



**City of Cincinnati Retirement System
Benefits Committee**

**March 19, 2009 12:00 PM
City Hall Committee Room B
AGENDA**

Members:

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

Call to Order

Guests

Approval of Minutes:

- February 26, 2009

New Business:

Pending Business:

- CRS Health Insurance Benefits for Eligible Retiree Family Members:
 - Motion
- Retiree/Spouse Employer Healthcare
- Pending List

Disability Report

Adjournment

Next Meeting: April 2, 2009: 10:00 AM / Centennial II Meeting Room A



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

March 19, 2009 12:00 PM
Centennial II – Meeting Room A

The Chair declared a quorum and called the meeting to order: 12:02 PM

Present:

Michael Rachford, Chair
Michael Fehn, Vice Chair
Bryan Schmitt
Donald Beets

Staff present:

John Dietz
John Boudinot
Cheryl Volk, Recorder

Absent

B. Pickering

MINUTES

D. Beets made motion to accept the February 26, 2009 Benefits Committee minutes. Motion seconded by M. Fehn and the motion passed.

ELIGIBLE FAMILY MEMBERS FOR RETIREE HEALTH COVERAGE.

Members considered applying more stringent penalty for non-compliance. Members discussed application of similar penalty for non-compliance of the Eligible Family Members Ordinance and the Retiree/Spouse Employer Health-Care Ordinance.

Committee Action

M. Fehn made a motion to accept the draft proposal. Motion seconded by B. Schmitt.

Roll Call Vote:

Beets:	No
Fehn	Yes
Rachford	Yes
Schmitt	Yes

Motion passed and proposal was approved.

Further discussion of the draft proposal resulted in revisions to clarify dependents.

Committee Action

M. Fehn made a motion to accept the proposal with revisions. Motion seconded by B. Schmitt.

Roll Call Vote:

Beets	No
Fehn	Yes
Rachford	Yes
Schmitt	Yes

Motion passed and the revised proposal was approved. Administration to forward revised document to Law Department and Board of Trustees for review.

RETIREE/SPOUSE EMPLOYER HEALTH-CARE

Reviewed draft ordinance and discussed penalties for non-compliance. Law Department to present updated draft when available. Send questions and comments to Board of Trustees for their consideration. After the draft Ordinance is finalized, forward to Ice Miller for legal opinion regarding penalties.

WATER WORKS DISTRICT

Changes in legislation are required for Water Works District to remain in CRS. M. Rachford will keep Benefits Committee updated.

M. Fehn made a motion to adjourn. Motion seconded by B. Schmitt and motion passed. Meeting adjourned 1:20 P.M.

CRS Health Insurance Benefits for Eligible Retiree Dependant Family Members

Enrollment for Health Insurance by the Effective Date of Retirement

1. If you are 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, Ohio Revised Code 3109.19, and Internal Revenue Code Section 152 (a)(1) Qualifying Child may be enrolled for health insurance purposes by effective date of retirement:
 - a. Your legal spouse: this must be a person of the opposite gender and you must have a valid marriage certificate recognized by Ohio law;
 - b. Your biological or legally adopted pre-retirement children.
2. In order for a 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 is a student, never married 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 year.
3. Coverage shall be extended if the child is permanently and totally disabled (as per Social Security Disability Definition—42 U.S.C.416i(1) prior to the limiting age listed above and maintains his/her residence within the household of the retiree. 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 (Certificate of Disability or other proof from Social Security), and shall be subject to approval by the CRS Board.

Enrollments for Health Insurance After Effective Date of Retirement

4. You may enroll the retiree’s biological child/ren born after the effective date of retirement subject to paragraphs 2 and 3 of this document and paying 100 % of the full Premium.

5. A legal spouse: this must be a person of the opposite gender and you must have a valid marriage certificate recognized by Ohio law: may be added by paying 100 % of the full cost of the Premium.
6. Legally adopted child/ren, stepchild/ren, and /or minor grandchild if the minor grandchild is born to an unmarried, un-emancipated minor child of the Retiree may be added by paying 100 % of the full cost of the Premium.

