



City of Cincinnati Retirement System Board of Trustees Meeting

Agenda

**February 5, 2026 / 2:00 P.M.
City Hall, Council Chambers and via Zoom**

Members

Bill Moller, Chair
Tom Gamel, Vice Chair
Kathy Rahtz
Mark Menkhaus, Jr.
Monica Morton
Aliya Riddle
Sonya Morris
Tom West
Seth Walsh

CRS Staff

Jon Salstrom

Law

Kevin Frank

Call to Order

Public Comment

Approval of Minutes

- January 8, 2026 (2-3)

Report on Investment Committee

Informational – Staff Report

- Marquette Investment Report (4-6)
- Staff Update
- Stabilization Fund Update

Old Business

- Finalize Funston Recommendation including CEM Benchmarking suggestions (10-16)

New Business

- Approval of QEBA Trust Agreement (27-43)
 - Review IRC 415B

Adjournment

Next Meeting: Thursday, March 5, 2026, 2:00 P.M. City Hall Council Chambers and via Zoom



City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
February 5, 2026 / 2:00 P.M.
City Hall – Council Chambers and remote

Board Members

Bill Moller, Chair
Tom Gamel, Co-Chair
Kathy Rahtz
Mark Menkhaus Jr.
Monica Morton
Seth Walsh
Aliya Riddle
Sonya Morris
Tom West

Administration

Jon Salstrom

Law

Kevin Frank

CALL TO ORDER

Chair Moller called the meeting to order at 2:01 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, Riddle, Morris, and West were present. Trustee Walsh was absent.

PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Trustee Menkhaus moved to approve the minutes of the Board meeting of January 8, 2025. The motion was seconded by Trustee Morton. The minutes were approved by unanimous roll call vote.

Report on Investment Committee

Informational – Staff Report

Marquette Investment Report

1-year return 17% close to benchmark. More than 7.5% actuarial rate.

Staff Update

Admin Specialist posted. Closing 2/18. Investment Analyst posted before end of February.

Stabilization Fund Report

Approved by Budget & Finance and Council.

Old Business

Finalize Funston Recommendation including CEM Benchmarking suggestions

Generally all have been moved to complete. 4.3 waited until CEM Benchmarking was complete.

New Business

Approving of QEBA Trust Agreement (Review IRC 415B)

Adjournment

Following a motion to adjourn by Trustee Morton and seconded by Trustee Menkhaus. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 2:22 p.m.

Meeting video link:

Next Meeting: Thursday, March 5, 2026, at 2:00 p.m. – City Hall Council Chambers and via Zoom

Secretary



Cincinnati Retirement

Monthly Report

Executive Summary
December 31, 2025

Total Fund Composite

Monthly Report

As of December 31, 2025

	Market Value	% of Portfolio	Policy %	Target Allocation	Difference		Last Month
Fixed Income Composite	606,160,920	24.1	22.5	567,007,979	39,152,942		
Private Debt Composite	150,346,620	6.0	8.0	201,602,837	-51,256,217		
U.S. Equity Composite	576,495,460	22.9	24.0	604,808,511	-28,313,051		
Non-U.S. Equity Composite	419,978,867	16.7	15.0	378,005,319	41,973,548		
Volatility Risk Premium Composite	61,778,167	2.5	4.0	100,801,418	-39,023,251		
Real Estate Composite	155,639,091	6.2	6.0	151,202,128	4,436,964		
Infrastructure Composite	248,863,162	9.9	7.0	176,402,482	72,460,679		
Private Equity Composite	281,981,112	11.2	13.5	340,204,787	-58,223,675		
Total Fund Composite	2,520,035,461	100.0	100.0	2,520,035,461			

	1 Mo	3 Mo	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	SI	Inception Date
Total Fund Composite	0.8	2.0	13.7	11.7	11.8	8.3	9.8	8.7	8.9	Jun 85
Target Benchmark	0.6	2.2	14.0	11.6	11.6	7.6	9.7	8.7	-	
Actuarial Rate 7.5%	0.6	1.8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	
Fixed Income Composite	-0.1	1.2	8.3	5.2	5.7	0.9	3.3	3.5	5.1	Dec 95
Blmbg. U.S. Aggregate Index	-0.1	1.1	7.3	4.2	4.7	-0.4	2.0	2.0	4.3	
Private Debt Composite	0.0	0.0	5.2	8.4	9.8	3.3	-	-	5.4	Oct 20
Blmbg. U.S. Aggregate Index	-0.1	1.1	7.3	4.2	4.7	-0.4	2.0	2.0	-0.2	
MSCI Private Capital Global Private Debt	0.0	0.0	7.2	7.2	8.2	8.7	8.0	8.1	9.5	
U.S. Equity Composite	0.2	2.8	17.2	19.4	20.3	13.7	15.4	13.1	10.0	Mar 89
Russell 3000 Index	0.0	2.4	17.1	20.4	22.2	13.1	16.6	14.3	11.1	
Non-U.S. Equity Composite	3.1	4.2	31.6	17.9	17.1	8.4	9.7	8.2	6.5	Jun 93
MSCI AC World ex USA (Net)	3.0	5.1	32.4	18.2	17.3	7.9	10.1	8.4	-	
Volatility Risk Premium Composite	1.5	3.9	11.7	12.1	13.1	-	-	-	7.9	Feb 22
Cboe S&P 500 PutWrite Index	1.1	4.8	9.2	13.4	13.7	10.6	9.7	8.0	8.8	
Real Estate Composite	0.0	0.5	3.6	1.2	-2.6	3.6	3.7	5.0	4.8	Sep 07
NFI-ODCE	0.2	0.7	2.9	0.3	-4.3	2.5	2.5	3.9	3.7	
NCREIF Property Index	1.2	1.2	4.9	2.6	-1.0	3.8	3.8	4.8	5.5	
Infrastructure Composite	2.3	2.3	9.5	8.8	9.1	9.1	9.3	7.2	8.5	Sep 08
3 Month T-Bill +4%	0.7	2.0	8.3	8.9	9.0	7.3	6.8	6.3	5.4	
Private Equity Composite	0.0	0.0	7.6	7.7	8.4	10.8	12.4	12.5	8.8	Aug 93
MSCI Private Capital Global All Private Equity	0.0	0.0	9.5	7.6	7.0	9.5	13.8	13.8	14.9	

