



**City of Cincinnati Retirement System
Benefits Committee**

**June 4, 2009 10:00 AM
Centennial II – Meeting Room A
AGENDA**

Members:

Michael Rachford – Chair
Michael Fehn – Vice Chair
Don Beets
Brian Pickering
Bryan Schmitt - Absent

Call to Order

Guests

Approval of Minutes

New Business:

- Loan Exceptions from Internal Audit Report

Pending Business:

- Draft Ordinance – Eligible Family Members
- Pending List

Disability Report

Adjournment

Next Meeting: June 25, 2009 12:00 PM / City Hall – Committee Room B

AMENDING Chapter 203 of Cincinnati Municipal Code, “Employees’ Retirement System”, by enacting new Section 203-48, “Health Insurance Benefits for Eligible Dependent Family Members”, in order to incorporate appropriate criteria established under federal and state law regarding the eligibility of dependent family members in relation to health insurance benefits provided by the Cincinnati Retirement System.

WHEREAS, City Council desires to amend the current process and criteria by which health insurance benefits are provided to beneficiaries of retirees under the Cincinnati Retirement System (“CRS”), in order to incorporate appropriate criteria established under federal and state law regarding the eligibility of dependent family members in relation to health insurance benefits provided by the Cincinnati Retirement System; and

WHEREAS, incorporation of more specific criteria and implementation of a more streamlined review process related to beneficiary health care will provide cost savings to the CRS pension fund and ensure that health care is appropriately provided to eligible dependent family members of CRS retirees; now, therefore,

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

Section 1. That new Section 203-48 of the Cincinnati Municipal Code, “Health Insurance Benefits for Eligible Dependent Family Members”, is enacted as follows:

Section 203-48. Health Insurance Benefits for Eligible Dependent Family Members.

Notwithstanding any other provisions of this chapter, health insurance benefits provided by this retirement system for eligible dependent family members of retirees shall be limited to the following:

- a) Enrollment for Health Insurance Before the Effective Date of Retirement:
 - i. If a retiree is eligible to receive a monthly age and service or disability benefit, only the following Dependents as defined 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 before the effective date of retirement:
 - a. A retiree’s legal spouse possessing a valid marriage certificate recognized by the State of Ohio;
 - b. A retiree’s biological children or children who were legally adopted by the retiree prior to the effective date of retirement.

- ii. In order for a retiree's child to be eligible for coverage, the child must be under the age of 19 as of the close of the calendar year in which the taxable year of the taxpayer begins; or the child must be a student, never having entered into a marriage recognized by the State of Ohio, and 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 as of the close of such calendar year.
- 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, such as a Certificate of Disability or other adequate proof from the United States Social Security Administration, and shall be subject to approval by the board.

b) Enrollments for Health Insurance On or After Effective Date of Retirement

- i. A retiree may enroll his or her biological child/ren born on or after the effective date of retirement by paying 100 % of the full cost of the Premium, provided that such individuals meet the criteria listed in Sections (a)(i)(ii) or (iii) of this section, and provided that the retiree is permitted to claim such person as a dependent on the retiree's federal tax return in accordance with Section 152 of the Internal Revenue Code.
 - ii. A retiree may enroll his or her legal spouse, possessing a valid marriage certificate dated on or after the effective date of retirement and recognized by the state of Ohio, by paying 100 % of the full cost of the Premium.
 - iii. On or after the effective date of retirement, a retiree may enroll his or her legally adopted child/ren and /or one minor grandchild, provided that the minor grandchild is born to an unmarried, un-emancipated minor child of the retiree, by paying 100 % of the full cost of the Premium, provided that the retiree is permitted to claim such person as a dependent on the retiree's federal tax return in accordance with Section 152 of the Internal Revenue Code.
- 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 of the retiree or any children legally adopted by the retiree prior to the effective date of retirement, provided that all such individuals meet the criteria listed in Sections (a)(i)(ii) or (iii) herein.

- d) If a retiree has not selected a payment option that covers dependants, medical insurance coverage provided by this retirement system for the retiree's dependant spouse and eligible biological or legally-adopted dependant child/ren terminates upon 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 90 days of the date that any dependent fails to meet eligibility requirements. Failure to provide such notice to this 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 dependent eligibility and to impose penalties for non-compliance. Penalties for non-compliance with the rules for health insurance eligibility may include termination of a retiree's health insurance, but shall include a penalty of at least suspension of health insurance for a period of the time equal to any time illegally covered, plus an additional period of either one year or the amount of time improperly covered, whichever is less.
- g) These changes shall apply to all beneficiaries as of the effective date of this ordinance. Following the effective date of this ordinance, notice of the eligibility criteria contained herein shall be sent within 30 days to all beneficiaries.

Section 2. Implementation of the provisions of this section by the Cincinnati Retirement System shall take place 395 days after the effective date of this ordinance, which will allow for completion of one complete health plan open enrollment cycle, allowing those who choose to do so to provide previously-enrolled dependents with alternate health insurance coverage.

Section 3. That this ordinance shall go into effect on and after the earliest period allowed by law.

Passed: _____, 2009

Attest: _____
Clerk

Mayor