



# Cincinnati Retirement System Board of Trustees

## 2023 Annual Report

# CINCINNATI RETIREMENT SYSTEM

## → Funding Status

	Assets	Liabilities	Funded Ratio
<b>Pension</b>			
Actuarial Value	\$ 1,819,308,605	\$ 2,643,382,463	68.8%
Market Value	\$ 1,763,884,000	\$ 2,643,382,463	66.7%
<b>Health</b>			
Actuarial Value	\$ 549,871,265	\$ 393,177,787	139.9%
Market Value	\$ 533,879,000	\$ 393,177,787	135.8%

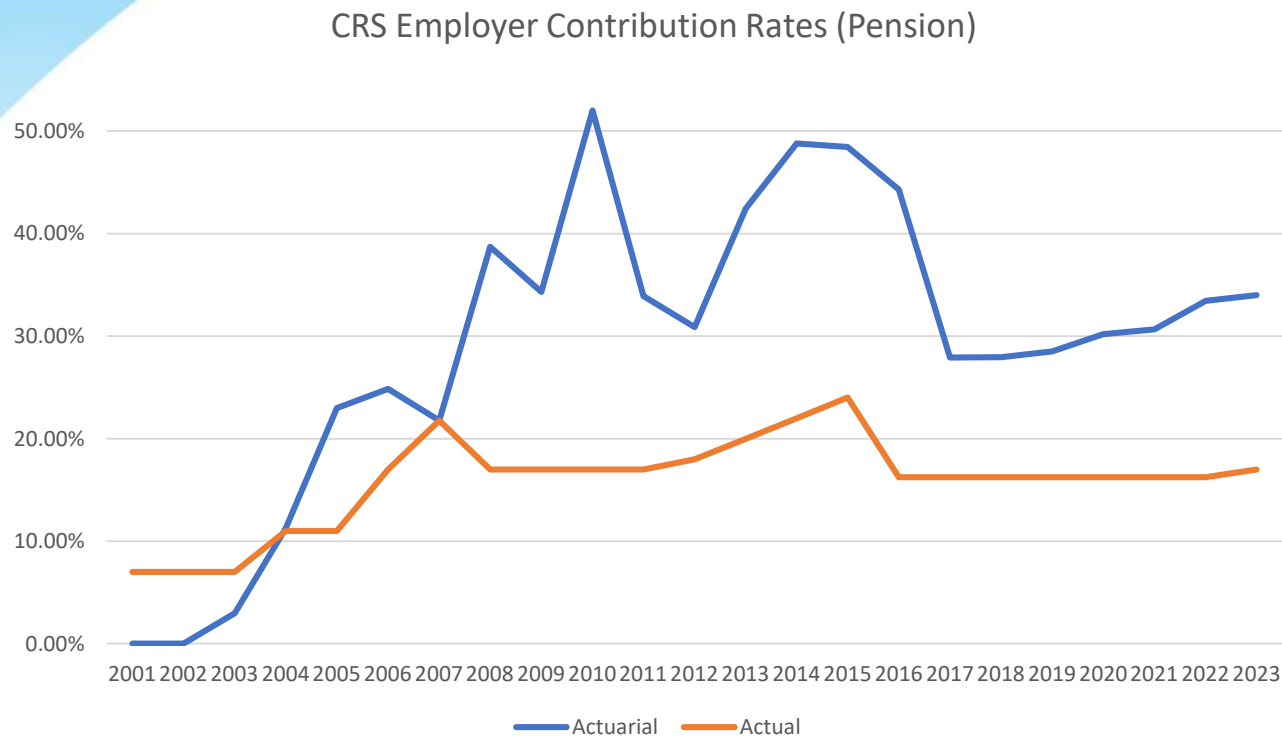
# CINCINNATI RETIREMENT SYSTEM

## → Funding Benefits: Contributions

- Actuarially Determined Contribution Rate (ADC): 32.46%
- City 2023 rate = 19.1%
- FT Employee Contribution Rate: 9%
- City Employer Contribution Rate: 17.00%
- City 2023 ERIP payment (\$2.7mm)
- City 2023 “Stabilization Fund” payment (\$2mm)