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December 3, 2025

To: Mayor and Members of City Council
From: Sheryl M. M. Long, City Manager
Subject: Emergency Ordinance – FY 2025 Carryover to FY 2026 – Recommended Transfers and Appropriations

Attached is an Emergency Ordinance captioned:

AUTHORIZING the transfer of \$2,761,207 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of Working Capital Reserve Fund 754 to increase the City's working capital reserve; **AUTHORIZING** the transfer of \$2,478,755 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2585, "Economic Downturn Reserve," to increase the City's emergency reserve; **AUTHORIZING** the transfer of \$17,763,995 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2580, "Reserve for Weather Events, Other Emergency and One-Time Needs," to provide resources for unanticipated emergencies, including those caused by unusual weather events, to increase the City's reserve and for one-time needs; **AUTHORIZING** the transfer and appropriation of \$5,000,000 from the unappropriated surplus of General Fund 050 to Department of Community and Economic Development non-personnel operating budget account no. 050x164x7200 to provide resources for the Cincinnati Development Fund to use for affordable housing initiatives; **AUTHORIZING** the transfer and appropriation of \$2,000,000 from the unappropriated surplus of General Fund 050 to the City Manager's Office fringe benefits operating budget account no. 050x101x7500 to provide a one-time contribution to address the City's pension obligation to the Cincinnati Retirement System; **AUTHORIZING** the transfer of \$500,000 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2535, "Reserve for Operating Budget Contingencies," to provide resources for subsequent appropriation for one-time unforeseen operating needs that arise during the remainder of the current fiscal year; **ESTABLISHING** new balance sheet reserve account no. 050x2581 within the General Fund 050, "Reserve for Special Events Support," to provide resources for subsequent appropriation by Council for identified one-time support for special events or as part of the next annual budget cycle; **AUTHORIZING** the transfer of \$500,000 from the unappropriated surplus of General Fund 050 to newly established balance sheet reserve account no. 050x2581, "Reserve for Special Events Support," to provide resources for subsequent appropriation by Council for identified one-time support for special events or as part of the next annual budget cycle; **AMENDING** Ordinance No. 323-2022 which established balance sheet reserve account no. 050x3440 within the General Fund 050, "Infrastructure and Capital Project Reserve," to expand the purpose of the

balance sheet reserve account to provide resources for identified one-time infrastructure and capital projects for City-owned assets, including but not limited to fleet and other equipment, facilities, and technology; **AUTHORIZING** the transfer of \$1,006,417 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x3440, "Infrastructure and Capital Project Reserve," to provide resources for subsequent appropriation by Council for identified one-time infrastructure and capital projects for identified urgent needs or as part of the next annual budget cycle; **ESTABLISHING** new balance sheet reserve account no. 050x2582 within the General Fund 050, "Housing and Economic Development Capital Project Reserve," to provide resources for subsequent appropriation by Council for identified one-time capital or permanent improvement projects supporting housing and economic development for identified urgent needs or as part of the next annual budget cycle; **AUTHORIZING** the transfer of \$1,006,417 from the unappropriated surplus of General Fund 050 to newly established balance sheet reserve account no. 050x2582, "Housing and Economic Development Capital Project Reserve," to provide resources for subsequent appropriation by Council for identified one-time infrastructure and capital projects supporting housing and economic development for identified urgent needs or as part of the next annual budget cycle; **AUTHORIZING** the transfer of \$1,063,294 from General Fund balance sheet reserve account no. 050x2580, "Reserve for Weather Events, Other Emergency and One-Time Needs," to the unappropriated surplus of General Fund 050; and **AUTHORIZING** the transfer and appropriation of \$1,063,294 from the unappropriated surplus of General Fund 050 to the City Manager's Office non-personnel operating budget account no. 050x101x7400 to provide resources for Human Services funding, which was funded in FY 2025 but not encumbered before June 30, 2025.

This Emergency Ordinance would authorize the various transfers and appropriations as recommended in the FY 2025 Carryover to FY 2026 Report (Item #202502048) which includes the following transfers and appropriations:

Application of FY 2025 Carryover Balance

Cash Basis Carryover Balance FY 2025	\$ 42,174,903
Uses of Carryover Balance	
Application of Stabilization Funds Policy:	
Less General Fund Carryover Balance (1.5% of operating revenue)	\$ 9,158,112
Less Transfers to Reserve Accounts:	
General Fund Contingency Account (2.30% of operating revenue)	\$ 1,140,227
General Fund Contingency Account for one-time needs	\$ 16,623,768
Economic Downturn Reserve (5% of operating revenue)	\$ 2,478,755
Working Capital Reserve (8.2% of operating revenue)	<u>\$ 2,761,207</u>
Total Reserve Transfer from Stabilization Funds Policy	\$ 23,003,957
Carryover Balance Less Total Applied to Stabilization Funds Policy	<u>\$ 10,012,835</u>
Less Modified Waterfall Uses:	
CRS Pension Contribution	\$ 2,000,000
Affordable Housing Trust Fund	\$ 5,000,000
Special Events Support Account	\$ 500,000
Operating Contingencies Account	<u>\$ 500,000</u>
Balance Available	<u>\$ 2,012,835</u>
Less One-Time Uses:	
Housing and Economic Development Capital Project Reserve	\$ 1,006,417
Infrastructure and Capital Project Reserve	<u>\$ 1,006,417</u>
Balance Available	<u>\$ -</u>

Additional information regarding the overview of the City of Cincinnati's financial condition for the fiscal year (FY) ending June 30, 2025, can be found in the Department of Finance Report for the Fiscal Year Ended June 30, 2025 (unaudited) (Item #202502046).

The reason for the emergency is the immediate need to implement the Stabilization Funds Policy and provide appropriations for necessary expenditures described herein as soon as possible.

cc: William "Billy" Weber, Assistant City Manager
 Andrew Dudas, Budget Director
 Steve Webb, Finance Director

Attachments



Cincinnati Retirement System Board of Trustees

IRC 415B Overview

CINCINNATI RETIREMENT SYSTEM

→Introduction to IRC 415B

- **What is IRC 415B?**
 - A section of the U.S. Internal Revenue Code that places limits on individual benefits from defined benefit pension plans.
 - Ensures pension plan benefits stay within tax-advantaged limits.
- **Why is it Important?**
 - Maintains equity in tax-deferred retirement savings.
 - Helps manage costs for employers and governments.
 - Maintain Qualified Governmental Plan Status
 - Impact on Highly Compensated Employees (HCEs)
 - Limits ensure HCEs in public pension plans don't receive disproportionately high benefits.

