



# Cincinnati Retirement System Retirement 101: Group F

2024

# CINCINNATI RETIREMENT SYSTEM

## →Welcome to CRS!

- Our Mission: *Help members retire successfully*
- Established in 1931; pre-dates Social Security
  - Public employees in Ohio do not participate in Social Security
  - CRS members can be eligible for Social Security through a previous employer
- CRS covers only certain City of Cincinnati employees. Excludes:
  - Sworn Police and Fire (OP&F), Members of Ohio systems (OPERS), Elected Officials

# CINCINNATI RETIREMENT SYSTEM

## → CRS Benefits

- Different types of retirement benefits:
  - Monthly Pension Benefit
  - Retiree Healthcare
  - Deferred Retirement Option Plan
  - Disability Retirement Benefits
  - Survivor Benefits
  - Deferred Compensation (457 Plan)
- Eligibility for each type of benefit differs
  - It can be complicated - call us with questions!

# CINCINNATI RETIREMENT SYSTEM

## → CRS Operations

- What We Do:
  - Enroll New Members
  - Process 457 Plan Enrollments
  - Process Service Purchases
  - Process Return of Contributions
  - Process DROP Applications
  - Process Retirement Applications
  - Process Retiree Healthcare Open Enrollment and Medicare Transitions
  - Process Death Benefits
  - Member Education and Customer Service

# CINCINNATI RETIREMENT SYSTEM

## → CRS Funding

- CRS Benefits are Funded by Contributions + Investment Earnings
  - City contributes at least 16.25% of payroll
  - You contribute 9%
- CRS Board of Trustees invest the contributions and earn an investment return
- Current CRS Assets = \$2.2 billion
- Annual CRS benefit payments = \$219.4 million
- Funded ratio (pension) = 71.6%
- Funded ratio (health) = 145.1%

# CINCINNATI RETIREMENT SYSTEM

## → Member Direct

- An internet portal that allows CRS members independent access to personal retirement account information:
  - Create Benefit Estimates
  - Account summary
  - Monthly payment advices
  - 1099R
  - Nominated beneficiary
  - Download and complete forms
  - More to come
- [CRSMemberDirect.org](http://CRSMemberDirect.org)
- Sign up with your personal email address

# CINCINNATI RETIREMENT SYSTEM

## → CRS Benefits: Why?

Long-term  
Public  
Service

Retirement  
Security



# CINCINNATI RETIREMENT SYSTEM

## → Monthly Pension Benefit

- CRS provides a “Defined Benefit” pension
  - “Defined Benefit” means your pension is calculated by a formula that is “defined” by law – guaranteed monthly payment for the rest of your life



- Different than “Defined Contribution” plan which provides a lump sum at retirement and no guarantees





# CINCINNATI RETIREMENT SYSTEM

## → Monthly Pension Benefit

- Retirement Eligibility for Group F:
  - Normal at Age 60 & minimum 5 yrs. Service
  - Normal at any age with a minimum of 30 yrs. Service
  - Early at age 55 with minimum 25 years service  
*(actuarially reduced from Age 60 & Not eligible for retiree healthcare)*
  - Deferred – if you terminate employment PRIOR TO reaching retirement eligibility and leave your contributions with CRS, you can receive a pension at age 60 *(Retiree Healthcare eligibility may be affected or delayed)*

# CINCINNATI RETIREMENT SYSTEM

## → Monthly Pension Benefit

- Pension Calculation Formula:

$$\begin{array}{|c|} \hline \text{Service} \\ \text{Multiplier} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Avg Highest} \\ \text{Compensation} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Service} \\ \text{Credit} \\ \hline \end{array}$$

- Service Credit earned for every base hour paid  
(1 year of service = 2080 hours maximum)
  - Up to 20 years service or service on 7/1/11 = 2.5%
  - Afterwards = 2.2%
- Average Highest Compensation (AHC)
  - Group F: Highest 36 consecutive months of pensionable earnings & highest 60 consecutive months of pensionable earnings.

