

Lauderhill Police Officers' Retirement Plan

C/O Precision Pension Administration, Inc.
13790 NW 4th Street, Suite 105, Sunrise, Florida 33325

Phone: 954.636.7170

Toll Free Fax: 866.769.0678

AS PART OF OUR ONGOING EFFORT TO SECURELY HANDLE INFORMATION TRANSFERS, PLEASE REFRAIN FROM SENDING THIS DOCUMENT BACK VIA UNSECURED E-MAIL.

OTHER ALTERNATIVES EXIST TO INCLUDE US MAIL, FAX (NUMBER CITED ABOVE) OR MAKE AN APPOINTMENT TO DROP OFF AT THE OFFICE

LASTLY, ALSO, PLEASE USE LAST FOUR (4) OF SOCIAL SECURITY NUMBER ONLY

THANK YOU



LAUDERHILL POLICE OFFICERS' RETIREMENT PLAN

Beneficiary Designation Form

New Member Pre-Retirement DROP Normal/Early Retirement _____

EMPLOYEE DATA

Member Name: _____ Pension Entry Date: ____/____/____

Marital Status: _____ SS#: _____ - _____ - _____ Date of Birth: ____/____/____
(Submit Proof) (Submit Proof)

Address: _____ City: _____ State: _____ Zip: _____

Phone: (____) _____ Cellular: (____) _____

Badge #: _____ E-mail Address: _____

PRIMARY BENEFICIARY

I _____ designate the following person as my *primary*
(Member Please Print Name)
beneficiary entitled to receive any benefits due in the event of my death:

Beneficiary Name: _____ Relationship: _____

Male: ___ Female: ___ SS#: _____ - _____ - _____ Date of Birth: ____/____/____
(Submit Proof)

Address: _____ City: _____ State: _____ Zip: _____

Phone: (____) _____ Cellular: (____) _____

E-mail Address: _____

A change in family status (marriage, divorce, etc.) may not effectively change a designation of beneficiary. However, pursuant to Florida Statutes §732,703, divorce or annulment may void the election of a former spouse as a designated beneficiary. To ensure that your assets are paid as you want them to be, keep your beneficiary updated.

CONTINGENT BENEFICIARY

I _____ designate the following person as my *contingent*
(Member Please Print Name)
beneficiary entitled to receive _____% benefits due in the event of my death and that of the primary beneficiary:

Beneficiary Name: _____ Relationship: _____

Male: ___ Female: ___ SS#: _____ - _____ - _____ Date of Birth: ____/____/____
(Submit Proof)

Address: _____ City: _____ State: _____ Zip: _____

Phone: (____) _____ Cellular: (____) _____

E-mail Address: _____

LAUDERHILL POLICE OFFICERS' RETIREMENT PLAN
Beneficiary Designation Form - Page Two



Member Name: _____

CONTINGENT BENEFICIARY

I _____ designate the following person as my *contingent*
(Member Please Print Name)
beneficiary entitled to receive _____% benefits due in the event of my death and that of the
primary beneficiary:

Beneficiary Name: _____ **Relationship:** _____

Male: ___ **Female:** ___ **SS#:** _____ - _____ - _____ **Date of Birth:** _____ / _____ / _____
(Submit Proof)

Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Phone: (_____) _____ **Cellular:** (_____) _____

E-mail Address: _____

CONTINGENT BENEFICIARY

I _____ designate the following person as my *contingent*
(Member Please Print Name)
beneficiary entitled to receive _____% benefits due in the event of my death and that of the
primary beneficiary:

Beneficiary Name: _____ **Relationship:** _____

Male: ___ **Female:** ___ **SS#:** _____ - _____ - _____ **Date of Birth:** _____ / _____ / _____
(Submit Proof)

Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Phone: (_____) _____ **Cellular:** (_____) _____

E-mail Address: _____

CONTINGENT BENEFICIARY

I _____ designate the following person as my *contingent*
(Member Please Print Name)
beneficiary entitled to receive _____% benefits due in the event of my death and that of the
primary beneficiary:

Beneficiary Name: _____ **Relationship:** _____

Male: ___ **Female:** ___ **SS#:** _____ - _____ - _____ **Date of Birth:** _____ / _____ / _____
(Submit Proof)

Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Phone: (_____) _____ **Cellular:** (_____) _____

E-mail Address: _____

**LAUDERHILL POLICE OFFICERS' RETIREMENT PLAN
Beneficiary Designation Form - Page Three**



Member Name: _____

By my signature below, I acknowledge that under Florida law a change in my marital status (marriage, divorce, annulment) may affect the Plan's ability to pay benefits to the above designated beneficiary and that it is my responsibility to notify the pension office of any changes to my designated beneficiary. I understand that if an updated form is not on file at the time of my death specifically designating my "former spouse" as my beneficiary, then my former spouse may be treated by the plan as automatically predeceasing me and he or she will not receive a benefit from the plan.

The foregoing designation of beneficiaries revokes any and all prior designations of beneficiaries (*if applicable*). I also acknowledge that it is my responsibility to notify the Board of Trustees of the Lauderhill Police Officers' Retirement Plan (*or their designee*) should any change in beneficiary be necessitated in the future, or if there is (are) any other change(s) that may affect the accuracy of this form.

Member/Retiree's Signature _____
Date

State of _____ County of _____

The foregoing instrument was acknowledged before me by means of:

- physical presence or
- online notarization

this ____/____/____ by _____, who is personally
(date) (name or person acknowledging)

known to me or who has produced _____ as identification and
(type of identification)

did (did not) take an oath.

Notary Public

Return To: **Lauderhill Police Officers' Retirement Plan**
C/O Precision Pension Administration, Inc.
13790 NW 4 Street, Suite 105
Sunrise, Florida 33325

SOCIAL SECURITY NUMBER COLLECTION DISCLOSURE STATEMENT

Your social security number is requested for purposes of determining eligibility for retirement benefits as a plan member, retiree or beneficiary; for processing of retirement benefits; for verification of retirement benefits; for income reporting; or for other notice or disclosures related to retirement benefits. Your social security number will be used solely for one or more of these purposes. The collection and use of your social security number is authorized by Section 119.071(5)(a)(2)(a)(II), Florida Statutes.

Office use only

Updated/Entered By: _____

Date: _____

**CITY OF LAUDERHILL
POLICE OFFICERS'
RETIREMENT PLAN**

DROP APPLICATION PACKAGE

DROP APPLICATION PACKAGE

City of Lauderdale Police Officer's Retirement Plan

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**CITY OF LAUDERHILL POLICE OFFICERS' RETIREMENT PLAN
APPLICATION FOR DEFERRED RETIREMENT
OPTION PROGRAM (DROP)**

Name: _____ SS: _____

Home Address: _____ City/State/Zip: _____

Date of Birth: _____

First Date of Employment: _____

DROP Entry Date: _____

DROP Termination and Retirement Date: _____

Spouse's Name: _____ Spouse's SS: _____

Spouse's Date of Birth: _____

I elect to participate in the DROP in accordance with the provisions of Section 2-87.1 of the City of Lauderhill Ordinance Code and to retire from employment on the date I terminate my participation in the DROP. I understand that the earliest date my participation in the DROP can begin is the first day I am eligible for service retirement. Although I may elect to participate in DROP for less than sixty (60) months, I understand that my DROP participation shall not exceed a maximum of sixty (60) months from date of entry. Participation in the DROP does not guarantee employment for the DROP period. I understand that when my participation in the DROP begins, my DROP benefit will be based upon the years of service and compensation levels as of the date of DROP participation. DROP benefits shall accrue under my name with any applicable earnings for the duration of my DROP participation. The DROP account balance will be credited with the same rate of return as the investment earnings assumption for the plan. The investment earning assumption may be adjusted up or down during participation in the DROP, which would result in a change in the prospective interest rate credit on my DROP account. Upon termination of my employment and DROP participation, I must elect one of the optional methods of payment within ninety (90) days of termination. If I do not make an election of one of the optional methods of payment within the ninety (90) day period, the Pension Plan may pay directly to me the accrued DROP benefits in a lump sum, less applicable taxes and/or penalties. I understand that I cannot add additional service or purchase additional service after my DROP begin date. **I also understand that my election to participate in DROP is irrevocable** and termination from employment with the City of Lauderhill and DROP participation must occur on or prior to the specified DROP termination date. I also understand as a police officer that this application represents a binding agreement to participate in DROP and to terminate employment as a police officer once fully executed upon the approval of the Board of Pension Trustees. However, until such time as this application is approved by the Board of Pension Trustees, I may cancel the effectiveness of this application upon delivery of a written request for such cancellation. In addition to the foregoing representations and acknowledgments, I hereby acknowledge that I have read and understand each of the statements and all of the materials contained in the following documents and agree to the provisions contained herein:

1. Election to Participate in DROP and Information Checklist for Review of DROP Program information.
2. DROP provisions contained in Section 2-87.1 of the City Code.
3. Booklet on Frequently Asked Questions on the DROP.

CITY OF LAUDERHILL POLICE OFFICERS' RETIREMENT PLAN
Election to Participate in DROP and Information Checklist
for the Review of DROP Program Information

NAM E: _____

If you are a Member of the City of Lauderhill Police Officer's Retirement Plan and have the service necessary to be eligible for a service retirement, you may elect to participate in DROP.

If you elect to participate in DROP, you must terminate your employment with the City of Lauderhill as a police officer and retire from service no later than the end of the DROP participation period you designate. You may not participate in DROP for a period longer than sixty (60) months from the earliest date of participation.

Your election to participate in DROP and your agreement to retire and terminate from employment are IRREVOCABLE regardless of what may happen between now and your retirement date. For example, if you elect to participate in DROP and your family circumstances change such that you would rather continue working as a police officer, you must still retire on the date you designated for your participation in DROP, and terminate employment as a police officer on the designated Termination and Retirement Date.

You should consider an election to participate in DROP very carefully. This election to participate and information checklist is designed to help you think carefully about your decision to participate in DROP. A written election to participate in the DROP is a requirement of DROP participation. This document asks you specific questions to provide assurances to the Board of Pension Trustees that you have in fact carefully considered your decision to participate in DROP and understand the consequences of that decision.

Please take the information contained in this document seriously. If anything is unclear, please talk to the Pension Administrator for clarification.

The acknowledgments requested on the following pages are important because they demonstrate that you have carefully considered your election to participate in DROP.

By providing an initial on each page and by signing this election form, I acknowledge the following:

General Statements and Acknowledgments

- I have read and understand the provisions of the DROP ordinance in Section 2-87.1 of the Lauderhill Ordinance Code, which sets forth the terms and conditions for participation in DROP.
- I have read and understand the booklet provided by the Pension Administrator which addressed "Frequently Asked Questions" on the DROP.
- I understand my election to participate in DROP has very important consequences for me and is legally binding on me. I have been advised by the Pension Board to consult an advisor such as an accountant or an attorney of my choosing if I have any questions about my participation in DROP, and the execution of any document related thereto.
- I have had the opportunity to speak with the Pension Plan Administrator and ask questions regarding the operation of DROP and its effect on my benefits under the Pension Plan, as well as any potential benefit that may be received by my survivors under the Pension Plan.

