

Note: These minutes from the February 7, 2019 Public Session were approved and executed at the April 9, 2019 Legislative Committee meeting.

**NHRS Legislative Committee of the Board of Trustees
February 7, 2019**

PUBLIC MINUTES

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

Committee Member present: Trustees Michael Milligan and Sue Hannan.
Telephonically present: Chair Scott Myers, Trustees Richard Gustafson, and Bob Maloney.

Staff: Mark Cavanaugh, *Associate Counsel and Compliance Officer*; Diana Crichton, *Hearings Examiner*; Tim Crutchfield, *Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Marty Karlon, *Public Information Officer*; Nancy Miller, *Director of Member Services*; Heather Fritzky, *Associate Finance Director and Controller*; Gerard Murphy, *Director of Finance*; and Margaret Astles, *Executive Assistant*.

Chair Myers called the meeting to order at 3:02 p.m. Having established a quorum, he called for a motion to accept the January 8, 2019 Legislative Committee meeting minutes.

On a motion by Trustee Hannan, seconded by Trustee Milligan, the Committee unanimously voted to approve the minutes of January 8, 2019, as presented.

Public Information Officer Marty Karlon reported on the 2019 Legislative Tracker as of February 5, 2019. He began with HB 110, requiring that the cost of a statutorily fiscal analysis of proposed legislation done by the retirement system be reimbursed to NHRS by the State. To date, the House ED&A Committee voted to recommend that HB 110 "Ought to Pass" (OTP).

Mr. Karlon reported that HB 116 changes the method for determining the proper NHRS membership classification of an existing or newly created state or local position. This bill was amended to include Group II positions within the State Department Correctional system (DOC), if the Group II member meets the requirements of RSA 100:A1. This bill will be referred to the NHRS Board of Trustees for approval and the House ED&A Committee voted to recommend the bill as OTP, as amended.

Mr. Karlon reported that HB 418 was amended, and it modifies the “grandfathering” provision for retirees working part-time for the same NHRS participating employers on January 1, 2019. The House ED&A Committee voted to recommend the bill as OTP, as amended, and is scheduled for Executive Session review next week.

HB 468 reclassifies perfect attendance stipends paid to teachers and school employees as earnable compensation for NHRS. Attached to this bill is a 10-year retroactive clause, which has given some members of the ED&A Committee pause, and for NHRS to express their administrative concerns over employers having to look back 10 years to assess the figures. There has been no public action on this bill to date.

Mr. Karlon noted that HB 497 requires the state to pay 15 percent of employer contributions for teachers, police officers and firefighters only, employed by political subdivisions, beginning in the fiscal year 2020. This bill has moved out of the House ED&A Committee as OTP and go to the full House. If the bill passes, it will go to Finance as a second committee. As a fiscal note, Mr. Karlon explained that the cost to the State at 15% of the covered payroll would begin at 41 million the first year and increase by 3.25% each year based on assumptions.

HB 616 grants a 1.5% cost of living adjustment (COLA) to retirees who retired on or before July 1, 2014, or any beneficiary of such member who is receiving a pension benefit. An Executive Session is scheduled for next week with the House ED&A Committee and all who testified were in support of HB 616. The COLA would take effect on the retired member’s first anniversary date occurring after July 1, 2020.

Mr. Karlon reported on HB 629, establishes a defined contribution state retirement plan for new members of NHRS, who begin service on or after July 1, 2019. This bill will go to Executive Session next week. He noted that there has been a less than tepid reaction to this bill and it is unlikely to not make it out of Committee.

Reporting on HB 675, Mr. Karlon noted this is a NHRS bill headed for Executive Session next week. This bill modifies the cost calculation methodologies for the purchase of service credit in the retirement system for active service in the armed forces prior to NHRS membership and in cases of employer enrollment oversight. He was hopeful this bill would advance out of the ED&A Committee.

Mr. Karlon reported that HB 720 is another working after retirement bill. It allows a retired faculty member of the community college system to have part-time employment prior to 28 days after retirement. This bill was sent to a sub-committee of three, who voted unanimously to recommend to the

full Committee to kill the bill as they felt it is creating a limited exception, setting an unnecessary precedent.

Trustee Maloney telephonically joined the meeting.

Lastly, Mr. Karlon reported that SB 28, originally a bill that replaces 1 of 5 independent investment committee members with an active member employee appointed by the Governor, from a list of names submitted by employee unions. It was amended in Committee last week, adding a sixth non-voting member. SB 28 will be on the Senate consent calendar next week and if the bill passes, it will move on to the House.

With no further business to discuss, Chair Myers called for a motion to adjourn.

On a motion by Trustee Hannan, seconded by Trustee Milligan, the Legislative Committee voted unanimously to adjourn the meeting.

Respectfully submitted,

Margaret M. Astles
Executive Assistant