



## **CINCINNATI RETIREMENT SYSTEM**

### **Members' Retirement Plan Benefit Guide**

Group G Members (Hired Before 2016)

# TABLE OF CONTENTS

|                                        |            |
|----------------------------------------|------------|
| <b>Terminology</b>                     | <b>2–3</b> |
| <b>Overview &amp; Plan Summary</b>     | <b>4</b>   |
| <b>Membership</b>                      | <b>4</b>   |
| <b>Contributions</b>                   | <b>4</b>   |
| <b>Administration &amp; Governance</b> | <b>5</b>   |
| <b>Group G Qualifications</b>          | <b>5</b>   |
| <b>Earning Service Credit</b>          | <b>5</b>   |
| <b>Purchasing Service Credit</b>       | <b>6</b>   |
| <b>Pension Benefit Calculation</b>     | <b>10</b>  |
| <b>Average Highest Compensation</b>    | <b>10</b>  |
| <b>Retirement Eligibility</b>          | <b>11</b>  |
| <b>The Retirement Process</b>          | <b>11</b>  |
| <b>Retiree Healthcare</b>              | <b>13</b>  |

## Legal Disclaimer

This guide is designed to give you information about the benefits provided by the Cincinnati Retirement System for Group G Members whose membership with CRS began on or between January 1, 2010 and December 31, 2015. It is intended only as a summary of general information and is compiled for your convenience.

The benefits described herein are governed by the Cincinnati Municipal Code (CMC) Chapter 203. While these benefits are secured and protected under the CMC, they are subject to change if approved by the Cincinnati City Council.

The CMC contains the actual language that governs the Retirement System. Nothing within this handbook can change or supersede the provisions of the Cincinnati Municipal Code (CMC) Chapter 203. If there are changes made to the CMC, the information described herein may change.

Since its establishment in 1931, the Cincinnati Retirement System has enabled thousands of employees to retire with income security. This guide has been developed specifically for your assigned Group and is intended to help you better understand the benefits that the System provides for you as an employee member. Please read this guide carefully so that you may take full advantage of the System's many benefits.

The information presented in this guide is specifically for members of Group G whose membership with CRS began on or between January 1, 2010 and December 31, 2015.

## TERMINOLOGY

---

*Here are some of the terms used in this membership guide:*

**Average Highest Compensation (AHC):** The monthly average of your highest pensionable earnings over 60 consecutive months occurring at any time during your CRS membership.

**Beneficiary:** A person or organization named by the Member to receive a one time payment of the Member's accumulated employee contributions if that Member dies PRIOR to retirement.

**Creditable Service:** This is ALL service that you earned while working as a City of Cincinnati employee. This includes your Membership Service PLUS any service that **you purchased**, such as:

- Withdrawn prior CRS service;
- Eligible service purchased or transferred from another Ohio Retirement System (such as OPERS, STRS, SERS, or OP&F);
- Prior active duty military service for which you were honorably discharged;
- Service credit purchased for eligible Out of State and/or Federal employment;
- Service credit purchased for eligible unpaid Leave of Absence service.

**CMC:** City of Cincinnati Municipal Code.

**Defined Benefit Plan:** A defined-benefit plan is an employer-sponsored retirement plan where employee retirement benefits are computed using a formula that includes member Service Credit, established Multiplier(s) and Average Highest Compensation.

**Employee Contributions:** Members currently contribute 9.25% of their pensionable earnings. Employee pension contributions are pre-tax and deducted from payroll before Federal and State taxes are calculated.

**Employer Contributions:** The City of Cincinnati currently contributes a minimum of 19.25%. Employer contributions paid by the City of Cincinnati are paid into the Retirement Trust and are not owned by the member.

**Member:** A City of Cincinnati employee enrolled into the Cincinnati Retirement System.

**Membership Date:** New employee's date of hire is their Membership Date. Membership Date **ONLY** changes **IF** a member terminates employment, refunds their contributions, and is rehired at a later date. The new date of hire for all refunded members will be their new Membership Date.

**Membership Service:** This is service credit earned for paid hours while working for the City of Cincinnati, as well as purchased prior active duty military service and withdrawn prior CRS service re-purchased. It does not include service transferred or purchased from another retirement system, service for Federal or Out of State employment, or unpaid leave of absence time.



**Multiplier:** The multiplication factors used in the pension calculation formula. The Multiplier used to calculate your pension benefit will be:

- 2.20% for 30 years of service

**AND**

- 2.0% for all service over 30 years of service.

**Optionee:** A person named by the Member at Retirement, to receive a monthly pension benefit for the remainder of their life IF pre-deceased by the Retired Member.

**Pensionable Earnings:** The portion of a member's compensation from the City that is subject to CRS contributions. Pensionable earnings include:

- total base pay including acting pay,
- shift differential,
- longevity pay, and
- annual sick sell back.

Pensionable earnings do not include:

- overtime pay,
- lump sum payments received for accrued vacation or sick leave upon termination, and
- other non-regular pay, such as bonuses or awards.

**Service Credit:** Service credit, expressed in years, is based on base paid hours (including paid Holiday, Sick and Vacation; excluding Overtime pay). You begin earning service credit on the first day of work and continue earning service credit until your employment with the City ends. A maximum of 1.0 year of service credit can be earned for 2080 paid hours per calendar year.

**Vesting:** Upon reaching 5 years of service credit with CRS, members become eligible to receive a monthly pension benefit upon reaching Retirement eligibility requirements (Age or Service).

