

NHRS Board of Trustees, Benefits Committee
July 5, 2012

NOTE: These minutes from the July 5, 2012 Benefits Committee meeting were approved and executed at the September 10, 2012 Committee meeting.

**Benefits Committee
Board of Trustees
July 5, 2012**

Public Minutes

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

Committee Members: Kate McGovern, Ph.D., *Chair*; Danny O'Brien; Don Roy. Brian Morrissey and Tara Reardon, *absent*.

Staff: George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Nancy Miller, *Director of Member Services*; Denise Call, *Director of Employer Services*; Jack Dianis, *Director of Finance*; Shannan Hudgins, *Administrative Coordinator*.

Chair McGovern called the Committee meeting to order at 9:37 a.m. and requested a motion to approve the public minutes dated April 30, 2012. Moved by Trustee Roy, seconded by Trustee O'Brien, the motion passed unanimously.

Chair McGovern opened the discussion of the Recoupment Process currently in practice by NHRS staff. Mr. Lagos presented an overview of the data collection process used and the six outlined procedures, depending on the type of benefit overpayment, prepared for the Benefits Committee review. He asked Atty. Crutchfield to speak to the particulars of each recoupment process. A lengthy discussion followed, which included possible dollar thresholds for staff authority to waive recoupment; the employer auditing process; education needs for employers and employees; and timing for Board involvement. Mr. Lagos stated that the recoupment documents were presented for the Committee's discussion and recommendations. Staff would incorporate the suggested changes from the Committee for the next Benefits Committee, along with suggested dollar-amount guidelines for each recoupment circumstance.

The Committee next addressed the Manchester Contract Provision Review and Atty. Crutchfield described how NHRS became aware of six Manchester provisions that incorporated language suggesting that employer retirement contributions were actually paid by the member, in addition to his/her own NHRS contributions. He noted that the number of retirees affected by the

Severance Benefit Clause appeared to be relatively small, based on research by Ms. Call, but pending final retirement calculations precluded an actual number. Further investigation was required before a complete report could be presented to the Committee. Mr. Lagos explained that statutory requirements forbade the practice of members paying the employer contribution share. Trustee O'Brien confirmed that the NHRS position had been vetted by counsel, and Mr. Lagos stated that staff was carefully reviewing the Manchester contracts. He confirmed that the discussion was informational only and that the concern would be further investigated and presented at a future Committee meeting.

Chair McGovern requested a status update on the Welch Matter that the Board had heard and ruled on at the June 12, 2012 meeting. Acknowledging that Mr. Welch was present at the Committee meeting, Atty. Crutchfield reported that following the Board ruling, NHRS staff had begun a recoupment process that would begin with Mr. Welch's July benefit paid at the end of the month. Mr. Lagos noted that an attorney representing Mr. Welch had notified NHRS of intent to file a Writ of Certiorari, and had requested NHRS maintain the original recording of the June 12, 2012 Board of Trustees meeting.

On a motion by Trustee O'Brien, seconded by Trustee Roy, the Committee voted to enter into non-public session under RSA 91-A:3, II(e) to discuss the Carrier lawsuit, as follows:

Ayes: Trustees McGovern, O'Brien, and Roy.

Nays: None.

On a motion by Trustee O'Brien, seconded by Trustee Roy, the Committee voted to conclude the non-public session.

Chair McGovern formally thanked Trustee O'Brien for his years of service on the Benefits Committee and asked for any observations and suggestions he might have for the Committee going forward, particularly in light of Mr. Lagos' leadership. Trustee O'Brien stated that the Committee was well organized, moving forward with a methodical approach to substantive matters and would likely be busy and positively challenged to move NHRS forward. He stated he had enjoyed his service and wished the Committee and Staff his best.

On a motion by Trustee Roy, seconded by Trustee O'Brien, the meeting adjourned at 10:30 a.m.

Respectfully submitted,
Shannan Hudgins