



## **City of Cincinnati Retirement System Benefits Committee**

**City Hall Council Chambers and via Zoom  
July 25, 2023 – 12:00 PM**

### **AGENDA**

#### **Members**

Tom Gamel, Chair  
Tom West, Vice Chair  
Aliya Riddle  
Mark Menkhaus, Jr.  
Bill Moller  
Monica Morton

#### **CRS Staff**

Karen Alder  
Mike Barnhill, Contractor

#### **Law**

Ann Schooley

#### **Call to Order**

#### **Public Comment**

#### **Approval of Minutes**

✚ March 2, 2023

#### **Old Business**

- ✚ Status of Disabled Adult Children Ordinance
- ✚ Survivor Benefits Ordinance
- ✚ Health Care Funding Policy Update
- ✚ DROP Analysis Update

#### **New Business**

- ✚ Open Enrollment
- ✚ Anthem Customer Service Data
- ✚ Health Benefits Survey Follow-Up
  - Mental health coverage education
  - Appeal process education
  - Additional member paid benefits: long term care, hearing aid coverage, higher level dental care

#### **Adjournment**

**Next Meeting: TBD**

***Via Electronic Mail***

February 17, 2023

Mr. Mike Barnhill  
 Cincinnati Retirement System  
 801 Plum Street, Suite 328  
 Cincinnati, Ohio 45202

***Re: Survivor Benefit Study***

Dear Mike:

As requested, this letter addresses a couple follow up questions the committee had regarding our December 5, 2022 letter that analyzed the impact on the Cincinnati Retirement System if the Survivor Benefit described in Section 203-49 of the City Code is changed to an award that can be administered more easily.

*If the Survivor Benefits under Section 203-49 is changed to be a one-time lump sum that is a multiple of the deceased participant's salary at the time of death, then what multiple of salary would result in no impact?*

The table below shows that a one-time lump sum equal to 2/3 (or 66.7%) of salary would result in approximately the same results shown in the December 31, 2021 valuation under the current benefit.

<b>\$ in millions</b>	<b>Current</b>	<b>2/3 x Salary</b>
a) Present Value of Future Benefits	\$ 2,770.2	\$ 2,771.6
b) Actuarial Liability	2,560.3	2,560.4
c) Actuarial Value of Assets (AVA)	1,832.0	1,832.0
d) Unfunded Actuarial Liability [(b) – (c)]	\$ 728.3	\$ 728.4
e) Funded Ratio on AVA basis [(c) ÷ (b)]	71.6%	71.6%
f) City's Actuarially Determined Contribution for FYE 2023 (% of Payroll)	32.86%	32.86%

What is the impact if Section 203-49 is amended to allow a surviving spouse and/or eligible children to begin receiving an additional monthly benefit when the surviving spouse attains age 50 if the participant had at least 10 years of service at the time of death instead of 15 years? What is the impact if the additional monthly benefit is payable immediately instead?

\$ in millions	Current	Lower Eligibility to 10 Years of Service to Start at 50	Allow for Immediate Annuity
g) Present Value of Future Benefits	\$ 2,770.2	\$ 2,771.9	\$ 2,772.2
h) Actuarial Liability	2,560.3	2,560.6	2,560.3
i) Actuarial Value of Assets (AVA)	1,832.0	1,832.0	1,832.0
j) Unfunded Actuarial Liability [(b) – (c)]	\$ 728.3	\$ 728.6	\$ 728.3
k) Funded Ratio on AVA basis [(c) ÷ (b)]	71.6%	71.5%	71.6%
l) City’s Actuarially Determined Contribution for FYE 2023 (% of Payroll)	32.86%	32.88%	32.90%

In preparing these results, we relied on the same census data, assumptions and methods used in performing the December 31, 2021 valuation. All the caveats in that report still apply.

If you have any questions, please let us know.

Sincerely,  
 Cheiron

Kevin J. Woodrich, FSA, EA, MAAA  
 Principal Consulting Actuary

Janet Cranna, FSA, FCA, EA, MAAA  
 Principal Consulting Actuary

**MODIFYING** the provisions of Chapter 203, “Employees’ Retirement System,” of the Cincinnati Municipal Code by **AMENDING** Section 203-42, “Health Care Benefits,” Section 203-43, “Health Care Benefits For Membership Dates Prior to January 9, 1997 and Retirement Effective Dates After January 1, 2016,” Section 203-44, “Health Care Benefits For Membership Dates On and After January 9, 1997,” and Section 203-48, “Health Care Benefits for Eligible Dependent Family Members,” to implement policy changes made by the Cincinnati Retirement System Board.

WHEREAS, the Cincinnati Retirement System Board (“Board”) desires to provide healthcare coverage to the adult disabled children of retirees whenever possible; and

WHEREAS, following a review of the rules related to Social Security Disability Income (“SSDI”) and Supplemental Security Income (“SSI”), the Board has determined that the cost of this healthcare coverage to the 115 Trust that funds retirees’ healthcare is not significant; and

WHEREAS, the Board no longer wants to require retirees to provide a Certificate of Disability from the Social Security Administration or to apply for SSI on behalf of a disabled adult child as a condition for retiree healthcare coverage for an adult disabled child under Chapter 203, regardless of the disabled adult child’s eligibility for such benefits, and

WHEREAS, the Board wants to require those retiree members and their spouses or eligible dependent children who are eligible to receive Medicare benefits to enroll in Medicare as a condition of receiving retiree healthcare coverage under Chapter 203; and

WHEREAS, the Board voted to change the Board’s policies to address eligibility requirements for retirees’ disabled adult children to receive retiree healthcare coverage and desires to revise Chapter 203 to implement those changes; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That existing Section 203-42, “Health Care Benefits,” Section 203-43, “Health Care Benefits For Membership Dates Prior to January 9, 1997 and Retirement Effective Dates After January 1, 2016,” Section 203-44, “Health Care Benefits For Membership Dates On and After January 9, 1997,” and Section 203-48, “Health Care Benefits for Eligible Dependent Family Members,” of the Cincinnati Municipal Code are hereby amended to read as follows:

**Sec. 203-42. Health Care Benefits.**

- (a) In addition to other benefits provided in this chapter, the Retiree health care benefits described in this Section shall be provided to the following persons:
- (i) A Member who retired on or before July 1, 2011 and whose eligibility for health care benefits was determined on their Retirement Effective Date according to the provisions of this chapter in effect on such date, or
  - (ii) A Member of Group C who retires on or after August 1, 2011 with 15 years of Membership Service, or
  - (iii) A Member of Group D, E, or F whose most recent membership enrollment date is before January 9, 1997 and who retired on or after August 1, 2011 and on or before January 1, 2016 with 15 years of Membership Service, or
  - (iv) Persons receiving the benefits of a retirement optional allowance under Section 203-63 and who are eligible for benefits under Section 203-48 of this chapter, provided that the Member satisfied the health care eligibility requirements of paragraph (i), (ii) or (iii) above at the time the Member retired, or
  - (v) A surviving spouse, eligible dependent child ~~and~~or orphan receiving survivor benefits as provided in Section 203-49 of this chapter on or before January 1, 2016.
- (b) The benefits to be provided under this Section are:
- (i) Medical and prescription drug coverage similar to coverage in effect for eligible ~~Retirees~~Pensioners on January 1, 2014, and ~~Member~~Retiree premium contributions are not to exceed 5% of the full funding rate for each tier of coverage:
    - (A) For in-network benefits:
      - (I) An annual deductible of \$300 per person and \$600 per family;
      - (II) A maximum annual medical out-of-pocket expense of \$1,500 per person and \$3,000 per family; and
      - (III) Prescription co-pays: \$10 for generic; \$20 for brand name; \$30 for non-formulary; with no out-of-pocket limit.
    - (B) For out-of-network benefits:
      - (I) An annual deductible of \$600 per person and \$1,200 per family;
      - (II) A maximum annual medical out-of-pocket expense of \$3000 per person and \$6,000 per family; and
      - (III) Limited out-of-network coverage for prescription drugs.
  - (ii) Dental and vision insurance coverage which shall be purchased and fully paid for by the Retirees, their surviving spouse, or their eligible dependents or orphans, as provided in Section 203-48 of this chapter.
- (c) Members who retired before September 1, 2007, and their surviving spouse as provided in Section 203-48 of this chapter, who met the requirements of former Section 203-43(d), subsections (i), (ii), (iii), or (iv) as in effect prior to July 1, 2011,

and who as of January 1, 2012, and annually thereafter, meet the requirements of subsection (i) below are entitled to the benefits described in subsection (ii) below.

- (i) MembersPensioners must establish that their annual household income is less than \$30,000 by annually submitting to the Retirement System a copy of their federal income tax return or any other or additional documentation the Retirement System requires to determine annually whether the Member's Pensioner's household income is less than \$30,000. For purposes of this Section, "household income" shall mean the total income of the MemberPensioner, including the income of the Member'sPensioner's spouse if married, after adding back the nontaxable portion of interest, dividends, pensions, annuities, IRA distributions, and social security benefits. Business or investment losses are not included in "household income" and may not be used to reduce the amount of "household income" for purposes of this Section. MembersPensioners must submit a copy of their federal income tax return (and that of their spouse, if applicable) for the prior year to the Retirement System no later than the date determined by the Retirement System each year, or any other or additional documentation the Retirement System requires. Failure to submit the required documentation shall result in the MemberPensioner becoming permanently ineligible for the benefits described in (c)(ii) of this Section. The Member Pensioner will be eligible for coverage as described in (b) of this Section.
- (ii) MembersPensioners who meet the requirements of subsection (i); above shall receive medical and prescription drug coverage with no premium cost with the following benefits:
  - (A) For in-network benefits:
    - (I) An annual deductible of \$0;
    - (II) A maximum annual medical out-of-pocket expense of \$500 per person and \$1,000 per family;
    - (III) A maximum annual prescription drug out-of-pocket expense of \$500 per person; and
    - (IV) Prescription drug tiers: \$5 for generic; \$15 for brand name; \$30 for non-formulary.
  - (B) For out-of-network benefits:
    - (I) An annual deductible of \$0;
    - (II) A maximum annual medical out-of-pocket expense of \$1000 per person and \$2,000 per family; and
    - (III) Limited out-of-network coverage for prescription drugs.

MembersPensioners who meet the requirements of subsection (i) above shall be provided dental and vision coverage to be purchased and fully paid for by the Retirees, their surviving spouse, or their eligible dependents ~~or orphans~~.

- (d) Any person eligible to receive healthcare coverage under this Chapter who is eligible for coverage under Medicare shall apply for Medicare coverage and provide documentation to the Retirement System that is acceptable to the Retirement System that confirms either acceptance or denial for such coverage. To the extent allowable under applicable federal law, coverage under this Section for any person who is eligible to be covered under Medicare shall be secondary to coverage of such person under Medicare. The benefit payable under this Section shall be reduced by the greater of: (a) the amount actually paid by Medicare Part A and Part B; or (b) the amount Medicare would pay if the person were enrolled in Medicare Part A and Part B. A person is considered eligible for Medicare for these purposes during any period such person has coverage under Medicare Part A or Part B or, while otherwise qualifying for coverage under Medicare Part A (premium free) or Part B, does not have such coverage under Medicare Part A or Part B solely because such person has refused, discontinued, or failed to make any necessary application or applicable payment for Medicare Part A or Part B coverage.
- (e) The director of retirement or the director's designee shall adopt rules and policies necessary to implement this Section.

**Sec. 203-43. Health Care Benefits For Membership Dates Prior to January 9, 1997 and Retirement Effective Dates After January 1, 2016.**

- (a) In addition to other benefits provided in this chapter, the Retiree health care benefits described in this Section shall be provided to the following persons:
  - (i) A Qualified Member (as defined in paragraph (c) below) who retires after January 1, 2016 who is at least 60 years of age with a minimum of 20 years of Membership Service and who is not otherwise eligible for health care benefits under Section 203-42, or
  - (ii) A Qualified Member (as defined in paragraph (c) below) who retires with 30 or more years of Creditable Service consisting of a minimum of 20 years of Membership Service and who is not otherwise entitled to benefits under Section 203-42, or
  - (iii) Persons receiving the benefits of a retirement optional allowance under Section 203-63 of this chapter, and who are eligible for benefits under Section 203-48 of this chapter, provided that the Member satisfied the requirements of either paragraph (i) or paragraph (ii) above at the time the Member retired and who is not otherwise entitled to benefits under Section 203-42, or
  - (iv) Each surviving spouse, and each eligible dependent child ~~and~~ or orphan of a deceased Active Member who would have been eligible for benefits under this Ssection, who is receiving survivor benefits as provided in Section 203-49 of this Chapter, provided that:
    - (A) the deceased Active Member's most recent membership enrollment date is before January 9, 1997 and the survivor benefit commenced on or after February 1, 2016 and the deceased Active Member is not otherwise entitled to benefits under Section 203-42; and