## OVERVIEW & PLAN SUMMARY

The Cincinnati Retirement System (CRS) is a Defined Benefit Plan, sponsored by the City of Cincinnati as a 401(a) Plan under the United States Internal Revenue Code and qualifies as a Social Security replacement plan. As a government retirement plan, the CRS is a qualified plan for tax purposes and is exempt from the provisions of Employee Retirement Income Security Act (ERISA). The CRS is established by Chapter 203 of the Cincinnati Municipal Code and is a qualified governmental plan (401A) for tax purposes pursuant to 26 USC § 414(d).

Available pension benefits are determined exclusively by the member's service credit years, plan multiplier, and average highest compensation. The CRS was established by Ordinance #412-1931 adopted by City Council on June 24, 1931, and became effective on August 1, 1931. It was the first retirement plan for general City employees in the State of Ohio. The creation of CRS predates the establishment of the Ohio Public Employees Retirement System (OPERS) and the Social Security System in 1935.

## MEMBERSHIP

Because public employees in Ohio do not participate in the Social Security System, all employees of the City of Cincinnati are required to become members of CRS as a condition of employment, *with the following exceptions*:

- Sworn Police & Fire personnel who are required to be members of the Ohio Police and Firemen's Disability and Pension Fund;
- Rehired retired members of the Ohio Police and Firemen's Disability and Pension Fund;
- Elected officials and members of the City's Civil Service Commission who are required to be members of the Ohio Public Employees Retirement System (OPERS);
- Police Recruits;
- Seasonal and part time employees who are active contributing members of the Ohio State Teachers Retirement System (STRS) or the Ohio School Employees Retirement System (SERS).

## CONTRIBUTIONS

Your CRS employee contributions are a minimum of 9.25% of pensionable earnings. Payroll deducted contributions to CRS are mandatory for City of Cincinnati employees who are members of the System.

Employee contributions to the System are deducted before federal and state income taxes are calculated and deducted (but not City earnings tax), so you pay less in current Federal and State income taxes while employed. CRS benefits when paid to you, either as a monthly pension benefit or as a refund, are taxable for Federal and State purposes.

Your balance of accumulated employee contributions is **NOT** a component for determination of your pension benefits. While employed, members do not have access to their accumulated contributions. There are **NO** loans available against your accumulated contributions balance.

If a member terminates employment with the City of Cincinnati, they are eligible to refund the balance of their employee contributions in a lump sum payment. Refer to the "Terminating Employment" section (insert page number here) for more information.

### *How Does CRS Work?*

CRS is a "defined benefit" retirement plan that is designed to provide lifetime monthly retirement benefits to eligible employees.

- ▶ Employees and the City make contributions to the Retirement System.
- ▶ The investments and administration of the System are handled by professionals.
- ▶ Retirement benefits are "defined" based upon your average highest compensation, years of service credit, and your pension multiplier.
- ▶ If you leave the City before your retirement eligibility you may be eligible for future benefits at your retirement age, OR you can receive a lump sum distribution of your employee contributions.
- ▶ CRS provides several pension payment options and additional benefits, which are described in detail in this guide.

## ADMINISTRATION & GOVERNANCE

The Cincinnati Retirement System is administered by the Retirement Division of the City Manager's Office (CMO). The Division is managed by the Executive Director, appointed by the City Manager upon the recommendation of the CRS Board of Trustees. The staff of the Retirement Division report to the Executive Director.

The CRS Board of Trustees is composed of 9 members: 3 Retired members elected by pensioners; 2 Active members elected by active employee members, and 4 members appointed by the Mayor of Cincinnati.

The CRS Board of Trustees has adopted the following mission statement:

- Assure promised pension and healthcare benefits (where eligible) for current and future retirees
- Assist and support CRS members in achieving a successful retirement
- Assure CRS transparency and accessibility for all stakeholders

### How CRS is Funded

CRS benefits are funded by participating employees, the City of Cincinnati, and investment earnings. Employees contribute a minimum of 9.25% of their pensionable earnings to CRS through pre-tax payroll deduction. The City contributes a minimum of 19.25% of payroll to the CRS. The CRS Board of Trustees is responsible for investing these contributions. The contributions plus the investment earnings are used to pay your retirement benefits.

### Group G Qualifications

In 2011, City Council enacted Ordinance 84-2011, which assigned all members of the Cincinnati Retirement System to a group based on their membership date, age, service credit, and employment status as of July 1, 2011.

Group G member qualifications:

- A membership date on or after January 1, 2010
- Group G members hired prior to January 1, 2016, are eligible to purchase CRS health care in retirement

Your Group assignment is determined by your most recent membership date in CRS. If you terminate employment:



- If you terminate employment and withdraw your employee contributions from CRS, you will terminate your CRS membership (your service credit is eliminated); and if rehired, your new membership date will determine your new Group assignment. **Prior membership dates and prior Group assignments cannot be re-established through the purchase of withdrawn CRS service credit.**
- If you terminate employment but **DO NOT** withdraw your employee contributions, your membership date and group classification will remain the same.

## EARNING SERVICE CREDIT

You earn service credit for every paid regular (base) hour, up to a maximum of 1.0 year of service credit in a calendar year. No service credit is earned for overtime hours paid. You begin earning membership service

credit beginning on your first day of employment. Membership service credit is updated with each biweekly City payroll.

For example, an employee who is paid for 1500 regular hours in a calendar year will receive 0.72 service credit (1500/2080) for that year. An employee who is paid for 2080 regular hours in a calendar year will receive 1.0 service credit (2080/2080) for that year.

Members **DO NOT** earn service credit for any period of unpaid service or donated time, **OR** for any amounts **NOT** paid through the City's payroll system (such as Workers Compensation or Long-Term Disability benefits).

Employees who are called up for Active Duty Military leave while employed with the City of Cincinnati that have met any necessary requirements under the provisions of the Uniformed Services Employment and Re-employment Readjustment Act (USERRA) continue to earn service credit as normal during their deployment and continue to have CRS employee contributions deducted.

