



New Hampshire Retirement System
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TO: Senator Sharon Carson, Chair, Senate Executive Departments & Administration Committee
Representative Carol McGuire, Chair, House Executive Departments & Administration Committee

FROM: New Hampshire Retirement System Board of Trustees
(Prepared by Jan Goodwin, Executive Director)

RE: Quarterly Report to the General Court – July 1, 2022

Dear Senator Carson and Representative McGuire:

Pursuant to RSA 100-A:14, VII-a, the Board of Trustees of the New Hampshire Retirement System (NHRS, the retirement system) is submitting this quarterly report to the General Court.

Here is a summary of NHRS activities during the quarter ending June 30, 2022:

- Seven bills related to RSA 100-A were enacted by the New Hampshire Legislature during the 2022 session and signed into law by the Governor.
- The Board in June received the draft Fiscal Year (FY) 2021 actuarial valuation from GRS, the retirement system's actuary. This valuation is used to determine employer contribution rates for FY 2024 and 2025. The Board is expected to accept the valuation and certify the FY 24-25 employer contribution rates in July.
- The Board in May unanimously approved the Fiscal Year 2023 three-year strategic plan. This plan is adopted annually and identifies the key objectives to be achieved over the next 36 months.
- The multi-year upgrade of the NHRS pension database ("PGV3"), which began in January 2019, is now 57% percent complete.

In addition to this cover letter, the report contains:

- An executive summary of NHRS Board and staff activity from April through June.
- The minutes of the following Board meetings: April 12, 2022; May 10, 2022; June 14, 2022 (draft).
- Investment information on Total Fund through March 31, 2021, which is the most recent data available.
- Monthly investment information through May 31, 2022, which is the most recent data available.
- FY 2023 NHRS Strategic Plan.
- A tracker of NHRS-related legislation.
- A summary of calendar year 2021 working after retirement data reported by participating employers.

If you have any questions or would like additional information, please do not hesitate to contact me.

Respectfully,

Jan Goodwin
Executive Director

cc: Office of Governor Christopher Sununu

**Executive Summary of
New Hampshire Retirement System (NHRS)
Board of Trustees Meetings**

April 12, 2022, to June 14, 2022

At the April 12, 2022, regular monthly meeting of the NHRS Board of Trustees, the Board received an update from Tim Crutchfield, Deputy Director and Chief Legal Counsel, on NHRS's solicitation of the Attorney General (AG) to provide an interpretation to the IRS on the medical subsidy changes passed last summer in House Bill 2, noting that the AG inquired to whom the legal interpretation memo be addressed. NHRS determined that the appropriate executive branch agency would be the Department of Administrative Services (DAS) and contacted DAS Commissioner Charles Arlinghaus about the matter. The issue that NHRS is seeking IRS clarification on is whether or not NHRS must pay the state the full medical subsidy amount in instances where the actual cost of the total monthly premium per eligible participant is less than the full subsidy amount.

At the May 10, 2022, regular monthly meeting, the Board voted unanimously to approve the Fiscal Year 2023 Three-Year Strategic Plan.

The Board also voted to accept the election to participate in NHRS from the Town of Effingham. While membership in NHRS is mandatory for full-time teachers, police officers, and firefighters, political subdivisions may opt in to NHRS for full-time employees.

At the June 14, 2022, regular monthly meeting representatives of GRS, the retirement system's actuary, presented a comprehensive overview of the draft Fiscal Year (FY) 2021 actuarial valuation, which will be used to determine employer contribution rates for FY 2024 and 2025. The Board is expected to accept the valuation and certify the FY 24-25 employer contribution rates in July.

The Board voted unanimously to approve the proposed Collective Bargaining Agreement between the SEA and NHRS. The agreement will be in effect from July 1, 2022, through June 30, 2025.

Throughout the quarter, the Board received regular monthly updates on the status of the retirement system's multi-year pension software upgrade project (PGV3), which will replace the current 18-year-old system (PGV2) NHRS is currently using. The project is 57 percent completed.

Additional details regarding actions and discussions of the NHRS Board of Trustees may be found in the archive of meeting minutes posted on www.nhrs.org.

The direct link to this page is:

<https://www.nhrs.org/about-nhrs/board-of-trustees/meeting-minutes>

NHRS Board of Trustees

Minutes – April 12, 2022

Note: These minutes from the April 12, 2022 Public Session were approved and executed at the May 10, 2022 Board of Trustees' meeting.

**Board of Trustees
April 12, 2022**

Public Minutes

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

Participating: *Trustees Tim Lesko, Chair; Scott Christensen, Sue Hannan, Bill Hart, Maureen Kelliher, Robert Maloney, Andrew Martineau, Germano Martins, Ken Merrifield, Scott Myers, and Don Roy.*

Absent: *Trustees Christopher Coates, and Monica Mezzapelle.*

Staff: *Jan Goodwin, Executive Director; Tim Crutchfield, Deputy Director and Chief Legal Counsel; Larry Johansen, Director of Investments; Gerard Murphy, Director of Finance; Frank Clough, Director of Information Technology; Marty Karlon, Director of Communications & Legislative Affairs; Rosamond Cain, Director of Human Resources; Diana Crichton, Esq., Hearings Examiner; Mark Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Deanna Higgins, Contact Center Supervisor; Tracy Knight, Project Manager; Ann Stetson, Senior Business Analyst; Dave Hill, IT Support Specialist; and Christine Rice, Administrative Assistant.*

Chair Lesko called the April 12, 2022, regular meeting of the NHRS Board of Trustees to order at 10:00 a.m.

A quorum was established and Chair Lesko called for a vote to approve the public minutes of the March 8, 2022, Board meeting. On a motion by Trustee Myers, seconded by Trustee Hannan, the Board voted unanimously to approve the minutes.

Chair Lesko commenced the meeting with the Committee reports, turning to Executive Director Jan Goodwin, who presented the Audit Committee report on behalf of Trustee Mezzapelle. The Audit Committee met prior to today's Board meeting, during which it discussed internal audit activities, including the report on the Cash Management and Cash Flow Projections Audit. She proceeded to inform the Board of several items in process on the Internal Audit Tracker and referenced items on the Audit Plan, such as the FY23 Risk Assessment. The Committee heard from Director of Finance Gerard Murphy on the development of a plan with LRS for Check Security, and that discussions with Plante Moran are underway on the implementation of GASB 87 regarding leases. Lastly, she noted the Committee would vote on the FY 2023 Audit Plan at its meeting on May 10.

Trustee Roy gave the report of the Governance Committee, which met March 8 following

the Board meeting, noting that the Committee discussed the annual review of the fee schedule for copies of NHRS public. After comparison of those costs with that of other state agencies, the Committee determined NHRS' costs are reasonable, and staff had not recommended making a change to the fees for the coming year. The Committee also discussed the annual review of the Voluntary Correction Program Policy. Attorney Mark Cavanaugh confirmed NHRS was compliant with the Policy and Groom Law had reviewed it and affirmed that revisions were not required.

Trustee Kelliher presented her report of the Independent Investment Committee (IIC), which met on March 18, at which time the Committee voted for its investment managers to sell NHRS' three Russian holdings, as soon as practical and prudent, and instructed them not to purchase any Russian assets. During the meeting, Director of Investments Larry Johansen updated the Committee on investment returns through recent time-periods, and referred to Callan's Monthly Review of periods ending February 28, 2022, as well as asset allocations, liquidity, and the Work Plan.

Trustee Kelliher reported the Committee then heard presentations from private debt manager Comvest, private equity manager Warburg Pincus, and non-U.S. equity manager Neuberger Berman. After Comvest's presentation, the IIC considered and voted unanimously, to commit \$50 million to its Fund VI, subject to contract and legal review. The Committee then heard from Warburg Pincus, and following a discussion of its presentation, the IIC voted unanimously to commit \$50 million to the Warburg Pincus Global Growth Fund 14, subject to contract and legal review. Lastly, the Committee heard from Neuberger Berman, who manages the System's active emerging markets equity portfolio, as part of its two-year contract renewal. In closing, she stated Callan gave its review of private equity, private debt, and potential asset allocations. Trustee Kelliher commented on the current value of the portfolio, noting the fluctuation alongside world events, and that markets remain volatile.

She then turned to Mr. Johansen, who updated the Board on the Total Fund Performance through February 28, 2022, noting that NHRS was up in March, but down in April to date, and proceeded to give the long-term performance summary: 10.8% at three years, 9.6% at five years, and 9.0% at 10 years. He noted that asset allocations were within range. Mr. Johansen then updated the Board on where NHRS ranks relative to its peers, noting it is in the top 49% at three years, 39% at five years, 20% at 10 years, and 41% and 45% at 20 and 25 years, respectively. He closed his report by outlining the agenda of the IIC's April meeting.

Trustee Myers provided the Legislative Committee update, noting that the Committee had not met since the last Board meeting, but would meet immediately following today's meeting. He then proceeded to update the Board on Legislative activity, including House Bill (HB) 1417, regarding the state subsidizing 7.5% of local employer contributions for teacher, police, and fire members; HB 1535, a cost-of-living adjustment (COLA) bill to provide a one-time payment to eligible retirees rather than a COLA; HB 1587, which modifies the compensation over base pay calculation for Group II employees; HB 363, allowing eligible Group II members to purchase non-qualified service; and HB 1318, the NHRS-sponsored bill to charge a late fee to non-compliant employers who do not report on time or provide requested data. He noted two other bills, HB 1497, election of a survivorship option, and HB 536, worker's compensation offset for Group I accidental death benefits, are with Senate Finance.