- (B) a surviving spouse may only obtain coverage if the surviving spouse possessed a valid marriage certificate or other proof of marriage recognized by the State of Ohio, dated prior to the date of the Active Member's death. However, if the deceased Active Member dies on or after January 1, 2019, the surviving spouse is eligible for coverage only if the spouse was not legally separated from the deceased Active Member at the time of the deceased Active Member's death.
  - (v) Qualified Members who are not covered by the provisions of the Collaborative Settlement Agreement and who retire on or after February 1, 2016 and on or before January 1, 2017 and who have at least 15 years of Membership Service.
- (b) The benefits to be provided under this Section are:
- (i) Medical and prescription drug coverage similar to the most favorable plan available to active Employees, excluding Police & Fire and Building & Trade unions, and Member premium contributions are not to exceed 10% of the full funding rate for each tier of coverage; and
  - (ii) Dental and vision insurance coverage which shall be purchased and fully paid for by the Retirees, their surviving spouse, or their eligible dependents or orphans as provided in Section 203-48 of this chapter.
  - (iii) Any person eligible to receive healthcare coverage under this Chapter who is eligible for coverage under Medicare shall apply for Medicare coverage and provide documentation to the Retirement System that is acceptable to the Retirement System that confirms either acceptance or denial for such coverage. To the extent allowable under applicable federal law, coverage under this Section for any person a Member who is eligible to be covered under Medicare shall be secondary to coverage of such Member under Medicare. The benefit payable under this Section shall be reduced by the greater of: (a) the amount actually paid by Medicare Part A and Part B; or (b) the amount Medicare would pay if the Member were enrolled in Medicare Part A and/or Part B. A Member is considered eligible for Medicare for these purposes during any period such Member has coverage under Medicare Part A or Part B or, while otherwise qualifying for coverage under Medicare Part A (premium free) or Part B, does not have such coverage under Medicare Part A or Part B solely because such Member has refused, discontinued, or failed to make any necessary application or applicable payment for Medicare Part A or Part B coverage.
- (c) For purposes of this Section, a Qualified Member is a Member who was an Active Member before January 9, 1997. The following rules shall apply for purposes of determining whether a Member was an Active Member before January 9, 1997:
- (i) If the Member terminates Membership due to a withdrawal of Accumulated Contributions (as provided in Section 203-11(d)) or a transfer of service credit and Accumulated Contributions to a State Retirement System (as provided in Sections 203-8 and 203-7-A), the Member shall not be considered to have been an Active Member for any period attributable to the withdrawn or transferred contributions, irrespective of whether the Member is subsequently granted credit



for such period of service pursuant to Section 203-29, Section 203-8 or any similar provisions of this Retirement System.

- (ii) A Member shall not be considered to have been an Active Member for any period of Creditable Service of a Member that is attributable to State Retirement System Service Credit, Out of State and Federal Service Credit, or Unpaid Authorized Leave of Absence Service Credit.
- (iii) If a Member ceases (or ceased) to be an Employee, the Member shall not be considered to have been an Active Member for any period of employment that precedes the date the Member ceases (or ceased) to be an Employee, unless the Member does not withdraw all or any part of his Accumulated Contributions.
- (iv) Notwithstanding the foregoing, if a Member is granted service credit for a period of military absence pursuant to Sections 203-27 or 203-27A, to the extent required by federal law, the Member shall be considered to have been an Active Member during the period of military absence.
- (d) Any Inactive Member who is rehired on or after January 1, 2016 shall not be eligible for benefits under this Section.
- (e) The director of retirement or ~~his or her~~ the director's designee shall adopt rules and policies necessary to implement this Section.

**Sec. 203-44. Health Care Benefits For Membership Dates On and After January 9, 1997.**

- (a) In addition to other benefits provided in this chapter, the Retiree health care benefits described in this Section shall be provided to the following persons:
  - (i) A Member whose most recent membership enrollment date is on or after January 9, 1997 and on or before December 31, 2015, and who:
    - (A) Retired on or after August 1, 2011 and on or before January 1, 2016 with 15 years of Membership Service and who is not entitled to benefits under Section 203-42 or 203-43, or
    - (B) Retires on or after February 1, 2016 and who is at least 60 years of age with a minimum of 20 years of Membership Service and who is not otherwise eligible for health care benefits under Section 203-42 or Section 203-43, or
    - (C) Retires on or after February 1, 2016 with 30 or more years of Creditable Service consisting of a minimum of 20 years of Membership Service and who is not otherwise entitled to benefits under Section 203-42 or Section 203-43.
  - (ii) Persons receiving the benefits of a retirement optional allowance under Section 203-63 of this Chapter, and who are eligible for benefits under Section 203-48 of this Chapter, provided that the Member satisfied the requirements of paragraph (i) above at the time the Member retired and who is not otherwise entitled to benefits under Section 203-42 or Section 203-43.
  - (iii) Members whose most recent membership enrollment date is on or after January 9, 1997 and who are not covered by the provisions of the Collaborative

Settlement Agreement and who retire on or after February 1, 2016 and on or before January 1, 2017 and who have at least 15 years of Membership Service.

- (iv) Each surviving spouse, and each eligible dependent child ~~and/or~~ orphan of a deceased Active Member who would have been eligible for benefits under this Ssection, who is receiving survivor benefits as provided in Section 203-49 of this Chapter, provided that:
  - (A) the deceased Active Member's most recent membership enrollment date is on or after January 9, 1997 and on or before December 31, 2015; and
  - (B) a surviving spouse may only obtain benefits if the surviving spouse possessed a valid marriage certificate or other proof of marriage recognized by the State of Ohio, dated prior to the date of the Active Member's death. However, if the deceased Active Member dies on or after January 1, 2019, the surviving spouse is eligible for coverage only if the spouse was not legally separated from the deceased Active Member at the time of the deceased Active Member's death.

Accordingly, the provisions of Section 203-33 of this Chapter, which provide for Service Retirement Allowances after vesting, shall not entitle ~~persons~~Members who are so vested to health care benefits under the provisions of this Section unless such ~~persons are~~ Members ~~who~~ also qualify for health care benefits under the provisions of this Section.

- (b) The benefits to be provided under this Section are:
  - (i) Medical and prescription drug coverage similar to the most favorable plan available to active Employees, excluding Police & Fire and Building & Trade unions; and subject to Member premium contributions described in (c) below; and
  - (ii) Dental and vision insurance coverage shall be purchased and fully paid for by the ~~Member~~Retiree, their surviving spouse, and their eligible dependents or orphans.
  - (iii) Any person eligible to receive healthcare coverage under this Chapter who is eligible for coverage under Medicare shall apply for Medicare coverage and provide documentation to the Retirement System that is acceptable to the Retirement System that confirms either acceptance or denial for such coverage. To the extent allowable under applicable federal law, coverage under this Ssection for any person who is eligible to be covered under Medicare shall be secondary to coverage of such person under Medicare. The benefit payable under this Section shall be reduced by the greater of: (a) the amount actually paid by Medicare Part A and Part B; or (b) the amount Medicare would pay if the person were enrolled in Medicare Part A and/or Part B. A person is considered eligible for Medicare for these purposes during any period such person has coverage under Medicare Part A or Part B or, while otherwise qualifying for coverage under Medicare Part A or Part B, does not have such coverage under Medicare Part A (premium free) or Part B solely because such

person has refused, discontinued, or failed to make any necessary application or applicable payment for Medicare Part A or Part B coverage.

