

**Note:** These minutes from the January 26, 2024, Legislative Committee meeting were approved at the September 30, 2024, meeting of the Legislative Committee.

**NHRS Legislative Committee of the Board of Trustees  
January 26, 2024  
PUBLIC MINUTES**

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

*As the Committee members were participating electronically pursuant to RSA 100-A:14-a, all votes were by roll call pursuant to RSA 91-A.*

*Committee Members participating:* Ken Merrifield, Chair, Jon Frederick, Sue Hannan, Andrew Martineau, and Joshua Quigley.

Other Trustees attending: Germano Martins, (via videoconference).

*Staff:* Jan Goodwin, *Executive Director*; Marty Karlon, *Director of Communication and Legislative Affairs*; Tim Crutchfield, *Deputy Director and Chief Legal Counsel* (via videoconference); Mark Cavanaugh, *Associate Counsel and Compliance Officer* (via videoconference); Diana Crichton, *Hearings Examiner* (via videoconference); John Laferriere, *Director of IT*; and Raynald Leveque, *Chief Investment Officer*.

Chair Merrifield called the meeting to order at 2:00 p.m. and having established a quorum, Chair Merrifield called for a motion to accept the Committee minutes of August 4, 2023. On a motion by Trustee Frederick, seconded by Trustee Hannan, the Committee voted to approve the minutes, as presented, with one abstention.

Chair Merrifield opened the meeting and asked Mr. Karlon to provide a final update on 2023 legislation.

Mr. Karlon provided a synopsis of 16 bills, 14 in 2024 and 2 held from 2023.

Trustee Frederick inquired about HB 1211 regarding an expansion of the part-time hours worked for retirees. Mr. Karlon said the House ED & A held a hearing last week and had nothing to report.

Mr. Karlon highlighted three bills related to investments that staff believes may have fiduciary implications. Staff is asking the Legislative Committee to consider recommending to the full Board of Trustees that it oppose these bills at its February 13 meeting.

- HB 1421 requires the NHRS Board of Trustees to contract for two investment consulting firms and review their performance. Mr. Karlon noted, at a recent hearing on the bill, he gave a general testimony to clarify NHRS investment operations. .
- HB 1267 prohibits the investment of funds of the state treasury, executive branch agencies, and the state retirement system in investments which

consider environmental, social, and governance (ESG) criteria. Mr. Karlon expressed staff's concern about the impact this bill could have on the retirement system, noting the bill would limit and possibly breach NHRS's fiduciary duty to ensure the viability of the plan for its members and beneficiaries. A hearing on this bill will be held January 30.

- Senate Bill (SB) 520 requires state and local public retirement systems to discharge its duties solely in the financial interest of the participants and beneficiaries. Mr. Karlon reiterated NHRS's fiduciary responsibility to its members and beneficiaries as modeled by the Internal Revenue Code, which allows NHRS to be a qualified plan. He mentioned staff expressed concern on the bill and its potential to limit investments and NHRS's duty to act solely in the best interest of its members.

Chair Merrifield entertained a motion for the Legislative Committee to recommend to the full Board that it formerly oppose House Bill 1267, House Bill 1421, and Senate Bill 520, as these proposals could interfere with the Board's fiduciary duty and prudence to make all decisions solely in the interest of the participants and beneficiaries and to direct our staff to produce appropriate language for the Board to consider at its next meeting.

On a motion by Trustee Frederick, seconded by Trustee Hannan, the Committee voted unanimously to approve the motion.

Mr. Karlon provided an overview of SB 134 retained last year regarding creating a new tier of disability for members violently injured in the line of duty. He reported staff would be reaching out to the bill sponsor, and they sent out a fiscal note worksheet last week on the bill, as guidance on the technical issues and to help clarify the language surrounding the type of injury.

Mr. Karlon gave a synopsis of other bills, including SB 309 on the five-year vesting for state employees. A robust discussion followed on the potential actuarial impact. Mr. Karlon then provided a status update on HB 1647 relative to the Group II multiplier.

Trustee Frederick commented on a bill that proposes community college fire educators' eligibility for Group II membership and a brief discussion ensued.

With no further business to discuss, on a motion by Trustee Hannan, seconded by Trustee Frederick, the Committee unanimously voted to adjourn the meeting.

Respectfully submitted,

Marty Karlon,  
Director of Communication and Legislative Affairs