Deputy Director and Chief Legal Counsel Tim Crutchfield presented the Benefits

Committee report on behalf of Trustee Coates, noting the Committee met April 7 to review the policy on disability re-examinations, and the Committee and staff had no suggested edits to the policy. The Committee heard from Attorney Cavanaugh, who gave a review of the re-exam process, which has been in place since 2016. Since that time, staff has completed 74 re-exams, with six in process, and 21 slated for the future. To date, the Independent Medical Examiner has concluded in all completed cases that the retirees are still disabled. The Committee then temporarily adjourned the meeting to discuss with counsel of some ongoing disability re-exam and gainful occupation cases. Following the discussion, the Committee re-entered its regular public meeting, and adjourned.

Next, Trustee Hart gave the PPCC report, noting that the PPCC met April 1 and April 8, and heard a staffing update from Director of Human Resources Rosamond Cain at both meetings, noting recruitment continues for open positions in IT and the Contact Center. He then updated the Board on the search for a replacement for Mr. Johansen, who is retiring September 1. NHRS heard from its executive search firm, EFL, which has 29 applicants for the Director of Investment position and it is in the vetting process. Trustee Hart mentioned the Committee's discussion about the Executive Director's annual evaluation, which was an electronic, 360-evaluation, and thanked the Board and staff for their respective reviews.

Chair Lesko called for a motion that the Board enter into a 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 motion by Trustee Hart, seconded by Trustee Christensen, the Board voted unanimously via roll call to go into non-public session. No staff participated in the non-public session.

On a motion by Trustee Myers, seconded by Trustee Hart, the Board voted unanimously to conclude the non-public session. There was no action taken in the non-public session.

Immediately upon returning to public session, on a motion by Trustee Hart, seconded by Trustee Hannan, the Board voted to temporarily adjourn the meeting for the purpose of discussing collective bargaining under RSA 91-A:2, I(a).

On a motion by Trustee Hart, seconded by Trustee Hannan, the Board voted to reconvene at which time Chair Lesko opened the floor for operating reports, starting with Ms. Goodwin, who began her Executive Report with a COVID update, noting that NHRS is no longer requiring masks for those in the office who have been vaccinated. Staff occupancy in the building at NHRS is at 75%. She then discussed the KPMs, noting they finished the month above the 95% benchmark, at 96.43%. She gave an update of the PGV3 project, which is 55% complete, with Deliverable 3 (D3) (Benefit Calculations) at 99% complete, and D4 (QDRO, Insurance, and Benefit Maintenance) at 84% complete. Staff completed Phase 1 User Acceptance Testing re-testing, finishing 11 problem-incident report (PIR) fixes, and LRS will be presenting virtual training next week on D4 Phase 2, followed by UAT testing, April 20 through May 6. She then gave an overview of the progress on the Employer Reporting rollout and planned testing on PGV3. Ms. Goodwin next mentioned PIO's six upcoming webinar trainings to assist teachers and other Group I members retiring July 1 with filling out retirement applications. She also noted Finance emailed surveys to employers on their training preferences for the PGV3 rollout of the Employer Data Reporting System.

Next, she referred the Board to the Contact Center information for March, and noted the phone survey results exemplify the favorable feedback from members, retirees, and

employers on NHRS's customer service. In closing, she announced that her action plan is nearly complete, aside from item 4, which is incomplete because of budgetary reasons.

Ms. Goodwin then presented a contract request from IT to upgrade the System's storage hardware, which houses important infrastructure items for NHRS, such as email, Pension Gold, and Finance and Investment data. The contract would be with a state-approved vendor and would include a five-year warranty. On a motion by Trustee Hart, seconded by Trustee Roy, the Board voted unanimously to accept the recommendation of the Executive Director that the Board approve the contract, as presented in the Board materials, subject to contract and legal review.

Ms. Goodwin next discussed the Preserve, Achieve, and Avoid document, noting the proposed edits from last month, and commented that she would update her draft Strategic Plan with the feedback upon completion of the Executive Director evaluation.

Ms. Cain presented her Human Resources report, by beginning with the new payroll vendor, Paycor, which NHRS instituted on April 8. She then updated the Board on recruitment efforts, noting her department missed one KPM last month because of the inability to fill a position within the stated timeframe, however, she added that the position has since been filled, and HR continues to work toward meeting applicable key performance measures.

Director of IT Frank Clough began his report, providing an update on the monthly Cyber Security Awareness for staff, and noted IT has setup training and testing for the remainder of the year. IT plans to update its Security Awareness poster boards in the office and ensure that staff read mandatory IT security policies. He then reported on the status of the recent Vulnerability and Penetration Audit, which IT has reviewed to verify all issues are completed. Mr. Clough mentioned IT's progress on strengthening the process of securing passwords, an issue resulting from that audit. He then noted that IT is installing the newest software on all Trustee iPads. Mr. Clough reported that IT achieved 99% customer satisfaction. Lastly, he provided the Board with a synopsis of several upcoming projects.

Mr. Crutchfield opened his Legal report with an update on the Lafasciano appeal, regarding whether the Petitioner could remove his former spouse as beneficiary. Next, he provided the status on NHRS's solicitation of the Attorney General (AG) to provide an interpretation to the IRS on the medical subsidy changes passed last summer under HB2, noting that the AG inquired to whom the legal interpretation memo be addressed. NHRS determined that the appropriate executive branch agency would be the Department of Administrative Services (DAS) and contacted DAS Commissioner Charles Arlinghaus about the matter. He then reported that notification letters went out last week to the non-compliant employers who did not meet the filing deadline of the annual reporting of retirees' work hours. He commended the work of Attorney Diana Crichton, NHRS Hearings Examiner, on significantly reducing the number of administrative appeals over the past year, noting there are no disability appeals pending. Lastly, he noted that his action plan is in progress, as expected.

Mr. Johansen gave his report on Investments, noting that it achieved all of its applicable KPMs, and that all projects are on, or ahead, of schedule.

Mr. Karlon presented his operating report, providing an update on the member education presentations, noting an increase in interest from Group II members, attributing it to the pending legislation relative to that group. He commented on retirement application webinars, noting their ongoing popularity, with over 225 attendees in February, and over 200 registrants for the April sessions. PIO plans to continue to offer these webinars. Next, he

mentioned that the online Past, Present, and Future presentation reached 2400 views and ranks in the Top 5 of viewed NHRS presentations on YouTube.

Member Services Director Nancy Miller opened her operating report, commenting on Member Services' heavy involvement in D4 and D5 work on PGV3, the July filing period, and training of a new Benefit Specialist. The department is also coordinating and participating in the Judicial Retirement Plan Audit and focused on a retiree insurance deduction holiday that DAS has requested NHRS administer for the months of May and June. Ms. Miller reported that Member Services missed one KPM relative to July '21 benefit finalizations, because of the higher volume created with that month's filings. In closing, she noted that her action plan is in progress, with the item regarding July benefit finalizations facing a delay due to the 800 retirement applications received in that one month. A brief discussion followed her report, regarding the state retiree insurance deduction holiday, which NHRS facilitates on behalf of DAS.

Mr. Murphy gave his Finance report, noting the February 28, 2022 net position of \$11.4 billion, a decrease of \$158 million year to date. He reported that cash flows were as expected and total spending through the first eight months of FY22 was below budget. He then explained the negative variance in the non-external investment category, noting it was mostly because of timing, but also some charges for fiduciary and cyber insurance that came in slightly higher than expected. He mentioned that, over the rest of the year, the expectation is that these timing issues would reverse.

Mr. Murphy explained that his department missed one of its 15 applicable KPMs this month: employer reconciliation, and attributed it to the delayed payment that Finance is awaiting from one employer, noting they expect that payment this week. He commented on the 33 penalty letters to the non-compliant employers relative to the annual reporting retirees' work hours, and compensation, noting that since the mailing last week, Finance has already received some of the outstanding reports and he would update the Board next month. Mr. Murphy noted a delay with the action plan for the creation of a welcome packet for new staff at NHRS employers.

Chair Lesko next presented the Consent Agenda, and on a motion by Trustee Hart, seconded by Trustee Hannan, the Board voted to approve the Consent Agenda, with Trustee Myers abstaining on D.M.

There were no travel reports. Chair Lesko mentioned the upcoming Certificate of Achievement on Public Plan Policy in June, and encouraged interested Trustees to register early to secure travel arrangements.

Next, Ms. Goodwin provided an update on Action Items from the March 8, 2022 meeting, noting that with the exception of Item 1, the Action Items are completed.

There was no Checkpoint discussion.

With no further business to discuss, on a motion by Trustee Hart, seconded by Trustee Hannan, the Board voted unanimously to adjourn the meeting at 12:12 p.m.

Respectfully submitted,

Christine Rice, Administrative Assistant

NHRS Board of Trustees

Minutes – May 10, 2022

Note: These minutes from the May 10, 2022 Public Session were approved and executed at the June 14 Board of Trustees' meeting.

Board of Trustees

May 10, 2022

Public Minutes

New Hampshire Retirement System

54 Regional Drive

Concord, New Hampshire 03301

Participating: *Trustees Tim Lesko, Chair; Scott Christensen, Sue Hannan, Maureen Kelliher, Robert Maloney, Andrew Martineau, Germano Martins, Ken Merrifield, Monica Mezzapelle, Scott Myers, and Don Roy.*

Absent: *Trustees Christopher Coates and Bill Hart.*

Staff: *Jan Goodwin, Executive Director; Tim Crutchfield, Deputy Director and Chief Legal Counsel; Larry Johansen, Director of Investments; Gerard Murphy, Director of Finance; Frank Clough, Director of Information Technology; Marty Karlon, Director of Communications & Legislative Affairs; Rosamond Cain, Director of Human Resources; Nancy Miller, Director of Member Services; Diana Crichton, Esq., Hearings Examiner; Mark Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Deanna Higgins, Contact Center Supervisor; Tracy Knight, Project Manager; Ann Stetson, Senior Business Analyst; Dave Hill, IT Support Specialist; and Christine Rice, Administrative Assistant.*

Chair Lesko called the May 10, 2022, regular meeting of the NHRS Board of Trustees to order at 10:00 a.m.

