

NOTE: These minutes from the July 30, 2014 Benefits Committee meeting were approved at the September 3, 2014 Committee meeting.

**Benefits Committee
Board of Trustees
July 30, 2014**

Public Minutes

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

Committee Members: George Walker, *Chair*; John Beardmore; David McCrillis, *telephonically*. Germano Martins 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*; Carolyn Johnson, *Hearings Examiner*; Kathy DeNutte, *Employer Reporting Team Lead*; Shannan Hudgins, *Administrative Coordinator*.

Trustee Walker called the Committee meeting to order at 8:05 a.m. and requested a motion to approve the minutes of the May 6, 2014, Benefits Committee meeting. Moved by Trustee Beardmore, and seconded by Trustee McCrillis, the minutes were approved. Trustee Beardmore abstained.

Trustee Walker next addressed medical subsidy processing in the City of Manchester. Atty. Crutchfield explained that through a standard audit, NHRS staff discovered that a \$20 monthly administrative fee had been imposed by the City on its 238 retirees over the age of 65 since January 2012, and Staff offered information about apportioning medical subsidy payments to a non-NHRS authorized fee impacting four of those retirees. Following a detailed discussion between Staff and Trustees, on a motion by Trustee Beardmore, seconded by Trustee McCrillis, the Committee approved Staff to direct the City of Manchester to cease withholding any administrative fees covered by the medical subsidy payments received from NHRS, and to determine whether other NH municipalities exercised similar fee collection from their retirees.

The Committee next received a report from Atty. Crutchfield regarding a recent inquiry from the City of Portsmouth about possibly enrolling its City Manager in NHRS back to his original hiring by the City in 1997, despite his

enrollment at that time in a 401(a) pension plan with the approval of the City Council. Atty. Cavanaugh stated that staff had consulted with Groom as its tax counsel and concluded that IRS regulations prohibited such a change in pension plans. Mr. Lagos noted that the System's decision could engender additional press attention.

On a motion by Trustee McCrillis, seconded by Trustee Beardmore, the Committee voted to enter into non-public session under RSA 91-A:3, II (c) and (e) to discuss pending legal actions on a roll call vote, as follows:

Ayes: Trustees Walker, Beardmore, and McCrillis.

Nays: None.

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

No votes were taken during the non-public session.

Atty. Crutchfield offered a final report regarding Richard Welch, a retired Farmington vice-principal who had lost his appeal in the NH Supreme Court last October of an NHRS ruling regarding earnable compensation. He reported that Mr. Welch had submitted another claim alleging abuse of process related to his earnable compensation appeal. The most recent claim was for \$5,000 filed on July 25th in the Rochester District Court and followed the Board's rejection of his \$10,000 demand at its July meeting. Atty. Schulman has agreed to represent the System.

Following a brief, general discussion, on a motion by Trustee McCrillis, seconded by Trustee Beardmore, the meeting was adjourned at approximately 9:21 a.m.

Respectfully submitted,
Shannan Hudgins