- I have had the opportunity to seek advice from a professional tax advisor, and understand that the administrative staff of the Pension Office, although providing some general information, cannot and has not rendered legal advice to me on the effect DROP will or may have on the taxation of any benefit I may receive under the Pension Plan, or any potential benefit that may be received by my survivors under the Pension Plan.
- I have had the opportunity to seek legal advice from an attorney, and understand that the administrative staff of the Pension Office, although providing some general information, cannot and has not rendered legal advice to me on the effect DROP will or may have on the taxation of any benefit I may receive under the Pension Plan, or any potential benefit that may be received by my survivors under the Pension Plan.
- I understand that upon the effective date of my participation in DROP, my obligation to make contributions to the Pension Plan will be eliminated.
- I will retire under the Pension Plan and terminate my employment with the City no later than completion of my DROP participation period.
- I will abide by the terms and conditions of DROP and comply with the administrative rules established by the Board of Trustees of the Lauderhill Police Officers' Pension Plan.
- I have not been subject to any pressure, coercion, intimidation or threats by the City, or the Pension Board of Trustees or any of the agents of the foregoing in connection with my election to participate in DROP.
- I have had sufficient time to consider my options regarding my employment with the City.
- I understand my election to participate in DROP means I will retire and terminate my employment with the City as a police officer no later than the date I designate.
- I understand there is a maximum participation period of sixty (60) months from the earliest date of participation in DROP.
- I understand that I may withdraw my DROP application at any time before the Board of Pension Trustees approves the application. I further understand that my request to withdraw must be made in writing and received by the Trustees prior to its approval, and that once acted upon by the Trustees, the irrevocability of my DROP participation is in effect.
- I understand that the beginning date of the DROP period will be the first day of the month subsequent to the date this election form is received and accepted by action of the Board of Pension Trustees.
- I understand that my retirement benefits will be calculated under the terms of the Pension Plan as of the effective date of my participation in DROP. I also understand that as a consequence of my election to participate in DROP, the following will apply as of and after the effective date of my DROP participation:
 - My eligibility for future negotiated pension benefits will be determined as of the effective date of my participation in DROP (unless otherwise provided);

- I will forgo any otherwise applicable additional improvements in my retirement pension attributable to increase in pay or years of service with the City unless otherwise provided;
 - As of the effective date of my participation in DROP, **I will be ineligible to receive a disability pension** under the terms of the Pension Plan.
 - As of the effective date of my participation in DROP, I will not be eligible for death benefits that may otherwise be available to active employees.
 - In the event of my death, my designated beneficiary or estate is entitled to receive the accumulated value of my DROP account.
- I understand that steps have been taken to structure the DROP in a way which complies with the provisions of the Internal Revenue Code and that the Board will not knowingly take any action which may jeopardize the qualified status of the Pension Plan. I further understand that the final authority in all matters is the Internal Revenue Service. The Board cannot guarantee, absent IRS approval, any particular tax treatment of my DROP account. I understand that in order to address the goal of continued tax qualification, my DROP account must be administered and distributed in such a manner as to comply with IRS regulations so as to preserve the tax qualified status of the Pension Plan. I further understand that this means that if IRS procedures change, that the Board may have to make certain changes in the DROP plan to comply with those tax requirements.
 - Upon termination of my employment and DROP, I understand that I must elect one of the following methods of payment within ninety (90) days of termination:
 1. Single Lump Sum.
 2. Direct Rollover (as permitted by the Internal Revenue Code).
 - I also understand that if I fail to elect a method of payment within ninety (90) days of termination of the DROP, the Board may pay directly to me the accrued benefits in a lump sum, less applicable taxes and/or penalties.
 - I understand that any form of payment that I select must comply with the minimum distribution requirements per Section 401(a)(9) of the Internal Revenue Code.

Waiver

I knowingly and voluntarily release the City and the Board of Pension Trustees from any and all claims based on my election to participate in DROP and my agreement to retire and terminate my employment with the City upon completion of my participation in DROP. I release the City and the Board of Pension Trustees from any and all such claims under the Florida and Federal Age Discrimination in Employment laws, Civil Rights laws, and the Older Workers Benefit Protection Act as these laws relate to my participation in DROP and my agreement to terminate employment with the City upon the completion of my participation in DROP.

Covenant Not to Sue

I will not sue the City or the Board of Pension Trustees or their employees, officers and agents for any claim arising out of my election to participate in DROP, my participation in DROP or my decision to retire and terminate City employment upon the completion of my participation in DROP.

Acknowledgment

I acknowledge receipt of this Election to Participate Form. I acknowledge that I have waived my rights under the Florida and Federal Age Discrimination in Employment laws, Civil Rights laws, and the Older Workers Benefit Protection Act for valid consideration. By signing this form, I am acknowledging that I have carefully read this form and that I understand the Election Form. In addition, I am acknowledging that I do not challenge or disagree with any of the representations or statements made in this Election Form and that I have signed my name voluntarily. I further acknowledge that the initials located in the bottom left corner of the pages of this application are my initials.

NOTE: An Election Form will be deemed not received if it is incomplete or submitted without an Application for DROP Participation.

