

City of Cincinnati



Office of the City Manager

December 10, 2009

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Milton Dohoney, Jr., ICMA-CM
City Manager

To: All active members of the Cincinnati Retirement System

In December 2007, City Council instructed the administration to establish a Task Force to make recommendations to insure the long-term solvency of the Cincinnati Retirement System (CRS). The Task Force submitted a report with short, mid and long-term recommendations for CRS which was adopted by City Council on June 9, 2009 by Motion #200900874. The recommendations in the task force report included an increase in the pension contribution rate for active employees and changes to the retirement eligibility requirements for employees hired on or after January 1, 2010. On November 23, 2009, City Council approved Ordinance #359-2009 amending the Cincinnati Municipal Code to enable administration to implement the changes which are summarized below.

For All Active Members:

The employee pension contribution rate will increase 0.5% per year over the next four years to a maximum rate of 9.0% as follows:

2010 = 7.5%;
2011 = 8.0%;
2012 = 8.5%;
2013 = 9.0%.

In 2010, the contribution rate will increase from 7.0% to 7.5% beginning with the paycheck received on February 2, 2010 (Pay Period #3, 1/10/2010-1/23/2010).

For New Members hired on or after January 1, 2010 the following retirement eligibility requirements will apply:

- ◆ Normal retirement at age 65 with 5 or more years of service; OR age 55 with 30 or more years of service;
- ◆ Early retirement at age 60 with 25 or more years of service (reduced benefit);
- ◆ Retirement formula factor of 2.2%.

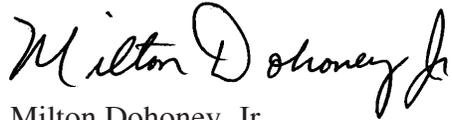
For Active Members hired on or before December 31, 2009, the retirement eligibility requirements *remain unchanged*. They will remain as follows:

- ◆ Normal retirement at age 60 with 5 or more years of service; OR any age with 30 or more years of service;
- ◆ Early retirement at age 55 with 25 or more years of service (reduced benefit);
- ◆ Retirement formula factor of 2.5% or 2.22% depending on the member's individual election form submitted in 1998, if applicable.

The City is facing many challenges in its effort to maintain a healthy and stable retirement system. The changes outlined above are necessary to help overcome these significant challenges.

As always, I appreciate your dedication and the professionalism you show in the job you do.

Sincerely,

A handwritten signature in black ink that reads "Milton Dohoney, Jr." The signature is written in a cursive style with a large, looped initial "M".

Milton Dohoney, Jr.
City Manager