## PURCHASING SERVICE CREDIT

**Concurrent service** (service credit earned in any other Ohio public retirement system with another employer for the same period of time that you were employed by the City of Cincinnati and a member of the Cincinnati Retirement System) is not eligible for purchase or transfer.

Service credit purchases and/or transfers must be completed prior to separation from employment.

**CRS Membership dates cannot be changed through service purchases or transfers.** Any prior service credit purchased (or transferred) into a member's CRS account is credited to the member's current plan (multiplier) in effect at the time that the prior service is purchased (or transferred).

Service credit purchased or transferred from any of the Ohio public retirement systems, and service credit purchased for prior Federal or Out-of-State service, is determined according to the CRS service credit standard: One year service credit = 2080 paid base hours in a calendar year.

### CRS Membership dates cannot be changed through service purchases or transfers.

Service credit purchased or transferred from any of the Ohio public retirement systems, and service credit purchased for prior Federal, Out-of-State, or Leave of Absence service counts toward retirement eligibility (creditable service), but does NOT count toward healthcare eligibility (minimum 20 years of membership service in the Cincinnati Retirement System). Retirement healthcare benefits are subject to change and are not a vested benefit.

### Prior Military Service

You may purchase retirement service credit for military service performed **PRIOR TO** your enrollment in CRS. You can make the purchase at any time before retirement, but you may only purchase up to three years of retirement service credit. You also have the option of purchasing all three years of military service credit at one time or in one-year increments.

You may only purchase retirement service credit for active duty with honorable discharge as a member of the armed forces of the United States (including Army, Navy, Air Force, Marine Corps, Coast Guard, Auxiliary Corps, Nurse Corps, Red Cross Nurse).

Keep in mind that you may not use military service credit purchased from the Retirement System under any other retirement program except military retirement or Social Security.

If you would like to purchase retirement service credit for past military service, you must:

- have been honorably discharged;
- provide CRS with a copy of your discharge form (DD214); and
- complete an application form.

The service purchase cost will be based upon the following:

- Number of years being purchased (maximum is three years);
- Retirement employee contribution in effect as of your membership date in the Retirement System was established;
- Your initial annual salary as a City of Cincinnati employee;
- Interest of 4%, compounded annually, from the date of discharge to the date of payment.

### **Prior City of Cincinnati Service**

By obtaining a return of contributions, the member's original membership date is voided permanently and cannot be retrieved through future service purchase should the member be re-employed by the City and become a member of the Cincinnati Retirement System.

Active members of the Cincinnati Retirement System (CRS) who have at least 18 months of service may re-purchase prior City of Cincinnati service credit earned as an employee of the City of Cincinnati for which pension contributions were paid to the Cincinnati Retirement System and for which the member received a refund of their CRS contributions for that period of employment service.

CRS Membership dates cannot be changed through service purchases or transfers.

A cost calculation will be prepared and mailed to the member upon receipt of their signed application for the purchase of eligible prior City of Cincinnati service.

Members must repay the amount of the withdrawn CRS pension contributions, plus interest from the date of withdrawal, to obtain this prior service credit. Withdrawn prior City service credit purchased in the Cincinnati Retirement System counts toward retiree healthcare eligibility - if you qualify. The purchase of prior service credit must be completed prior to your separation from employment with the City.

Employment service with the City of Cincinnati in exempted, part-time, seasonal, student or co-op positions for which no CRS employee contributions were paid or collected, held prior to July 1, 1991, is NOT eligible for the purchase of prior service credit. Applications for ineligible service will not be accepted by the Retirement Office.

### **Federal and Out of State Service**

Active members of the Cincinnati Retirement System (CRS) who have at least 18 months service credit may purchase up to five years of service credit for their employment with the Federal Government or



with a public entity in another state (other than Ohio) which occurred **prior to their membership in the Cincinnati Retirement System** and during which time they were enrolled in a Defined Benefit Pension Plan. Eligible service must have occurred PRIOR to your membership in the Cincinnati Retirement System and cannot be used in the calculation of retirement benefits under any other retirement system. Your pension contributions to your former employer's Defined Benefit Plan must have been refunded to you in order to purchase service credit for that period of employment.

Contributions to Social Security are not eligible for the purchase of prior Federal or Out-of-State service credit. If the prior service occurred prior to July 1, 1991, the position you held must have been a full-time permanent position to be eligible for purchase of prior

service. Part-time, seasonal, student or co-op positions held prior to July 1, 1991 are not eligible for purchase of prior service credit. All service credit earned after July 1, 1991 is eligible to be purchased. Service credit purchased for prior Federal or Out-of-State service is determined according to the CRS service credit standard: One year service credit = 2080 paid base hours in a calendar year.

Federal and Out-of-State service credit purchased counts toward retirement eligibility but does **NOT** count toward retiree healthcare eligibility. Retirement healthcare benefits are subject to change and are not a vested benefit.

The purchase of Federal or Out-of-State service credit must be completed prior to your separation of employment. A cost calculation will be prepared by the Retirement System's actuary and will specify the total cost. Members must pay a non-refundable application fee of \$250 to request a cost calculation for the purchase of Federal/Out-of-State service credit. Cost calculations are valid only for 30 days from the date they were issued to the member. If you choose to proceed with the service purchase, the \$250 application fee will be applied toward the cost of purchasing the Federal or Out-of-State service credit. If you do not notify the CRS within the 30-day time limit and choose to proceed with a purchase, an additional \$250 application fee will be required to generate an updated cost calculation and only one of those application fees paid will be applied toward your purchase of the Federal or Out-of-State service credit.