CINCINNATI RETIREMENT SYSTEM

→ Benefit to Plan and Participants

- **Qualified Governmental Plan Status**
 - Retaining **qualified plan status** under IRC 401(a) is critical for CRS and similar systems.
- **Benefits of Qualified Status:**
 - **Tax deferral** on employer contributions until distributions are made.
 - **Tax-free earnings** within the trust.
 - Favorable tax treatment during member distributions, e.g., **rollovers**.
 - **Employer contributions** exempt from employment taxes.

CINCINNATI RETIREMENT SYSTEM

→Key Provisions to IRC 415B

- **Annual Benefit Limits**
 - Maximum annual benefit for 2024 is **\$275,000** (age 65 retirement).
 - Subject to annual cost-of-living adjustments (COLAs).
- **Early Retirement**
 - Benefit limits are reduced proportionally for retirement before age 65.
 - Special provisions for public safety employees retiring before 55.
- **Late Retirement**
 - For participants retiring after 65, limits can increase to reflect the additional service and delayed payout.
- **Aggregation of Benefits**
 - If a participant is covered by multiple defined benefit plans, the benefits must be combined to apply the limits.

CINCINNATI RETIREMENT SYSTEM

→Summary of IRC 415B

- **IRC 415(b) Compliance is Essential:**
 - Retaining qualified status brings significant tax advantages to both employers and plan members.
- **Avoiding Disqualification:**
 - Compliance with IRC 415 benefit and contribution limits is mandatory to prevent the risk of disqualification.
- **Correction Opportunities:**
 - New flexibility for correcting overpayments under **SECURE 2.0**.

CINCINNATI RETIREMENT SYSTEM

→Background of IRC 415b and CRS

- Historically, only a small number of CRS retirees exceed this limit.
- IRC 415B allows the plan sponsor to pay the full benefit but only the Trust can pay up to the 415B limit and exceeding amount must be paid by the plan sponsor (the city) - from a QEBA trust (Qualified Excess Benefit Arrangement).
- The City will inject, through the stabilization fund, money into the trust that refunds the plan for the paid benefit above the 415B limit historically and pay future 415B overage from the QEBA trust.

CINCINNATI RETIREMENT SYSTEM

→Steps for Compliance

- 1) Actuarial work to calculate historical payments
- 2) Set up a QEBA trust
- 3) Ensure operation setup to pay future payments
- 4) Payment to CRS Trust – Stabilization fund payment
- 5) Report to IRS

Funston Performance Audit - Summary of Recommendations

				Assignment								
				Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
1. Legal and Regulatory											<u>Status</u>	
1.1	Improve definition and clarity of roles and authorities of:			Completed	X	X						
				Completed	X	X						
				Completed	X	X						
				Completed		X						
				Completed		X						
				Completed		X						
1.2	The City should expand Board of Trustees personnel authorities to align with the Board's responsibilities, for example, naming the CRS Director as a direct report to the Board, with authority to hire/fire, evaluate, and set compensation.			Completed		X						
1.3	The City Solicitor should provide the Board of Trustees with independent external legal counsel or establish a policy and process that allows CRS to retain independent external counsel and/or hire internal CRS counsel to address potential conflicts of interest associated with the City Solicitor's representation of other clients on the same matters.			Completed		X	X					
1.4	Confirm the Board's authority, as the named fiduciary, to contract with actuaries, investment consultants, investment managers, custodial banks, benefit providers, and legal counsel, all of which require unique pension and investment expertise.			Completed		X	X					
1.5	The City Manager should allow CRS trustees who are not City employees to vote on CRS procurement decisions; the Board, as fiduciaries, should have final authority on those decisions.			Completed		X	X					
1.6	If the CRS Board is not given authority to hire/fire/evaluate/compensate the Director, work with the City Manager to develop a Memorandum of Understanding that addresses the City Manager's role as a potential fiduciary and formalizes procedures where the Board and City Manager, Finance Director or other officers have overlapping responsibilities (e.g., setting goals for and evaluating the Executive Director); CRS may need to consider options for engagement of independent fiduciary legal counsel to assist with this initiative.			Completed		X	X					
<p>GREEN - SHORTER TERM COMPLETION RED - LONGER TERM COMPLETION Board - CRS Board has authority to complete Board, Adm. - CRS Board and City Administration have shared authority to complete Priority - CRS Board priority to complete as soon as possible Note: Some Recommendations may require CSA update.</p>												
2. Governance Framework											<u>Status</u>	
2.1	Aggregate and organize the Board policies from all sources into a Board Governance Manual with online access and links to underlying document provisions; include the mission statement, goals, trustee responsibilities, committee charters and the Code of Ethics.			Completed		X	X					
2.2	Develop new policies or formalize current policies and practices for:			Completed		X						
				Completed		X						
				Initiated			X					
				Completed		X						
				Completed			X					
				Completed			X					

		Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
• Succession planning, in cooperation with relevant City appointing authorities		Completed		X						
• Business continuity and resumption		Completed		X						
• Independent governance and benchmarking reviews		Completed		X						
• External communications by Board members		Completed		X						
• Due diligence and reporting for referral of service provider candidates by trustees, along with limits on candidate contacts with trustees during an RFP process		Completed		X						
2.3 Reduce the size of each committee to three or five members to better utilize trustee time.		Completed		X						
2.4 Adopt a consent agenda for approval of routine business and reports.		Completed		X						
2.5 Conduct periodic board retreats for more in-depth discussion on key topics, conducting board self-evaluations and executive director evaluations, and trustee education.		Completed		X						
2.6 Following implementation of the recommendations in this report, conduct a biennial self-evaluation process, potentially with external assistance; this process should help to inform educational priorities.		Completed		X						
2.7 Define ongoing training requirements for Board members, including onboarding plan for new trustees and required fiduciary training; link training to board self-assessment findings and the calendar of Board agenda action items.		Completed		X		X				
2.8 Formalize a CRS stakeholder communications plan that identifies key stakeholders, communications responsibilities, and messages and objectives.		Completed		X						
2.9 Issue new system email accounts to be used by trustees for all CRS-related business.		Completed		X		X				
2.10 Discuss with the Director and the investment consultant how reporting could be improved and executive summaries better utilized to enhance trustee understanding and insight.		Completed		X		X				
2.11 Appoint a Board Audit Committee with oversight of internal and external audits to commission an independent financial audit and obtain internal audit services from the City Internal Audit Department and/or an independent firm; include oversight of enterprise performance and risk in the committee charter responsibilities.		Completed		X		X				