A quorum was established and Chair Lesko called for a vote to approve the public and non-public minutes of the April 12, 2022 Board meeting. On a motion by Trustee Maloney, seconded by Trustee Hannan, the Board voted to approve the April 12, 2022 meeting minutes, with Trustee Mezzapelle abstaining.

Chair Lesko opened the floor for the Committee reports, turning to Trustee Mezzapelle for the report of the Audit Committee, which met immediately prior to today's Board meeting. The Audit Committee discussed open internal audits, including the Policy and Procedure Assignment audit, of which training and applicable resources will be provided, resulting in the removal of this item from next month's Audit Tracker. Trustee Mezzapelle mentioned the GASB 68 Census Audits, which are in process and an update will be provided at the June Audit Committee meeting. She noted other progressing items and that the Committee reviewed the updated Risk Assessment, presented last month, noting that based on the assessment of those risks, the FY23 Audit Plan was developed and the Committee voted to approve the Plan. The Committee then heard from Director of Finance Gerard Murphy on the response to the opportunities letter from external auditors and plans for the implementation of GASB 87, regarding leases.

Trustee Roy gave the Governance Committee report, noting it had not met since the April 12 Board meeting, but would meet next month to discuss the annual review of cyber insurance coverage, with the expectation of Board action at its June meeting.

Trustee Kelliher presented her report of the Independent Investment Committee (IIC), which met on April 22, noting it heard from Director of Investments Larry Johansen, who provided an update on investment returns through recent time-periods, and the status of NHRS's three Russian holdings, which remain suspended from trading. He then presented the first quarter of the FY23 Work Plan, which the Committee voted to accept.

Trustee Kelliher reported the Committee decided to review the proposed two-year contract renewal with Neuberger Berman, a non-U.S. emerging markets equity manager, at its May meeting, following a review of the investment manager's performance. The IIC then heard two presentations from active, non-U.S. equity managers Artisan Partners (Artisan) and Causeway, as part of their respective two-year contract renewal processes. The Committee plans to vote on each of these two-year contract extensions at its June meeting.

Lastly, she stated Callan provided a review of the System's public equity portfolio, and presented an analysis of alternative investments benchmarks, which the Committee will review at its May meeting.

She then turned to Mr. Johansen, who updated the Board on the Total Fund Performance through March 31, 2022 fiscal year to date (FYTD), noting that NHRS is up 1.2% versus the benchmark of 2.3%, and explained the lag in real estate and alternatives. He proceeded to give the long-term performance summary: 11.2% at three years, 9.7% at five years, and 9.1% at 10 years. He noted that non-U.S. equities are below the low end of the asset allocation range and attributed that to the volatility of the market, however all other asset classes were within range and close to their targets. In closing, Mr. Johansen provided an overview of the agenda for the IIC's May 20 meeting.

Trustee Myers reported on the Legislative Committee, noting the Committee met on April 12, immediately following the conclusion of the Board meeting. He updated the Board on the statuses of several NHRS-related bills, with both chambers passing four that will move onto the Governor: Senate Bill (SB) 363, Group II "middle tier" members' service purchase; House Bill (HB) 1587, a formula modification of the average compensation over base pay calculation for Group II "middle tier" members; HB 1497, the deadline change for electing a survivorship benefit option; and HB 536, relative to eliminating the offset for Group I workers' compensation of accidental death benefits. Trustee Myers then reported on the NHRS-sponsored legislation, HB 1313, which would penalize employers for noncompliance of timely data reporting requirements to the System, and noted the Senate amended the bill to impose a significantly higher penalty. The bill has returned to the House for review. He next provided an update on two other bills: HB1535, a \$500 one-time stipend to qualifying retirees, and HB1221, a one-time state payment for FY23 of 7.5% toward municipal teachers, police, and fire members. Trustee Myers turned to Director of Communications and Legislative Affairs Marty Karlon, who mentioned the System would be holding internal meetings on the implementation of any or all of these bills should they become law. There was a brief discussion surrounding HB1221, regarding employer contributions.

Deputy Director and Chief Legal Counsel Tim Crutchfield presented the Benefits

Committee report on behalf of Trustee Coates, noting the Committee had not met since the last Board meeting.

On behalf of Trustee Hart, Trustee Myers gave the report of the PPCC, which met twice since the last Board meeting, on April 21 and May 3. He provided an update on staffing, as reported by Director of Human Resources Rosamond Cain at both meetings, and noted recruitment continues for several open positions, including in IT and the Contact Center. He then updated the Board on the search for a replacement for Mr. Johansen, who is retiring September 1. The System's executive search firm, EFL, has provided five candidates for consideration and the NHRS hiring committee plans to meet soon to review them. Recruitment for the Director of Finance position is underway, and presently, NHRS has two applications. Trustee Myers mentioned the Executive Director's annual evaluation was completed and Chair Lesko and Trustee Hart recently met with Executive Director Jan Goodwin to discuss the evaluation.

At 10:15 a.m., Chair Lesko called for a motion that the Board enter into a 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 motion by Trustee Hannan, seconded by Trustee Christensen, the Board voted unanimously via roll call to go into non-public session. No staff participated in the non-public session.

On a motion by Trustee Maloney, seconded by Trustee Hannan, the Board voted unanimously to conclude the non-public session. There was no action taken in the non-public session.

Immediately upon returning to public session, on a motion by Trustee Mezzapelle, seconded by Trustee Myers, the Board voted to temporarily adjourn the meeting for the purpose of discussing collective bargaining under RSA 91-A:2, I(a), and no action was taken during the temporary adjournment.

On a motion by Trustee Christensen, seconded by Trustee Kelliher, the Board voted to reconvene at 10:40 a.m., and Chair Lesko commenced the return to the public session with the operating reports. Ms. Goodwin opened with her Executive Report, providing the Board with a COVID update, noting that she expects staff to come into the office at least twice a week for the benefits of in-office culture and in-person, contemporaneous communication. She then mentioned the KPMs, which came in this month above the 95% benchmark, at 97.65%. She gave an update of the PGV3 project, which is 56% complete, with staff in the midst of User Acceptance Testing (UAT) on Phase 2 of Deliverable 4 (D4), QDRO, Insurance, and Benefit Maintenance, and the design requirements for D5, which includes benefit payroll.

She referred the Board to information on the Contact Center, which continues to meet its monthly goals. She provided an overview of the phone survey results from calls she makes to NHRS's members, retirees, and employers each week to hear feedback on NHRS's customer service, which she reported continues to be positive. She stated her action plan is progressing. In closing, Ms. Goodwin turned the Board's attention to the FY23 Strategic Plan, explaining that the recently completed Executive Director evaluation did not prompt any changes to the Plan and she proceeded to review its objectives. On a motion by Trustee Martins, seconded by Trustee Roy, the Board voted unanimously to approve the FY23 Three-Year Strategic Plan.

Ms. Goodwin then turned the Board's attention to several contracts, and gave an overview of all four requests, two from IT, one from Investments, and the fourth coming

from the PPCC as a recommendation for an executive leadership coaching program. Following a brief discussion of the presented contracts, on a motion by Trustee Roy, seconded by Trustee Mezzapelle, the Board voted unanimously to accept the recommendation of the Executive Director for the procurement of goods and services as presented in the Board materials, subject to contract and legal review.

Director of IT Frank Clough began his report, including an update on monthly cyber security training, penetration testing, efforts to strengthen passwords, and staffing. Following a Trustee's question regarding the recent penetration test findings, Mr. Clough noted that the 14 findings were minor and that overall the audit was successful.

Mr. Crutchfield opened his Legal report with an update on the pending Supreme Court appeal, regarding whether the Petitioner could remove his former spouse as beneficiary. Next, he noted NHRS received the first two of the 22 annual GASB audits, which he stated are going well. He updated the Board on NHRS's solicitation of the Attorney General's (AG) Office to provide an interpretation to the IRS on the medical subsidy changes passed last summer under HB2, noting that the AG was actively working on the opinion and it is expected by the end of this week. Legal continues to work with Finance on the non-compliant employers who have not submitted timely reports on participating retirees' work hours and compensation. He mentioned that the Finance team sent out second notices to those employers, giving them a response deadline of May 15. He noted the overall progress on his action plan, commenting on professional development efforts.

Mr. Johansen gave his report on Investments, beginning with the one missed KPM this month, which pertained to the 3- and 5-year performance, noting the System underperformed the benchmark by 10 and 20 basis points, respectively, and attributed it primarily to the small cap bias in the portfolio and the volatility created by the geopolitical events. In closing, he reported that his action plan is on, or ahead of schedule.

Mr. Karlon presented his operating report, directing the Board to his bar chart in the Board materials and commenting that if all seven bills impacting NHRS become law, they would be the most passed since 2018. He then noted that PIO has exceeded its record number of educational events for FY22, with seven more weeks left in the fiscal year. Mr. Karlon noted it was largely due to the new webinars on retirement applications polled by Contact Center Supervisor Deanna Higgins. He commented on NHRS in the news, noting that since 2018, the System has received increased media attention because of legislation regarding Group II and the COLA bills.

