

June 30, 2020 NHRS Board of Trustees' Benefits Committee Minutes

NOTE: These minutes from the June 30, 2020 Benefits Committee meeting were approved at the August 18, 2020 Committee meeting.

**Benefits Committee
Board of Trustees
June 30, 2020**

Public Minutes

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

The NHRS office was closed to the public as a result of COVID-19 and the meeting was held via video conferencing. Pursuant to RSA 91-a, all votes were by roll call.

Committee Members: Trustees George Walker, Melvin Friese, Bill Hart, Chris Coates, and Don Roy.

Staff present: George Lagos, *Executive Director*; Tim Crutchfield, *Chief Legal Counsel*; Mark Cavanaugh, Esq., *Associate Counsel & Compliance Officer*; Nancy Miller, *Director of Member Services*; and Margaret Astles, *Executive Assistant*.

Having established a quorum, Chair Walker called the Benefits Committee meeting to order at 9:02 a.m. Next, he called for a motion to accept the public minutes of the May 6, 2020 Benefits Committee meeting. On a motion by Trustee Coates, seconded by Trustee Friese, the Committee voted unanimously to approve the minutes.

Chair Walker introduced Mark Cavanaugh, Associate Counsel and Compliance Officer, to explain waiver requests from two active members from the Town of Mont Vernon. The request is for a waiver of the minimum participation rule requiring 35 work hours per week for membership under Ret 302.05. The Town mistakenly thought that it was to apply its standard for full-time eligibility of 30 hours per week as the standard for NHRS membership. As a result, both individuals were mistakenly granted service credit for varying periods of time when they averaged 30 to 35 hours per week. Staff felt these requests qualified for the waiver of the rule, and asked for the Committee's consideration.

On a motion by Trustee Coates, seconded by Trustee Hart, the Committee voted unanimously to recommend to the full Board that it waive the minimum participation standards under Ret 302.05(b)(1) for both members as discussed today.

Mr. Cavanaugh gave the Committee an update on the Town of North Hampton, noting that Staff received an anonymous tip that the town's Fire Chief was paid for extra duties unrelated to his fire chief position. Upon investigation, it was found that the Fire Chief is receiving two stipends of \$11,000 each for acting as the emergency management director and as the deputy town administrator. Staff determined that there was a nexus regarding Group II duties between the role of emergency management director as it relates to the duties of a fire chief. However, staff found no comparable public safety nexus between the deputy town administrator duties and those as a fire chief. As a result, staff took administrative action to notify the Town that NHRS intends to exclude the \$11,000 stipend for the deputy town administrator position. That action has been appealed and is now in the hearing process.

Mr. Cavanaugh then provided an update on HB 561 for calendar year 2019, noting that the annual average retiree hours were 551, and the average annual compensation was \$15,726. Staff originally identified 25 people who had reported hours in excess of the maximum allowed. Following an extensive audit, it was determined that only two retirees appear to have exceeded the hourly limit at this time.

Next, Mr. Cavanaugh reported that the gainful occupation (GO) letters went out at the beginning of April, and for the first time, NHRS sent waiver letters to those retirees who had no income in the last five-years, under the new 2019 rule. The waiver letter eliminated more than a third of the usual 950 GO letters. Thus far the process is going smoothly.

With no further business to discuss, on a motion by Trustee Hart, seconded by Trustee Coates, the Committee voted unanimously to adjourn the meeting at 9:16 a.m.

Respectfully submitted,

Margaret M. Astles, Executive Assistant