In addition to the completed application and fee payment, YOU must provide the Cincinnati Retirement System with a signed and dated certification from either your previous public employer or your previous public retirement plan, which must include:

- The employing agency name, address, telephone, and contact person;
- Your name and Social Security number;
- Your date of hire and date of termination;
- Your gross earnings and pension contributions by calendar year;
- Verification of part-time or full time status in your prior position;
- Certification that pension contributions have been refunded (including refund date and amount);
- Verification that the service credit will not be used in the calculation of a retirement benefit for you.



## Ohio Retirement Systems Service (OPERS/STRS/SERS/OP&F/SHPRS)

In December 2001, the Cincinnati Retirement System entered into reciprocity agreements with the five statewide Ohio public retirement systems (OPERS, STRS, SERS, OP&F, and State Highway Patrol) making it possible for active members of these systems to purchase service credit if they were former members of any Ohio public retirement system.

Due to a change in Ohio law in 2016, any transfer or purchase of service credit and contributions between CRS and any of the Ohio public retirement systems

### **CAN ONLY OCCUR IF:**

- a) the purchase or transfer of such service will make the member eligible to retire from service within 90 days of the date the service is purchased or transferred; **OR**
- b) the member is already eligible to retire **AND** the member will retire from service within 90 days from the date the service is purchased or transferred.
  - CRS Membership dates cannot be changed through service purchases or transfers.
  - If contributions were not withdrawn, there may be little or no cost to transfer the service credit. If contributions were withdrawn, those contributions plus interest must be repaid in order to obtain credit for the prior service. Service credit purchased or transferred from any of the Ohio public retirement systems is determined according to the CRS service credit standard: One year service credit = 2080 paid base hours in a calendar year.

- If the prior service occurred before July 1, 1991, the position you held must have been a full-time permanent position to be eligible for purchase or transfer of prior service. Part-time, seasonal, student or co-op positions held prior to July 1, 1991 are not eligible for purchase or transfer of prior service credit. Any service credit earned after July 1, 1991 is eligible to be re-purchased or transferred.
- Concurrent service (service credit earned in one of the statewide Ohio public retirement systems with another employer while you were employed by the City of Cincinnati and a member of the Cincinnati Retirement System) is not eligible for purchase or transfer.
- Ohio service credit purchased through or transferred to the Cincinnati Retirement System counts toward retirement eligibility but does not count toward retiree healthcare eligibility.
- Service credit purchases or transfers must be completed prior to your retirement effective date.
- Retirement healthcare benefits are subject to change and are not a vested benefit.
- Any Ohio Service credit purchased or transferred between a Statewide retirement system and CRS will be attributed to the System where the member has the majority of their service credit and the member must retire under the rules of that System.

## HOW DEFINED BENEFIT PLANS WORK

The monthly pension benefit is a formula-based monthly payment that will be made to you for the rest of your life upon retirement. If you are married, this benefit can be extended to last for the rest of your and your Optionee's life. You may name your spouse or someone else as an Optionee.



In a defined benefit plan, the goal is to provide salary replacement so that long-term employees can achieve a secure retirement.

## How Your Monthly Pension Benefit is Calculated

The Group G formula to calculate the pension benefit amount:

$$\text{SERVICE CREDIT} \times \text{MULTIPLIER} \times \text{AVG. HIGHEST COMPENSATION}$$

The Group G multiplier is adjusted at the following service credit amount:

- 0-30 year of service credit = 2.2% multiplier
- Over 30 years of service credit = 2.0% multiplier

For example, a Group G member is retiring with exactly 30 years of service credit with an AHC of \$5,000. (30 x .022 x \$5000 = \$3,300.00 gross monthly pension amount).

## PENSION BENEFIT PAYMENT OPTIONS

When you retire, CRS offers a variety of payment options that give you the flexibility to select the arrangement that best fits your circumstances and retirement needs.

**Single Life Option** – A monthly pension benefit is paid to you (the member) during your lifetime only. The pension stops when you die and no further payments are made to anyone.

If you are legally married, you must select one of the following four options and name your legally married spouse as your optionee. Retirees may **ONLY** select one optionee (multiple optionees are not permitted). Your legally married spouse must complete a “Spousal Waiver of Joint and Survivor Annuity” in order for you to select the Single Life pension benefit or to select a different Optionee other than your spouse.

**Option 1 - Joint and 100% Survivor Payment:** In the event you die first, your designated optionee will receive a monthly pension benefit for the remainder of his or her lifetime equal to 100% of the monthly pension benefit amount that was payable to you on your date of death. No matter who dies first (you or your Optionee), there is no change to the monthly pension benefit amount payable.

**Option 2 - Joint and 50% Survivor Payment:** In the event you die first, your designated optionee will receive a monthly pension benefit for the remainder of his or her lifetime equal to 50% of the monthly pension benefit amount that was payable to you on your date of death for the remainder of his or her life. If your Optionee pre-deceases you, there is no change to your monthly pension benefit amount.

**Option 3 - 66 ⅔% Joint and Survivor Payment:** Regardless of who dies first (you or your designated optionee), the monthly pension benefit amount payable for the remainder of your, his or her lifetime will be reduced to 66 ⅔% of the monthly pension benefit amount that was payable to you on the date of the first death.

**Option 4 - 80% Joint and Survivor Payment:** Regardless of who dies first (you or your designated optionee), the monthly pension benefit amount payable for the remainder of your, his or her lifetime will be reduced to 80% of the monthly pension benefit amount that was payable to you on the date of the first death.