Member Services Director Nancy Miller opened her operating report with Member Services' productivity during the July filing period, noting those filings may result in an increase in applications relative to last July. Her team is also finishing D4 testing on PGV3 and the D5 requirements. She mentioned that Member Services has completed about two-thirds of the JRP Audit. Ms. Miller reported missing one KPM, the benefit finalizations, noting that staff are managing the 700-plus finalizations, while also handling those received month after month. Her team is working with the Department of Administrative Services on a retiree insurance deduction holiday for the months of May and June. In closing, she noted that her action plan is in progress.

Director of Finance Gerard Murphy provided his report, beginning with the fiscal year net position, as of March 31, 2022, of \$11.6 billion, noting it is \$11 million higher than June 30, 2021, and over \$913 million since March of last year. Mr. Murphy reported that cash flows were as expected year-to-date, and the negative cash flows this fiscal year were less than in

the prior year, due to the increase in employer contribution rates in FY22. He proceeded to discuss the budget vs. actual, noting spending is below budget in total and within the major categories, with positive variances throughout and three months remaining in the fiscal year. He reported that Finance met all of its KPMs this month, and closed with the progress on his action plan.

He then presented the FY23 Preliminary Trust Fund Budget, which includes FY21 actual figures, the FY22 budget figures, and the projected actual FY22 expenditures. He described the main four categories within the budget, which are Investment Expenses/Internal, Investment Expenses/External, Non-Investment Expenses/Non-Statutory, and Statutory Administrative Expenses. Mr. Murphy explained the methodology of determining the Trust Fund Budget, and provided projected numbers, describing some of the increased expenditures and to what they are attributable. Mr. Murphy fielded Trustee questions relative to the projected increases. He then provided a detailed explanation of the variances reflected in the various budget categories. He mentioned the net trust fund budget and noted its history over the past two fiscal years. In closing, Mr. Murphy invited Trustees to contact him with any further questions pertaining to the FY23 Preliminary Trust Fund Budget before it comes before the Board at its June meeting for a vote.

Ms. Cain presented her Human Resources report, beginning with recruitment, noting that NHRS created a new title for the existing Contact Center Representatives (CCRs), who are now Senior CCRs to reflect their high-level knowledge of NHRS, to set them apart from the external recruitment of a new CCR. She then informed the Board that the new payroll vendor, Paycor, made its first successful issuance of NHRS employee payments on May 6. She noted there is an issue regarding tax withholding but overall the transition to Paycor has gone smoothly.

Chair Lesko next presented the Consent Agenda. There was a Trustee inquiry about the Town of Effingham's election to participate, and Mr. Crutchfield explained that teacher, fire, and police groups are mandatory participants of the System, and under statute, employee membership is optional at the election of the employer. On a motion by Trustee Martins, seconded by Trustee Maloney, the Board voted to approve the Consent Agenda, with Trustee Merrifield abstaining from disability item 6.

There were no travel reports.

Ms. Goodwin provided an update on Action Items from the April 12, 2022 meeting, noting their completion after today's Board meeting.

During the Checkpoint Discussion, Ms. Goodwin announced the departure of Mr. Murphy, who has accepted an opportunity in the private sector, and thanked him for his service to NHRS. Her salutation prompted a roomful of applause.

With no further business to discuss, on a motion by Trustee Hannan, seconded by Trustee Roy, the Board voted unanimously to adjourn the meeting at 11:25 a.m.

Respectfully submitted,

Christine Rice,
Administrative Assistant

NHRS Board of Trustees

DRAFT Minutes – June 14, 2022

Note: These draft minutes from the June 14, 2022 Public Session are subject to approval at a subsequent Board of Trustees’ meeting.

Board of Trustees

June 14, 2022

DRAFT Public Minutes

New Hampshire Retirement System

54 Regional Drive

Concord, New Hampshire 03301

Participating: *Trustees Tim Lesko, Chair; Christopher Coates*, Bill Hart, Maureen Kelliher, Robert Maloney, Andrew Martineau, Germano Martins, Monica Mezzapelle, Scott Myers, and Don Roy.*

Absent: *Trustees Scott Christensen, Sue Hannan, and Ken Merrifield.*

**This Trustee participated remotely because of meeting conflicts, as permitted under RSA 91-A:2. As a result, all votes were by roll call.*

Staff: *Jan Goodwin, Executive Director; Tim Crutchfield, Deputy Director and Chief Legal Counsel; Larry Johansen, Director of Investments; Heather Fritzky, Assistant Director of Finance and Controller; Frank Clough, Director of Information Technology; Marty Karlon, Director of Communications & Legislative Affairs; Rosamond Cain, Director of Human Resources; Nancy Miller, Director of Member Services; Diana Crichton, Esq., Hearings Examiner; Mark Cavanaugh, Associate Counsel and Compliance Officer; Heather Hoffacker, Internal Auditor; Nina Calkins, Administrative and Contact Center Manager; Tracy Knight, Project Manager; Ann Stetson, Senior Business Analyst; Chris Murphy, IT System Administrator; and Christine Rice, Administrative Assistant.*

Chair Lesko called the June 14, 2022, regular meeting of the NHRS Board of Trustees to order at 10:02 a.m.

A quorum was established and Chair Lesko called for a vote to approve the minutes of the May 10, 2022 Board meeting. On a motion by Trustee Roy, seconded by Trustee Martineau, the Board voted to approve the May 10, 2022 meeting minutes, with an amendment to the public meeting minutes.

Chair Lesko opened the floor for the Committee reports, turning to Trustee Mezzapelle for the report of the Audit Committee, which met immediately prior to today’s Board meeting. The Audit Committee first heard a presentation from Plante Moran, the System’s external auditor who will begin the FY 22 Audit. Plante Moran provided an overview of the process and mentioned recent revisions in the auditing standards, and other minor changes in their independent requirements, including the format of the auditor’s Opinion Letter. The Committee discussed internal audit activities, and heard an update on the GASB 68 Census Data Audits, with 22 completed and under evaluation by Ms. Hoffacker, the

Internal Auditor. Lastly, Trustee Mezzapelle reported on the Data Security review, noting the pending implementation of a multi-factor authentication in the Contact Center.

Trustee Roy gave the Governance Committee report, noting it did not meet since the May 10 Board meeting, but would meet immediately following today's Board meeting to discuss the annual renewal of cyber insurance coverage, with anticipation of Board action at its July meeting.

Trustee Kelliher presented her report of the Independent Investment Committee (IIC, Committee), which met on May 20, with updates from Director of Investments Larry Johansen on investment returns through recent time-periods, asset allocations, and liquidity. Mr. Johansen also provided the status of NHRS's three Russian holdings, which remain suspended from trading. He then gave an update on the Work Plan. Trustee Kelliher reported that the IIC discussed a proposal to move the IIC meetings from the third Friday of the month to the second Tuesday, in the afternoon, on the same day as the Board meetings. She said a vote on the new meeting schedule was expected in June, with the change beginning in September, if adopted.

The IIC then discussed the proposed two-year contract renewal with Neuberger Berman, a non-U.S. emerging markets equity manager. Following further consideration of the investment manager's performance, the Committee agreed to vote on the contract renewal at its meeting in June. The IIC then considered Callan's recommendation to change the private markets benchmarks, and voted to revise the private equity and private debt benchmarks, effective July 1, 2022. The Committee unanimously voted to recommend these proposed benchmark changes to the Board at today's Board meeting.

The IIC also heard a presentation from HarbourVest on an investment opportunity in its Fund XI. Trustee Kelliher reported that the Committee voted to commit \$50 million to Fund XI. She proceeded to provide an overview of the commitments NHRS had made over the years to HarbourVest's Dover Street funds VIII, IX, and X.

Trustee Kelliher stated the Committee heard from three U.S. equity small cap managers: Boston Trust Walden, Segall Bryant & Hamill (SBH), and Wellington Management (Wellington), who each presented as part of their two-year contract renewals. In closing, she noted Callan presented an analysis of manager fees.

She then turned to Mr. Johansen, who updated the Board on the Total Fund Performance through April 30, 2022 fiscal year to date (FYTD), noting performance in April was down 3.2% versus the benchmark of 2.9%. He proceeded to give the long-term performance summary: 8.9% at three years, 8.4% at five years, and 8.6% at 10 years. He noted that non-U.S. equities are below the low end of the asset allocation range because of the volatility of the market, and that if it persists, the Committee would discuss how to address it at a future meeting. He noted that Assets under Management have decreased to \$11 billion as of April 30, 2022, from \$11.5 billion at the end of June 2021. Mr. Johansen affirmed that the cash flow remains consistently good, with sufficient funds to cover the more challenging part of the year, with payroll growing due to the 700-plus new retirees in July, and with employer and member contributions dropping significantly in July and August because teacher contributions decrease significantly during those months. In closing, Mr. Johansen provided an overview of the agenda for the IIC's June 24 meeting. Mr. Johansen reiterated the benchmark changes, adding that they are a part of the Investment Policy. On a motion by Trustee Maloney, seconded by Trustee Myers, the Board voted unanimously to accept the IIC's

recommended changes to the private equity and private debt benchmarks, as presented.

