



# Cincinnati Retirement System Board of Trustees

## 2024 Annual Report

# CINCINNATI RETIREMENT SYSTEM

## →Funding Status

	Assets		Liabilities	Funded Ratio
<b>Pension</b>				
Actuarial Value	\$	1,820,976,645	\$ 2,667,823,053	68.3%
Market Value	\$	1,805,588,000	\$ 2,667,823,053	67.7%
<b>Health</b>				
Actuarial Value	\$	564,669,589	\$ 364,355,955	155.0%
Market Value	\$	560,885,000	\$ 367,355,955	153.9%

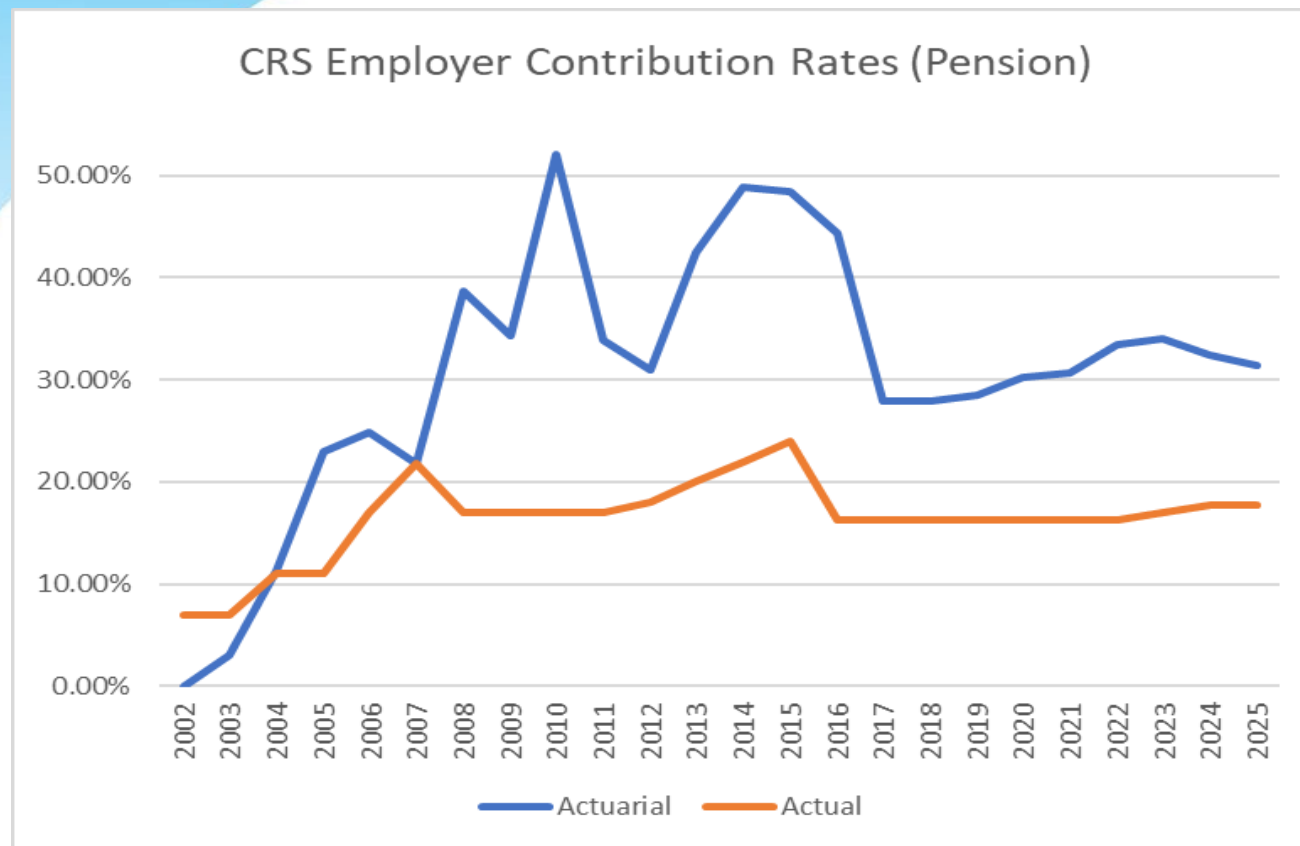
# CINCINNATI RETIREMENT SYSTEM

## →Funding Benefits: Contributions

- Actuarially Determined Contribution Rate (ADC): 31.43%
- City 2024 rate = 19.90%
- FT Employee Contribution Rate: 9%
- City Employer Contribution Rate: 17.75%
- City 2024 ERIP payment (\$2.7mm)
- City 2024 “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>
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%
2024	7.5%	9.5%	68.3%

\* CSA

\*\*Marquette Associates

#### Median Public Plan Return\*\*

<b>10-Year Compound Average</b>	<b>7.2%</b>	<b>6.8%</b>
<b>5-Year Compound Average</b>	<b>7.5%</b>	<b>6.9%</b>
<b>1-Year Compound Average</b>	<b>9.5%</b>	<b>9.0%</b>

NCPERS 2024 Survey:

Average Peer Assumed rate of return is **6.9%**

Average Peer Funding Status is **75.4%**

# CINCINNATI RETIREMENT SYSTEM

## →2023 Fiduciary Audit - Update

- 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.
- As part of the report there were thirty-seven recommendations for improvement. Over the past 18 months the Board has worked with administration and staff to review all recommendations and act on approximately 90% of recommendations. This is consistent with what report authors see with other plans/clients.



# CINCINNATI RETIREMENT SYSTEM

## →Recommendations to City Council: Incremental Annual Increase Plan

1. City Council adopt a plan to continue increasing the Pension Trust employer contribution 0.8% 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

## →Scenario to Fully Fund by 2045

2025 Projections from Cheiron Assumed Rate of Return 7.50%				
Schedule of funded Ratios	Flat E'r Rate of 17.75%		Increase E'r by 0.80/year	
	E'r Contr Rate	Funded Ratio	E'r Contr Rate	Funded Ratio
2024	17.75%	68.8%	17.75%	68.00%
2025	17.75%	67.1%	18.55%	67.20%
2026	17.75%	64.9%	19.35%	65.10%
2027	17.75%	65.0%	20.15%	65.40%
2028	17.75%	64.6%	20.95%	65.30%
2029	17.75%	63.9%	21.75%	65.10%
2030	17.75%	63.4%	22.55%	65.10%
2031	17.75%	62.8%	23.35%	65.30%
2032	17.75%	62.2%	24.15%	65.60%
2033	17.75%	61.6%	24.95%	66.20%
2034	17.75%	61.1%	25.75%	67.00%
2035	17.75%	60.6%	26.55%	68.10%
2036	17.75%	60.1%	27.35%	69.40%
2037	17.75%	59.6%	28.15%	71.00%
2038	17.75%	59.2%	28.95%	73.10%
2039	17.75%	58.9%	29.75%	75.50%
2040	17.75%	58.7%	30.55%	78.50%
2041	17.75%	58.6%	31.35%	82.00%
2042	17.75%	58.7%	32.15%	86.00%
2043	17.75%	59.0%	32.95%	90.60%
2044	17.75%	59.4%	33.75%	95.80%
2045	17.75%	60.1%	34.55%	101.70%

