

ORDINANCE

Establishing the ability for employees of the City of Cincinnati who are members of the Employees' Retirement System of the City of Cincinnati to purchase service credit in the system for up to one year due to an unpaid authorized leave of absence.

WHEREAS, the City of Cincinnati Employee's Retirement System ("Retirement System") is a qualified governmental retirement system under Section 401(a) of the Internal Revenue Code;

WHEREAS, the City of Cincinnati desires to provide members of the Retirement System the opportunity to purchase service credit in the Retirement System for up to one year due to an unpaid authorized leave of absence, as permitted in other State of Ohio public retirement plans;

BE IT ORDAINED by Council of the City of Cincinnati, state of Ohio:

Section 1. That, on and after the effective date of this ordinance, a member of the Retirement System shall be permitted to obtain creditable service under this Retirement System if (i) the member has "Eligible Leave of Absence Service" (as defined below), and (ii) the member satisfies all of the requirements of subsection (2) below. The cost for such creditable service and the purposes for which it shall be used under this Retirement System are described in subsections (3)-(7).

Section 2. A member meets the requirements of this subsection if all of the following requirements are met:

- (i) The member is an employee, as defined in Section 203-1-E, Chapter 203, of the Municipal Code, after the effective date of this section.

(ii) The member shall have been a member for at least 18 consecutive months at the time that the member either makes payment or begins making payments for the creditable service.

(iii) The member is an employee at the time of the payment for the creditable service.

Section 3. In order to become entitled to additional creditable service under this section, the member shall deposit in the Retirement System an amount equal to 100 percent of the amount determined by the actuary chosen by the Retirement System, to be necessary to fund the additional service retirement allowance and all other benefits that shall be payable under the Retirement System on account of the member's purchase of creditable service under this section. Payment by the member may be made in any combination of the following methods:

(i) After-tax payroll deduction by the member.

(ii) A trustee-to-trustee transfer from a 403(b) plan or an eligible governmental deferred compensation 457(b) plan.

(iii) The member making a rollover contribution (including a direct rollover) to the Retirement System from an "Eligible Retirement Plan", as defined in Section 203-117, Chapter 203, of the Municipal Code.

(iv) Any other direct payment in cash to the Retirement System.

For this purpose, a rollover contribution shall be a contribution to this Retirement System that, in accordance with IRC Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3) or 457(e)(16) and procedures established by the Board, a member makes by delivering, or causing to be delivered to the Retirement System, assets in cash which constitute such rollover contribution.

Any employee desiring to exercise the option to purchase creditable service under this Section shall make application to the Board, which application shall be accompanied by a non-

refundable \$250 application fee for the cost of the actuarial study required to determine the cost. If the employee purchases creditable service, the \$250 fee shall be applied toward the cost of such purchase.

At the time of application, the member shall provide a letter from their employing agency stating that (1) the member was on an authorized leave of absence, (2) the inclusive dates of the leave of absence, and (3) the rate of pay and monthly gross earnings at the time of the leave, in a form and manner acceptable to the Board.

Section 4. The minimum number of years of creditable service required under the provisions of Section 203-44, Chapter 203 of the Municipal Code for hospital, surgical and medical care benefits shall not be supplied by the purchase of creditable service under the provisions of this Section; however, creditable service purchased under the provisions of this Section shall be applied to years of city service in excess of the minimum of 15 years of service in order to determine the percentage of premiums to be paid by the Retirement System on behalf of a retired member. A purchase of creditable service under this Section shall not affect any other City of Cincinnati benefits, including, but not limited to, vacation accruals or longevity. The service purchased under this Section shall count for purposes of vesting in the Retirement System.

Section 5. The amount of creditable service purchased under this section shall not exceed one year. The minimum amount of creditable service purchased must be at least 160 work hours.

Section 6. For purposes of this Section "Eligible Leave of Absence Service" shall include non-contributing, unpaid time off due to an authorized leave of absence from the City of Cincinnati for any reason, except for leaves due to corrective action from the disciplinary

process, for which the employee would have earned service credit if no leave of absence had occurred, and provided the member worked at least one year after returning from the leave.

Section 7. At the time that "Leave of Absence Service Credit" is purchased under this Section, the member shall certify to the Board, on a form furnished by the Board, that the Leave of Absence Service will not be used in the calculation of any retirement benefit currently being paid or payable in the future to the member under any other retirement program except social security. In accordance with Section 203-133, Chapter 203 of the Municipal Code, the Board shall otherwise have full authority to administer the terms of this Section. All decisions of the Board made in regard to the administration of this Section shall be final, including without limitation (i) determinations of the Board in regard to the question of whether or not information supplied by a member provides proper verification of "Eligible Leave of Absence Service," and (ii) determinations of whether a leave of absence constitutes "Eligible Leave of Absence Service."

Section 8. Section 203-7-B(c)(ii), Chapter 203 of the Municipal Code, is amended by repealing the current language and replacing it with the following:

- (ii) A trustee-to-trustee transfer from a 403(b) plan or an eligible governmental deferred compensation 457(b) plan.