3. Investment Program and Operations

3.1 Develop a separate Statement of Investment Beliefs (SIB) to guide development and implementation of the strategic asset allocation.	Completed	X								
3.2 Develop a liquidity policy as part of the Investment Policy Statement (IPS) to ensure that the cash needs of the organization are effectively and efficiently met.	Completed	X		X						
3.3 Develop a separate IPS for the 115 Trust (Health Care Trust) that reflects the unique liability structure of the 115 Trust.	Completed	X		X						
3.4 Extend the time horizon for the strategic asset allocation to 3-5 years and only make changes to the target asset allocation as part of a comprehensive Asset Liability Study.	Completed	X								
3.5 Include a more comprehensive rebalancing policy in the IPS that describes how rebalancing is linked to the Board's investment philosophy and what the process should be.	Completed	X								
3.6 Discuss with Marquette Associates how reporting might be improved through development of an introductory executive summary, with an exception reporting approach, to the quarterly reporting package focused on actual performance compared to the IPS.	Completed	X		X						

4. Pension Operations

4.1 Clarify the Board's responsibilities and role (or lack thereof) in pension and benefits administration.	Completed	X	X							
4.2 Consider if pension staffing resources and capabilities should be improved through Implementation of a member contact center telecommunications system.	Completed		X	X						
4.3 Develop a long-term plan with service, performance, and cost objectives, to ensure that member self-service, website redesign, and other improvements, are all developed and implemented in a coordinated manner and achieve desired results.	Initiated		X							
4.4 Charter a pension administration cost and performance benchmarking report.	Completed		X							
4.5 Consult with its actuary and determine if an adjustment to the investment assumed rate of return should be recommended.	Completed			X						
4.6 Develop and adopt a formal actuarial and funding policy describing responsibilities and frequency of actuarial and asset/liability study processes and addressing investment, demographic and benefit risks.	Completed		X		X					

	<u>5. Administrative Operations</u>	Board	Board, Adm.	Priority	Board	Governance	IC	Staff	Performance evaluation	Audit
5.1	Develop succession planning and implement a cross training program for staff to minimize key person risk and enhance staff development.	Completed		X						
5.2	Work with the City Administration and the Law Department to delegate authority to the CRS Board to engage external counsel to obtain more timely legal support or unique expertise when appropriate. See also Recommendation 1.3.	Completed		X	X					
5.3	Develop a long-term IT plan that identifies future needs.	Completed		X						
5.4	Work with the City Enterprise Technology Solutions (ETS) Department to ensure security is adequate and tested.	Completed		X	X					
5.5	Update the documented disaster recovery plan.	Completed		X	X					

6. Compliance

6.1	Assign leadership, training, and monitoring responsibilities for compliance to ensure compliance with conflict of interest and ethics policies.	Completed		X	X					
6.2	Develop a repository of risk-ranked compliance requirements.	Completed		X						
6.3	Establish tracking mechanisms to identify and escalate non-compliance.	Completed		X						

GREEN - SHORTER TERM COMPLETION
RED - LONGER TERM COMPLETION

Board - CRS Board has authority to complete
Board, Adm. - CRS Board and City Administration have shared authority to complete
Priority - CRS Board priority to complete as soon as possible

Note: Some Recommendations may require CSA update.



Cincinnati Retirement System: CEM Recommendations

February 2026

CINCINNATI RETIREMENT SYSTEM

→ CEM Key Suggestions

- One-on-one Counseling
- Feedback Surveys
 - One-on-one counsel
 - New Employee Orientation
 - Retirement 101
- Improve User Interface Experience Via:
 - Member Direct
 - CRS Website

CINCINNATI RETIREMENT SYSTEM

→CRS Implementation

- Retirement counseling request form can be accessed and submitted to us through an online form in Member Direct (MD).
- Update Forms section of MD to be submittable forms (currently forms can only be downloaded and must be manually submitted to us).
- We can make most of our forms, especially for retirees available as online forms (tax withholding, change of address, update personal information).
- For active employees, service purchase applications, as well as DROP and Retirement applications to be submitted through MD, which will streamline the process and remove redundancies.

CINCINNATI RETIREMENT SYSTEM

→CRS Implementation Roadmap

Initiative	Description	Ownership	Expected Benefit	Target Timing
Deploy Standardized Feedback Surveys	Provide members with 3-5 questions surveys following one-on-one sessions, new employee orientation and retirement 101 sessions	CRS Staff	Provides Real-time insights into member experiences and identification of service gaps and training opportunities with data driven enhancements.	1Q'26
Online Retirement Counseling Request Form	Enable members to access and submit retirement counseling requests through an online form within Member Direct (MD)	CRS Staff and ETS	Improves accessibility, reduces manual intake, and enhances tracking	2Q'26
Convert MD Forms Section to Submittable Forms	Update the Forms section in MD to allow forms to be completed and submitted electronically (currently forms are download-only and require manual submission)	CRS Staff and LRS	Streamlines workflows, reduces paper handling, and improves processing efficiency	3Q'26
Expand Online Forms for Retirees	Make key retiree forms available as online submissions, including tax withholding, change of address, and personal information updates	CRS Staff and LRS	Faster updates, fewer errors, and improved member experience	4Q'26
Expand Online Forms for Active Employees	Enable service purchase applications, DROP applications, and retirement applications to be submitted directly through MD	CRS Staff and LRS	Eliminates redundant data entry, shortens processing timelines, and improves accuracy	4Q'26

Via Electronic Mail

July 19, 2024

Mr. Jon Salstrom, CFA
Executive Director
Cincinnati Retirement System
801 Plum Street, Suite 328
Cincinnati, Ohio 45202

Re: 2024 IRC §415 Limit for In-Pay Participants

Dear Jon:

As requested, we have assessed whether any current in-pay participants in the Cincinnati Retirement System (the System) have benefits expected to exceed the benefit limits imposed under Internal Revenue Code §415 for 2024.

We have identified the three retirees listed in the table below for whom these limits are expected to apply.