- (c) Except for dental and vision insurance coverage, the percentage of the full funding rates, or premiums, for medical and prescription drug coverage to be paid by the Retirement System on behalf of persons entitled to benefits under this Section shall be based on a formula consisting of the sum of (i) the number of the Member's full years of Creditable Service, and (ii) the Member's age at the earlier of the Member's Retirement date or the date that the Member ceased to be an Active Member, with each such full year of Membership Service and each such year of age at Retirement date counting as one point each. Years of age at Retirement shall mean years of age at the birthday immediately preceding the earlier of the Member's Retirement date or the date that the Member ceased to be an Active Member. The number of full years of Creditable Service and the years of age at Retirement date shall be added together and shall result in the payment of medical and prescription drug coverage in the following percentage amounts:

95% of full cost or full premiums for 90 points

75% of full cost or full premiums for 80 to 89 points

50% of full cost or full premiums for 70 to 79 points

25% of full cost or full premiums for 60 to 69 points

If a Member's total points are less than 60, the Member is only eligible for individual medical and prescription drug coverage. The Retirement System will pay 25% of the premium for individual medical and prescription drug coverage. No spouse or family coverage is available.

A Member's years of Creditable Service shall be used for the purpose of determining the points of a Member under this subsection (c), but will not include years of Creditable Service credited under a previous Service Retirement Allowance provided under this Chapter.

- (d) If a Member leaves the City service prior to Retirement and is entitled to a deferred Service Retirement Allowance and such Member is entitled to benefits under this Section, no benefits shall be provided to the Member until the Member reaches the later of their normal retirement date, or their Medicare eligibility age.
- (e) Any Inactive Member who is rehired on or after January 1, 2016 shall not be eligible for benefits under this Section.
- (f) The director of retirement or ~~the director's his or her~~ designee shall adopt rules and policies necessary to implement this Section.

#### **Sec. 203-48. Health Care Benefits for Eligible Dependent Family Members.**

Notwithstanding any other provisions of this chapter, health care benefits provided by the Retirement System for eligible dependent family members of Retirees or deceased Active Members shall be limited to the following:

- (a) Eligibility for Health Care:

- (i) If a Retiree or deceased Active Member is eligible to receive health care benefits pursuant to this Chapter, only the following dependents as defined by and in accordance with the Ohio Administrative Code 145-4-09, "Definition of Eligible Dependent for Health Care Coverage," or Internal Revenue Code Section 152 (a)(1), "Qualifying Child," may be enrolled for health insurance purposes:
  - (A) A Retiree's spouse possessing a valid marriage certificate or other proof of marriage as recognized by the State of Ohio, dated prior to the effective date of retirement, and beginning January 1, 2019 who is not legally separated from the Retiree; or
  - (B) A surviving spouse of a deceased Retiree who is receiving benefits under Section 203-63, and who possessed a valid marriage certificate or other proof of marriage recognized by the State of Ohio, dated prior to the effective date of retirement. However, if the deceased Retiree dies on or after January 1, 2019, the spouse is eligible for coverage only if the spouse was not legally separated from the deceased Retiree at the time of the deceased Retiree's death; or
  - (C) A surviving spouse of a deceased Active Member who is receiving benefits under Section 203-49, and who possessed a valid marriage certificate or other proof of marriage recognized by the State of Ohio, dated prior to the date of death. However, if the deceased Active Member dies on or after January 1, 2019, the spouse is eligible for coverage only if the spouse was not legally separated from the deceased Active Member at the time of the deceased Active Member's death; or
  - (D) A Retiree's or a deceased Active Member's biological children who were born or children who were legally adopted by the Retiree prior to the effective date of retirement, or in the case of a deceased Active Member, prior to the date of death.
- (ii) A Retiree's child who has never entered into a marriage recognized by the State of Ohio is eligible for coverage if the child is either under the age of 19 or is a student attending an accredited school on a fulltime basis for at least 7 months of the calendar year and who has not attained the age of 24.
- (iii) Coverage shall be extended if the Retiree's child is permanently and totally disabled in accordance with Social Security Disability Definition, 42 U.S.C. 416i(1), prior to the limiting age specified in Section (a)(ii) herein ~~and maintains his or her residence within the household of the Retiree.~~ For purposes of this Section, the term "disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months. Evidence of the incapacity shall be required to be provided to the Board Retirement System's Medical Director for review and recommendation regarding whether the child is permanently and totally disabled, such as a Certificate of Disability or other adequate proof from the United States Social Security Administration, and the Medical Director's recommendation shall be subject to approval by the Board. Appeals from the Board's determination will be governed by rules adopted by the director of retirement.

- (iv) Any person eligible to receive healthcare coverage under this Chapter who is eligible for coverage under Medicare shall apply for Medicare coverage and provide documentation to the Retirement System that is acceptable to the Retirement System and confirms either acceptance or denial for such coverage. To the extent allowable under applicable federal law, coverage under this Section for any person who is eligible to be covered under Medicare shall be secondary to coverage of such person under Medicare. The benefit payable under this Section shall be reduced by the greater of: (a) the amount actually paid by Medicare Part A and Part B; or (b) the amount Medicare would pay if the person were enrolled in Medicare Part A and/or Part B. A person is considered eligible for Medicare for these purposes during any period such person has coverage under Medicare Part A or Part B or, while otherwise qualifying for coverage under Medicare Part A or Part B, does not have such coverage under Medicare Part A (premium free) or Part B solely because such person has refused, discontinued, or failed to make any necessary application or applicable payment for Medicare Part A or Part B coverage.
- (b) Eligibility to Purchase Health Care at 100% of Premium Cost:
- (i) The ability to enroll a spouse, minor child, or minor grandchild for Health Care benefits shall be closed to spouses when the date of marriage is after the date of the Retiree's retirement, to children born or adopted after the Retiree's date of Retirement and to minor grandchildren after December 31, 2017, unless subsection (ii) below applies.
- (ii) Otherwise eligible spouses and dependents who were married to, born of, or adopted by the Retiree after the Retiree's date of Retirement, and one minor grandchild born to an unmarried, un-emancipated minor child of the Retiree that the Retiree is permitted to claim as a dependent on the Retiree's federal tax return in accordance with Section 152 of the Internal Revenue Code, will be entitled to remain enrolled in coverage as long as they meet all other eligibility requirements, were enrolled in Retiree Health Care coverage on January 1, 2018, and provided that there is no break in coverage. Once a break in coverage occurs, spouses, dependents, and minor grandchildren will be subject to all the eligibility requirements of Chapter 203, including this Section, and will be ineligible for re-enrollment unless they meet all the eligibility requirements of Chapter 203.
- (c) If an individual receives a monthly benefit as an Optionee of a deceased Retiree of the Retirement System, he or she may enroll the biological children who were born of the Retiree or any eligible children who were legally adopted by the Retiree prior to the effective date of the Retiree's Retirement, provided that all such individuals meet the criteria listed in Sections (a)(i),(ii), (iii), or (iv) ~~(iii)~~ herein.
- (d) If a Retiree has not selected a pension payment option that includes an Optionee, health care benefits provided by the Retirement System for the Retiree's dependent spouse and eligible biological or legally adopted dependent child/ren terminates following the death of the Retiree.
- (e) For the purposes of this chapter, it is the responsibility of the Retiree, Optionee, or survivor to notify the Retirement System in writing, within 60 days of the date that

