

Frequently Asked Questions and Major Takeaways:

Will the proposed changes to the Collaborative Settlement Agreement (CSA) affect my retirement benefits?

No. The proposed amendments to the Collaborative Settlement Agreement (CSA) and federal Consent Decree are focused solely on improving the funding of the Cincinnati Retirement System (CRS). These changes will **not reduce or otherwise affect pension benefits** for any retiree or active member.

Key elements of your benefits, including pension eligibility age, years-of-service requirements, benefit multipliers, and cost-of-living adjustments (COLA)—will remain unchanged. Retiree healthcare benefits are also not impacted, and employees eligible for retiree healthcare will remain eligible under the same terms.

What will change if the amendments to the CSA are approved?

If approved, the amendments will implement a comprehensive funding plan designed to ensure the CRS Pension Trust Fund reaches full funding by 2049.

By what means will the City of Cincinnati increase the Cincinnati Retirement System's funding?

This policy reinforces the City's commitment to fiscal discipline and sustainable pension management, establishing a clear, actionable path to fully fund the system by 2049 while steadily reducing unfunded liabilities.

The City will use a structured, multi-part funding strategy to strengthen CRS:

- **Higher employer contributions:** Starting at 19.25% of payroll in 2026, with potential step increases of 0.75% annually (up to 21.5%) if actuarial projections show the system is not on track to reach full funding by 2049
- **Immediate investment:** A one-time \$50 million lump-sum contribution
- **Restricted fund support:** An additional \$50 million contributed over time from restricted funds (including Greater Cincinnati Water Works and the Metropolitan Sewer District), starting at \$1.5 million annually and increasing by 5% each year
- **Employee contribution increases:** Gradual increases from 9% to 10% over four years

These contributions are guided by annual actuarial reviews to ensure the system stays on track. If the system reaches full funding (100% funded ratio), future City contributions may be reduced to cover only normal annual costs.

What ensures the City will follow through on the funding plan?

The proposed changes will be incorporated into the Collaborative Settlement Agreement and federal Consent Decree, making them legally enforceable. In addition, annual actuarial reviews will monitor progress toward full funding.

Importantly, the plan requires the City to revisit funding levels each year based on these actuarial projections. If the system is not on track to reach full funding by the target date, employer contributions will automatically increase according to the Collaborative Settlement Agreement and new funding plan. If the system is on track or has reached full funding, contribution increases may be paused or limited. This built-in process ensures an annual reset on progress, forcing accountability that keeps the plan aligned with its funding target of 2049.

What is the CRS funding plan intended to achieve?

The CRS funding plan is designed to ensure the long-term financial stability of the retirement system by reaching full funding by 2049. Specifically, it aims to:

- Increase the funded ratio of the pension trust fund over time
- Ensure the system can meet 100% of its future obligations
- Provide predictable, disciplined funding based on actuarial analysis
- Maintain retirement benefit security for current and future members

What does increased funding for CRS mean for me?

Increased funding strengthens the long-term stability of the retirement system and improves confidence that benefits will be paid as promised. It provides greater predictability and reduces financial risk to the system and the City over time.

How will the employee contribution increase affect my paycheck?

Employee contributions will increase gradually from 9% to 10% over four years, in annual increments of 0.25% beginning July 1, 2026. This phased approach is designed to minimize the immediate impact on take-home pay while contributing to the long-term stability of the system. These annual increases equal an additional \$125 per year for employees making \$50,000, and \$250 per year for employees making \$100,000, et cetera.

How were employees and retirees involved in developing this plan?

The funding plan was developed in part through negotiations with representatives of both the Retiree Class and the Current Employee Class, ensuring stakeholder input was considered.

What is the purpose of a fairness hearing?

A fairness hearing is an open forum where members in a class action lawsuit may attend and voice questions or concerns in the presence of a judge before a final legal decision is made.

When is the Fairness Hearing?

The Fairness Hearing for the proposed CSA amendments is scheduled to take place on May 18, 2026, at 3:00p.m, at the United States District Court for the Southern District of Ohio, 100 East 5th Street, Courtroom 109, Cincinnati, Ohio 45202.

Who is invited to the Fairness Hearing?

Members of the Retirees Class and Current Employee Class as those classes are defined in the Collaborative Settlement Agreement.

Why is the full-funding target date being extended from 2045 to 2049?

Extending the target date allows for a more sustainable and achievable funding plan. It balances the need to improve the system's financial health with the goal of avoiding sudden or significantly higher contribution increases for employees or the City.

What happens if the system reaches full funding before 2049?

If the Cincinnati Retirement System reaches a funded ratio of 100% before 2049, the City's contributions may be reduced to cover only the normal annual cost of benefits and administrative expenses, rather than continuing at elevated funding levels.

What happens if the funding plan is not approved?

If the proposed amendments are not approved by City Council and the federal court, the current Collaborative Settlement Agreement terms will remain in place.