# CINCINNATI RETIREMENT SYSTEM

## → Monthly Pension Benefit: Group F

	Service Multipliers		Avg. Highest Compensation		Yrs of Membership Svc
Step 1	2.50%	X	Average Highest 3 Years Compensation	X	Years of Membership Service to June 30, 2011
Step 2	2.50%	X	Average Highest 5 years of Compensation	X	Years of Membership Service from July 1, 2011
					<i>Step 1 + Step 2 Capped at 20 yrs</i>
Step 3	2.20%	X	Average Highest 5 years of Compensation	X	Remaining Years of Membership Service from July 1, 2011

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## → Monthly Pension Benefit

- Example (Group F):
  - 28 yrs svc. (7/1/1995 – 6/30/2023)
  - AHC 3 = \$85,000; AHC 5 = \$82,000

Svc Multipliers	Avg. Highest Compensation	Yrs of Membership Svc		
2.50%	\$85,000	16	=	\$34,000
2.50%	\$82,000	4	=	\$8,200
2.20%	\$82,000	8	=	\$14,432
Annual Pension Benefit				\$56,632

- If final salary is \$86k, base benefit provides 66% salary replacement
- 3% simple interest COLA added at start of 4<sup>th</sup> year of retirement

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## → Estimate Example

Payment Option	Form Factor	To Retiree If Both Alive	To Surviving Optionee	To Retiree If Optionee Dies First
Option 1 100%	0.8857600	\$4,970.60	\$4,970.60	\$4,970.60
Option 2 50%	0.9391610	\$5,270.26	\$2,635.14	\$5,270.26
Option 3 66 2/3%	0.9545370	\$5,356.55	\$3,571.21	\$3,571.21
Option 4 80%	0.9257870	\$5,195.22	\$4,156.17	\$4,156.17
Single Life	1.0000000	\$5,611.67	\$0.00	\$5,611.67

Form factors and pension amounts will vary from person to person.

This example is for illustrative purposes only.

# CINCINNATI RETIREMENT SYSTEM

## → Monthly Pension Benefit

- *Who Can Be My Optionee?* Your legally married spouse (unless waived)
- You select your Optionee and Option at retirement:
  - Option 1 (100%): Same reduced benefit for life of retiree and optionee
  - Option 2 (50%): Benefit reduced to 50% if retiree dies first
  - Option 3 (66 2/3%): Benefit reduced to 66 2/3% upon death of retiree or optionee
  - Option 4 (80%): Benefit reduced to 80% upon death of retiree or optionee
- **All options are actuarially reduced from the base benefit**



# CINCINNATI RETIREMENT SYSTEM

## → Monthly Pension Benefit

- *What happens when I die?*
  - No Optionee selection: Monthly Pension Benefit ends
  - Optionee selection: Monthly Pension Benefit continues until Optionee dies, unless Optionee has already passed

# CINCINNATI RETIREMENT SYSTEM

## → Monthly Pension Benefit

- Purchasing Service Credit
  - Members can add to the service credit they earn as a City employee by purchasing service credit
  - Prior Military service credit
    - Members can purchase up to three years of honorably discharged active-duty military service
  - Prior contributing service with another public employer with a defined benefit plan that you have refunded from (*Out of State & Federal*)
  - Other Ohio Retirement System service (*OPERS, STRS, SERS, OP&F*) that is non-concurrent.

# CINCINNATI RETIREMENT SYSTEM

## → Retiree Healthcare

### **Retirement Eligibility is different from Healthcare Eligibility**

- Different criteria
- Being eligible to retire does NOT guarantee eligibility for retiree healthcare

### **CRS retiree healthcare coverage is different from Active City employee coverage**

- Dependent eligibility
- Medicare Part B required
- Deductibles start over in retiree healthcare

# CINCINNATI RETIREMENT SYSTEM

## →Retiree Healthcare

- Model Healthcare Plan
  - Only available to retired members w/ membership date before 1/1/2010
  - At age 60, with 20 years of service
  - At any age, with 30 years of service
    - *For members who hired after 1/9/97 and who leave City employment and defer, eligibility age is pushed to Medicare age or normal retirement age, whichever is later*
  - Cost structure:

Deductible (Individual/Family)	\$500/\$1000
Out of Pocket Max (Individual/Family)	\$2000/\$4000
Rx Co-Pay (generic/brand/non-formulary)	\$10/\$20/\$30
Patient Co-Insurance (pre-65)	20%
Patient Co-Insurance (65+)	4%

# CINCINNATI RETIREMENT SYSTEM

## → Retiree Healthcare

- Monthly Premium Share
  - Membership Date before 1/9/97: 10%
  - Membership Date on or after 1/9/97: Point Grid

Full Years of Creditable Service + Age at Termination = Total Points		
Total Points	Member Medical/Rx Premium Share	Member Dental and Vision Premium Costs
85-100	10%	100%
80-84	20%	100%
70-79	40%	100%
60-69	60%	100%

Premium costs are determined annually and depend on the number of dependents covered.