any spouse or dependent child fails to meet eligibility requirements. Failure to provide such notice to the Retirement System may result in overpaid health care claims for which the Retiree, Optionee, or survivor shall be responsible in addition to penalties imposed in Section (f) herein.

- (f) The Board maintains the right to conduct compliance-related audits of spouse and dependent eligibility and to impose penalties for non-compliance. Penalties for non-compliance shall include suspension of health care coverage of ~~the Retiree, Optionee, or surviving spouse and his or her dependents~~ any person eligible for coverage under this chapter for a period of 3 years and a requirement that ~~the Retiree, Optionee, or surviving spouse~~ such individuals repay all improperly paid prescription drug claims. After the three-year suspension period, the ~~Retiree, Optionee, or surviving spouse, or dependent children's~~ eligible individual's health insurance may only be reinstated upon full repayment of the amount of the improperly paid prescription drug claims. The ~~Retiree, Optionee, or surviving spouse~~ eligible individual is responsible for making payment arrangements to repay the amounts owed. If the ~~Retiree, Optionee, or surviving spouse~~ eligible individual has been found legally incompetent by a court, the Board, at its sole discretion, may elect to modify the penalty imposed by this ~~Section~~.
- (g) The director of retirement or the director's designee shall adopt rules and policies necessary to implement this Section.

Section 2. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: \_\_\_\_\_, 2023

\_\_\_\_\_  
Aftab Pureval, Mayor

Attest: \_\_\_\_\_  
Clerk

\_\_\_\_\_  
New language underscored. Deletions struck through.

CINCINNATI RETIREMENT SYSTEM  
SPECIAL ACTUARIAL ANALYSIS  
DEFERRED RETIREMENT OPTION PLAN  
June 14, 2023



June 14, 2023

Retirement Board  
Cincinnati Retirement System  
801 Plum Street, #328  
Cincinnati, OH 45202

*Re: DROP Analysis*

Dear Board:

Effective January 1, 2016, provisions for the Deferred Retirement Option Plan (DROP) were implemented for the Cincinnati Retirement System (CRS or System).

This report has been prepared for CRS and its stakeholders by Foster & Foster Inc. to determine whether the DROP in its current form is cost neutral to the System and whether it negatively impacts the CRS Funded Ratio.

**Based on the relevant information discussed throughout the remainder of this report, we believe that the existence of DROP in its current form is cost neutral to the CRS and does not negatively impact the CRS Funded Ratio.**

The findings, conclusions, and recommendations for consideration presented in this report are specific to CRS. Foster & Foster may produce different findings or arrive at different conclusions in other situations or even in cases involving similar plans. As such, it is important to keep in mind that the use of this information for purposes other than those expressed here may not be appropriate.

To the best of our knowledge, the analysis was prepared in accordance with the applicable Actuarial Standards of Practice issued by the Actuarial Standards Board.

When reviewing the results, it is important to keep in mind that future actuarial measurements may differ significantly from current measurements due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes in plan provisions or applicable law.

Please also note that the true cost of any DROP program cannot be fully recognized until each DROP participant terminates employment with the System. The findings presented in this report are based on assumptions of future experience. Deviations from expectations may lead to significant changes in actuarial measurements. Due to the limited scope of the analysis, we did not perform an analysis of the potential range of such future measurements. This report does not consider all possible scenarios.

Foster & Foster does not provide legal, investment or accounting advice. Thus, the information in this report is not intended to supersede or supplant the advice or the interpretations of the System or its affiliated legal, investing or accounting partners.

The undersigned are familiar with the relevant aspects of retirement benefit valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to

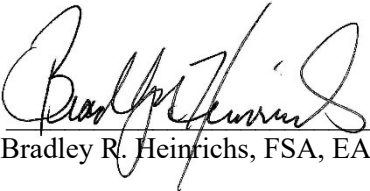


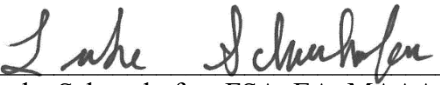
render the actuarial opinions contained herein. All the sections of this report, including any appendices and attachments, are considered an integral part of the actuarial opinions.

We look forward to presenting the conclusions contained in this report to the Board and are available to answer any questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER INC.

By:   
Bradley R. Heinrichs, FSA, EA, MAAA

By:   
Luke Schoenhofen, FSA, EA, MAAA

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## **SECTION I. SUMMARY OF CRS DEFERRED RETIREMENT OPTION PLAN**

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The DROP program was established effective January 1, 2016 for members of the Active Employee Class covered in the Collaborative Settlement Agreement (CSA) and affords eligible members a one-time election to enter DROP upon attainment of 30 or more years of credible service. The primary features of DROP include:

- When participating in DROP, members continue to make contributions based upon the member contribution rate of 9.00%. During this time, 75% of member contributions are deposited to their DROP account. The remaining 25% of member contributions are retained by the System to offset the cost of administering this benefit.
- 100% of the member's computed benefit (based upon service and salary at the time of DROP) is credited to the member's DROP account. Participation in DROP is limited to a total of five consecutive years.
- Cost-of-living adjustments (COLAs) are applied beginning on the fourth anniversary of the retirement effective date, which is when the participant officially leaves employment. DROP participation does not count toward the COLA deferral period, and COLAs are not applied while in DROP.
- The DROP account is credited with interest quarterly at a rate equal to the 10-year U.S. Treasury Note Business Day Series, as published by the United States Federal Reserve, with a maximum rate of 5.00%. Any member participating in DROP for less than two years will forfeit all earned interest.
- Once the member's employment has been terminated, his/her accumulated DROP balance will be fully distributed within 120 days.