For All Children

7. You must be allowed to claim this child as a dependent on your federal tax return in accordance with Section 152 of the Internal Revenue Code.

Additional Items

8. If you receive a monthly benefit as an optionee of a deceased retiree of the CRS, you may enroll only the biological children of the retiree, subject to paragraphs 2 and 3 of this policy.
9. If you have not selected a payment option that covers dependants, CRS Medical Insurance coverage for your dependant spouse and eligible biological or legally adopted dependant children terminates upon death of Retiree.
10. It is your responsibility to notify the CRS, in writing, within 30 days of the date your dependent fails to meet eligibility requirements. Failure to notify CRS may result in overpaid health care claims for which you shall be responsible.
11. The CRS 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 retiree's health insurance.
12. These changes shall be retro-active to all Beneficiaries as of the effective date of approval by City Council. After these changes are approved by City Council a notice of this change shall be sent within 30 days to all Beneficiaries. After the notice is sent the implementation shall take place over the next 375 days so that one complete Health Plan open enrollment cycle passes, allowing those to enroll post retirement dependents in a health plan within that period.

5505-7-04 Health care.

(A) Eligible benefit recipients and dependents may enroll in any plan offered pursuant to section [5505.28](#) of the Revised Code.

(1) The annual premium cost for each category of coverage shall be determined by the board prior to the annual open enrollment period.

(2) The benefit recipient shall pay the excess premium cost of an additional plan option.

(3) Open enrollment for any additional plan option shall be established, as necessary by the board.

(4) A retirant who has access to medical coverage through employment must secure it as primary coverage, regardless of cost. In the board's discretion, this provision may be waived if the board deems that cost to be excessive. If the retirant has medical coverage through employment, the retirement system's medical coverage may be secondary; however, the retirement system will still offer primary dental and vision coverage.

(B) The spouse and dependent children of a retirant who is receiving a monthly benefit, are eligible for health care, subject to the following conditions:

(1) A spouse is a wife or husband as set forth in a statutorily-valid certificate of marriage or as recognized by judgment of a court establishing a common-law relationship.

(2) Health care will not be provided to a spouse who is receiving pension benefits from another public retirement system if the spouse has at one time received health care benefits from the other public retirement system.

(3) Dependent children are step-children that are residing in the same household as the retirant, natural children, or adopted children.

(4) The board may require documented proof of marriage or parenthood before approving spouse or dependent coverage.

(5) A spouse who has access to medical coverage through employment must secure it as primary coverage, regardless of cost. In the board's discretion, this provision may be waived if the board deems the cost to be excessive. If the spouse has medical coverage through employment, the retirement system's medical coverage may be secondary; however, the retirement system will still offer primary dental and vision coverage.

(6) The board reserves the right to deny coverage for failure to provide satisfactory proof of eligibility.

(7) Eligibility for dependent health care coverage is independent of eligibility for survivor benefits.

(C) Upon the death of a retirant or member, the surviving spouse, dependent children, and step-children are eligible for health care coverage, subject to the following conditions:

(1) A spouse is a wife or husband as set forth in a statutorily-valid certificate of marriage or as recognized by judgment of a court establishing a common-law relationship.

(2) Dependent children are natural or adopted children.

(3) Dependent step-children, residing in the same household as the retirant or member, who had coverage at the time

of the retirant's or member's death, may continue coverage, provided the surviving spouse elects to continue coverage.

(4) In the event a surviving spouse remarries, health care coverage eligibility shall continue for the surviving spouse or any dependent step-children only if coverage existed prior to the remarriage.

(D) Only benefit recipients and covered dependents who are enrolled under one of the health care plans are eligible for prescription drug coverage.

(E) Nothing shall prohibit the board from implementing cost control measures as may be deemed necessary.

(F) Health care eligibility for dependent children of a deceased member or retirant shall terminate when pension benefit eligibility terminates.

(G) Health care eligibility for the spouse, dependent children, and step-children shall terminate under the following conditions:

(1) At the end of the month in which the spouse is no longer married to the benefit recipient.

(2) At the end of the month in which the child or step-child (a) is no longer a dependent of the retirant, (b) is no longer a full-time student, (c) marries, or (d) attains age twenty-three, whichever occurs first.

