

NOTE: These minutes were approved at the May 10, 2013 Committee meeting.

**Benefits Committee
Board of Trustees
March 28, 2013**

Public Minutes

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

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

Staff: George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Nancy Miller, *Director of Member Services*; Kathy DeNutte, *Employer Services Team Lead*; Chris Stoddard, *Retiree Services Team Lead*; Shannan Hudgins, *Administrative Coordinator*.

Chair McGovern called the Committee meeting to order at 9:30 a.m. and requested a motion to approve the public and non-public minutes of the March 7, 2013, meeting. Moved by Trustee McCrillis, and seconded by Trustee Walker, the minutes were approved unanimously.

Chair McGovern asked Staff to discuss actuarial factors as presented in the letter from consulting actuaries Gabriel Roeder Smith & Company (GRS) dated March 18, 2013, in a follow-up to the March 7th Committee discussion. Larry Johansen, *Director of Investments*, explained that option factors are essentially an insurance premium to pay for the benefit to surviving beneficiaries of disability retirees. Those option factors need to be actuarially equivalent to the maximum benefit to ensure that the trust fund does not subsidize the optional benefits. Mr. Johansen stated that prospectively, Group I disability retirees would experience approximately a 10% cost increase and Group II disability retirees would experience an approximate 20% cost increase for the 100% joint and survivor option. These calculations would be applied for disability retirements occurring on or after July 1, 2013. On a motion by Trustee Roy, seconded by Trustee Walker, the Committee unanimously voted to recommend to the full Board that it adopt the actuarial option factors as presented in the March 18, 2013, GRS letter.

A brief discussion of the NHRS additional contributions program followed. The program, repealed by the NH Legislature in 2004, had been originally

established to allow qualified members to contribute additional funds to gain a future 50% retirement benefit or to offset the reduction of an early retirement.

Chair McGovern stated she would entertain a motion to enter into non-public session under RSA 91-A:3, II(e) to discuss a current litigation matter. Moved by Trustee Walker, seconded by Trustee McCrillis, the motion passed unanimously on a roll call, as follows:

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

Nays: None.

Staff members Larry Johansen, Christine Stoddard and Kathy DeNutte left the meeting.

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

On a motion by Trustee McCrillis, seconded by Trustee Walker, the Committee unanimously voted to seal the non-public minutes under RSA 91-A:3, III, as divulgence of the information could render the proposed action ineffective.

Mr. Lagos reviewed the call firefighter provision in RSA 100-A:19, noting that following the March 7th Committee meeting, staff had experienced difficulties in producing an accurate reconciliation of the funds. He stated that another annual cycle of the program was scheduled to begin soon and that a careful review of the legislation would be conducted by staff. He assured Trustee McCrillis that based on the accounting information which had been reviewed, the trust fund was not currently subsidizing the program. Mr. Lagos confirmed that staff would continue their research and apprise the Committee of their progress.

Mr. Lagos stated that the town clerk/tax collector remedial legislation was in process and he reported that the Process Improvement Program was currently focused on insurance subsidy administration.

Following a brief review of the upcoming Board meeting, on a motion by Trustee Walker, seconded by Trustee Roy, the Committee unanimously voted to adjourn at approximately 10:17 a.m.

Respectfully submitted,
Shannan Hudgins