## SECTION II. OUR APPROACH

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### Background Information

Paragraph 21 of the Operative Settlement Terms of the Collaborative Settlement Agreement between the City of Cincinnati, City employees, City retirees, and the American Federation of State and Municipal Employees (AFSCME) states that “The Parties agree to facilitate an independent actuarial analysis of the DROP during the fifth year of its implementation. If, based on the analysis, the program is not cost-neutral to the CRS Pension Trust Fund, the Parties shall then submit the matter to the Court for possible reformation or closure of the DROP, as warranted by the facts and determined by the Court to assure the DROP is cost-neutral, provided that any individual who has entered the DROP shall be entitled to participate in the DROP for five full years”.

We encourage that you keep in mind the term “cost-neutral” as you read through the remainder of this analysis. Cost-neutral does not carry a specific definition and is a subjective term that may differ between various stakeholders, including actuaries. It is also difficult to quantify what cost-neutral represents when considering all interrelationships that exist in the normal operation of the system. We will do our best to convey, consider and analyze these interrelationships in conjunction with this analysis.

Based on the actuarial assumption used in the Actuarial Valuation as of December 31, 2022, 70% of CRS Employee members eligible for DROP benefits are assumed to elect DROP participation. Additionally, those electing participation are assumed to remain in DROP for three years.

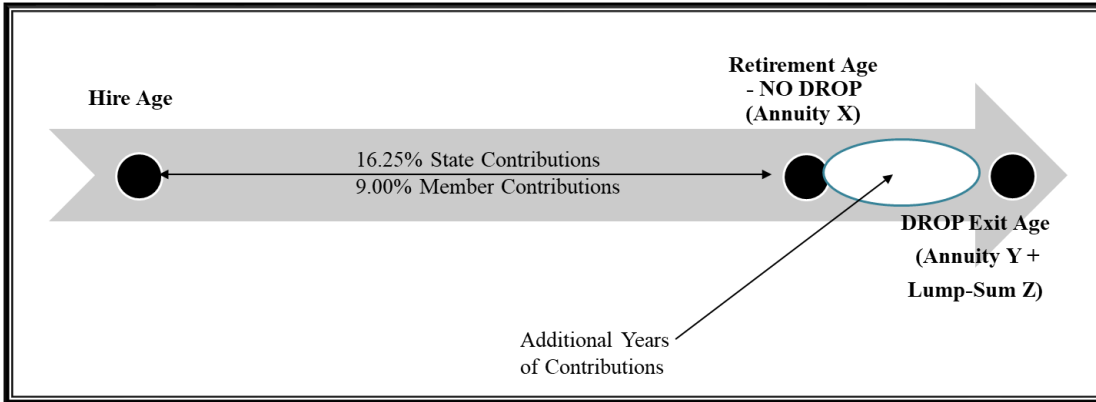
Based on an analysis of the data provided, it appears that members are working to later ages than they were before the implementation of the DROP. In a review of actual retirement ages from 2011 through 2015, the average actual retirement age was 59.5. In reviewing the retirement ages from 2016 through 2022, the average actual retirement age was 61.0, an increase of 1.5 years older.

It is not possible to pinpoint a single reason for delayed retirement ages, but this trend should not be ignored in combination with the existence of DROP. When examining whether existence of DROP results in a financial impact to the system, the idea that members are working longer due to DROP utilization must be an important consideration of the analysis.

### Hypothetical Retiree/DROP Comparison Calculations

There are several components that need to be considered anytime one tries to analyze a DROP plan’s financial impact on a retirement system. From a benefit perspective, we feel that it is important to illustrate and examine a comparison of the benefit value members will receive as a DROP participant versus regular service retirement.

Specifically, one must consider the net contributions (to the system) for the benefit value received (from the system) at retirement. For DROP members, the system will receive additional years of contribution at a higher salary than if the member retired at an earlier age and was replaced with a new hire at the entry salary rate, based on the presumption that DROP extends the average retirement age. Consider the illustration on the following page as it applies to any hypothetical member of the system.



As previously established, it is expected that due to the existence of DROP, members will work longer on average. As you can see, the illustration portrays that the DROP exit age will be at an age beyond what the regular service retirement age would have been had DROP not been implemented. The white oval in the illustration indicates the period of the member’s career in which the system will generate additional year(s) of contributions. The net effect of these additional contributions when compared to the difference in the benefit values (DROP versus retirement) allows us to examine an instrumental component when determining if DROP has a financial impact on the retirement system.

In order to do so, we considered several hypothetical members based on various hire and exit ages and performed the following calculation steps:

- Step 1 – Calculate the actuarial present value of benefits of Annuity X at service retirement age (no DROP)
- Step 2(a) – Calculate the actuarial present value of benefits of {Annuity Y + Lump-Sum Z} at DROP exit age, discounted to Step 1 retirement age
- Step 2(b) – Determine additional contributions received by system between retirement age (no DROP) and DROP exit age, less the Normal Cost for a new entrant (assumed to be 12.4% of salary), discounted to Step 1 retirement age
- Step 3 – Compare Step 1 to {Step 2(a) minus Step 2(b)}

*Hypothetical Member Demographics*

Based on the current active population, the hypothetical comparison calculations will include five (5) hypothetical members with varying hire and termination ages. Also, based on an analysis of current retiree data, we have included the average expected retirement (or DROP exit) age corresponding to each hire age, as shown below.

Average Hire Age	Average Expected Retirement Age	Assumed Starting Salary	Proportion
20	53	24,000	20.0%
25	58	24,000	25.0%
25	63	24,000	25.0%
30	63	24,000	15.0%
30	68	24,000	15.0%

*Calculation Assumptions*

Below is a partial list of the significant assumptions used for purposes of this analysis:

- Salary
  - New entrant rate – \$50,700 in 2029, \$58,100 in 2034
  - Final year of employment – Based on assumed salary increases
- Salary Increases – Table below (valuation assumption)

Service	Increase
<1	8.75%
1	8.25%
2	7.75%
3	7.25%
4	6.75%
5	6.25%
6	5.75%
7	5.25%
8-14	4.75%
15-20	4.25%
21+	3.75%

- DROP Participation Period – 3 years (valuation assumption)
- DROP Interest Crediting – 3.25% (valuation assumption)
- DROP Participation Rate – 70% (valuation assumption)
- Increase in Retirement Age due to DROP – 1 year
  - Also analyzed impact of increase in retirement age of two and three years

*Basic Salary Calculation Details*

In order to calculate the benefit value for the hypothetical members, we need to apply the salary assumptions stated above in order to populate the 5-year average final salary as well as the member contribution accrual (6.75% x salary for DROP participants). Below is a table that represents the values used for the calculations based on the assumptions stated above for a hypothetical member hired at age 20 with retirement age 53.

