



Cincinnati Retirement System Retirement 101: Group G2

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

CINCINNATI RETIREMENT SYSTEM

→ CRS Benefits

- Different types of retirement benefits:
 - Monthly Pension Benefit
 - 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 Retirement Applications
 - Member Education and Customer Service
 - Pension Payroll

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

CINCINNATI RETIREMENT SYSTEM

→ 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



CINCINNATI RETIREMENT SYSTEM

→ Monthly Pension Benefit

- Eligibility
 - Group G:
 - Age 67, 5yrs. svc.
 - Age 62, 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
 - G1: hired 1/1/2010 – 12/31/2015
 - G2: hired on or after 1/1/2016

CINCINNATI RETIREMENT SYSTEM

→ Monthly Pension Benefit

- Basic Formula:



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

CINCINNATI RETIREMENT SYSTEM

→ Monthly Pension Benefit

- Example (Group G):
 - 28 yrs svc. (7/1/2012 – 6/30/2040)
 - High 5 = \$82,000
 - $2.2\% \times 28 \times 82,000 = \$50,512$ annual
 - If final salary is \$86k, base benefit provides 59% salary replacement
 - 3% simple interest COLA added at start of 4th year of retirement

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: 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.
 - Ohio svc—wait until end of career

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

- *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**

CINCINNATI RETIREMENT SYSTEM

→ Monthly Pension Benefit

- Early Retirement
 - Early retirement is available for a reduced benefit
 - Group G: Age 57, with 15 years of service

CINCINNATI RETIREMENT SYSTEM

→ Retiree Healthcare

- Options for Employees Hired After 1/1/2016
 - City's High Deductible Health Plan w Health Savings Account
 - City contributes \$500/\$1,000 (ind./family)
 - Employees can contribute \$3,650/\$7,300
 - Funds that you and City contribute can be used tax-free for retiree healthcare expenses
 - Balances over \$2,000 can be invested
 - *Contact Risk Management for assistance determining whether this may be a good option for you*
 - Retire before Medicare age
 - Federal healthcare exchange insurance
 - Use HSA funds to pay premiums, out of pocket expenses
 - Enroll in Medicare at age 65

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

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

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 www.SSA.gov 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 vested (five years service credit earned) 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 RETIREMENT SYSTEM

→ 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!

CINCINNATI RETIREMENT SYSTEM

→ 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!***