



City of Cincinnati Retirement System Benefits Committee Minutes

July 7, 2011 – 12: 00 P.M.
City Hall – Conference Room 115

The meeting was called to order: 12:05 P.M.

Present

M. Fehn
M. Matlock
B. Partridge
M. Rachford
R. Sims

Staff Present

Paula Tilsley
Cheryl Volk

Approval of Minutes

M. Fehn made a motion to approve the May 5, 2011 Benefits Committee minutes. M. Rachford seconded the motion and the motion passed. Minutes were approved.

Vice-Chair

M. Fehn nominated M. Rachford for Vice-Chair of the CRS Benefits Committee and the motion was unanimously approved.

Disability Program

Research other disability programs that utilize third-party administrators. Review the disability program of the Ohio Public Employees Retirement System (OPERS) for a sample of a disability definition and administrative process.

Disability Report

Janice Russell – Disability Application

P. Tilsley provided a report on the disability application of Janice Russell and concurred with the Medical Director's recommendation for approval.

Health Care Changes

On March 16, 2011, City Council passed an Ordinance amending Chapter 203 of the Cincinnati Municipal Code (CMC). The amendments stipulate the changes to retirees' health care including payment for health insurance and health benefits.

The health care changes will be effective January 1, 2012. Retirees who choose to enroll in the dental and vision plans will have the premiums deducted from their monthly pensions. The healthcare

changes will be communicated to all retirees. Details concerning the implementation will be provided at a future meeting.

Federal Early Retirement Reinsurance Program

The U.S. Department of Health & Human Services recently approved the Retirement System's application for reimbursement of certain retiree medical expenses for the 2011 plan year under the Federal Early Retirement Reinsurance Program. One of the eligibility criteria for receiving reimbursements includes a Maintenance of Benefits provision that requires the employer to contribute the same dollar amount to the 401(h) medical fund as was contributed in the prior year..

Committee Action

To ensure CRS meets all of the qualification requirements under the program, R. Sims made a motion to direct the same dollar amount of employer contributions to the 401(h) account by 12/31/11 as was contributed in year 2010. This amount was \$4,369,000. M. Rachford seconded the motion and the motion passed.

Medicare D Plan

Medicare D is a prescription coverage program approved by Medicare. Although the CRS retirees have been advised not to enroll in the Medicare D program, enrollments have continued. Prescriptions covered by Medicare D are not considered in the Retiree Drug Subsidy (RDS) federal program which provides partial reimbursement to the CRS. Additionally, the prescription program offered to retirees by the CRS provides better coverage and is more affordable to the retirees than Medicare D.

Develop an education plan for members concerning the Medicare D program and CRS prescription coverage.

Retiree Medical Premium Share (Point System)

The medical benefits for members who were hired on or after January 8, 1997 is based on a formula consisting of a point system used to determine the percent of premium cost required for medical coverage upon retirement. The point system consisting of years of service combined with the member's age at termination will first affect new retirees in January 2012.

Effective January 1, 2012, the Modified 80/20 Plan will be eliminated with all members in that plan moving to the standard 80/20 plan. The Carve-Out 80/20 Plan will remain, however stricter requirements will need to be met to remain in the plan. Members in the standard 80/20 plan will be required to contribute the same percentage of premium share as active employees. The point system should be adjusted so that the lowest member premium share is not more favorable than the active employee premium share.

Committee Action

R. Sims made a motion to adjourn the meeting. M. Rachford seconded the motion and the motion passed. Meeting was adjourned at 1:45 P.M.