The Actuarial Adjustment is based on the member's age and gender and their selected Optionee's age and gender on the retirement date. An example is shown in the table below:

| PAYMENT OPTION                             | ACTUARIAL ADJUSTMENT | REDUCED PAYMENT WHEN BOTH RETIREE AND OPTIONEE ALIVE | AFTER DEATH OF RETIREE: AMOUNT TO SURVIVING OPTIONEE | AFTER DEATH OF OPTIONEE: AMOUNT TO SURVIVING RETIREE |
|--------------------------------------------|----------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Unreduced Pension (Single Life Annuity)    | 1.000000             | \$3,203.00                                           | \$0.00                                               | \$3,203.00                                           |
| <b>Option 1</b> 100% to Survivor           | 0.844272             | \$2,704.20                                           | \$2,704.20                                           | \$2,704.20                                           |
| <b>Option 2</b> 50% to Survivor            | 0.914717             | \$2,929.84                                           | \$1,464.92                                           | \$2,929.84                                           |
| <b>Option 3</b> 66 2/3% Joint and Survivor | 0.904136             | \$2,895.95                                           | \$1,930.63                                           | \$1,930.63                                           |
| <b>Option 4</b> 80% Joint and Survivor     | 0.879204             | \$2,816.09                                           | \$2,252.87                                           | \$2,252.87                                           |

Your option election is irrevocable on and after your retirement date, unless you get divorced after retirement. In the event of divorce after retirement, your pension may be recalculated to an unreduced, Single-Life Option beginning with the first day of the month following the CRS receipt of : a) an executed Spousal Benefit Waiver from your ex-spouse; **OR** b) your divorce decree and separation agreement provides for it; **AND** c) your written request to have your pension recalculated to a Single Life benefit. **No NEW Optionee may be added AFTER your retirement date.**

## TYPES OF RETIREMENT BENEFITS

### Normal Service Retirement for Group G

You can retire from service and receive your monthly pension benefit:

- At age 67 with at least 5 years of creditable service; **OR**
- At age 62 with at least 30 years of creditable service.

### Death in Service Provision (a.k.a. 20 Year Option)

If a member dies while an active employee of the City with at least 20 years of service credit **OR** is retirement eligible, the legally married spouse is eligible to receive a monthly pension benefit under Payment Option 1 (Joint and 100% Survivor).

To be eligible for this benefit, you must designate your legally married spouse as your sole, primary beneficiary on record with CRS at the time of your death. Proof of marriage will be required.

This benefit is payable at the EARLIEST of:

- 1st day of the month following what would have been your 67<sup>th</sup> birthday; **OR**
- 1st day of the month following the date you would have reached 30 years of service if you had continued employment; **OR**
- 1st day of the month following the date of your death IF you were already eligible to retire on or before the day you died.



### Early Retirement

If an actively employed member is unable or unwilling to reach normal Retirement eligibility, Early Retirement is available upon reaching Early Retirement eligibility. Group G Members can retire from active service and receive a reduced monthly pension benefit **as early as age 57 with at least 15 years of membership service**. There is a substantial actuarial reduction in monthly pension benefits paid to those members who elect Early Retirement (based on your Normal Retirement age of 67).

Early Retirement is **ONLY** available when retiring from active employment service.

### Deferred Retirement

If you have at least five years of service and you leave City employment **PRIOR TO** reaching retirement eligibility requirements, you may choose to leave your contributions with CRS. When you reach your Normal Retirement eligibility age (67), you will be eligible to begin receiving your retirement benefit from CRS.

If you die in Deferred status **PRIOR TO** reaching your retirement eligibility age (67), your legally married spouse is eligible to receive a monthly pension benefit under Payment Option 1 (Joint and 100% Survivor). This benefit is payable on the first day of the month following what would have been your 67 birthday. To be eligible for this benefit, your legally married spouse

must be designated as your sole, primary beneficiary on record with CRS. Proof of marriage will be required.

Be advised, if you terminate employment **PRIOR TO** your Normal Retirement eligibility **AND** you defer your retirement with over 20 years of Service (meaning you are eligible to purchase Retiree Healthcare coverage through CRS), you can begin receiving a monthly pension benefit at age 67.

### Disability Retirement

Active members who have at least five years of Creditable Service are eligible to apply for Disability Retirement benefits.

To apply for Disability Retirement benefits, you must submit an application and provide medical records to the CRS Medical Director. Please see the Disability Rules on the CRS Website for further information.

The CRS Medical Director will review your medical records and schedule a medical exam. CRS may also refer you to the Americans with Disabilities Act (ADA) Coordinator and the City's Return to Work Coordinator. The CRS Medical Director will make a recommendation to the CRS Board of Trustees. The CRS Board of Trustees will either approve or deny your application for Disability Retirement.

If your application is approved by the Board, the Disability Retirement benefit is a 10% reduction from

your calculated monthly pension benefit based on your service credit and AHC at the time of your application. The minimum monthly pension benefit is 25% of your AHC at the time of your application.

Be advised, that if approved for a Disability Retirement benefit, you will NOT be eligible to purchase Retiree Healthcare coverage through CRS (because you will not have reached the Retiree Healthcare eligibility requirements).

CRS is authorized by the Cincinnati Municipal Code to annually confirm that you remain mentally or physically incapacitated and unable to work. In the event that the CRS Board of Trustees determines that you are no longer disabled and may return to work, your disability retirement benefit *will be terminated*.

If your Disability Retirement benefit is terminated prior to reaching age 67, your service credit earned prior to your disability will be restored and you will be eligible to receive your calculated monthly pension benefit upon reaching age 67.

## DEATH IN SERVICE

### Survivor Benefits

If you are an Active Member with at least 18 months of employment and if you die in service, and you are not eligible for a CRS monthly pension benefit at the date of death, a one-time payment equal to 2/3rds of your annual salary at the time of death will be paid to:

- Your legally married spouse; AND/OR
- Your natural or legally adopted children under the age of 18 (Survivor Benefits are divided equally among eligible children).