Year	Salary	5-Year Average	6.75% x Salary	6.75% x Salary Accrual
t (final year)	\$109,771	\$102,117	\$7,410	N/A
t-1	\$105,803	\$98,426	\$7,142	\$7,410
t-2	\$101,979	\$94,869	\$6,884	\$14,552
t-3	\$98,293	\$91,440	\$6,635	\$21,436
t-4	\$94,740	\$88,135	\$6,395	\$28,071
t-5	\$91,316	\$84,949	N/A	\$34,466
t-6	\$88,015	N/A	N/A	N/A
t-7	\$84,834	N/A	N/A	N/A
t-8	\$81,768	N/A	N/A	N/A
t-9	\$78,812	N/A	N/A	N/A

### SECTION III. CALCULATION ILLUSTRATION

This section includes a sample illustration for one of the hypothetical members in order to demonstrate the calculation details/methodology that is applied for each of the retiree/DROP comparison calculations included in this analysis and summarized in the next section.

The sample illustration is based on the following details:

- Hire Age – 20
- First Eligibility – 50/30
- DROP – 3 Years
- Retirement Age (no DROP) – 52
- DROP Exit Age – 53

The three (3) tables immediately below show the calculations of the accrued benefits (in accordance with the System’s current benefit formula) at retirement/DROP, as well as the calculation of the DROP lump-sum.

Regular Retirement Annuity			DROP Retirement Annuity		
Service	32		Service	30	
Benefit Accrual	Per Year	Accrual	Benefit Accrual	Per Year	Cumulative
Part A	2.50%	0.3125	Part A	2.50%	0.3125
Part B	2.50%	0.1875	Part B	2.50%	0.1875
Part C	2.20%	0.2640	Part C	2.20%	0.2200
3-Year Avg. Salary	\$102,025		3-Year Avg. Salary	\$94,783	
5-Year Avg. Salary	\$98,426		5-Year Avg. Salary	\$91,440	
Accrued Benefit	\$102,025 x 0.3125 + \$98,426 x 0.4515 =		Accrued Benefit	\$94,783 x 0.3125 + \$91,440 x 0.4075 =	
	\$76,322			\$66,881	
Age 52 Payment Factor	15.0979		Age 53 Payment Factor	14.9441	
Actuarial Present Value	\$76,322 x 15.0979 =		Actuarial Present Value	\$66,881 x 14.9441 =	
	\$1,152,302			\$999,476	
			<b>DROP Retirement Lump Sum</b>		
			DROP Benefits	66,881 x 3 = 200,643	
			6.75% x Salary Accrual	21,436	year = t-3
			Interest	11,004	
			DROP Account Balance	233,083	

The table below represents the estimate of the present value of additional contributions received by the system due to members delaying their retirement by participating in DROP.

Additional Year	DROP Salary	Replacement Salary	DROP Salary Contributions	Replacement Salary Contributions	Additional Net Contributions	Normal Cost	Discount Factor	Present Value
1	\$109,771	\$50,700	\$27,717	\$12,802	\$14,915	\$6,287	0.964486	\$8,322

Finally, the table below summarizes the comparison of the present value of benefits for DROP/retirement and shows the net effect once the present value of additional contributions is reflected. A net increase indicates a cost to the system, while a net decrease indicates a savings to the system.

<i>Results Summary</i>				
	Annuity	Lump Sum	Discount Factor	Present Value
Regular Retirement	\$76,322	N/A	1	\$1,152,302
DROP Retirement	\$66,881	233,083	0.930233	\$1,146,567
			Increase in PV	-\$5,735
			PV (Additional Contributions)	\$8,322
			Net Increase/Decrease	-\$14,057
			% Increase/Decrease	-1.22%

To further illustrate the calculation details, let's revisit the calculation steps shown on page 3, inserting the results from the sample illustration.

- Step 1
  - Calculate the actuarial present value of benefits of Annuity X at service retirement age (no DROP)
  - **\$1,152,302** (from regular retirement annuity table)
- Step 2(a)
  - Calculate the actuarial present value of benefits of {Annuity Y + Lump-Sum Z} at DROP exit age, discounted to Step 1 retirement age
  - \$999,476 (from DROP retirement annuity table) + \$233,083 (from DROP retirement lump-sum table) = \$1,232,559 x 0.930233 (from results summary table) = **\$1,146,567**
- Step 2(b)
  - Determine additional contributions received by system between retirement age (no DROP) and DROP exit age, less Normal Cost
  - **\$8,322** (from additional years table on bottom of page 5)
- Step 3
  - Compare Step 1 to {Step 2(a) minus Step 2(b)}
  - Step 1 = \$1,152,302
  - Step 2(a) minus Step 2(b) = \$1,146,567 - \$8,322 = \$1,138,245
  - Net Increase/Decrease = \$1,138,245 - \$1,152,302 = **-\$14,057**
  - % Increase/Decrease = -\$14,057/\$1,152,302 = **-1.22%**

As you can see, the net impact of electing DROP versus regular service retirement for this hypothetical member based on the parameters specified was a decrease in present value of \$14,057, or 1.22% of the actuarial present value of benefits.

As previously mentioned, we performed these same calculation steps repeatedly for various hypothetical members with differing hire and exit ages. In the next section, we have provided several tables of results for each of the hypothetical members analyzed.

**SECTION IV. CALCULATION RESULTS SUMMARY**

Below is a summary of the hypothetical retiree/DROP comparison calculations for each of the hypothetical members listed on page 3. When reviewing the results, please keep in mind that the difference in present value indicates the increase (or decrease, if negative) in costs due to DROP when compared to regular service retirement.

Hire Age	Retirement Age	DROP Exit Age	Difference in Present Value	Net Difference in Present Value (With additional contributions)
20	53	53	1.29%	1.29%
20	52	53	-0.50%	-1.22%
20	51	53	-2.12%	-3.38%
20	50	53	-3.59%	-5.18%
<b> </b>				
25	58	58	2.63%	2.63%
25	57	58	0.48%	-0.29%
25	56	58	-1.47%	-2.80%
25	55	58	-3.24%	-4.93%
<b> </b>				
25	63	63	5.19%	5.19%
25	62	63	2.21%	1.41%
25	61	63	-0.53%	-1.93%
25	60	63	-3.04%	-4.86%
<b> </b>				
30	63	63	4.54%	4.54%
30	62	63	1.90%	1.06%
30	61	63	-0.50%	-1.95%
30	60	63	-2.68%	-4.50%
<b> </b>				
30	68	68	7.93%	7.93%
30	67	68	4.23%	3.33%
30	66	68	0.85%	-0.72%
30	65	68	-2.24%	-4.25%

As can be seen above, if the retirement age and DROP exit age are the same, the value of the DROP benefits is larger than regular service retirement (between 1.29% to 7.93%). This means that if implementing DROP had no impact on retirement behavior, the DROP plan would add cost to the system. Keep in mind that actual experience has shown that members have delayed their retirement, on average, approximately 1 year since the implementation of DROP.