Pension Number	Last Name	Age at Retirement ¹	(a) Projected Total Benefits in 2024	(b) Adjusted §415 Limit for 2024	(c) = (a) – (b) Difference (to be paid from QEBA)
!!!!	XXX	60.00	\$ 259,691.22	\$ 238,683.80	\$ 21,007.42
!!!!	XXX	49.67	177,183.39	121,066.75	56,116.64
!!!!	XXX	52.75	175,170.72	147,190.47	27,890.25

¹ Per IRS regulations, age at retirement for purposes of adjusting §415 limits are based on completed years and months as of the annuity start date.

For these members, whose projected benefits are expected to exceed the appropriate dollar limitation amount in 2024, the amount shown in column (b) should be paid from the qualified plan of the System and the amount shown in column (c) should be paid from a Qualified Excess Benefit Arrangement (QEBA). The final amount will depend on the actual amount paid to the participant. The System should monitor the accumulated amount paid to each of these participants during the year and once the limit is reached, the remaining amounts should be paid from a QEBA.

In addition to identifying the members in payment status whose benefits currently exceed their applicable dollar limitation, we also identified seven in-pay participants whose benefits do not currently exceed this limit but are within 15% of the limit. These individuals are listed below along with information about their benefits and limitations. Any portion of the benefit paid in excess of the adjusted IRC §415 limit for 2024, if any, will need to be paid from a QEBA.

Pension Number	Last Name	Age at Retirement ¹	(a) Projected Total Benefits in 2024	(b) Adjusted §415 Limit for 2024	(c) = (a) ÷ (b) Projected Benefit as % of 415 Limit
1		56.42	\$ 168,063.67	\$ 186,802.61	90%
2		49.50	103,663.28	119,828.25	87%
2		50.33	111,517.96	126,177.05	88%
4		48.17	96,320.51	110,428.27	87%
5		48.00	98,088.47	109,311.76	90%
6		49.75	109,723.14	121,691.01	90%
7		49.75	116,184.84	124,564.52	93%

¹ Per IRS regulations, age at retirement for purposes of adjusting §415 limits are based on completed years and months as of the annuity start date.

Background

The Internal Revenue Code §415 provides that a qualified pension plan cannot pay benefits in excess of certain dollar limitations. The limitation in effect for the 2024 calendar year is \$275,000. While this appears to be a very high limit, it is reduced for retirements at ages less than 62, which some members are eligible to do under the System's retirement provisions. For instance, some members are eligible to retire as early as age 55 upon attaining 25 years of service. As an example of the impact of the required reductions to the limit for retirements prior to age 62, the 2024 limit of \$275,000 is reduced to approximately \$172,000 for participants retiring in 2024 at age 55.

For a government plan, no adjustment is made for commencement of benefits before age 62 on account of the participant's becoming disabled by reason of personal injuries or sickness, or as a result of the death of the participant. In addition to any adjustment for a participant's retirement age, the limit may also be adjusted for forms of payment. However, no adjustment is made where the optional form elected has the Qualified Spouse as the beneficiary.

Any adjustments made to the IRC §415 dollar limitation was based on the IRC §417(e)(3) applicable mortality table in effect as of the participant's annuity start date and a 5% interest rate. Per IRS regulations, no adjustment was made to reflect the probability of a participant's death after the annuity start date and before age 62 since the System does not charge participants for providing a qualified preretirement survivor's annuity (QPSA).

Lastly, IRS regulations state that if the Plan's early retirement factors result in a lower §415 limit for annuity start dates before age 62 than using the IRC §417(e)(3) assumptions, then that lesser amount must be used when testing a member's benefit. The System provided early retirement factors for ages 55 through Normal Retirement Age for retirement periods in effect as far back as 2009. Based on our analysis, for the individuals shown in this letter, the Plan's early retirement factors did not result in a lower IRS §415 limit.

Information Used

The IRC §415 testing was based on the data provided for the December 31, 2023 Actuarial Valuation. We then adjusted the benefits for the simple 3% COLA that is expected to be paid in 2024, effective on the participant's anniversary date of the member's retirement, assuming they are eligible for COLA. If the total benefit amounts actually paid during 2024 are different than the amounts shown in this letter, the results will change.

Disclosures

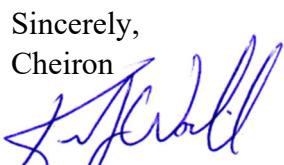
In preparing our letter, we relied on information, some oral and some written, supplied by the Cincinnati Retirement System (System). This information includes, but is not limited to, the Plan provisions, employee data, and financial information provided for the December 31, 2023 actuarial valuation. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, Data Quality.

This letter and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this letter. This letter does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This letter was prepared exclusively for the Cincinnati Retirement System for the specific and limited purpose described herein. Other users of this letter are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Please let us know if you have any questions.

Sincerely,
Cheiron


Kevin Woodrich, FSA, EA, MAAA
Principal Consulting Actuary



Janet Cranna, FSA, EA, MAAA
Principal Consulting Actuary

cc: John Dietz



Via Electronic Mail

July 19, 2024

Mr. Jon Salstrom, CFA
Executive Director
Cincinnati Retirement System
801 Plum Street, Suite 328
Cincinnati, Ohio 45202

Re: 2024 IRC §415 Limit for In-Pay Participants

Dear Jon:

As requested, we have assessed whether any current in-pay participants in the Cincinnati Retirement System (the System) have benefits expected to exceed the benefit limits imposed under Internal Revenue Code §415 for 2024.

We have identified the three retirees listed in the table below for whom these limits are expected to apply.

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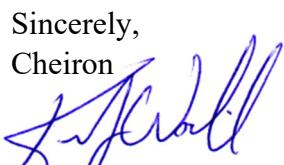
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Please let us know if you have any questions.

Sincerely,
Cheiron


Kevin Woodrich, FSA, EA, MAAA
Principal Consulting Actuary



Janet Cranna, FSA, EA, MAAA
Principal Consulting Actuary

cc: John Dietz





Cincinnati Retirement System Board of Trustees

IRC 415B Overview

CINCINNATI RETIREMENT SYSTEM

→ What is IRC 415B

IRC 415(b) is a federal tax rule that limits how much annual pension benefit can be paid from a tax-qualified defined benefit plan.

- Applies to **individual retirees**, not the plan as a whole
- Designed to preserve the tax-advantaged status of pension trusts
- Primarily affects **highly compensated employees**

CINCINNATI RETIREMENT SYSTEM

→ Why it Matters to CRS

Compliance with IRC 415(b) is required to:

- Maintain CRS's **qualified governmental plan status** under IRC 401(a)
Preserve:
 - Tax-free investment earnings
 - Tax-deferred benefits for members
 - Favorable employer tax treatment

Noncompliance creates IRS risk and potential tax exposure.