Proof of marriage and/or birth certificates or adoption documents will be required.

### Refund of Contributions for Active Death in Service

If you die in service, and you are not eligible for a CRS monthly pension benefit at the date of death, your designated primary beneficiary is eligible to receive a refund of your accumulated CRS contributions plus interest. As a reminder, the Employer contributions paid by the City of Cincinnati do not accrue to individual member accounts.

Federal taxes are withheld from refund of contributions at the time of payment per IRS regulations. Any

additional Federal, state or local tax liability as a result of the refund of contributions paid is the responsibility of the recipient.

It is in your best interest to keep your CRS beneficiaries up to date, so your loved ones may receive eligible benefits in a timely manner.

## RETIREE HEALTHCARE ELIGIBILITY

### Group G's Retiree Health Care eligibility requirements are as follows:

- Upon retirement at or above age 67 with at least 20 years of membership service; OR
- Upon retirement at age 62 with at least 30 years of creditable service, at least 20 years of which is membership service.

If you meet the above requirements, retiree healthcare benefits are also available for your legally married spouse and eligible dependent children for an additional cost.

Please be advised that if you do NOT select a pension benefit payment option that provides for a continuing pension benefit for your legally married spouse, the retiree healthcare coverage for your spouse and eligible dependents terminates upon your death.

## RETIREE HEALTHCARE COVERAGE

CRS offers the "Model Plan" to eligible retirees. The Model Plan is modeled after the most favorable plan offered to active employees. For the cost structure of the Model Plan, please see CRS' website:

<https://www.cincinnati-oh.gov/retirement/pension-benefits/retiree-healthcare/>

Once you become eligible for Medicare, you are required to enroll. Medicare becomes your primary coverage, and the Model Plan becomes secondary. If a member retires prior to age 65 (Medicare enrollment age) CRS will contact the retiree to enroll prior to their 65<sup>th</sup> birthday.

All active employees are exempt from the mandate to enroll in Medicare while still employed. Only retirees who are 65 years of age or older are required to enroll.

## DEPENDENT HEALTHCARE ELIGIBILITY

If you are eligible for retiree healthcare, your eligible dependents are:

- Your legally married spouse
- Your dependent children if they were born or legally adopted before your retirement date and:
  - They are under the age of 19
  - They are under the age of 24, but are attending an accredited school as a full-time student.
- Your adult disabled children:
  - If they are determined to be permanently and totally disabled prior to age 19 and you have established legal guardianship for them.

## RETIREE HEALTHCARE

Retirees share in the cost of the monthly premium for retiree healthcare. Monthly Retiree healthcare premiums are determined annually and change each year. CRS offers voluntary open enrollment each year in October for coverage beginning January 1 of the following year. Outside of open enrollment, changes to Retiree Healthcare coverage are only permissible for a Qualifying Life Events. If you believe that you have a Qualifying Life Event in retirement, please contact the CRS office.

Keep in mind, upon Retirement, your Active Employee coverage provided by the City of Cincinnati will terminate. If you are eligible and purchase Retiree healthcare coverage through CRS, annual deductible and out-of-pocket costs will start over beginning on your Retirement date. Active employees of the City of Cincinnati are prohibited from being covered under CRS Retiree Healthcare.

Retirees may purchase Dental and/or Vision coverage at 100% of the premium.

### CRS Health Care Point Grid Premium Share Cost System

All CRS members with a membership date on or after 1/9/1997 will have the premium share amount determined by the Point System (table below).

| Full Years of Creditable Service + Age on the last day worked = Points |               |  |
|------------------------------------------------------------------------|---------------|--|
| YOUR TOTAL POINTS                                                      | PREMIUM SHARE |  |
| 85 – 100 points                                                        | 10%           |  |
| 80 – 84 points                                                         | 20%           |  |
| 70 – 79 points                                                         | 40%           |  |
| 60 – 69 points                                                         | 60%           |  |

This table illustrates how a member's point totals will increase or decrease their premium share cost for their CRS medical health care coverage. Point totals are determined by the sum of your age and service (in whole numbers) at retirement.

### Health Reimbursement Arrangement (Medical Expense Reimbursement Plan)

For retirees who are eligible for retiree healthcare but have access to other insurance (cannot be City of Cincinnati or CRS coverage), CRS offers a Health Reimbursement Arrangement (HRA) a.k.a. a Medical Expense Reimbursement Plan (MERP) at no cost. In exchange for maintaining your alternative insurance, the CRS will reimburse your out-of-pocket medical expenses, including co-pays, co-insurance, deductibles and premium differentials.

## DEFERRED COMPENSATION (457 PLAN)

For public employees, Deferred Compensation plans provide opportunities for supplementing your future monthly pension benefit. If you are not enrolled in one of these plans, consider enrolling today. The earlier you start investing, the more time your investments will have to compound.

The City of Cincinnati offers two (2) different Deferred Compensation programs (457 Plans) for employees. Any City employee may participate in either or both plans. The Retirement Division is responsible for coordinating City employee participation in these plans.

Employees may enroll in the Ohio Public Employees Deferred Compensation Program (also known as Ohio 457) and/or the Mission Square Retirement (formerly known as the ICMA Retirement Corporation). Contributions to a 457 Plan are **ONLY** permitted through employee payroll deduction.

Each of these Plans offers both a Traditional Pre-Tax option (reduces your current tax liability but distributions from the Plan are taxable) and a Roth Post Tax option (contributions are made after tax and future earnings and distributions are not taxable). Each year, the Internal Revenue Service establishes the annual contribution limits for 457 Plans. These limits are for total contributions to ALL plans (regardless of provider or plan type (Pre-Tax or Roth). Employees must contact the providers (Ohio 457 and/or Mission Square Retirement) to enroll in a Plan and to designate the biweekly payroll deduction amount.

