



Cincinnati Retirement System Retirement 101: Group F

2023

CINCINNATI RETIREMENT SYSTEM

→Welcome to CRS!

- Our Mission: *Help members retire successfully*
- Established in 1931; pre-dates Social Security
 - Public employees in OH 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

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→ 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!

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→ 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

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→ 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 = \$219.4mm
- Funded ratio (pension) = 71.6%
- Funded ratio (health) = 145.1%

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→ CRS Benefits: Why?

Long-term
Public
Service

Retirement
Security

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→ Monthly Pension Benefit

- CRS provides a “Defined Benefit” pension
 - “Defined Benefit” means a formula-based monthly payment for the rest of your life



- Different than “Defined Contribution” which provides a lump sum at retirement



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→ Monthly Pension Benefit

- Eligibility
 - Group F:
 - Age 60, 5yrs. svc.
 - Any age, 30yrs. svc.
- *Groups?* Almost all CoC employees are either Group F or Group G
 - Group F: hired before 1/1/2010
 - Group G: hired on or after 1/1/2010

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→ Monthly Pension Benefit

- Basic Formula:



- Yrs of Svc: Credit for every non-OT hr worked
- Service Multiplier (1yr = 2080 hrs)
 - Group F: Blended 2.5%/2.2%
- Average Highest Salary
 - Group F: Blended High 3/High 5

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→ 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)
 - High 3 = \$85,000; High 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 4th year of retirement

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→ 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 active-duty military service
 - Service with another public employer with a defined benefit plan
 - Submit an application to CRS (out of state service requires payment of a processing fee). The sooner you purchase, the less it will cost you.

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→ 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

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→ Monthly Pension Benefit

- *Who Can Be My Optionee?* Usually spouse, but can be anyone
- **Select 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**

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→ Monthly Pension Benefit

- Early Retirement
 - Early retirement is available for a reduced benefit
 - Group F: Age 55, with 25 years of service
 - No retiree healthcare eligibility if Early Retirement selected

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→ Retiree Healthcare

- Model Healthcare Plan
 - Only available to employees 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%

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→ Retiree Healthcare

- Premium Share

- Membership Date before 1/9/97: 10%
- Membership Date on or after 1/9/97: Varies (points grid)

$$\boxed{\text{Full Years of Creditable Service}} + \boxed{\text{Age at Termination}} = \boxed{\text{Points}}$$

Your Total Points	Your Percentage of Total Premium Cost
90-100 Points	10%
80-89 Points	25%
70-79 Points	50%
60-69 Points	75%

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

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→ Retiree Healthcare

- Pre-65 Model Healthcare Plan
 - Very similar to CoC Active E'ee 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
 - Medicare Advantage covers medical and prescription costs
- Dental and Vision coverage available separately

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→ Deferred Retirement Option Plan

- DROP
 - Defer retirement for up to 5 years
 - Continue to work as City employee
 - Monthly pension benefit saved
 - 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

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→ Disability Retirement

- Disability
 - Requires mental or physical incapacitation that prevents performance of duty and is likely permanent
 - 90% of monthly pension benefit
 - Disability determination made by CRS Medical Director
 - Minimum 5 yrs of service credit to apply
 - Retiree healthcare only available if member is eligible for retiree healthcare at time of disability

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→ Survivor Benefits

- Eligibility: Active employee with minimum 18 months svc.
- Monthly dependent benefit (2023): \$419.51
 - Employee w 15 yrs svc & un-remarried spouse eligible at age 50
 - Employee w less than 15 yrs svc & un-remarried spouse eligible at age 62
 - Dependent children (younger than 18)

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→ Survivor Benefits

- Employee w 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***
- Refund of Contributions
 - Employee CRS contributions refunded to beneficiary
- Please keep your beneficiaries current!

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→ 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. This is free money!
- 457 Plans: Ohio457, MissionSquare

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→ 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 Session

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→ 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 and set up an account to see where you stand.

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→ Leaving City Employment

- Options if you leave City employment prior to becoming eligible for retirement benefits:
 - Leave your contributions in CRS
 - Ideal option for members who have earned the number of service years required for benefit eligibility, 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

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→Resources

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

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→Questions?

- Please visit the CRS Website:
<https://cincinnati-oh.gov/retirement/>
- Email: 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!***

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→Feedback

- We appreciate your participation today!
- We encourage your feedback on this presentation!
 - Please send to or contact:
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