

NOTE: These minutes of the September 10, 2012, Benefits Committee meeting were approved at the October 29, 2012 Committee meeting.

**Benefits Committee
Board of Trustees
September 10, 2012**

Public Minutes

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

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

Staff: George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Nancy Miller, *Director of Member Services*; Carolyn Johnson, *Hearings Examiner*; Bill Speed, *Regulatory Compliance Officer*; Christine Stoddard, *Retiree Services Team Lead*; Shannan Hudgins, *Administrative Coordinator*.

Chair McGovern called the meeting to order at approximately 3:10 p.m., and requested a motion to accept the public and non-public minutes of the July 5, 2012, Benefits Committee as presented. Moved by Trustee Wozmak, seconded by Trustee Walker, the motion passed unanimously, with the notation in the minutes that only Chair McGovern had been in attendance at the meeting.

Atty. Crutchfield introduced the Recoupment Policy Recommendation based on Staff's development of a formal management process for various recoupment cases. Mr. Lagos provided details of Staff's effort to analyze and prepare appropriate procedures to assess the overpayment of benefits. The recommendation included the creation of a Staff committee to review overpayment cases that could lead to recoupment actions. In overpayment cases of \$5,000 or less, this committee would have authority to determine whether to pursue recoupment. In instances where overpayments were more than \$5,000, the Staff committee would make a recommendation to the Benefits Committee. The procedures were written to ensure consistency in ongoing recoupment efforts. Following a brief discussion, on a motion by Trustee Wozmak, seconded by Trustee Walker, the Benefits Committee voted unanimously to approve the Recoupment Policy Recommendation.

Next, Staff presented a Gainful Occupation process review for the Committee's consideration, specifically whether the practice of counting reported business income but not counting losses should be continued based upon a 1996 staff memo. The discussion included IRS regulations and standard practice, and the relevant provisions under RSA 100-A and NHRS administrative rules referring to "earnings". Chair McGovern asked that the record reflect the Committee's consideration of counting business loss, but found that current practice was appropriate.

The Committee then reviewed two administrative appeals referred to it by the full Board at its August meeting. Atty. Johnson provided a review of the medical subsidy recoupment appeal of A. Bouvier, stating that although it was a sympathetic case, it was a straightforward legal case based on Medicare eligibility in which the controlling statute was quite clear and similar to a number of recoupment cases that the Board had previously considered. The Committee members asked about member education, employer responsibility, and the rules guiding Medicare eligibility for disability retirees. After lengthy discussion, Mr. Lagos asked that Staff document the process the System employs in these issues for the next Benefits Committee meeting. On a motion by Trustee Wozmak, seconded by Trustee Walker, the Committee unanimously agreed to recommend to the full Board that it approve the Hearings Examiner's Recommendation in the matter of A. Bouvier.

Chair McGovern next introduced the matter of Kathleen Valliere and her eligibility for NHRS membership. At issue was whether the total number of hours of her two elected offices met the NHRS statutory requirement for membership. Following a detailed discussion in which the Committee members expressed a desire for more information, Trustee Wozmak moved to table the issue pending receipt of additional information for the Committee's review. Seconded by Trustee Walker, the motion passed unanimously.

Atty. Crutchfield offered an update on the Manchester Contract Provision issue regarding the inability of members to pay employer contributions on earnable compensation. He stated that only three retirees had been identified who had paid the employer portion on a \$13,000 severance payment, although he was awaiting a confirmation letter from the City of Manchester. Mr. Lagos stated that NHRS had sent a notice out to all employers cautioning against this unallowable practice.

In reference to the Independent Medical Examiners (IME) annual update required under the IME Review Policy, Atty. Crutchfield reported that the curriculum vitae of the current IME's had been provided in the Board materials for the September meeting.

Trustee Walker asked how the individual cases from the Consent Agenda made their way to the Benefits Committee. Atty. Crutchfield explained the process evolved as a way to minimize extended review of individual cases at the full Board meeting. Chair McGovern addressed the opportunity the practice afforded the Committee to promote consistency in its deliberations and recommendations to the Board.

On a motion by Trustee Wozmak, seconded by Trustee Walker, the meeting adjourned at 4:14 p.m.

Respectfully submitted,
Shannan Hudgins