

August 5, 2024

To: Members of the Budget and Finance Committee 202401806
From: Sheryl M. M. Long, City Manager
Subject: **Emergency Ordinance** – Amending Cincinnati Municipal Code Chapter 203

Attached is an Emergency Ordinance captioned:

MODIFYING the provisions of Chapter 203, “Employees’ Retirement System,” of the Cincinnati Municipal Code by **AMENDING** Section 203-49, “Survivor Benefits,” to implement survivor benefit changes recommended by the Cincinnati Retirement System Board.

The CRS Survivor Benefit was established in 1961 and was loosely modeled after the Survivor benefit provided by the Social Security System. This benefit is available to CRS members who have at least 18 months service and who die in service and not eligible at the time of their death for a monthly retirement benefit as provided for in the Cincinnati Municipal Code Chapter 203 which governs the Cincinnati Retirement System. The various monthly Survivor benefit amounts are determined annually by a formula set out in Chapter 203.49. The current Survivor benefit amounts are standardized based on the number of surviving family members and do not vary based on the deceased member's annual salary.

The Survivor benefit is paid in addition to the refund of the deceased member's CRS contributions which are paid to their designated beneficiary on record as well as the standard City life insurance benefit of \$50,000. The current Survivor Benefit is difficult and cumbersome to administer because of: wide ranging age and eligibility thresholds for surviving family members; stipulated time intervals between payments to different family members; and requires continuous monitoring over multiple decades and meticulous record keeping for CRS.

To remedy this situation, the CRS is proposing to implement a one-time lump sum payment, equivalent to 2/3 of the deceased member’s salary. This approach is more common among public sector defined benefit retirement plans across the country and is more efficient (payment is immediate) and more equitable (benefit amount is tied to deceased member’s annual salary) than the current arrangement.

The reason for the emergency is the necessity to implement this new arrangement at the earliest possible date (September 1, 2024).

The Administration recommends passage of this Emergency Ordinance.

cc: Jon Salstrom, Retirement Director