CINCINNATI RETIREMENT SYSTEM

→Key Provisions to IRC 415B

2026 annual benefit limit: \$290,000 at age 65

- Limit is:
 - Indexed annually for inflation
 - Reduced for early retirement
 - Increased for retirement after age 65

Special adjustments apply for certain **public safety employees**

If a member participates in multiple defined benefit plans, benefits must be **aggregated** for testing.

CINCINNATI RETIREMENT SYSTEM

→How CRS Handles Benefits Above Limit

CRS retirees receive their **full earned benefit**

- However:
 - The **CRS Trust may only pay up to the IRC 415(b) limit**
 - Any amount **above the limit must be paid by the City**

This excess benefit is paid through a:

- **Qualified Excess Benefit Arrangement (QEBA)**

CINCINNATI RETIREMENT SYSTEM

→Compliance and Recent Updates

Historically, only a limited number of CRS retirees have exceeded the IRC 415B limit

In 2025, the city, through the stabilization fund, refunded the CRS plan for the paid benefits above the 415B limit historically.

- **Bringing the plan into compliance to date**

CINCINNATI RETIREMENT SYSTEM

→Going forward, Steps for Compliance

- Actuarial work to calculate calendar year payments
- Ensure operation setup to pay future payments
- Set up a QEBA trust for ongoing future payments
- Appropriate funds from the general fund each budget cycle

**CINCINNATI RETIREMENT SYSTEM
TOTAL RETIREMENT BENEFITS ARRANGEMENT PLAN AND TRUST**

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**CINCINNATI RETIREMENT SYSTEM
TOTAL RETIREMENT BENEFITS ARRANGEMENT PLAN AND TRUST**

ARTICLE I.

ESTABLISHMENT OF PLAN AND TRUST

1.01. Establishment Of Plan and Trust. The "City of Cincinnati Total Retirement Benefits Arrangement" ("Arrangement") was established effective June 28, 2000, pursuant to Section 415 of the Internal Revenue Code ("Code") and the provisions of Section 203-125 of the Cincinnati Municipal Code ("CMC") and is intended to be a qualified excess benefit arrangement ("QEBA") under Code Section 415(m). The Trust is used by the portion of the Retirement System that constitutes a qualified excess benefit arrangement pursuant to Code Section 415(m). This Plan and Trust document has been adopted by the Board and the Employer to further confirm and clarify the provisions of the Arrangement and Trust, to be consistent with Code Section 415(m) and CMC Section 203-125.

1.02. Purpose. The purpose of this Arrangement is solely to provide the part of a Participant's Retirement Allowance that would otherwise have been payable by the Retirement System except for the limitations of Code Section 415(b). This Arrangement is intended to be a "qualified governmental excess benefit arrangement" within the meaning of Code Section 415(m)(3) and must be interpreted and construed consistently with that intent. This Arrangement is deemed a portion of the Retirement System solely to the extent required under, and within the meaning of, Code Section 415(m)(3) and Chapter 203 of the Cincinnati Municipal Code.

The Trust is established to receive contributions to provide the part of a Participant's Retirement Allowance that would otherwise have been payable from the Retirement System, except for the limitations of Code Section 415(b).

ARTICLE II.

DEFINITIONS AND CONSTRUCTIONS

2.01. Definitions. When the initial letter of a word or phrase is capitalized herein, it has the same meaning as defined below:

- (a) **"Administrator"** means the Executive Director for the Cincinnati Retirement System, or any other entity to whom the Board assigns, or with whom the Board contracts, to provide services to the Arrangement or the Trust.
- (b) **"Arrangement"** means the qualified excess benefit arrangement within the meaning of Code Section 415(m) that is a portion of the Retirement System administered by the Board.
- (c) **"Board"** means the Cincinnati Retirement System Board of Trustees.
- (d) **"Code"** means the Internal Revenue Code of 1986, as amended, as applicable to a governmental plan, or corresponding provisions of any subsequent federal income tax law.
- (e) **"Employer"** means the City of Cincinnati, Ohio, which is a governmental entity as defined in Code Sections 401(a) and 414(d), that sponsors the Retirement System.
- (f) **"Optionee"** means a person designated, in writing and filed with the Board, by the Member at the time of the Member's Retirement, to receive a reduced allowance under Section 203-63 of the Cincinnati Municipal Code. For purposes of this Plan, Optionee includes an Optionee under both a service retirement allowance and a disability retirement allowance.
- (g) **"Participant"** means a Restricted Retired Member or Optionee under the Retirement System who is entitled to benefits under this Arrangement.

- (h) "**Plan Year**" means the calendar year.
- (i) "**Retired Member**" means an individual who is receiving a Retirement Allowance from the Retirement System on account of the individual's membership in the Retirement System.
- (j) "**Retirement Allowance**" means an annual amount payable in monthly installments by the Retirement System, including a service retirement allowance or a disability retirement allowance, whether payable for a temporary period or throughout the life of a Retired Member or Optionee under Chapter 203 of the Cincinnati Municipal Code, without regard to any limitations on such retirement income or benefit under Code Section 415(b).
- (k) "**Retirement Fund**" means the trust fund for the reserves of the Retirement System.
- (l) "**Retirement System**" means the Cincinnati Retirement System, a qualified governmental defined benefit plan administered by the Board as established by Chapter 203 of the Cincinnati Municipal Code, as amended.
- (m) "**State**" means the State of Ohio.
- (n) "**Trust**" means this separate Trust which constitutes a valid trust under the law of the State.
- (o) "**Trustees**" means the trustees of the Trust, serving from time to time in accordance with this Arrangement and Trust. The Trustees shall be members of the Board.
- (p) "**Total Benefits**" means the benefits determined in accordance with Article IV of this Arrangement.

2.02. Construction.

(a) Words used in this Arrangement and Trust in the masculine gender include the feminine gender where appropriate, and words used in in this Arrangement and Trust in the singular or plural include the plural or singular where appropriate.

(b) Whenever any actuarial present value or actuarial equivalency is to be determined under the Arrangement to establish a benefit, it will be based on the same actuarial assumptions used under the Retirement System.

ARTICLE III.