### Ohio Public Employees Deferred Compensation Program (Ohio 457)

257 East Town Street  
Suite 457  
Columbus, OH 43215  
1 (877) 644-6457  
[www.ohio457.org](http://www.ohio457.org)

### Mission Square Retirement Corp. (fka ICMA Retirement Corporation)

P.O. Box 219320  
Kansas City, MO 64121-9320  
1 (800) 669-7400  
[www.missionsquare.org](http://www.missionsquare.org)

## TERMINATING EMPLOYMENT

If you terminate your employment with the City of Cincinnati before you are eligible to retire, you can choose to do one of the following:

### Refund Your Contributions

If your employment with the City ends for any reason, you are entitled to a refund of your own contributions with interest. In accordance with Federal law, 20% of the taxable portion of the refund will be withheld for Federal taxes, unless you request a direct rollover to another qualified retirement plan (such as an Individual Retirement Account (IRA), a 457 Deferred Compensation Plan or a 401K Plan). The refund of your employee contributions may be taxable for the

purposes of your state of residency, although no state taxes are withheld from the payment.

The withdrawal of your CRS employee contributions terminates your membership in CRS, eliminates your service credit, and voids your eligibility for ANY and ALL CRS retirement benefits. If you withdraw your employee contributions, you cannot re-establish your prior membership date and/or Group assignment through the purchase of withdrawn prior service if you are rehired by the City of Cincinnati. Employer contributions paid by the City of Cincinnati are not owned by the member and are not eligible for a lump sum withdrawal.

If you withdraw your contributions and later return to City service, you can repurchase the membership service credit which you lost when you withdrew your contributions. However, you must repay the withdrawn contributions with interest. This cost will vary for each member. You do not become eligible to re-purchase that service until you have completed 18 months of membership service after your re-enrollment in the System.

In deciding whether to refund your contributions, consider whether you will return to City employment in the future, or whether you will take employment with another public employer that accepts a purchase of your Cincinnati service credit. The value of leaving your contribution in the system so that it can be transferred or count towards vesting in retirement benefits later in your career may greatly exceed the value of any refund. You may want to discuss this course of action with a financial advisor.

### **Transfer Your Contributions and Service Credit**

If you are transferring to a job with another public entity in the State of Ohio, you may be eligible to transfer your CRS service credit to one of the Ohio statewide retirement systems (OPERS, STRS, SERS,

OP&F, SHPRS). You will need to contact the Ohio retirement system which covers your new job to determine how to transfer your CRS service.

## **SOCIAL SECURITY**

Public employees in the City of Cincinnati and the State of Ohio **DO NOT** participate in Social Security. If you have only been employed by the City or a State of Ohio governmental entity, you are not directly eligible for Social Security benefits.

## **RETIREMENT RESOURCES**

Retirement can be a complicated transition. But there are many resources available to you. Bookstores have a large array of retirement books. There are retirement podcasts as well as websites dedicated to retirement.

CRS maintains a retirement resources webpage here: <https://www.cincinnati-oh.gov/retirement/retirement-resources/>



## RETIREMENT READINESS

Preparing for retirement should begin well in advance of retirement. Here are things you can do to help prepare for retirement:

- Attend a CRS retirement 101 seminar. Consider attending a seminar once every five years as you progress through your career. At these seminars a CRS representative will explain the benefits that you have and provide any updates on the retirement process. These classes are available by contacting your Department Training Registrar.
- Generate an estimate of your monthly pension benefits for your planned retirement date using the CRS Member Direct portal
- Seek professional advice. Consider contacting a financial advisor, tax advisor or retirement planner that can help you understand your retirement benefits and help you plan for your retirement.
- Prepare an estimated retirement budget. Estimating the expenses that you will have in retirement will help you know if you are on track with your retirement savings.
- Contact representatives of other retirement plans you may have. You may have multiple retirement plans as well as Social Security. You should understand in advance what the processes and timing are for applying for all your retirement benefits. If you worked in employment subject to Social Security, you can check your benefits by creating an account here: <https://www.ssa.gov/myaccount/>
- Consider Long-Term Care Insurance. Long-term care insurance can provide coverage for you and your spouse if you are no longer able to live independently. This kind of insurance can help cover costs related to nursing home care, home care, and assisted living care. The chance that you or your spouse will need some form of long-term care is relatively high.

## READY TO RETIRE

About nine weeks before you retire, you will need to apply for your benefits by completing an Application for Service Retirement, which you must obtain from your HR Liaison.

To determine the Retirement application deadline for your retirement date, check the Retirement Schedule posted on our website:

[www.cincinnati-oh.gov/retirement/ready-to-retire/2024-retirement-schedule/](http://www.cincinnati-oh.gov/retirement/ready-to-retire/2024-retirement-schedule/)

The Retirement Process is outlined on our website here: <https://www.cincinnati-oh.gov/retirement/ready-to-retire/>

After CRS receives your retirement application, we will send you an information packet. CRS will also enroll you in a Retirement Processing Session. At the Retirement Processing Session you will complete the following documents:

- Payment Option Election form (for Single Life or Options 1 through 4)
- Updated Beneficiary form
- Retiree Health Insurance enrollment/waiver form
- Spousal Waiver of Benefits (for Single Life option if you are married)
- Direct Deposit form
- W-4 Tax Withholding Form

You may withdraw your Application for Service Retirement prior to your Retirement Effective Date. The withdrawal request must be made using the CRS Rescission Form, signed by you, and received by the CRS office no later than 4:00 PM not less than 15 days prior to your Retirement Effective Date. If your Retirement Application is not withdrawn prior to the close of business by that time, then your application becomes irrevocable. Please note: after three withdrawals, CRS charges a fee of \$250 to process a new Retirement application.



