



City of Cincinnati Retirement System Benefits Committee Minutes

July 10, 2014 12:00 P.M.
City Hall – Committee Room B

Present

Sally Cuni, Chair
Bev Nussman
Michael Rachford
Roger Sims

Staff Present

Paula Tilsley
Cheryl Volk

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

APPROVAL OF MINUTES

R. Sims made a motion to approve the Benefits Committee minutes from April 3, 2014. M. Rachford seconded the motion. Minutes were approved as submitted.

NEW BUSINESS

The Committee reviewed the Medical Director's report for one audited disability case. Based on the Medical Director's recommendations, the Benefits Committee took the following action:

Thomas Warmack – Disability Audit

Committee Action

B. Nussman made a motion to accept the Medical Director's report and to deny the disability of Thomas Warmack. M. Rachford seconded the motion and the motion passed. Following a roll-call vote, the disability was denied.

Roll-call Vote to Deny:

S. Cuni	Yes
B. Nussman	Yes
M. Rachford	Yes
R. Sims	Yes

UNFINISHED BUSINESS

CRS Disability Retirement Rules

The Committee worked with AON Hewitt consultants in 2012 to address industry practices and trends in retiree healthcare and disability retirement programs. The Committee's goal was to ensure the CRS disability retirement program is consistent with prevalent standards and to make recommendations for improvement.

As follow-up to earlier considerations, the Committee addressed the disability retirement application and appeal processes of the CRS Rules with a focus on clarifying certain requirements and providing more flexible time limits. Once the Committee approves the final changes, the updated Rules will be submitted to the Board for approval.

Following a discussion of current practices, the Committee agreed on the following items:

1. Applications and Audits:
 - a. Member has 30 days from application date or audit notification to meet with the CRS Medical Director for a medical evaluation.
 - b. Member has 60 days from application date or audit notification to have medical records forwarded from their healthcare providers to the CRS Medical Director.
2. Appeals:
 - a. Member has 60 days from date of appeal request to have additional medical evidence forwarded from their healthcare providers to the CRS Medical Director.
3. Extension Requests: Extension requests by the member may be approved when more time is needed to forward medical records to the CRS Medical Director or other extenuating circumstances occur.
 - a. Extension timeline is 30 days.
4. Reapplication by an active member or a terminated member following an Application Appeal Denial:
 - a. Member may reapply for a disability retirement if they can prove the initial condition has progressed or a new condition is causing their disability.
 - b. Medical Director to assess the new medical evidence and determine if reapplication criteria have been met.
5. Terminated Employees - Disability Retirement Application
 - a. Member has 24 months from their employment termination date to apply for a retirement disability. Member must prove that the disabling condition existed while employed.
6. Effective Date of Disability Retirement:
 - a. Member's disability retirement effective date is the 1st of the month following their disability application date or their employment termination date – whichever is later.
 - b. The effective date of an Appeal that has been approved will be retroactive to the 1st of the month following their corresponding original disability application date, their termination date, or the termination of their most recent audited disability retirement benefit – whichever is later.

Submit the updated CRS Disability Retirement Rules to the Committee for approval. Schedule a 30-minute meeting to follow the Investment Committee on August 7, 2014.

Healthcare Benefits for Disability Retirements

Consider options to redefine healthcare eligibility for members who are approved for a disability retirement. Research OPERS approach to providing healthcare to disability recipients.

Annuity Option 3 & 4 Overpayments

This group involved pensioners, most of whom retired in the 1980's and 1990's, who chose annuity Option 3 or 4 at retirement. These Options provide for a reduction in the annuity benefit upon the first annuitant to die. In summary, if the spouse annuitant died during the period from 2001 to 2009, the base benefit was reduced correctly for the retiree, but the COLA continued to be paid as if the base benefit was never reduced. Payments were corrected in 2013 on a go forward basis.

Committee agrees that efforts should be made to collect some or all of the amounts overpaid in error. Concerns were raised about some members' advanced ages and that some members have died and will die before the collection is completed.

CRS staff to prepare multiple approaches for collecting overpayments using a 4 year payback period and various percentage of pension payment caps/thresholds in an effort to limit the negative financial impact on the affected members and to provide an equitable repayment approach. Review scenarios at the August 7, 2014 meeting.

Retiree Carve-Out Plan

The CRS Carve-out plan is a closed plan with approximately 300 participants. The Benefits Committee discussed the need to monitor and consider other means of assisting lower income members with the cost of and access to retiree medical coverage in the future. The current approach of administering a separate health care plan for a dwindling closed group of members will not be feasible at some point in the future.

Committee Action

B. Nussman made a motion to adjourn the meeting. R. Sims seconded the motion and the motion passed. Meeting was adjourned at 2:00 P.M.