

August 4, 2025

To: Members of the Budget and Finance Committee 202501545

From: Sheryl M. M. Long, City Manager

Subject: **Emergency Ordinance – Finance: Establishment of Qualified Employee Benefit Arrangement (QEBA) Fund**

Attached is an Emergency Ordinance captioned:

ESTABLISHING new Fund 748, “Qualified Employee Benefit Arrangement (QEBA),” to pay excess retirement benefits that are not permitted to be paid from the qualified pension trust due to Internal Revenue Code limitations; **AUTHORIZING** the transfer and return to source of \$106,000 from Contribution to Total Benefit Arrangement General Fund Non-Departmental fringe benefits operating budget account no. 050x915x7500 to the unappropriated surplus of the General Fund; **AUTHORIZING** the transfer and return to source of \$10,000 from the Lump Sum Payments General Fund Non-Departmental personnel operating budget account no. 050x924x7100 to the unappropriated surplus of the General Fund; **AUTHORIZING** the transfer of \$116,000 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of new Fund 748, “Qualified Employee Benefit Arrangement (QEBA)”; and **AUTHORIZING** the transfer and appropriation of \$116,000 from the unappropriated surplus of Fund 748, “Qualified Employee Benefit Arrangement (QEBA),” to Contribution to Total Benefit Arrangement Non-Departmental fringe benefits operating budget account no. 748x915x7500 to provide resources for Qualified Employee Benefit Arrangement payments through calendar year 2025.

Approval of this Emergency Ordinance establishes Fund 748, “Qualified Employee Benefit Arrangement (QEBA),” to pay excess retirement benefits that are not permitted to be paid from the qualified pension trust due to Internal Revenue Code limitations. This Emergency Ordinance will also authorize the transfer and return to source of \$106,000 from Contribution to Total Benefit Arrangement General Fund Non-Departmental fringe benefits operating budget account no. 050x915x7500 to the unappropriated surplus of the General Fund. This Emergency Ordinance also authorizes the transfer and return to source of \$10,000 from the Lump Sum Payments General Fund Non-Departmental personnel operating budget account no. 050x924x7100 to the unappropriated surplus of the General Fund. This Emergency Ordinance authorizes the transfer of \$116,000 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of new Fund 748, “Qualified

Employee Benefit Arrangement (QEBA). Lastly, this Emergency Ordinance authorizes the transfer and appropriation of \$116,000 from the unappropriated surplus of the Qualified Employee Benefit Arrangement (QEBA) Fund to Contribution to Total Benefit Arrangement Non-Departmental fringe benefits operating budget account no. 748x915x7500 to provide resources for Qualified Employee Benefit Arrangement payments through calendar year 2025.

A new Fund is required to pay retirement benefits to Cincinnati Retirement System (CRS) participants that exceed the annual benefit limits established under Internal Revenue Code Section 415(b). The new Qualified Employee Benefit Arrangement (QEBA) Fund will be funded by transfers from the City's General Fund.

The reason for the emergency is the immediate need to establish Fund 748, "Qualified Employee Benefit Arrangement (QEBA)," to properly provide retirement resources prior to the first payment deadline of September 1, 2025.

cc: Andrew Dudas, Budget Director
Steve Webb, Finance Director

Attachment