

**NOTE:** These minutes from the October 8, 2013 Benefits Committee meeting were approved and executed at the October 31, 2013 committee meeting.

**Benefits Committee  
Board of Trustees  
October 8, 2013**

**The Public Minutes**

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

*Committee Members:* George Walker, *Chair*; John Beardmore; David McCrillis; Don Roy; Jack Wozmak, *absent*.

*Trustee:* Germano Martins

*Staff:* George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Denise Call, *Director of Employer & Retiree Services*; Nancy Miller, *Director of Member Services*; Carolyn Johnson, Esq., *Hearings Examiner*; Mark Cavanaugh, Esq., *Regulatory Compliance Officer*; Shannan Hudgins, *Administrative Coordinator*.

Trustee Walker called the Committee meeting to order at 8:02 a.m. and requested a motion to approve the public and non-public minutes of the September 5, 2013, meeting. Moved by Trustee Roy, and seconded by Trustee McCrillis, the minutes were approved unanimously.

Chair Walker first addressed the Annual Gainful Occupation Report which had been included in the full board meeting materials, noting that action for approval from the Board would be requested at the full Board meeting. There were 84 non-respondents whose state annuity allocation would be reduced beginning with the December 2013 payroll until they complied with the questionnaire request. Following a brief discussion, the Committee affirmed its approval of the report.

Atty. Cavanaugh presented a brief review of the system's medical subsidy allowances in light of the Federal Affordable Care Act. Employers with fewer than fifty employees were allowed to shop the small-market health provider network. He stated there would be no financial impact on NHRS. An NHRS website posting would provide retirees with additional information about medical subsidy.

Mr. Lagos presented a disability review update, beginning with a discussion of a third-party administrator for the disability evaluation process. He stated that outsourcing the process might be beneficial to NHRS, but noted that a complete financial analysis that included a review of the internal processes and personnel involved was required. The need for an RFP (Request for Proposals) was unknown. Ms. Miller explained that a disability application typically extended six to nine months, from initial submission to the Consent Agenda. The process was labor-intensive for the applicant, who was charged with certifying all medical records, and also for staff who were responsible for shepherding applications, IME reports, and all supporting documentation through NHRS and to the Hearings Examiner. Statute required Board review of all disability applicants. The Committee discussed the importance of careful Board review and expressed caution in moving to an outside vendor for disability applications.

Atty. Crutchfield offered an explanation of staff's proposed revisions to the disability reexamination rule, noting that its requirement that a position vacated by a disability recipient be available before the annuitant's review was an arduous and impossible standard to meet. He also suggested inserting an umbrella rule for all disability reviews that would present the possibility of stopping all benefits, not just the State portion of the annuity. The Committee supported staff efforts for rule clarification.

Mr. Lagos next asked Committee members to review the flyer enclosed with the meeting materials advertising its third party hiring practice for school principals in New Hampshire. He stated that the matter required careful analysis and review as it appeared to skirt NHRS membership requirements for full-time employees, allowing retired school administrators to hold qualified positions without retirement contributions. Noting it could likely be challenged through the court system, Mr. Lagos stated staff were investigating the company's hiring practices, and he expected to bring a report and an action plan to the Committee in the next month for its review, discussion, and consideration.

Ms. Miller discussed plans to place retirement applications on the NHRS website in response to member requests for online paperwork and the increasing number of members retiring without counseling appointments. This first step would be followed by the system's acceptance of electronic signatures, thereby allowing a fully-electronic retirement application process. She stated that she and the legal team were crafting appropriate mechanisms for electronic verification, noting that the State of NH accepted electronic signatures beginning in 2002. Ms. Miller also reported that her staff had been developing a process to deliver annual member statements through MyAccount. The Committee discussed the advantages of electronic business practices throughout the organization and were supportive of the effort.

NHRS Board of Trustees, Benefits Committee  
October 8, 2013

Chair Walker then discussed the Committee Charter and Atty. Cavanaugh's review and suggested revisions. Following a brief discussion, on a motion by Trustee Beardmore, seconded by Trustee Roy, the Committee unanimously approved the Benefits Committee Charter.

In closing, Mr. Lagos reported an increase in requests for return-of-contributions from members who had been moved from full to part-time employment. Careful review of NHRS rules and IRS guidelines, he stated that member contributions could only be returned upon separation of service. He also stated that four staff members had spent a week at the LRS Conference, the system's PensionGold vendor, and he anticipated discussion and proposals for the imaging project of member and retiree records.

On a motion by Trustee Roy, seconded by Trustee McCrillis, the Committee meeting was adjourned at approximately 9:37 a.m.

*Respectfully submitted,*  
*Shannan Hudgins*