PARTICIPATION

All Retired Members and Beneficiaries of the Retirement System are required to participate in the Arrangement if their Retirement Allowance from the Retirement System for a Plan Year is limited by Code Section 415(b). The Administrator will determine for each Plan Year which Retired Members and Beneficiaries are required to participate in the Plan. Participation in the Arrangement is automatic and will commence each Plan Year once a Retired Member or Optionee has Total Benefits in that Plan Year. Participation in the Arrangement will cease for any portion of a Plan Year in which the Retirement Allowance of a Retired Member or Optionee is not limited by Code Section 415(b) or if all benefit obligations under the Arrangement to the Retired Member or Optionee have been satisfied.

ARTICLE IV.

PAYMENT OF BENEFITS

4.01. Benefit Amount.

(a) A Participant in the Arrangement will receive a benefit in an amount equal to the amount of Retirement Allowance that would have been payable to, or with respect to, a Participant by the Retirement System that could not be paid because of the

application of the limitations on such Retirement Allowance under Code Section 415(b).

Total Benefits under the Arrangement will be paid only if and to the extent the Participant is receiving a Retirement Allowance from the Retirement System.

(b) No election is provided at any time to the Participant, directly or indirectly, to defer compensation or otherwise make contributions under the Arrangement.

4.02. Time for Payment; Form of Benefit. The Administrator will compute and pay from the Trust the Total Benefits in the same form, at the same time, and to the same persons as such benefits would have otherwise been paid as a monthly pension under the Retirement System, except for the Code Section 415 limitations. No election is provided at any time to the Participant, directly or indirectly, to defer compensation under the Arrangement.

4.03. Limitation on Payments from Trust. The Trustees are not responsible for paying Total Benefits other than from contributions from the Employer.

ARTICLE V.

CONTRIBUTIONS AND FUNDING

5.01. Funding. The Arrangement is, and will remain, unfunded and the rights, if any, of any person to any benefits under the Arrangement are limited to those specified herein. The Arrangement constitutes a mere unsecured promise by the Employer to make benefit payments as provided under the Arrangement.

5.02. Contributions.

(a) The Board or Administrator will estimate the amount of contributions necessary to pay the Total Benefits under the Arrangement for each Plan Year. The estimated contribution amount for the Employer will be the aggregate of the Total Benefits payable to all Participants for the Plan Year and an amount determined by the

Board or Administrator to be a necessary and reasonable expense of administering the Arrangement and the Trust. The amount determined to pay the Total Benefits of Participants and administrative expenses may be paid in the manner provided under Section 203-125. Contributions will not be calculated in a manner designed to pay future Total Benefits. Under no circumstances will Employer contributions to fund the Total Benefits be credited to or commingled with contributions paid into and accumulated in the Retirement Fund. Any contributions not used to pay the Total Benefits for a current Plan Year, together with any income accruing to the Trust, will be used, as determined by the Board, to pay the administrative expenses of the Arrangement and the Trust for the Plan Year. Any contributions not used to pay the Total Benefits for the current Plan Year that remain after paying administrative expenses of the Arrangement and the Trust for the Plan Year will be used to fund administrative expenses or benefits of Participants in future Plan Years.

(b) The Administrator will account separately in the Trust for amounts necessary to provide the Total Benefits under the Arrangement for each Participant. However, this separate accounting will not be deemed to set aside these amounts for the benefit of a Participant. Benefits under the Arrangement will be paid from the Trust to the extent funded by the Employer. If the Employer's contributions are inadequate to pay all Total Benefits of Participants from the Trust for the applicable Plan Year, the Administrator may in its sole discretion make a pro-rata distribution of Total Benefits from the Trust, and any remaining Total Benefits owed for the Plan Year will be paid in a subsequent Plan Year.

(c) The consultants, independent auditors, attorneys, and actuaries performing services for the Trustees, the Board, or the Retirement System may also perform services for the Arrangement and the Trust, subject to any applicable procurement policies or procedures. However, any fees attributable to services performed with respect to the Arrangement and the Trust will be payable solely from the Trust.

ARTICLE VI.

TRUST

6.01. Establishment of Trust. The Trust is established as a valid trust under the law of the State, separate from the Retirement Fund, to hold Employer contributions. Contributions to this Trust will be held separate and apart from the funds comprising the Retirement Fund, will not be commingled with assets of the Retirement Fund, and must be accounted for separately.

6.02. Trust Purpose. The Trust is maintained solely to provide Total Benefits under the Arrangement, and to pay administrative expenses of this Arrangement.

6.03. Trust Assets. All assets held by the Trust, including all amounts of Employer contributions made under the Arrangement, all property and rights acquired or purchased with these amounts and all income attributable to these amounts, will be, and remain, the general, unpledged, unrestricted assets of the Trust. The Trust will be held separate and apart from other funds of the Employer, and will be used to pay Total Benefits to Participants and for the Employer's general creditors as set forth in the Arrangement. Participants have no preferred claim on, or any beneficial interest in, any assets of the Trust. Any assets held by the Trust are subject to the claims of the Employer's general creditors under federal and State law in the event of the Employer's insolvency.

6.04. Grantor Trust. The Trust is intended to be a Rabbi Trust and a grantor trust, of which the Employer is the grantor, within the meaning of subpart E, part I, subchapter J, chapter

1, subtitle A of the Code, and will be construed accordingly. This provision will not be construed to create an irrevocable trust of any kind.

6.05. Trust Income. Income accruing to the Trust under the Arrangement constitutes income derived from the exercise of an essential governmental function upon which the Trust is exempt from tax under Code Section 115, as well as Code Section 415(m)(1).

ARTICLE VII.

ADMINISTRATION

7.01. Administrative Authority. The Board, Administrator, and Trustees, respectively (depending on which duties are delegated) have the exclusive authority to control and manage the operation and administration of the Arrangement and Trust, consistent with the provisions of Section 203-125 of the Cincinnati Municipal Code, and the Board shall have all of the powers that are granted to the Board under Chapter 203 and other pertinent provisions of the Cincinnati Municipal Code.