# CINCINNATI RETIREMENT SYSTEM

## → Funding Benefits: Contributions



# CINCINNATI RETIREMENT SYSTEM

## → Funding Benefits: Investments

### Annual CRS Rates of Investment Return & Funded Status

<u>Plan Year</u>	<u>Actuarial Rate of Return</u>	<u>CRS Return</u>	<u>Funded Status</u>
2014	7.5%	6.4%	64.3%
2015*	7.5%	-0.1%	77.1%
2016	7.5%	8.9%	76.9%
2017	7.5%	14.9%	75.5%
2018	7.5%	-4.3%	72.6%
2019	7.5%	16.8%	71.2%
2020	7.5%	10.3%	70.5%
2021	7.5%	17.4%	71.6%
2022	7.5%	-9.3%	69.3%
2023	7.5%	12.1%	68.8%

\* CSA

\*\*Marquette Associates

**10-Year Compound Average**

**5-Year Compound Average**

**6.9%**

**9.0%**

**Median Plan Return\*\***

**6.6%**

**8.4%**

# CINCINNATI RETIREMENT SYSTEM

## → 2023 Fiduciary Audit

- Purpose to review CRS standards and practices and compare to peers and industry norms:
  - Focused on Legal & Regulatory, Governance, Investment, Pension Operations, administrative and compliance.
- The report concludes that the CRS Board of Trustees has been functioning effectively, the Director and the staff have been effectively providing services to active and retired members, and relations among the Board, CRS staff and other City departments have been collaborative and cordial.
- Report recommended opportunities for improvement, which the Board is reviewing and implementing.

# CINCINNATI RETIREMENT SYSTEM

## → Recommendations to City Council

1. City Council adopt a plan to continue increasing the Pension Trust employer contribution 0.9% incrementally on an annual basis to assure full funding in 2045
2. Incremental Annual Increase Plan be updated every two years in anticipation of the City's fiscal year biennial budget.
3. City Council approve and appropriate the Pension Trust employer contribution in accordance with each updated Incremental Annual Increase Plan.
4. City Manager engage with the CRS Trustees on the Futures Commission analysis and recommendations regarding the future of CRS and funding of the Trusts.
5. City works with the CRS Board of Trustees to fulfill the recommendations from the Fiduciary Audit (Governance Report) completed by outside consultants.

# CINCINNATI RETIREMENT SYSTEM

## → Scenarios to Fully Fund by 2045 & Status Quo

Schedule of funded Raio	Earnings Assumption of 7.50			
	Flat E'r Rate of 17%		Increase E'r Rate by 0.90%/year	
	E'r Contr Rate	Funded Ratio	E'r Contr Rate	Funded Ratio
12/31/2023	17.00%	68.8%	17.0%	68.8%
12/31/2024	17.75%	67.6%	17.8%	67.6%
12/31/2025	17.75%	66.4%	18.7%	66.4%
12/31/2026	17.75%	63.9%	19.6%	64.0%
12/31/2027	17.75%	63.6%	20.5%	64.0%
12/31/2028	17.75%	62.8%	21.4%	63.6%
12/31/2029	17.75%	62.1%	22.3%	63.4%
12/31/2030	17.75%	61.4%	23.2%	63.4%
12/31/2031	17.75%	60.6%	24.1%	63.5%
12/31/2032	17.75%	59.9%	25.0%	63.8%
12/31/2033	17.75%	59.2%	25.9%	64.3%
12/31/2034	17.75%	58.5%	26.8%	65.1%
12/31/2035	17.75%	57.8%	27.7%	66.2%
12/31/2036	17.75%	57.1%	28.6%	67.5%
12/31/2037	17.75%	56.4%	29.5%	69.2%
12/31/2038	17.75%	55.7%	30.4%	71.3%
12/31/2039	17.75%	55.2%	31.3%	73.9%
12/31/2040	17.75%	54.7%	32.2%	77.0%
12/31/2041	17.75%	54.3%	33.1%	80.6%
12/31/2042	17.75%	54.1%	34.0%	84.9%
12/31/2043	17.75%	54.1%	34.9%	89.7%
12/31/2044	17.75%	54.3%	35.8%	95.2%
12/31/2045	17.75%	54.6%	36.7%	101.4%