## PLEASE KEEP CRS UPDATED

---

It's important to keep CRS updated on your contact information. Please let us know when you change your address or your phone number. Please let us know when you change your marital status. Please update your beneficiary designations.

## TAXES

---

### Federal Income Tax

You will specify the amount of federal tax to withhold on your WP-4. Each year the system will send you a 1099-R form in compliance with federal tax law.

You may wish to consult with a tax advisor or tax preparation service to complete your annual federal

income tax filing. You may also refer to IRS Publication 575, Pension and Annuity Income.

### State and Local Income Taxes

CRS only withholds State of Ohio income tax. CRS does not withhold for any other State or Local jurisdictions.

## ASSIGNMENT/GARNISHMENT OF BENEFITS

---

Your benefits from the Retirement System cannot be assigned, attached or garnished, except to comply with a federal tax lien or a court order, such as a divorce decree for spousal support or a child support order. Court actions covered include divorce, dissolution, custody, paternity and domestic violence. Retirement Benefits and Refunds of Contributions are also subject to Federal Tax Levy.

## REHIRED RETIREE

A CRS retiree can apply for and be rehired by the City of Cincinnati, but only if the retiree meets ALL of the following conditions:

- The retiree has been retired for a minimum of 1 calendar year;
- The retiree has not been a contractor to the City for at least 12 consecutive months (365 consecutive days) between their retirement date and their proposed rehire date;
- The retiree has not performed services for the City through a temporary employment agency for at least 12 consecutive months (365 consecutive days)

between their retirement date and their proposed rehire date.

Retirees who meet these qualifications and are rehired by a City Department continue to receive their monthly pension benefit but ARE NOT PERMITTED to continue to participate in CRS provided retiree healthcare (if the retiree was eligible to purchase retiree healthcare through CRS) during their period of re-employment.

## PAYMENT OF YOUR MONTHLY PENSION BENEFIT

Your monthly pension payment is paid 1 month in arrears. The pension benefit payable to you for any month is payable on the 1st business day of the following month. For example, your pension benefit for May is paid on the first business day of June.

Due to the amount of time required to process your retirement, your first retirement benefit payment is issued two months after your retirement (for the preceding two months). Thereafter, you will receive your normal monthly pension benefit on the 1st business day of the month. *So please be prepared not to receive a pension check during this period.*

CRS monthly pension benefits are paid only through direct deposit to your designated banking account (an account in YOUR name and registered to YOUR Social Security number). A direct deposit form will be provided to you at your retirement processing session. Direct deposit may only be used with a single financial institution.

The direct deposit of your monthly pension benefit is issued to banks payable on the first business day of each month. The banking system in the U.S. does not process payments on weekends or holidays.

## COST OF LIVING ADJUSTMENTS (COLAS)

At the start of your fourth year of retirement, you will begin receiving a 3% simple cost of living adjustment (COLA). The COLA will be applied annually in the same amount. So, for example, if your initial annual benefit is \$30,000, the annual COLA amount is \$900. In the first year of receiving the COLA, the pension benefit is increased to \$30,900. In the second year, the pension benefit is again increased by \$900, to \$31,800.

## MEMBER DIRECT

Cincinnati Retirement System (CRS) has developed MemberDirect, an internet portal that allows its active employee members and retirees independent access to personal retirement account information. Once you are enrolled in MemberDirect, you can log on from any computer at any time.

You will find that the system is intuitive and simple to use: just visit **CRSMemberDirect.org** and sign up with your personal email address today. Be advised that you cannot use your City of Cincinnati work email address for setting up your Member Direct account.

Using Member Direct will allow you to:

- Review Account Summary and Nominated Beneficiaries
- Download and Complete Forms
- Create Personal Retirement Benefit Estimates

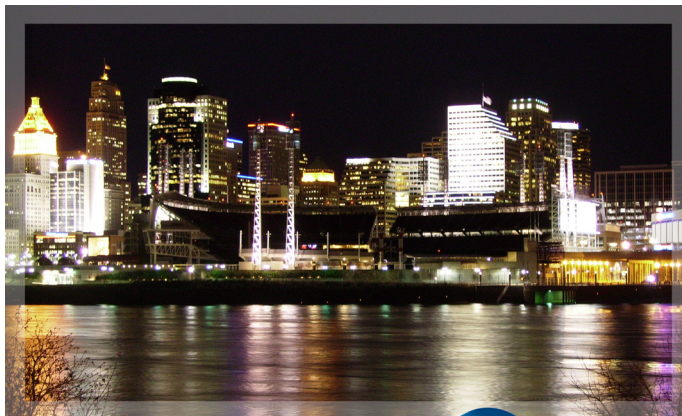
Any inquiries falling outside of the scope of the Member Direct FAQ page should be directed to: **Retirement@Cincinnati-OH.gov**

Retirees enrolled in Member Direct will not receive printed copies of their monthly pension advices (Direct Deposit receipts) nor of their annual 1099R form. The monthly pension advices and 1099R forms are able to be retrieved and downloaded from Member Direct.

## GOT QUESTIONS? GET ANSWERS

- Email: [retirement@cincinnati-oh.gov](mailto:retirement@cincinnati-oh.gov)
- Call the Retirement Office at 513-352-3227
- Visit us: 801 Plum Street, Suite 328, Cincinnati, OH 45202
- MemberDirect: <https://crsmemberdirect.org>
- Website: <https://www.cincinnati-oh.gov/retirement/>





801 Plum Street, Suite 328 | Cincinnati, OH 45202