(H) Retirants and benefit recipients who are receiving benefits in accordance with sections 5505.16, 5505.17, and 5505.18 of the Revised Code and are insured under medicare part B will be reimbursed upon the receipt of evidence of coverage, for the lesser of the cost of coverage or an amount established by the board.

(1) Evidence shall consist of a copy of the health insurance card or other verification provided by the social security administration.

(2) The reimbursement amount for the following year shall be established by the board no later than the December meeting

(3) Reimbursement shall become effective no later than the first full month following receipt of evidence, and will be paid as a monthly addition to the pension checks.

(4) Reimbursement will not be made to benefit recipients who are eligible to receive reimbursement from another entity (e.g., employer, other public retirement system, etc.)

(I) Anyone who is eligible but who does not enroll for medicare part B coverage will have reduced coverage. Medical claims that would have been covered by medicare part B will not be covered.

(J) Anyone who is eligible for a benefit based only on an election in accordance with section [5505.162](#) of the Revised Code shall not be eligible for health care coverage or medicare part B reimbursement.

(K) An alternative payee under section [5505.261](#) of the Revised Code shall not be eligible for health care coverage or medicare part B reimbursement.

(L) A benefit recipient can not be covered by more than one public retirement system.

(M) If the cost of coverage through an employer, pursuant to paragraphs (A)(4) or (B)(5), exceeds twenty-five percent of gross wages, the retirant may apply for a hardship exemption on a form prescribed by the board.

(N) All provisions of this rule are subject to the current health care contracts and amendments.

Effective: 10/21/2005

R.C. 119.032 review dates: 08/05/2005 and 10/01/2010

Promulgated Under: 111.15

Statutory Authority: 5505.04, 5505.28

Rule Amplifies: 5505.28

Prior Effective Dates: 10/1/1996, 6/1/1996, 12/1/1994, 3/15/1992, 2/1/1992, 11/1/1990, 2/1/1990, 1/1/1987

2009 PREMIUM EQUIVALENTS - RETIREMENT

HMO					
single	\$ 877.76	329	\$ 288,783.04	\$	3,465,396.48
family	\$ 1,766.70	168	\$ 296,805.60	\$	3,561,667.20
> 65	\$ 658.34	549	\$ 361,428.66	\$	4,337,143.92
		1046	\$ 947,017.30	\$	11,364,207.60

PPO					
single	\$ 736.83	540	\$ 397,888.20	\$	4,774,658.40
family	\$ 1,816.97	274	\$ 497,849.78	\$	5,974,197.36
> 65	\$ 552.61	252	\$ 139,257.72	\$	1,671,092.64
		1066	\$ 1,034,995.70	\$	12,419,948.40

TRADITIONAL					
single	\$ 1,009.92	395	\$ 398,918.40	\$	4,787,020.80
family	\$ 2,480.70	192	\$ 476,294.40	\$	5,715,532.80
> 65	\$ 560.44	2580	\$ 1,445,935.20	\$	17,351,222.40
		3167	\$ 2,321,148.00	\$	27,853,776.00

80/20					
single	\$ 310.85	340	\$ 105,689.00	\$	1,268,268.00
family	\$ 766.53	122	\$ 93,516.66	\$	1,122,199.92
> 65	\$ 431.73	0	\$ -	\$	-
		462	\$ 199,205.66	\$	2,390,467.92

COMBINED					
single	\$ 742.69	1604	\$ 1,191,278.64	\$	14,295,343.68
family	\$ 1,804.85	756	\$ 1,364,466.44	\$	16,373,597.28
> 65	\$ 575.75	3381	\$ 1,946,621.58	\$	23,359,458.96
		5741	\$ 4,502,366.66	\$	54,028,399.92

2008 TOTAL ACTUAL SPEND	\$ 48,499,123.00
2009 PROJECTED SPEND	\$ 53,349,035.30

2009 MEDICARE PART B PREMIUM (3381 X \$96.40 X 12)	\$ 3,911,141.00
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NOTE: Add \$96.40 to all monthly rates for > 65 members
(MEDICARE PART B PREMIUMS)