

Cincinnati Retirement System Retirement 101: Group F

2023

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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



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



CINCINNATI RETIREMENT SYSTEM →CRS Benefits: Why?

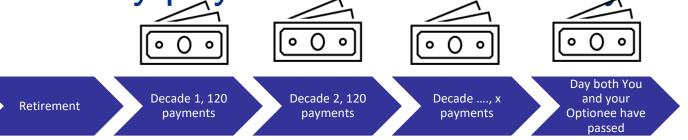
Long-term Public Service

Retirement Security



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
 Provides a lump

RETIREMENT

- 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



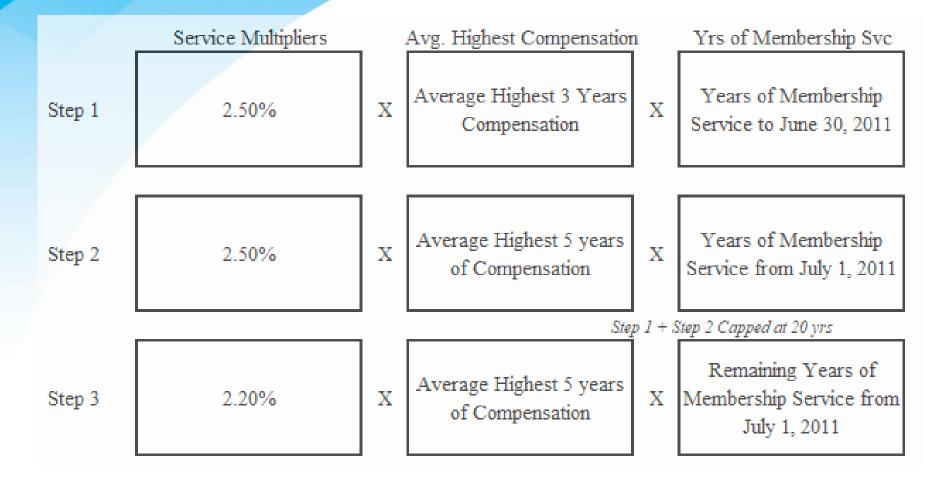
Basic Formula:



- 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



→ Monthly Pension Benefit: Group F





- 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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- 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.

- 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



- 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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- 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



CINCINNATI RETIREMENT SYSTEM →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

\$500/\$1000

\$2000/\$4000

\$10/\$20/\$30

20%

4%

Cost structure:

Deductible (Individual/Family) Out of Pocket Max (Individual/Family) Rx Co-Pay (generic/brand/non-formulary) Patient Co-Insurance (pre-65) Patient Co-Insurance (65+)

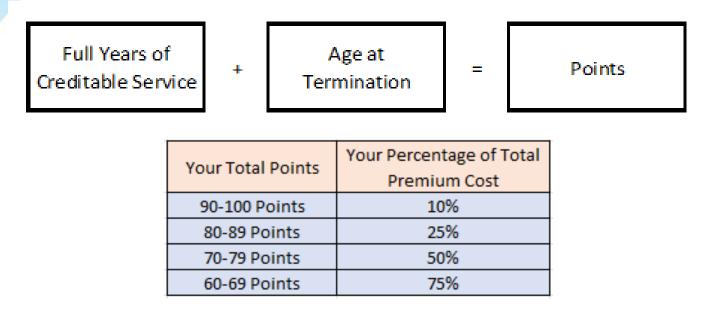
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CINCINNATI RETIREMENT SYSTEM →Retiree Healthcare

Premium Share

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



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



10%

CINCINNATI RETIREMENT SYSTEM →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



CINCINNATI RETIREMENT SYSTEM →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



CINCINNATI RETIREMENT SYSTEM →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



CINCINNATI RETIREMENT SYSTEM →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)



CINCINNATI RETIREMENT SYSTEM →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!



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

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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 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 <u>www.SSA.gov</u> and set up an account to see where you stand.



CINCINNATI RETIREMENT SYSTEM →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 CINCINNATI

CINCINNATI RETIREMENT SYSTEM →Resources

- CRS: <u>www.cincinnati-oh.gov/retirement/</u>
- Ohio457: <u>www.ohio457.org/resources</u>
- MissionSquare: <u>www.missionsq.org</u>
- Social Security: <u>www.ssa.gov</u>
- Medicare: <u>www.medicare.gov</u>
- MemberDirect: <u>www.crsmemberdirect.org</u>
 - 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!



CINCINNATI RETIREMENT SYSTEM →Questions?

- Please visit the CRS Website: <u>https://cincinnati-oh.gov/retirement/</u>
- Email: <u>retirement@cincinnati-oh.gov</u>
- Office:

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



Please keep CRS updated on your contact infol

CINCINNATI RETIREMENT SYSTEM →Feedback

- We appreciate your participation today!
- We encourage your feedback on this presentation!
 - Please send to or contact: Mike Barnhill CRS Executive Director
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