Trustee Myers reported on the Legislative Committee, noting the Committee had not met since the Board meeting in May. He added that the Legislative Session ended in late May. He updated the Board on the seven NHRS-related bills passed by the Legislature. The Governor has signed three of the seven bills as follows: Senate Bill 363, allowing Group II middle-tier members to purchase service to reduce the minimum age and service requirements that were increased in 2011; HB 1497, related to the designation of survivorship options; and HB 536, which eliminated the workers' compensation offset of Group I accidental death benefits. Four of the seven bills await Governor's action: HB 1221, a one-time reimbursement of 7.5% by the state to offset the local employer contributions for teachers, police and fire members in FY 2022; HB 1318, a bill submitted on behalf of the Board and NHRS staff that establishes an employer penalty for noncompliance with certain data reporting requirements necessary for the administration of the System; HB1535, the one-time \$500 payment to eligible retirees and beneficiaries; and HB 1587, a modification to the compensation over base pay calculation for Group II middle-tier members. Trustee Myers turned to Director of Communications and Legislative Affairs Marty Karlon to explain how NHRS would administratively account for HB 1221 and HB 1535. Mr. Karlon provided a synopsis of how NHRS would implement these bills and other new Legislation. A discussion followed surrounding HB 1221.

Trustee Coates presented the Benefits Committee report, noting the Committee did not meet since the May Board meeting.

Trustee Hart gave the report of the PPCC, which met twice since the last Board meeting, on May 24 and June 7. He provided an update on staffing, as reported by Director of Human Resources Rosamond Cain at both meetings, noting recruitment continues for the Director of Investments. The System received over 40 applications for the position, with six interviews already conducted and one more scheduled. Recruitment has been under way for the Director of Finance, with a second interview planned for one of the two candidates. HR is also recruiting for three open positions in IT.

At 10:33 a.m., Chair Lesko called for a motion that the Board temporarily adjourn to discuss collective bargaining. On a motion by Trustee Hart, seconded by Trustee Mezzapelle, the Board voted unanimously to adjourn the meeting for the purpose of discussing collective bargaining strategy or negotiations under RSA 91-A:2, I(a). At 10:43 a.m., on a motion by Trustee Maloney, seconded by Trustee Hart, the Board voted unanimously to reconvene the Board meeting.

On a motion by Trustee Hart, seconded by Trustee Maloney, the Board voted unanimously to approve the proposed Collective Bargaining Agreement between the SEA and the NHRS, as presented today and authorize the Executive Director or her designee to sign the Agreement.

Next, Ms. Goodwin welcomed representatives from GRS, the System's actuary, who presented a comprehensive overview of the draft FY 21 actuarial valuation, which will be used to determine employer contribution rates for FY 24 and 25. An extensive discussion followed the presentation regarding the assumed rate of return. The Board expects to vote on the FY 24 and FY 25 employer rates at the July meeting.

Chair Lesko then turned to Ms. Goodwin to commence the operating reports. She opened her Executive Report with a COVID update, noting the System continues its

safety protocols and that NHRS is at 75% occupancy, with staff in the building daily. She then mentioned the KPMs, which came in this month at 97.67%, above the 95% benchmark, and noted that there were two missed KPMs agency-wide. One of the missed KPMs was the weekly staff update, which she sent out one day late. She added that the KPMs recently underwent a review to determine whether the measurements are in the manager's control, with particular consideration of the KPMs in Members Services and Finance. She gave a status report on the PGV3 project, which is 57% complete, with Deliverable 3 (D3) at 100%, D4 at 98%, and D5 at 9%, with meetings scheduled on design requirements for D5. She reported that LRS provided NHRS with the employer-reporting tool, which will aid Finance with managing test files received from over 460 employers more efficiently. Ms. Goodwin referred the Board to information on the Contact Center, which experienced an elevated number of calls in May because of the volume of July retirement filings. She noted her phone survey results from calls she makes to members, retirees, and employers each week to hear feedback on NHRS's customer service, which she reported continues to be positive. In closing, Ms. Goodwin turned the Board's attention to a sole source contract with Presidio for assistance in IT to help migrate the System's email service to the "cloud." On a motion by Trustee Hart, seconded by Trustee Martins, the Board voted unanimously to accept the recommendation of the Executive Director that the Board approve the procurement of services as presented in the Board materials, subject to contract and legal review.

Mr. Crutchfield opened his Legal report noting NHRS is still waiting on a legal interpretation letter first requested in March from the Attorney General's (AG) Office on the medical subsidy changes passed last summer under HB2, noting that the IRS has requested this letter. He gave a review of upcoming plans and projects, including a proposed list of legislative changes for the next Legislative Session. He concluded that his action plan is nearly complete for FY 22.

Mr. Johansen gave his report on Investments, noting seven of seven applicable KPMs were met this month. In closing, he reported that his action plan is on, or ahead, of schedule.

Mr. Karlon presented his operating report, commenting on several items PIO is working on, including the development of templates, in cooperation with Finance, for employer training on the data reporting system in PGV3. In reference to the training, PIO reviewed the results of its surveys to employers on their training preferences, and received feedback to help tailor the training. PIO is also launching ongoing messaging to inform members and stakeholders that NHRS would no longer be accepting attachments to the info@nhrs.org mailbox for security purposes and would direct users to the secure document upload on *My Account* or to the free Zix encryption portal. He said the change would take effect August 1 and several reminders of the upcoming change would be sent out between now and then.

Member Services Director Nancy Miller opened her operating report with the department's ongoing management of July retirement filings, alongside the competing priorities of PGV3, and making adjustments with the recent legislative changes. Member Services met 19 of 20 of its KPMs, again missing the benefit finalizations, but Ms. Miller noted that staff is reviewing the KPMs for Member Services to reflect appropriate benchmarks and goals. In closing, she reported that Member Services carried out the second of the retiree insurance deduction holidays and would resume deductions in July.

Assistant Director of Finance and Controller Heather Fritzky provided the Finance operating report, beginning with the fiscal year net position, as of April 30, 2022, of \$11.07 billion, noting it was \$10.938 billion a year ago. Ms. Fritzky stated cash flows were as expected for

the month and year-to-date. She proceeded to discuss the budget vs. actual, noting spending is below budget in total and within each of the major categories. She reported that Finance met all of its KPMs this month, and closed with the progress on the action plan.

Ms. Fritzky then presented the FY 23 Trust Fund Budget, informing the Board that there were no changes to budget amounts since the presentation of the Budget at the May meeting. She reported that the total FY 23 proposal was up \$1.25 million above the FY 22 adopted budget, explaining that the total budget increase stems from the projected increase of just over a \$1 million in investment expenses. She gave a breakout of particular expenses and further described what the offsets were in the Statutory Administrative budget, which the Board approved in September 2020. On a motion by Trustee Maloney, seconded by Trustee Roy, the Board unanimously approved the FY 23 Trust Fund Budget, as presented.

Ms. Cain presented her Human Resources report starting with recruitment, noting that there are new features offered through the payroll provider to help HR work more efficiently while recruiting, including the ability to reduce the time it takes to track the recruitment process, such as references, the number of interviews, and salary requirements. In closing, she mentioned her department implemented an electronic management system that would assign and track trainings for new and existing staff.

Director of IT Frank Clough began his report, including an update on monthly cyber security-awareness training, and penetration testing, which continues with the results from the follow-up audit with K-logix to ensure IT accurately completed the initial findings. IT is working on some additional findings resulting from that audit. He continued his report covering the findings from two other audits, the CISA (Cybersecurity and Infrastructure Security Agency), and the Bitsight Audit, which was performed as part of the cyber insurance renewal. He noted the AirWatch iPad upgrade for Trustees is in process. IT recently launched a new system of how staff will change their respective office passwords. He reported that IT met all eight of its KPMs and achieved 100% customer satisfaction in May. Lastly, he noted his upcoming projects, and that his action plan is in progress.

Chair Lesko next presented the Consent Agenda. On a motion by Trustee Mezzapelle, seconded by Trustee Hart, the Board unanimously voted to approve the Consent Agenda.

There were no travel reports.

Ms. Goodwin provided an update on Action Items from the May 10 meeting, noting that, with the exception of Item 2, everything was completed. In reference to Item 2, she reported that three of the four contracts are in process, with the fourth expected to be signed later this afternoon, at which time all Action Items would be completed.

During the Checkpoint Discussion, Chair Lesko reminded Trustees of the Governance Committee meeting immediately following today's Board meeting.

With no further business to discuss, on a motion by Trustee Martins, seconded by Trustee Roy, the Board voted unanimously to adjourn the meeting at 11:46 a.m.

Respectfully submitted,

Christine Rice,
Administrative Assistant

March 31, 2022

New Hampshire Retirement System

Quarterly Investment Highlights

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Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2022. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2022							
	Market Value \$(Dollars)	Ending Weight	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Net of Fees							
Domestic Equity	\$3,681,755,252	31.96%	(5.63%)	2.95%	9.90%	16.32%	13.63%
US Equity Benchmark	-	-	(5.28%)	3.40%	12.24%	17.75%	15.30%
Non US Equity	\$1,989,171,648	17.27%	(9.72%)	(9.12%)	(4.63%)	5.86%	6.32%
Non US Equity Benchmark	-	-	(5.44%)	(6.60%)	(1.48%)	7.51%	6.76%
Fixed Income	\$2,181,737,147	18.94%	(4.68%)	(4.92%)	(2.74%)	3.42%	3.16%
Fixed Income Benchmark	-	-	(6.11%)	(6.07%)	(4.23%)	1.85%	2.31%
Cash	\$150,002,028	1.30%	0.01%	0.01%	0.02%	0.83%	1.18%
3-month Treasury Bill	-	-	0.04%	0.06%	0.06%	0.81%	1.13%
Real Estate **	\$1,269,697,029	11.02%	7.90%	16.73%	30.29%	13.34%	11.48%
Real Estate Benchmark **	-	-	7.66%	18.78%	21.02%	8.23%	7.74%
Alternative Assets **	\$2,245,921,864	19.50%	2.76%	7.51%	33.06%	16.71%	13.64%
Alternatives Benchmark **	-	-	7.83%	16.26%	21.97%	19.72%	14.30%
Total Fund	\$11,518,284,968	100.00%	(3.24%)	1.19%	10.04%	11.18%	9.66%
Total Fund Benchmark*	-	-	(2.32%)	2.33%	7.52%	11.42%	9.75%

* Current Total Fund Benchmark = 30.0% Russell 3000 Index, 25.0% Blmbg:Universal, 20.0% MSCI ACWI ex US, 10.0% NCREIF NFI-ODCE Val Wt Nt lagged 3 months, 10.0% S&P 500 Index lagged 3 months+3.0% and 5.0% S&P:LSTA Lev Loan 100 lagged 3 months.

