



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

March 7, 2013 12:00 P.M.  
City Hall – Committee Room B

The meeting was called to order: 12:01 P.M.

### Present

Roger Sims, Chair  
Mike Rachford, Vice-Chair  
Bev Nussman  
Bill Partridge

### Staff Present

Paula Tilsley  
Cheryl Volk

### **APPROVAL OF MINUTES**

M. Rachford made a motion to approve the Benefits Committee minutes from January 10, 2013. B. Partridge seconded the motion. Minor correction noted on attendance and the motion passed. Minutes were approved with correction.

### **DISABILITY RETIREMENT PROGRAM PROJECT**

#### Appeal Process

On February 28, 2013, the office of the Cincinnati Retirement System (CRS) received a request for an extension of Lisa Young's Disability Retirement Appeal.

Pursuant to Rule XI Section B(3)(e) of the CRS Rules for Special Hearing-Procedures, an extension for submission of medical evidence may be requested by a member and granted by Administration. The CRS Executive Director informed the Benefits Committee of the CRS Board of Trustees that Ms. Young's request for an extension on her appeal timeline was reviewed and denied. Timeline extensions are granted for members who experience unexpected life events that could reasonably be expected to delay or hinder their appeal process.

The CRS Benefits Committee and Board of Trustees support the administrative requirements, procedures, and timelines for conducting the CRS disability audit and appeal process.

## Disability Cases

The CRS Medical Director submitted medical reports for 13 disability audit cases. The reports were made available to the committee members prior to the meeting.

M. Rachford made a motion to enter an Executive Session to discuss the disability cases. B. Partridge seconded the motion and the motion passed. Executive Session was called to order 12:10 P.M.

M. Rachford made a motion to adjourn the Executive Session. B. Nussman seconded the motion and the motion passed. Executive Session was adjourned 12:30 P.M.

The following disability audit cases were reviewed and discussed:

- Larry Beacher
- Yvonne Biggs
- Leathia Burns
- Gary Campbell
- Thomas Collins
- Sandra Freeman
- Tommy Green
- Vernon Hobbs
- Andreana Horton
- Anthony Hoskins
- Regina Kahles
- Frederick Mango
- Debra Vitt

### ***Committee Action***

M. Rachford made a motion to deny the disability benefits for Larry Beacher, Yvonne Biggs, Leathia Burns, Gary Campbell, Thomas Collins, Sandra Freeman, Tommy Green, Vernon Hobbs, Andreana Horton, Anthony Hoskins, Regina Kahles, Frederick Mango, and Debra Vitt. B. Nussman seconded the motion and the motion passed unanimously. Disability benefits were denied for the 13 disability audit cases presented.

## **UNFINISHED BUSINESS**

### COLA Discussion

City Council requested that CRS submit a report on the Cost of Living Adjustment (COLA). Benefits Committee is exploring options to adjust the COLA for current retirees. The Committee was provided a report on COLA trends from Cavanaugh Macdonald, and the April 2011 Gabriel, Smith & Company Report on COLA Trends.

For future meeting:

- Obtain a legal opinion concerning the ability to change the CRS COLA for retirees
- Explore city-level industry data and trends for a comparable perspective on various COLA structures
- Provide cost scenarios of certain COLA approaches using data from the 12/31/12 Annual Actuarial Valuation

## Administrative Issues

### Annuity Option 3 & 4 Overpayments

The issue affects 36 pensioners, most who retired in the 1980's and 1990's. Annuity options 3 & 4 both provided that the pension benefit would decrease upon the first annuitant to die. During the period from 2001 to 2009, and in certain cases where the spouse died first, the base benefit was reduced correctly for the retiree but the COLA continued to be calculated and paid as if the base benefit was never reduced. The payments were corrected effective with the February 1, 2013 pension payroll.

Benefits Committee discussed the issue of collecting the overpayments from the 36 members, most who range in age from 80 to 96 years of age, by reducing the COLA portion of their pension benefit until the overpayment was recovered. Further research by CRS staff revealed the difficulties and long-term manual intervention required to administer this approach and the increased risk of future errors with the manual process.

Consider recovering some of the overpayments where possible. Research the feasibility of defining carve-out for those retirees who are 75 years of age and older. Table the topic until two options can be considered for a reasonable collection of overpayments.

### ***Committee Action***

M. Rachford made a motion to adjourn the meeting. B. Nussman seconded the motion and the motion passed. Meeting was adjourned 1:55 P.M.