pursuing recoupments. He further noted the recent Supreme Court ruling in the NHRS' favor in the Carrier appeal, which confirmed the NHRS' willingness to pursue such matters to conclusion when the facts and law warranted.

Staff next discussed review of a draft Mandatory Distribution and Forfeiture Policy. Attorney Cavanaugh stated that the purpose of the draft policy was to allow NHRS to issue distributions of lump sum benefits more efficiently to beneficiaries who do not make a timely benefit election. It would also allow

for an administrative forfeiture for beneficiaries who cannot be located by NHRS. Ms. Miller stated that with improved tracking of eligible retirees, the system would be well-positioned to impose a final date for distribution or forfeiture without the need to make repeated efforts to locate a beneficiary. She also emphasized the importance of pursuing beneficiaries to ensure IRS compliance. On a motion by Trustee Beardmore, seconded by Trustee Wozmak, the Committee voted to recommend to the full Board that it approve the Mandatory Distribution and Forfeiture Policy.

Following brief closing remarks, on a motion by Trustee Beardmore, seconded by Trustee Wozmak, the meeting adjourned at approximately 3:40 p.m.

*Respectfully submitted,*  
*Shannan Hudgins*