** Performance for the Total Real Estate and Total Alternative Assets composites and their respective benchmarks are lagged one quarter.

May 31, 2022



New Hampshire Retirement System

**Investment Measurement Service
Monthly Review**

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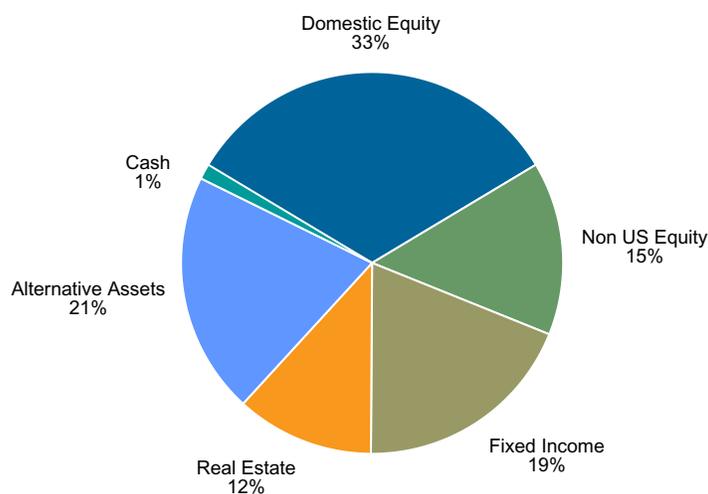
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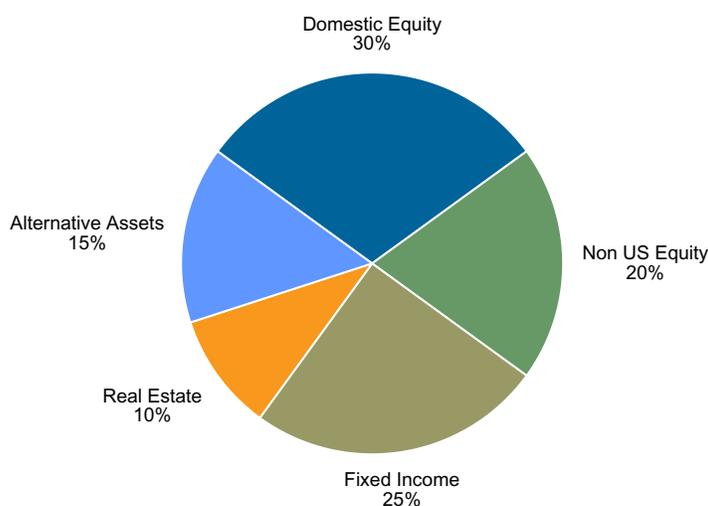
Actual vs Target Asset Allocation As of May 31, 2022

The first chart below shows the Fund's asset allocation as of May 31, 2022. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Millions Actual	Weight Actual	Target	Percent Difference	\$Millions Difference
Domestic Equity	3,631	32.9%	30.0%	2.9%	315
Non US Equity	1,620	14.7%	20.0%	(5.3%)	(591)
Fixed Income	2,100	19.0%	25.0%	(6.0%)	(663)
Real Estate	1,292	11.7%	10.0%	1.7%	187
Alternative Assets	2,268	20.5%	15.0%	5.5%	610
Cash	142	1.3%	0.0%	1.3%	142
Total	11,054	100.0%	100.0%		

* Current Quarter Target = 30% Russell 3000 Index, 25% Bloomberg Universal, 20% MSCI ACWI ex US, 10% NCREIF NFI-ODCE Val Wt Net, 10% S&P 500 + 3% (1 qtr lag), and 5% S&P LSTA Leveraged Loan 100 (1 qtr lag). Please refer to the back of this report for additional details regarding the Total Fund's Benchmark history.

** The United States equity portion of the Walter Scott Global Equity fund is allocated to the Domestic Equity composite.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of May 31, 2022, with the distribution as of April 30, 2022. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	May 31, 2022		Net New Inv.	Inv. Return	April 30, 2022	
	Market Value	Weight			Market Value	Weight
Total Domestic Equity	\$3,374,844,231	30.53%	\$0	\$4,942,151	\$3,369,902,081	30.60%
Large Cap Domestic Equity	\$1,992,799,718	18.03%	\$0	\$3,602,774	\$1,989,196,944	18.06%
Blackrock S&P 500	1,992,799,718	18.03%	0	3,602,774	1,989,196,944	18.06%
SMid Cap Domestic Equity	\$618,112,086	5.59%	\$0	\$8,625,354	\$609,486,732	5.53%
AllianceBernstein	378,983,044	3.43%	0	(1,521,935)	380,504,979	3.46%
TSW	239,129,041	2.16%	0	10,147,289	228,981,753	2.08%
Small Cap Domestic Equity	\$763,932,428	6.91%	\$0	\$(7,285,977)	\$771,218,404	7.00%
Boston Trust	206,338,802	1.87%	0	1,102,067	205,236,735	1.86%
Segall Bryant & Hamill	207,058,891	1.87%	0	(3,785,272)	210,844,163	1.91%
Wellington	350,534,735	3.17%	0	(4,602,772)	355,137,506	3.22%
Total Non US Equity	\$1,876,669,902	16.98%	\$(17,165)	\$17,096,337	\$1,859,590,731	16.89%
Core Non US Equity	\$965,694,352	8.74%	\$(17,165)	\$20,789,974	\$944,921,543	8.58%
Aristotle	152,476,966	1.38%	0	1,040,439	151,436,527	1.38%
Artisan Partners	326,640,583	2.96%	0	4,986,598	321,653,985	2.92%
Causeway Capital	339,372,421	3.07%	(10,391)	12,881,041	326,501,772	2.96%
Fisher Investments	765,982	0.01%	0	10,519	755,464	0.01%
Lazard	146,438,398	1.32%	(6,774)	1,871,378	144,573,794	1.31%
Emerging Markets	\$331,226,428	3.00%	\$0	\$584,836	\$330,641,591	3.00%
Neuberger Berman	172,956,775	1.56%	0	2,611,841	170,344,934	1.55%
Wellington Emerging Markets	158,269,652	1.43%	0	(2,027,004)	160,296,657	1.46%
Non US Small Cap	\$120,475,828	1.09%	\$0	\$(477,609)	\$120,953,437	1.10%
Wellington Int'l Small Cap Research	120,475,828	1.09%	0	(477,609)	120,953,437	1.10%
Global Equity	\$459,273,294	4.15%	\$0	\$(3,800,866)	\$463,074,160	4.21%
Walter Scott Global Equity	459,273,294	4.15%	0	(3,800,866)	463,074,160	4.21%
Total Fixed Income	\$2,100,167,682	19.00%	\$0	\$126,092	\$2,100,041,590	19.07%
BlackRock SIO Bond Fund	251,600,218	2.28%	0	(410,186)	252,010,404	2.29%
Brandywine Asset Mgmt	238,166,063	2.15%	0	1,346,598	236,819,465	2.15%
FIAM (Fidelity) Tactical Bond	361,123,084	3.27%	0	(3,257,877)	364,380,960	3.31%
Income Research & Management	772,704,481	6.99%	0	1,564,783	771,139,698	7.00%
Loomis Sayles	271,196,486	2.45%	0	31,291	271,165,195	2.46%
Manulife Strategic Fixed Income	205,377,350	1.86%	0	851,482	204,525,868	1.86%
Total Cash	\$142,323,809	1.29%	\$(8,495,851)	\$74,892	\$150,744,768	1.37%
Total Marketable Assets	\$7,494,005,625	67.80%	\$(8,513,016)	\$22,239,471	\$7,480,279,170	67.93%
Total Real Estate	\$1,291,990,920	11.69%	\$3,049,106	\$3,588,199	\$1,285,353,615	11.67%
Strategic Core Real Estate	828,100,388	7.49%	(12,748)	0	828,113,136	7.52%
Tactical Non-Core Real Estate	463,890,532	4.20%	3,061,854	3,588,199	457,240,479	4.15%
Total Alternative Assets	\$2,267,571,099	20.51%	\$(8,820,732)	\$29,824,940	\$2,246,566,891	20.40%
Private Equity	1,717,123,063	15.53%	6,354,999	29,791,684	1,680,976,379	15.26%
Private Debt	550,448,036	4.98%	(15,175,732)	33,256	565,590,511	5.14%
Total Fund Composite	\$11,053,567,643	100.0%	\$(14,284,642)	\$55,652,611	\$11,012,199,675	100.0%

-Alternatives market values reflect current custodian valuations, which may not be up to date.

