

November 8, 2019 NHRS Board of Trustees' Benefits Committee Minutes

NOTE: These minutes from the November 8, 2019 Benefits Committee meeting were approved at the Committee's January 28, 2020 meeting.

**Benefits Committee
Board of Trustees
November 8, 2019**

Public Minutes

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

Committee Members present: Trustees George Walker, Melvin Friese and Christopher Coates. *Telephonically present:* Trustee Bill Hart (as it was not practicable for him to attend due to a work commitment.)

Absent: Trustee Don Roy

Staff present: Tim Crutchfield, *Chief Legal Counsel*; Mark Cavanaugh, Esq., *Associate Counsel & Compliance Officer*; Diana Crichton, Esq., *Hearings Examiner*; Nancy Miller, *Director of Member Services*; Gerard Murphy, *Director of Finance*; and Margaret Astles, *Executive Assistant*.

Invited guests: Michael Delaney, *Attorney*; and Helen Hanks, *Commissioner of the Department of Corrections*

Having established a quorum, Chair George Walker called the Benefits Committee meeting to order at 9:12 a.m., rather than 9:00 a.m., as prior to the official start of the meeting, external counsel Attorney Michael Delaney addressed the Benefits Committee in a non-meeting to update them on an ongoing difference of opinion between NHRS Staff and the Dept. of Administrative Services as to whether medical subsidies should be applied prior to or after deducting the required premium contribution from the monthly annuity for eligible state retirees. No Committee action was taken.

Chair Walker called for a motion to accept the public minutes of the August 29, 2019 Benefits Committee meeting. On a motion by Trustee Friese, seconded by Trustee Hart, the Committee voted to approve the minutes, as presented, on a roll call, with Trustees Walker and Friese voting in the affirmative, and Trustee Hart abstaining.

Trustee Coates joined the meeting.

Chief Legal Counsel Crutchfield introduced discussion on the Department of Corrections (DOC) regarding reclassifications from a law that was passed in the summer of 2019, allowing the DOC to submit positions that they would like considered to move from Group I to Group II. That process required DOC to certify that the positions conform to the correctional personnel requirements as outlined in RSA 100-A:1; those who work within a correctional facility in close and immediate contact with prisoners on a daily basis, and have a responsibility for security. Further, it requires the incumbent of these positions to obtain full certification as correctional line personnel, passing a course certified by Police Standards and Training, then subsequent certification from the DOC. Attorney Crutchfield noted that all 52 submitted positions conform to the statutory requirements of the State's correctional line personnel.

Trustee Friese asked, from a fiduciary standpoint, how would reclassifications be addressed from Group I to Group II, and how will it affect NHRS. Mr. Crutchfield replied that preliminary conversations with the Department of Administrative Services, as the employer, will oversee the contributions from the State to NHRS, but they have not revealed when they will make the changes. Attorney Cavanaugh added that these employees would now have a split benefit, as they will not be getting a Group II benefit for their past service.

Commissioner Hanks noted that she is very happy and appreciative of NHRS to see the correctional line personnel enjoy a well-deserved change from Group I to Group II.

On a motion by Trustee Friese, seconded by Trustee Hart, the Committee unanimously voted to recommend to the full Board that it approve the reclassification of all 52 positions submitted by the Department of Corrections as meeting the statutory requirements of State correctional line personnel as outlined in RSA 100-A:1, VII(b), on a roll call vote.

Attorney Crutchfield introduced discussion regarding the Recoupment Policy, noting that the proposed revision is in response to a recently completed internal audit that suggested the Policy be amended to memorialize that the process of dealing with medical subsidy adjustments for State of NH retirees. The process is conducted in the normal course of monthly vendor adjustments, pursuant to internal procedures that were implemented a number of years ago as there has been no financial impact to individual State retirees regarding medical subsidy overpayments or underpayments between NHRS and the State. This measure is a language clarification as part of the written policy and simply memorializes what NHRS has been doing for a number of years.

On a motion by Trustee Friese, seconded by Trustee Hart, the Committee unanimously voted to recommend to the full Board that it adopt the proposed revision to the Recoupment Policy, as presented, on a roll call vote.

Attorney Crutchfield explained that this is a follow-up discussion from the 6/4/19 meeting regarding staff's ongoing efforts to encourage all new retirees to use electronic direct deposit (EDD) for retirement benefits and whether that practice should be mandatory, as in other states. Director of Finance, Gerard Murphy reported on the statistics gathered on the number of paper checks issued versus the number of retirees receiving electronic deposits. He reported that approximately 1,200 retirees receive paper checks per month, although there is a slight downward trend. The October 2019 payroll issued 1,159 checks to beneficiaries compared to 37,492 electronic deposits. During fiscal year 2019, 27 new retirees opted to receive a paper check. Director of Member Services, Nancy Miller added that receiving paper checks is a changing demographic but some retirees are steadfast in their decision to not adopt the EDD process. Mr. Murphy added that the option of receiving a paper check is not offered to new retirees, but will provide a paper check, if the retiree asks. Trustees Walker and Hart agreed that they would not want to see a retiree who is uncomfortable with the EDD process to have to accept it; however, he noted that the trend is turning toward the acceptance of EDD for all.

On a motion by Trustee Hart, seconded by Trustee Friese, the Committee unanimously voted to enter into non-public session under RSA 91-A:3, II(c) to discuss a matter that would likely adversely affect the reputation of a person other than a member of this public body, on a roll call vote.

On a motion by Trustee Friese, seconded by Trustee Hart, the Committee unanimously voted to conclude non-public session, on a roll call vote.

With no further business to discuss, the Committee voted to adjourn the meeting. On a motion by Trustee Hart, seconded by Trustee Friese, the Board unanimously voted by roll call to adjourn the meeting.

Respectfully submitted,

Margaret Astles
Executive Assistant