- Premiums drop substantially once member is eligible for Medicare (65)

# CINCINNATI RETIREMENT SYSTEM

## → Retiree Healthcare

- Pre-65 Model Healthcare Plan
  - Very similar to CoC Active Healthcare Plan
- 65 + Model Medicare Advantage Plan
  - Members enroll in Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance)
  - Members pay monthly Medicare Part B premium to Social Security
  - Medicare Advantage covers medical and prescription costs
- Dental and Vision coverage available separately



# CINCINNATI RETIREMENT SYSTEM

## → Deferred Retirement Option Plan

- DROP
  - Defer retirement for up to 5 years
  - Continue to work as City employee
  - Monthly pension benefit accrues in account
  - 75% of employee's CRS contribution saved
  - DROP account earns interest
  - DROP account paid out as lump sum at retirement
  - Eligibility:
    - 30 years service & CSA Current Employee Class Member
      - Active employee on 7/1/2011
      - 5 years svc on 7/1/2011

# CINCINNATI RETIREMENT SYSTEM

## → Death in Service Benefits

- Employee with 20 yrs svc: spouse eligible for Option 1 monthly pension benefit on date employee would have been eligible
  - ***Legally married Spouse must be designated as sole primary beneficiary***
- Please keep your beneficiaries current!

# CINCINNATI RETIREMENT SYSTEM

## → Leaving City Employment

- Options if you leave City employment prior to becoming eligible for retirement benefits:
  - *Leave your contributions in CRS & Defer*  
Ideal option for members who have earned the number of service years required for benefit eligibility (vested) but haven't reached the required age.
  - *Refund your contributions*  
Ideal option for members who have not earned the number of service years for benefit eligibility and do not intend to return to the City

# CINCINNATI RETIREMENT SYSTEM

## → Retirement Process

- At least 5 yrs before planned retirement date
  - Get a CRS benefit estimate
  - Make an estimated retirement budget
    - [Make a Budget...](#)
  - Ask questions about your eligibility for CRS benefits
- Retirement application process
  - Notify your department's HR Liaison
  - Complete an application at least 9 weeks before your planned retirement date
  - Attend a CRS Retirement Processing Session

# CINCINNATI RETIREMENT SYSTEM

## → Social Security

- You may be eligible for Social Security from working for a different employer; City of Cincinnati is not a Social Security employer
- If you are eligible for Social Security benefits, they may be reduced under the *Windfall Elimination Provision*
- Social Security survivor benefits from an eligible spouse may be eliminated also under the *Government Pension Offset provision*
  - Check out [www.SSA.gov](http://www.SSA.gov) and set up an account to see where you stand.

# CINCINNATI RETIREMENT SYSTEM

## → Durable Power of Attorney

- A Durable Power of Attorney is a legal document that authorizes someone else you choose to act in your place even if you become incapacitated
  - Durable POA for finances is valid for CRS purposes
  - Durable POA for healthcare is not valid for CRS purposes
  - You can designate a family member or someone else you trust
  - The person you name becomes your “agent”
- The Durable Financial POA allows your designated “agent” to handle a variety of transactions on your behalf



# CINCINNATI RETIREMENT SYSTEM

## → Deferred Compensation (457 Plan)

- Allows members to save additional amounts pre-tax for retirement
- Used to supplement Monthly Pension Benefit
- Get a CRS Benefit Estimate
  - Ask yourself if your Monthly Pension Benefit will be enough
  - Consider increasing contribution to 457 Plan
- City provides a match to most employees
  - AFSCME: \$300; CODE & Non-Rep: \$750.  
Match is only paid on Pre Tax Deferrals.
- 457 Plans: Ohio457, MissionSquare

# CINCINNATI RETIREMENT SYSTEM

## →Resources

- CRS: [www.cincinnati-oh.gov/retirement/](http://www.cincinnati-oh.gov/retirement/)
- Ohio457: [www.ohio457.org/resources](http://www.ohio457.org/resources)
- MissionSquare: [www.missionsq.org](http://www.missionsq.org)
- Social Security: [www.ssa.gov](http://www.ssa.gov)
- Medicare: [www.medicare.gov](http://www.medicare.gov)
- MemberDirect: [www.crsmemberdirect.org](http://www.crsmemberdirect.org)
  - MemberDirect is a CRS portal that allows you to see your retirement account information. Set up an account with a personal email address today!

# CINCINNATI RETIREMENT SYSTEM

## → Questions or Feedback?

- Please visit the CRS Website:  
<https://cincinnati-oh.gov/retirement/>
- Email: [retirement@cincinnati-oh.gov](mailto:retirement@cincinnati-oh.gov)
- Office:

City Hall, Room 328  
801 Plum Street  
Cincinnati, OH 45202  
(513) 352-3227



- ***Please keep CRS updated on your contact info!***