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended May 31, 2022. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended May 31, 2022

	Last Month	Fiscal YTD	Last 36 Months	Last 60 Months	Last 120 Months
Net of Fees					
Total Domestic Equity	0.12%	(5.67%)	14.19%	11.41%	13.16%
Domestic Equity Benchmark (1)	(0.13%)	(6.00%)	15.05%	12.57%	14.09%
Secondary Domestic Equity Bmk (6)	0.21%	(7.92%)	14.35%	11.63%	13.30%
Large Cap Domestic Equity	0.18%	(2.55%)	15.18%	12.19%	13.67%
S&P 500 Index	0.18%	(2.57%)	16.44%	13.38%	14.40%
Blackrock S&P 500	0.18%	(2.55%)	16.40%	13.35%	14.37%
SMid Cap Domestic Equity	1.37%	(9.23%)	12.36%	9.23%	12.14%
Russell 2500 Index	0.34%	(12.65%)	12.05%	9.76%	12.00%
AllianceBernstein	(0.45%)	(15.37%)	12.32%	10.66%	12.45%
TSW	4.38%	2.58%	12.40%	7.17%	11.53%
TSW Blended Benchmark (2)	1.91%	(2.52%)	12.92%	10.27%	12.26%
Small Cap Domestic Equity	(1.00%)	(10.36%)	13.30%	11.14%	12.71%
Russell 2000 Index	0.15%	(18.49%)	9.70%	7.72%	10.83%
Boston Trust	0.50%	0.02%	14.48%	11.91%	12.05%
Segall Bryant & Hamill	(1.86%)	(8.53%)	13.91%	11.73%	11.83%
Wellington	(1.36%)	(16.45%)	12.30%	10.43%	13.50%
Total Non US Equity	0.87%	(14.35%)	4.97%	3.74%	5.80%
Non US Equity Benchmark (3)	0.72%	(11.84%)	6.49%	4.42%	6.39%
Core Non US Equity	2.15%	(10.89%)	5.04%	3.37%	5.23%
Core Non US Benchmark (4)	0.72%	(11.84%)	6.49%	4.42%	6.39%
Aristotle	0.65%	(11.28%)	-	-	-
Artisan Partners	1.50%	(14.87%)	4.02%	4.65%	-
Causeway Capital	3.90%	(5.40%)	8.24%	4.08%	-
Lazard	1.25%	(13.15%)	-	-	-
MSCI EAFE	0.75%	(9.36%)	6.43%	4.17%	7.15%
Emerging Markets	0.10%	(26.17%)	(0.31%)	0.02%	2.82%
MSCI EM	0.44%	(19.97%)	5.00%	3.80%	4.17%
Neuberger Berman	1.46%	(25.92%)	0.22%	0.68%	-
Wellington Emerging Markets	(1.35%)	(26.44%)	(0.88%)	0.62%	4.33%
Non US Small Cap	(0.46%)	(23.65%)	(1.39%)	(3.46%)	3.31%
Wellington Int'l Small Cap Research	(0.46%)	-	-	-	-
MSCI EAFE Small Cap	(0.72%)	(14.60%)	6.59%	4.11%	8.86%
Global Equity	(0.87%)	(8.91%)	11.51%	11.12%	11.96%
MSCI ACWI net	0.12%	(7.99%)	11.71%	9.00%	10.25%
Walter Scott Global Equity	(0.87%)	(8.91%)	11.51%	11.12%	11.96%
Walter Scott Blended Benchmark (5)	0.12%	(7.99%)	11.71%	9.00%	10.25%
MSCI ACWI Growth	(1.98%)	(16.55%)	13.27%	11.00%	11.68%

(1) The Domestic Equity Benchmark is the Russell 3000 index as of 7/1/2021.

(2) TSW Blended Benchmark is the Russell 2500 Value Index as of 7/1/2019. Prior to 7/1/2019 it was the Russell 2500.

(3) The Non US Equity Index is the MSCI ACWI ex US Index as of 7/1/2003. Prior to 7/1/2003 it was the MSCI EAFE Index.

(4) The Core Non US Equity Index is the MSCI ACWI ex US as of 7/1/2007. Prior to 7/1/2007 it was the MSCI EAFE Index.

(5) The Walter Scott Blended Benchmark is the MSCI ACWI Index as 5/1/2008. Prior to 5/1/2008 it was the MSCI EAFE Index.

(6) Secondary Domestic Equity Bmk consists of 60% S&P 500, 20% Russell 2500, and 20% Russell 2000.

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended May 31, 2022. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended May 31, 2022

	Last Month	Fiscal YTD	Last 36 Months	Last 60 Months	Last 120 Months
Net of Fees					
Total Fixed Income	(0.02%)	(8.51%)	1.71%	2.05%	2.78%
Fixed Income Benchmark (1)	0.55%	(9.08%)	0.20%	1.33%	2.06%
Bloomberg Aggregate	0.64%	(8.86%)	0.00%	1.18%	1.71%
BlackRock SIO Bond Fund	(0.20%)	(3.75%)	2.65%	-	-
BlackRock Custom Benchmark (2)	0.06%	0.15%	0.75%	-	-
Brandywine Asset Mgmt	0.54%	(12.85%)	0.83%	0.99%	2.30%
Brandywine Custom Benchmark (3)	(0.06%)	(14.14%)	(2.53%)	(0.58%)	(0.35%)
FIAM (Fidelity) Tactical Bond	(0.92%)	(6.82%)	2.65%	-	-
Bloomberg Aggregate	0.64%	(8.86%)	0.00%	1.18%	1.71%
Income Research & Management	0.19%	(9.80%)	0.67%	1.73%	2.39%
Bloomberg Gov/Credit	0.48%	(9.42%)	0.25%	1.38%	1.83%
Loomis Sayles	(0.02%)	(8.29%)	3.55%	3.45%	4.38%
Loomis Sayles Custom Benchmark (4)	0.50%	(8.04%)	1.24%	2.07%	3.04%
Manulife Strategic Fixed Income	0.39%	(6.97%)	1.97%	2.00%	-
Bloomberg Multiverse	0.27%	(12.36%)	(1.33%)	0.16%	0.67%
Total Cash	0.05%	0.08%	0.72%	1.16%	0.69%
3-month Treasury Bill	0.07%	0.15%	0.69%	1.12%	0.64%
Total Marketable Assets	0.27%	(8.59%)	7.79%	6.49%	8.18%
Total Marketable Index (5)	0.32%	(8.45%)	7.98%	6.84%	8.43%
Total Real Estate	0.29%	17.02%	13.36%	11.45%	12.10%
Real Estate Benchmark (6)	2.33%	24.37%	9.61%	8.51%	9.87%
Strategic Core Real Estate	(0.01%)	17.09%	11.05%	10.16%	10.76%
Tactical Non-Core Real Estate	0.82%	16.80%	17.55%	13.78%	14.29%
Total Alternative Assets	1.34%	10.39%	17.79%	14.09%	10.78%
Alternative Assets Benchmark (7)	(1.97%)	10.37%	15.30%	12.50%	14.03%
Total Private Equity	1.78%	12.09%	23.10%	19.35%	14.42%
Private Equity Benchmark (8)	(2.65%)	14.53%	21.90%	18.70%	18.73%
Total Private Debt	0.01%	5.43%	6.00%	5.91%	7.01%
Private Debt Benchmark (9)	(0.54%)	2.07%	3.56%	3.62%	9.12%
Total Fund Composite	0.49%	(2.70%)	10.18%	8.35%	9.19%
Total Fund Benchmark *	0.18%	(2.73%)	9.51%	8.06%	9.31%

* Current Month Target = 30.0% Russell 3000 Index, 25.0% Blmbg Universal, 20.0% MSCI ACWI ex US, 10.0% NCREIF NFI-ODCE Val Wt Nt lagged 3 months, 10.0% S&P 500 Index lagged 3 months+3.0% and 5.0% S&P/LSTA Lev Loan 100 lagged 3 months.

For the trailing 25 year period ended 5/31/22, the Total Fund has returned 7.49% versus the Total Fund Custom Benchmark return of 7.38%.

(1) The Fixed Income Benchmark is the Bloomberg Capital Universal Bond Index as of 7/1/2007.

(2) The BlackRock Custom Benchmark is 3 Month SOFR compounded in arrears as of 1/1/2022.

(3) The Brandywine Blended Benchmark is the FTSE WGBI Ex-China Index as of 11/1/2021.

(4) The Loomis Sayles Custom Benchmark is 65% Bloomberg Aggregate and 35% Bloomberg High Yield.

(5) Marketable Assets Idx is 40% Rus3000, 26.7% MSCI ACWI ex US, and 33.3% Bloomberg Universal as of 7/1/2021

(6) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index lagged 1 quarter as of 7/1/2015.

(7) The Alternative Assets Benchmark is 66.7% S&P 500 Index + 3% lagged 1 quarter and 33.3% S&P LSTA Leveraged Loan 100 Index lagged 1 quarter as of 7/1/2019.

(8) The Private Equity Benchmark is the S&P 500 Index + 3% lagged 1 quarter as of 7/1/2015.

(9) The Private Debt Benchmark is the S&P LSTA Leveraged Loan 100 Index lagged 1 quarter as of 7/1/2015.