(a) The Board (or through delegation, the Administrator or Trustees, as applicable) has the power and authority (including discretion with respect to the exercise of that power and authority) necessary, advisable, desirable or convenient to enable it:

(1) to establish procedures to administer the Arrangement and Trust not inconsistent with such Plan and Trust and the Code, and to amend or rescind these procedures;

(2) to determine, consistent with the Arrangement and Trust, applicable law, rules or regulations, eligibility for participation in the Arrangement and eligibility for distribution of benefits from the Plan, and the status of any person claiming benefits under the Arrangement;

(3) to make payments from the Trust to Participants pursuant to the Arrangement;

(4) to contract with a third party to perform designated administrative services under the Arrangement and Trust; and

(5) to construe and interpret the Arrangement and Trust as to administrative issues and to correct any defect, supply any omission or reconcile any inconsistency in the Arrangement and Trust with respect to same, subject to and consistent with the Code.

(b) Any action by the Board will have the same effect and authority that such action would have with respect to the Retirement System.

(c) The Board may delegate any of its authority to Retirement System staff with respect to the investment of the Trust and other matters.

(d) The proper City officials are authorized to do all things necessary and proper to carry out the terms of the Arrangement and Trust.

7.02. Payment of Benefits. If in doubt concerning the correctness of their action in making a payment of a benefit, the Board or the Administrator may suspend payment until satisfied as to the correctness of the payment or the person to receive the payment.

7.03. Delegation by Administrator. The Administrator will handle the day-to-day operation of the Arrangement and Trust and may delegate any and all functions to a third party.

ARTICLE VIII.

PLAN TERMINATION AND AMENDMENTS

8.01. Trust Termination. The Employer may terminate the Trust at any time in the Employer's sole discretion. Upon termination, any principal remaining of contributions made will be returned to the Employer, net of any expenses.

8.02. Trust Amendments. The Board, with consent of the Employer, may amend any or all of the provisions of the Arrangement and Trust in order to comply with applicable law and the Code, including Code Section 415(m).

ARTICLE IX.

NONASSIGNABILITY AND EXEMPTION FROM TAXATION AND EXECUTION

The interests of Participants under the Arrangement prior to distribution from the Trust are subject to the provisions of Section 203-103 of the Cincinnati Municipal Code.

ARTICLE X.

MISCELLANEOUS

10.01. Federal and State Taxes. The Administrator, Trustees, Employer, and Board do not guarantee that any particular Federal or State income, payroll, or other tax consequence will occur because of participation in the Arrangement.

10.02. Investment. The Trustees may hold a portion of the Trust uninvested as it deems advisable for making distributions under the Arrangement, or may invest assets of the Trust pending the Total Benefit payments.

10.03. Conflicts. In resolving any conflict between provisions of the Arrangement and Trust, and in resolving any other uncertainty as to the meaning or intention of any provision of the Arrangement and Trust, the prevailing interpretation will be the one that (i) causes the Arrangement to constitute a qualified governmental excess benefit arrangement under the provisions of Code Section 415(m) and the Trust to be exempt from tax under Code Sections 115 and 415(m), (ii) causes the Arrangement to comply with all applicable requirements of the Code, (iii) causes the Arrangement to comply with all applicable State laws, and (iv) causes the Trust to constitute a grantor trust under the Code.

10.04. Limitation on Rights. Neither the establishment or maintenance of the Arrangement and Trust, nor any amendment to the Arrangement and Trust, nor any act or omission under the Arrangement and Trust (or resulting from the operation of the Arrangement and Trust) may be construed:

- (a) as conferring upon any Participant or any other person a right or claim against the Board, Employer, or Administrator, if any, except to the extent that the right or claim is specifically expressed and provided in the Arrangement;
- (b) as creating any responsibility or liability of the Employer for the validity or effect of the Arrangement or Trust;
- (c) as a contract between the Employer and any Participant or other person, or conferring upon any Participant or person any rights as a third-party beneficiary of a contract;
- (d) as being consideration for, or an inducement or condition of, employment of any Participant or other person, or as affecting or restricting in any manner or to any extent whatsoever the rights or obligations of the Employer or any Participant or other person to continue or terminate the employment relationship at any time;
- (e) as giving any Participant or other person the right to be retained in the Employer's service or to interfere with the Employer's right to discharge any Participant or other person at any time; or
- (f) as giving any Participant or other person the right to payment of Total Benefits from the Trust other than that determined to be payable from the Trust in accordance with and subject to the terms of the Arrangement.

10.05. Erroneous Payments. Any benefit payment that should not have been made, according to the terms of the Arrangement and the benefits provided hereunder, may be recovered as provided by law.

10.06. Release. Any payment to any Participant will, to the extent thereof, be in full satisfaction of the Participant's claim being paid thereby, and the Administrator may condition the payment on the delivery by the Participant of the duly executed receipt and release in a form determined by counsel for the Board.

10.07. Liability. The Employer, Administrator, Trustees or Board will not incur any liability in acting upon any paper or document or electronic transmission believed by the Employer, Administrator, Trustees or Board to be genuine or to be executed or sent by an authorized person, including an Employer, a Participant, or a service provider.

The Arrangement will hold harmless and indemnify the Employer, Board, the Trustees, and the Administrator, and the officers and employees thereof, from financial loss arising out of any claim, demand, suit or judgment by reason of alleged negligence or other act by the Employer, Board, Trustee, Administrator, officer or employee, provided that the Employer, Board, Trustee, Administrator, officer or employee at the time of the alleged negligence or act was acting in the discharge of his or her duties and within the scope of his or her employment and that the damages did not result from a willful and wrongful act of gross negligence of the Employer, Board, Trustee, Administrator, officer or employee and provided further that the board member, trustee, officer or employee will, within five days of the time he or she is served with any summons, complaint, process, notice, demand or pleading, deliver the original or a copy thereof to the City Solicitor.

The Board may obtain insurance to provide coverage for any liabilities that may arise as described by this Section.

10.08. Governing Laws. The laws of the State apply in determining the construction and validity of the Arrangement and Trust.

10.09. Necessary Parties to Disputes. The only parties necessary to any accounting, litigation or other proceedings relating to the Arrangement and Trust are the Administrator and Employer. The settlement or judgment in any case in which the Employer and Administrator is duly served will be binding upon all affected Participants in the Arrangement, their beneficiaries, estates and upon all persons claiming by, through or under them.

10.10. Severability. If any provision of the Arrangement or Trust is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Arrangement and Trust will continue to be fully effective.

IN WITNESS WHEREOF, the undersigned has caused this Total Benefits Arrangement Plan and Trust to be duly executed as of this day of , 20 .

CITY OF CINCINNATI

Date

**CINCINNATI RETIREMENT SYSTEM
BOARD OF TRUSTEES**



February 5, 2026

Date