Reviewing the results for each hire age when the retirement age is one year prior to the DROP exit age, you can see that the net difference in present value (accounting for the additional contributions received by the system during that one year) is between -1.22% to 3.33%. Again, please note that these results are based on various assumptions, and actual retirement/DROP experience could significantly impact the results.

Based on the proportion assumed for each respective hire age (page 3) and the calculation assumptions used (page 4), the expected net difference in present value when comparing DROP versus regular service retirement is approximately an increase of 0.49%. If the existence of DROP was assumed to delay retirement by two years, the expected net difference in present value would be approximately a decrease of 1.58%. If the existence of DROP was assumed to delay retirement by three years, the expected net difference in present value would be approximately a decrease of 3.36%.

**Generally, valuation results that are within 2% of the actuarial present value of benefits are deemed to be within acceptable thresholds and do not represent a material impact on the overall costs to the system. Since the average retirement age has increased by 1-2 years since the implementation of DROP, it would be reasonable to conclude that the existence of DROP is cost neutral to the CRS and does not negatively impact the CRS Funded Ratio.**

## SECTION V. ADDITIONAL CONSIDERATIONS

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While the emphasis of this analysis has focused on the hypothetical calculation comparisons under a certain set of assumptions to this point, it is important to consider the interrelationships that exist throughout the retirement system associated with providing DROP to its members.

Below is a non-exhaustive list of additional items that must be considered when evaluating whether DROP has a financial impact on the retirement system.

- *Interest Crediting* – The DROP account is credited with interest quarterly at a rate equal to the 10-year U.S. Treasury Note Business Day Series, as published by the United States Federal Reserve, with a maximum rate of 5.00%. Any member participating in DROP for less than two years will forfeit all earned interest. It is currently assumed that the system will achieve a 7.50% return on DROP assets each year, allowing the system to benefit from interest arbitrage. The gains or losses associated with the DROP interest crediting will depend on actual investment performance for the system.
- *Impact on OPEB Liability* – It is likely that the existence of DROP will result in a decrease to the OPEB liability of the system. Members in DROP are considered ‘active’ from an OPEB perspective and since members are working longer to utilize DROP, this means the overall OPEB liability will likely be less than it would have if DROP did not exist.
- *Impact on Administrative Expenses* – Typically, implementing new benefit features such as DROP into the system comes with an increase in the administrative expenses of the system. The increase in expenses associated with the ongoing maintenance of the DROP plan is not expected to have a material financial impact on the system but should be considered.
- *Adverse Selection* – Whenever members are given a choice (for example, to DROP or retire), it is important to consider that adverse selection is likely to occur periodically on an individual basis. For example, a member may not elect to enter DROP if they are in line for a promotion or are expecting a significant increase in pay. As mentioned many times throughout this report, actual plan experience deviating from expectations could have an impact on the actuarial measurements. It will be important to continue to monitor plan experience through actuarial experience studies to ensure the assumptions used are our best estimate of future experience. Please also note that a change in the assumptions (for example, salary increases) may have a significant impact on the results.

## SECTION VI. CONCLUSIONS AND RECOMMENDATIONS

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Pursuant to Paragraph 21 of the Operative Settlement Terms of the Collaborative Settlement Agreement between the City of Cincinnati, City employees, City retirees, and the American Federation of State and Municipal Employees (AFSCME), we have completed a special actuarial analysis which includes an examination of the financial impact, if any, on the retirement system of offering the DROP to members.

As presented throughout our analysis, there are several variables that must be considered and assumptions that must be made when determining if a DROP plan has a financial impact on a retirement system. One of the key considerations discussed and an integral part of this analysis is the assumption that implementing DROP will (and has) have an impact on retirement behavior. Specifically, members are working longer due to the existence of DROP than they were prior to the implementation of DROP.

In Section IV, we illustrated that absent a change in retirement behavior, DROP provides a more valuable benefit to members than regular service retirement. This means that if DROP was implemented and members were retiring at the same age as before, DROP would have a negative financial impact on the retirement system. We further illustrated that if members are working longer than they were previously, the value of DROP compared to regular service retirement is neutralized when the retirement age increases between 1-2 (or more) years. Actual plan experience has indicated that members are working 1-2 years longer than they were prior to DROP implementation.

There are several components that must be considered when examining the financial impact of DROP on the retirement system, as discussed in Section V. It is important to keep in mind that adverse selection will occur, and certain individuals will benefit financially from the existence of DROP. The impact on OPEB liability is difficult to value, but it should serve as an offsetting factor when considering the total retirement system liability.

Negative financial Cost neutral does not carry a specific definition and is a subjective term that may differ between various stakeholders, including actuaries. It is also difficult to quantify what cost neutral represents when considering all interrelationships that exist in the normal operation of the system.

Based on all of the relevant information discussed throughout this report, we believe that the existence of DROP in its current form is cost neutral to the System and does not negatively impact the CRS Funded Ratio. We recommend that the Board continue to monitor actual retirement and DROP participation experience through periodic actuarial experience studies. A change in plan experience may significantly impact the results of this analysis and the analysis should be revisited in conjunction with a change to pertinent actuarial assumptions.

The findings presented in this report are specific to CRS. Foster & Foster may produce different findings or arrive at different conclusions in other situations or even in cases involving similar plans. As such, it is important to keep in mind that the use of this information for purposes other than those expressed here may not be appropriate.

## Anthem Medallia Phone Surveys

Net Promoter Score - How likely is it that you would recommend Anthem to a colleague or friend?
Call Center Satisfaction Rate - Was the associate knowledgeable? Did the associate take genuine interest in you?
Combined Service Skills Rate - Overall, how satisfied were you with this call?
Easy to do Business With Satisfaction Rate - How much would you agree or disagree that Anthem is easy to do business with?
Inquiry Resolution Rate - Was your question resolved on this call?
First Call Resolution Rate - Was this the first time you contacted Anthem about this specific question or issue?

VOC Data - 2023 - City of Cincinnati	January	February	March	April	May	June	July*	Grand Total
<b>Medallia Phone Surveys</b>								
Surveys Completed	11	6	10	15	9	10	4	65
Net Promoter Score	72.7	100.0	100.0	71.4	88.9	100.0	100.0	87.3
Call Center Satisfaction Rate	100.0%	100.0%	100.0%	100.0%	83.3%	100.0%	100.0%	96.6%
Combined Service Skills Rate	100.0%	100.0%	100.0%	92.6%	93.8%	100.0%	100.0%	97.5%
Easy to do Business With Satisfaction Rate	90.9%	100.0%	100.0%	93.3%	100.0%	100.0%	100.0%	96.9%
Inquiry Resolution Rate	90.9%	60.0%	90.0%	93.3%	100.0%	100.0%	100.0%	92.2%
First Call Resolution Rate	72.7%	60.0%	50.0%	80.0%	88.9%	80.0%	75.0%	73.4%

*\*Data as of 7/13/2023*