

# MEMBERSHIP MATTERS

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MICHAEL BARNHILL  
EXECUTIVE DIRECTOR

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city of  
**CINCINNATI**  
RETIREMENT

THE CINCINNATI RETIREMENT SYSTEM (CRS) WAS ESTABLISHED IN 1931 AND EXISTS TO ADMINISTER PENSION BENEFITS FOR ACTIVE AND RETIRED CITY OF CINCINNATI EMPLOYEES. CRS IS NOT AFFILIATED WITH OTHER ORGANIZATIONS OR RETIREMENT GROUPS.

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## NEW CRS EXECUTIVE DIRECTOR

In January, CRS welcomed Mike Barnhill as its new executive director. Mike comes to us from the State of Alaska, where he worked in multiple roles over two decades.

**Below is an excerpt from a recent interview with Mike Barnhill -**

I grew up in Pittsburgh and went to college in Ohio. I'm a lawyer by training and worked for the State of Alaska for 23 years in a variety of areas including Assistant Attorney General, Departments of Administration and Revenue, Investment Officer, and the Office of Management & Budget. I served in every functional area of the Alaska PERS and TRS systems, including legal, benefits, health administration, investment, and trustee.

I love public pension system administration! I find every aspect of it interesting, challenging and enjoyable. It provides learning and growth opportunities for me, along with a meaningful and important mission: provide vital services to our active and retired public servants and assist them in securing a successful retirement.

CRS is a substantially smaller system than Alaska PERS/TRS, but here I will be involved in all aspects of pension administration on a daily basis. I am very happy to have that opportunity and be of service to our members.

The greatest strengths of CRS are its trustees and staff. They are people who are committed to the mission of CRS and work very hard to see it realized. All public pension systems have to do the same things in order to achieve their missions, regardless of their size. The Alaska systems are about 10x as large as CRS both in terms of members and staff. Here at CRS, we are doing miracles every day with a staff of 12!

The corollary to a smaller system is that CRS has not had sufficient staff to be proactive with member education; so, this year we are adding a Member Counselor position. This position will conduct member education, member outreach, and offer one-on-one counseling sessions. Our goal is to proactively provide the education, information and resources that our members need to achieve a successful retirement.

## 6 EASY STEPS TO RETIRE

**1**  
Employee contacts  
HR Liaison or Supervisor  
about retiring.

**2**  
CRS confirms  
employee's retirement  
eligibility date.

**3**  
Employee completes &  
signs Retirement  
Application (from  
HR Liaison).

**4**  
CRS enrolls employee in  
Retirement Processing  
Session & mails information  
to employee's home.

**5**  
Employee attends  
Retirement Processing  
Session, provides  
documents & signs  
paperwork.

**6**  
Employee retires on their  
selected date (always the  
first of a month).

## UNDERSTANDING YOUR RETIREMENT SYSTEM

Did you know that public employees in Ohio do not participate in the Social Security System? Instead, Ohio public employees are participants in Retirement plans that are qualified as Social Security Replacement Plans.

The Cincinnati Retirement System is a qualified Social Security replacement plan and provides its members with the opportunity to earn a pension through a Defined Benefit plan.

### WHAT IS A DEFINED BENEFIT PLAN?

A “defined benefit plan” pension is a fixed dollar benefit that is paid to you during your retirement for the rest of your life. If you elect an option, that benefit can be extended to your spouse’s life too if they outlive you.

The fixed dollar benefit is calculated by a formula which is prescribed by law. The standard formula is:

$$[\text{Years of Service}] \times [\text{Average High Salary}] * [\text{Service Multiplier}] = \text{Benefit Amount}$$

The account balance of your accumulated employee contributions is **NOT** a component for determination of your pension benefits.

For example: A Group G employee works 30 years, and at retirement has an average salary of her highest 5 years of service of \$85,000. The service multiplier is 2.2%.

$$30\text{yrs.} \times \$85,000/\text{yr.} \times 2.2\% = \$56,100 \text{ annual benefit amount.}$$

If you are doing the math, you will see that the annual benefit amount is equivalent to 66% of her average high salary. *Note: Groups E and F have a more complicated formula.*

### HOW ARE DEFINED BENEFIT PLANS FUNDED?

The CRS collects contributions from its active employee members and from the City. The CRS Board of Trustees invests these contributions. The contributions plus investment earnings are used to pay your pension benefits.

## WHY ARE DEFINED BENEFIT PLANS IMPORTANT AND VALUABLE?

Public employers, like the City of Cincinnati, invest in their employees through defined benefit retirement plans so that they can attract and retain qualified and committed public servants. The City *values your public service* and wants you to have a secure retirement after a career of service to the residents of Cincinnati.

## EARNING SERVICE CREDIT

Service Credit is not simply calculated from your date of hire. Members earn service credit for every hour of paid employment (for base hours ONLY – there is no service credit for overtime hours paid). One (1) year of full-time paid employment (this equals 2080 base hours paid in a calendar year) = 1.0 year of service credit.

