

Note: These minutes were approved at the April 30, 2012 Benefits Committee meeting.

**Benefits Committee
of the
Board of Trustees
October 28, 2011**

PUBLIC MINUTES

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

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

Staff: Tim Crutchfield, Esq., *Chief Legal Counsel*; Nancy Miller, *Director of Member Services*; Tracey Horner, *Member Accounting Team Leader*; Carolyn Johnson, Esq., *Hearings Examiner*; and Shannan Hudgins, *Administrative Coordinator*.

Dr. McGovern called the meeting to order at approximately 9:03 a.m., and requested a motion to approve the Committee public and non-public minutes from October 11, 2011. On a motion by Trustee O'Brien, seconded by Trustee Morrissey, the public and non-public minutes from the October 11, 2011, Benefits Committee were approved and entered into the record.

On a motion by Trustee Morrissey, seconded by Trustee O'Brien, the Committee voted to enter into non-public session under RSA 91-A:3, II(c) to discuss the disability application of H.E., as follows:

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

Nays: None.

On a motion by Trustee O'Brien, seconded by Trustee Morrissey, the Committee concluded the non-public session.

On a motion by Trustee O'Brien, seconded by Trustee Morrissey, the Committee unanimously voted to recommend to the full Board that it approve the Hearings Examiner's recommendation in the matter of H.E.

Following a discussion of the administrative appeal of Daniel Guerrette, on a motion by Trustee O'Brien, seconded by Trustee Morrissey, the Committee unanimously voted to recommend to the full Board that it approve the Hearings Examiner's recommendation in the matter of Daniel Guerrette.

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

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

Nays: None.

On a motion by Trustee O'Brien, seconded by Trustee Morrissey, the Committee concluded the non-public session.

On a motion by Trustee O'Brien, seconded by Trustee Morrissey, the Committee voted unanimously to recommend to the full Board that it permit Richard Welch to present a legal brief or memorandum of law, not to exceed 35 pages, and make an oral presentation to the full Board, not to exceed 15 minutes, at a future Board meeting in response to the Reconsideration Recommendation of the Hearings Examiner dated August 9, 2011.

Trustee McGovern entertained a brief discussion of the details of the administrative appeal of Maureen Berger. Moved by Trustee Morrissey and seconded by Trustee O'Brien, the Committee unanimously voted to recommend to the full Board that it approve the Hearings Examiner's recommendation in the matter of Maureen Berger.

On a motion by Trustee Morrissey, seconded by Trustee O'Brien, the Committee voted to enter into non-public session under RSA 91-A:3, II(c) to discuss the disability status of D.M., as follows:

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

Nays: None.

On a motion by Trustee O'Brien, seconded by Trustee Morrissey, the Committee concluded the non-public session.

Trustee McGovern summarized the Committee's recommendation to the full Board by stating that the policy approved by the Board at its 11/9/10 meeting regarding revisiting a disability annuitant's fitness-for-duty through an Independent Medical Examiner (IME) report shall be

focused on those for whom the IME's report initially indicated that permanency was in doubt. She intended to discuss any policy implementation matters with the Board, as well as to work with staff to set a policy recommendation.

In addressing the statutory change in crediting interest paid on member contributions, Trustee McGovern wished to entertain both discussion from Committee members and explanation of implementation issues from Staff. Specifically, Trustee McGovern was interested in exploring a program for members participating in the additional contributions program that would serve to increase individual accounts as well as increase the overall fund balance. She explained that the statutory change in HB 2 shifted the amount of interest paid from the assumed rate of return to 2 percentage points less than either the most recent Board of Trustees' approved assumed rate of return or the actual rate of return, whichever was lower, provided the rate was not less than zero, pursuant to RSA 100-A:16, II.

Ms. Miller stated that the interest rate was posted annually and included in member statements. She explained that a pro-active initiative to increase member contributions would trigger an expensive PensionGold programming adjustment and significantly increase staff workload. Trustee O'Brien stated that he believed members were offered appropriate tools to monitor their accounts through the MyAccount web calculator and bore a measure of personal responsibility. He wanted to be sensitive to staff work load.

The discussion concluded with an acknowledgement of the complexities of HB 2 and the timely implementation of all its requirements. Trustee McGovern asked Ms. Miller to report back to the Committee with a recommendation, as well as an explanation of HB 2 implementation. Trustee O'Brien believed the contribution program was a low-priority initiative to be explored after the more pressing obligations were met. Ms. Miller stated that a query in PensionGold targeting the number of participants and potential dollar amounts was a simple task that she would perform and report back to the Committee.

Trustee McGovern turned to the next item on the Agenda, proposed revisions to Ret. 304, and asked Atty. Crutchfield to provide an explanation of the issues. Stating that a scrivener's error was the impetus for the rule revisions, he noted that Bill Spead and Tracey Horner had carefully reviewed the requested changes. Atty. Crutchfield explained that with Committee recommendation and full Board approval, the revision process would begin and include NHRS' request for a fiscal impact statement, a public hearing before the Board, a public hearing at the Joint Legislative Committee on Administrative Rules (JLCAR) and the

three-to-six-month process of securing the requested revisions to Ret. 304. He sought approval to begin the process at the December Board meeting.

On a motion by Trustee O'Brien, seconded by Trustee Morrissey, the Committee unanimously voted to recommend to the full Board that Staff provide an Initial Proposal regarding the proposed revisions to Ret. 304 for the Board's consideration.

Atty. Kimberly Welch, from the public, asked that both she and her father, Richard Welch, be fully apprised of any and all progress regarding his appeal to the Board.

On a motion by Trustee O'Brien, seconded by Trustee Morrissey, the Committee meeting adjourned at approximately 11:03 a.m.

Respectfully submitted,
Shannan Hudgins