FY 2023 NHRS THREE-YEAR STRATEGIC PLAN – PRIORITIES

May 4, 2022

JULY 2022 – JUNE 2025

2022-2023 (FY 23)

- Review and adjust the three-year strategic plan as appropriate.
- Complete project plan milestones for LRS Pension Gold (PGV3) project.
- Implement COVID Transition plan to open NHRS to members and beneficiaries and return staff to the office.
- Implement a comprehensive communication and education program for employers with respect to PGV3 implementation.
- Review staffing needs/responsibilities for post-PGV3 implementation.
- Update succession plan at all levels, with particular focus on senior positions.
- Build on the outstanding communication with all internal and external stakeholders, including the legislature.
- Complete implementation of data security assessment recommendations and continue to enhance IT security.
- Continue to enhance member interface to include younger employees/members in the NHRS system.
- Develop and release member surveys assessing knowledge and comfort level with NHRS benefits and preferences for additional education efforts.
- Migrate more IT/office services into the Cloud.

2023-2024 (FY 24)

- Review and adjust the three-year strategic plan as appropriate.
- Continue implementation of PGV3 upgrade. Parallel processing currently scheduled to start in October 2023 for two months. Warranty period commences at end of parallel processing.
- Complete implementation of (non-PGV3 reliant) data security enhancement recommendations.

2024-2025 (FY25)

- Continue implementation of PGV3 upgrade as per project plan.
- Evaluate progress on all objectives and initiatives over prior 24 months to determine what has been achieved and what still needs to be addressed.

NOTES

- Plan does not address day-to-day issues such as managing implications of legislative action or litigation outcomes, which may be material, but are entirely unpredictable. Also, see KPMs for performance measures.
- FY 24 and FY 25 will be reviewed and adjusted depending on results of FY 23.

Our Mission: To provide secure retirement benefits and superior service.



2022 Legislative Tracker

FINAL

Legislation introduced in the 2022 session that would impact the New Hampshire Retirement System (NHRS, the retirement system) is listed below. For details on a particular bill, visit the State of New Hampshire General Court website at: <http://gencourt.state.nh.us/> Note: No further action is expected on bills shaded in gray.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
2022 NHRS-RELATED BILLS			
HB 1079	This bill increases the annual number of hours a retiree may work for a retirement system employer to 1,664 and eliminates the initial 28-day restriction on such part-time employment after retiring.	Rep. Douglas Trotter	3/15/22: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1257	This bill requires the NHRS Independent Investment Committee to sell, redeem, divest, or withdraw from investments in securities of companies that have direct holdings in active business operations located in China.	Rep. Gary Hopper	3/10/22: House voted, 312-25, to accept committee recommendation of inexpedient to legislate (ITL). The bill is dead.
HB 1221	This bill, which originally dealt only with business taxes, was amended by the Senate to require the state to reimburse 7.5 percent of local employer contributions for Group I teachers and Group II police and fire members paid in fiscal year 2022. This bill also repeals RSA 100-A:16, II(c-1), a dormant section of the statute relative to employer contributions for fiscal year 2012.	Rep. Jeanine Notter	6/17/22: Signed into law by the Governor. Chapter 189, Laws of 2022. Effective 7/1/22.
HB 1318	This bill establishes an employer penalty for noncompliance with certain data reporting requirements necessary for the administration of the retirement system.	Rep. Dianne Schuett	6/17/22: Signed into law by the Governor. Chapter 191, Laws of 2022. Effective 7/1/22.
HB 1417	This bill provides that the state shall pay 7.5 percent of local employer contributions for Group I teachers and Group II police and fire members.	Rep. Renny Cushing	4/28/22: Senate voted, 14-10, to table the bill. The bill is dead.
HB 1497	This bill allows a member of the retirement system to elect a survivorship optional allowance upon joining the retirement system. The election will not be effective until the member attains eligibility for a monthly benefit. An active member may modify the election at any point in his or her career. The bill also modifies the time frame of the post-retirement grace period to change a survivor benefit optional retirement allowance.	Rep. Tom Lanzara	5/20/22: Signed into law by the Governor. Chapter 76, Laws of 2022. Effective 7/19/22.
HB 1535	As amended, this bill grants a one-time \$500 payment to retirees and beneficiaries retired prior to or on July 1, 2017, who have an annual pension benefit of \$30,000 or less.	Rep. Troy Merner	6/17/22: Signed into law by the Governor. Chapter 203, Laws of 2022. Effective 8/16/22.
HB 1549	This bill allows retired Group II police members to work special duty law enforcement details and not have the special duty hours count against the annual limit on part-time hours.	Rep. Tracy Emerick	3/1/022: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.

BILL #	BRIEF DESCRIPTION	PRIMARY SPONSOR	STATUS
HB 1557	This bill changes the time frame of the post-retirement grace period to change a survivor benefit optional retirement allowance. (Note: The text of this bill was incorporated into HB 1497.)	Rep. Jeffrey Goley	2/16/22: House, on a voice vote, referred the bill to interim study. No further action is expected this session.
HB 1587	As amended, this bill modifies the calculation of compensation paid in excess of the full base rate of pay under the definition of Average Final Compensation for Group II members hired prior to July 1, 2011, and who had not attained vested status prior to January 1, 2012.	Rep. Kevin Pratt	6/15/22: Signed into law by the Governor. Chapter 184, Laws of 2022. Effective 8/14/22.
HB 1590	This bill establishes a procedure for political subdivision members of the retirement system to vote to withdraw from participation for its Group I employees hired after the effective date of the vote.	Rep. Lex Berezny	2/16/22: House voted inexpedient to legislate (ITL), 287-57. The bill is dead.
SB 363	This bill allows members who commenced Group II service between January 1, 2002 and June 30, 2011 to purchase nonqualified service time in order to reduce certain transition provision requirements for retirement.	Sen. Lou D'Allesandro	6/7/22: Signed into law by the Governor. Chapter 171, Laws of 2022. Effective 8/6/22.
SB 411	This bill establishes a new disability benefit for Group II members retired due to a violent injury.	Sen. Kevin Cavanaugh	3/17/22: Senate, on a voice vote, referred the bill to interim study. No further action is expected this session.
SB 434	This bill links the recalculation of a Group I retiree's annuity to his or her full retirement age under the federal Social Security system.	Sen. Kevin Cavanaugh	3/31/22: Senate voted, 13-11, to refer bill to interim study. No further action is expected this session.
Committee Key: ED&A = Executive Departments & Administration; Location Key: LOB = Legislative Office Building; SH = State House.			

RETAINED/RE-REFERRED 2021 BILLS			
HB 536	This bill eliminates the retirement system offset for workers' compensation benefits applicable to Group I accidental death benefit annuities. Note: This bill also establishes a death benefit, funded and administered by the state, for a municipal or state public works employee killed in the line of duty.	Rep. Kristina Schultz	5/27/22: Signed into law by the Governor. Chapter 102, Laws of 2022. Effective 7/1/22.
HB 619	This bill designates police and fire dispatchers as Group II members of the retirement system.	Rep. Douglas Trottier	1/5/22: House, on a voice vote, accepted committee recommendation of inexpedient to legislate (ITL). The bill is dead.
SB 153	This bill establishes a disability retirement benefit and a medical insurance benefit for a group II police or fire member who is violently injured in performance of duties.	Sen. Sharon Carson	1/5/22: Senate, on a voice vote, accepted committee recommendation of refer to interim study. No further action is expected this session.

NHRS Retiree Work Hours for 2021

RSA 100-A:1, XXXIV limits the work hours for NHRS retirees who work part-time for participating employers. Retirees working part-time prior to January 1, 2019, (“Grandfathered”) may work a maximum of 1,664 hours for as long as they remain in at least one of the part-time positions they held prior to that date. Retirees who retired on or after January 1, 2019, (“Not Grandfathered”) may work a maximum of 1,352 hours per calendar year. Employers are required to report on an annual basis all hours worked and compensation paid to any NHRS retirees in the prior calendar year.

The following is a summary of the work hours and compensation reported to NHRS for the 2021 calendar year.

CATEGORY	ALL RETIREES WORKING	GRANDFATHERED	NOT GRANDFATHERED	EXEMPT	NOT EXEMPT	STATE	POLITICAL SUBDIVISIONS
Number of Working Retirees	2,670	1,455	1,215	157	2,513	419	2,251
Total Work Hours	1,491,879	996,381	495,499	152,814	1,339,063	355,632	1,136,247
Average Annual Hours	559	685	407	973	533	849	505
Total Compensation	\$44,744,728	\$29,343,024	\$15,401,722	\$4,988,972	\$38,754,072	\$10,337,274	\$34,407,453
Average Annual Compensation	\$16,758	\$20,167	\$12,666	\$31,776	\$15,813	\$24,671	\$15,285

CATEGORY	POLICE	FIRE	TEACHER	EMPLOYEE
Number of Working Retirees	399	99	648	1,522
Total Work Hours	282,163	46,360	218,681	942,994
Average Annual Hours	707	468	337	620
Total Compensation	\$10,325,077	\$1,484,111	\$7,741,524	\$25,129,668
Average Annual Compensation	\$25,877	\$24,991	\$11,946	\$16,511

Additional Data

Number of Not Grandfathered retirees exceeding 1,352 hours: 38 not exempt and 5 exempt

Number of Grandfathered retirees exceeding 1,664 hours: 28 not exempt and 36 exempt.

NOTE: Hours worked during the COVID state of emergency (1/1/21 to 6/16/2021) do not count against the annual limit but are included for statistical purposes. For this reason, no retirees were subject to a penalty

Notes: 1. **This data has not been audited**; 2. Because some retirees worked for multiple employers and/or had part-time employment in multiple member groups, the total number of retirees in particular groupings will differ slightly from the aggregate data; 3. Although exempt retirees (i.e., bailiffs, court security officers and retirees in full-time positions that are not subject to mandatory enrollment) are not subject to the annual limit on work hours, their wage and hour information is included in this summary pursuant to RSA 100-A:16 VII(a).