Your service credit may be lower than expected due to part-time or seasonal hours during your employment history.

If you have or had unpaid leaves of absence, such as Sick Without Pay, Suspensions, Leave Without Pay, or leave paid by Worker’s Comp or Long-Term Disability just to name a few, there is no service credit available for those periods. Members who are receiving Donated Time do not earn service credit for those hours paid using Donated Time.

CRS regularly reviews member’s service credit records, particularly for employees who were hired before November 1st, 2000 and who had seasonal or part-time service before this date. Their service credit may not be correctly recorded in CRS records. If an error is identified, the member will be notified in writing with an explanation of the correction.

## ARE YOU SAVING ENOUGH FOR RETIREMENT?

To supplement your retirement benefits and to increase your retirement nest egg, consider participating in one or both of the City’s 457 Deferred Compensation Plans (Ohio 457 and Mission Square Retirement). You may be eligible for an employer match (free money!), and the money you save will be help you achieve a successful retirement. For more information, please visit the Retirement Division website at: <https://www.cincinnati-oh.gov/retirement/membership/deferred-compensation>

## CITY INCREASES CONTRIBUTIONS TO CRS

Since 2016, the City of Cincinnati has contributed 16.25% of payroll to CRS. Starting in 2021, the City increased its contribution rate to 17.59% to cover additional costs associated with the 2020 ERIP. In 2022, the City will contribute an additional \$2.0 million, bringing the total 2022 employer contribution rate to approximately 18.5%. CRS members contribute 9% of their salary to the pension system. The CRS Board of Trustees has formally asked the City to increase its contribution rate by 0.5% each year until the system is projected to be fully funded in 2045.

**DID YOU KNOW?** If you leave City employment without being eligible for a pension (not achieving 5 years' service credit), you can request a refund of your employee contributions with interest. This money belongs to you. As a reminder, taking a refund of your contributions terminates your membership in CRS and voids all eligibility for any pension benefits.



## RETIREE HEALTHCARE ELIGIBILITY

Just because you might be eligible to retire, doesn't necessarily mean that you are eligible to purchase retiree healthcare coverage from CRS. There are separate criteria for retirement eligibility and for retiree healthcare eligibility.

If you became a CRS member BEFORE January 1, 2016, to qualify for retiree healthcare coverage at retirement, you must either have 20 years of service credit and be at least 60 years old, OR be retiring with 30 years of service credit.

If your CRS membership date is on or after 1/9/1997 and you defer your retirement (if you terminate employment with the City before you are eligible to retire), that pushes your retiree healthcare eligibility age back to the **later** of your Medicare eligibility age (age 65) or your retirement eligibility date (age 60 or age 67).

Employees who became CRS members **on or after** January 1, 2016, are NOT eligible to purchase retiree healthcare through CRS, but can take part in the City's High Deductible Health Plan & Health Savings Account (HSA) which enables them to create a savings plan for future retirement healthcare costs. More information is available by contacting the City's Risk Management Division or at the following link: <https://coc.4mybenefits.net/>

## ENROLL IN MEMBER DIRECT TODAY!

Member Direct is an online portal that allows active employees who are members of CRS to stay on top of their personal retirement information. This tool enables online users to access a wide array of data from their computer. Take a moment to learn your group assignment and monitor your Employee Contributions, Service Credit, and Designated Beneficiary. The system displays

your normal Retirement Date and allows you to calculate Benefit Estimates. If you are not already enrolled, please visit [CRSMemberDirect.org](https://CRSMemberDirect.org) and sign up with your personal email address today. You cannot use your City of Cincinnati email address for setting up your CRS Member Direct account - you must use a personal email address. Once you've enrolled, remember to write down your username, password, and answers to your security questions the way that you entered them - they are case sensitive. Keep that information in a safe place where you can retrieve it in case you have trouble remembering that information.

## CRS SNAPSHOT, 12/31/2021

Actives: 2,580 FT; 1,238 PT  
Retirees: 4,206  
DROP Participants: 184  
Assets: \$2.575B  
2021 Investment Return: 18.06%  
Funded Ratio of Pension Plan: 71.6%  
Funded Ratio of Health Plan: 145.1%

## CRS WEBSITE

The CRS website ([www.cincinnati-oh.gov/retirement](http://www.cincinnati-oh.gov/retirement)) provides a wealth of information regarding your retirement eligibility, retirement benefits, deferred compensation, purchasing prior service, the retirement process and retirement schedules with deadlines, and various CRS forms.



## ACTIVE TRUSTEE ELECTION FOR RETIREMENT BOARD

The election of an Active member to the CRS Board of Trustees was held in August 2022. Ballots were counted on September 14, 2022 and the new Active Employee Trustee Monica Morton will be sworn in on October 6, 2022.