Signature of Applicant

Date: _____

State of _____ County of _____

The foregoing instrument was acknowledged before me by means of:

- physical presence or
- online notarization

this ____/____/____ by _____, who is personally
(date) (name or person acknowledging)

known to me or who has produced _____ as identification and
(type of identification)

did (did not) take an oath.

Notary Public

This application was approved by the Board of Pension Trustees at their meeting of: _____, for enrollment as a DROP participant effective on _____ with DROP participation continuing until _____ at which time DROP participation shall cease and employment shall terminate.

Administrator

AFFIDAVIT REGARDING MARITAL STATUS

STATE OF FLORIDA)
COUNTY OF _____) **SS.**

I, _____, being duly sworn, hereby depose and state as follows:

I am a member of the City of Lauderdale Police Officer's Retirement Plan applying for benefits or a refund of contributions from the Pension Fund.

INITIAL THE APPLICABLE LINE BELOW.

_____ I have been involved in divorce proceedings and hereby represent that I have attached a copy of all divorce decrees, property settlement agreements, income deduction orders and child support orders concerning my divorce

_____ At the time of submission of this application, I affirm that I have never been divorced and am not subject to any divorce decrees, property settlement agreements, income deduction orders or court-ordered child support awards.

FURTHER AFFIANT SAYETH NAUGHT.

MEMBER

State of _____ County of _____

The foregoing instrument was acknowledged before me by means of:

- [] physical presence or
- [] online notarization

this ____/____/____ by _____, who is personally
(date) (name or person acknowledging)

known to me or who has produced _____ as identification and
(type of identification)

did (did not) take an oath.

Notary Public

NOTE: Florida law provides, pursuant to 185.185, Florida Statutes, that it is a crime to knowingly submit false or misleading information to obtain a pension benefit or to otherwise conceal material information from the Pension Board. Upon conviction, the Pension Board has the discretion to forfeit "any and all benefits."

AGE DISCRIMINATION IN EMPLOYMENT ACT

NOTICE

I acknowledge that I have been given not less than 45 days advance notice of program availability in which to consider participation in the DROP plan and was provided at least 7 days following the submission of the DROP application in which to revoke my application.

Acknowledgment of Notice:

Employee Signature

Date

Employee Name (Please Print)

CITY OF LAUDERHILL POLICE OFFICERS' RETIREMENT PLAN

**DEFERRED RETIREMENT OPTION PLAN
(DROP)**

FREQUENTLY ASKED QUESTIONS

November 2016

WHAT IS THE DEFERRED RETIREMENT OPTION PLAN (DROP)?

The DROP plan is a form of retirement benefit that allows an employee to continue working while accumulating a savings account consisting of the benefits that would have been received had the employee actually retired and separated from service. In other words, it is a chance to earn two incomes at the same time, with one of them being saved and invested without current tax liability.

HOW DOES THE DROP PLAN WORK?

The DROP plan is found in Sections 2-87.1 of the Lauderhill City Code. In order to be eligible for the DROP, an employee must have reached the necessary years of service and age to receive early or normal retirement.

Once an employee elects DROP participation, the retirement benefits are calculated as if the employee had actually retired. Average final compensation is determined based on the DROP date as if it was the last day of employment. The benefit is calculated using the credited service earned as of the DROP date.

Beginning on the first day of the month following the DROP date, the employee will receive credit into his or her DROP account for the amount of the monthly retirement benefit. For the purpose of determining benefits for a Tier Once DROP participant, the value of a member's pensionable accrued holiday/incentive, vacation and sick time, as of April 28, 2014, will be included based on the member's rate of pay as of the earlier of the date he/she enters the DROP or September 30, 2014, provided that he/she maintains said leave at the time he/she enters the DROP.

Members who are eligible to enter the DROP before April 28, 2014 shall earn interest

based on the actuarially assumed rate of the pension plan (which is currently 7.75% per year). The assumed rate may be adjusted prospectively by the Pension Board from time to time, but cannot be decreased retroactively. Members who are eligible to enter the DROP on or after April 28, 2014, shall be credited (if applicable) at the monthly actual rate of return achieved by the Trust Fund, positive or negative, net of investment and other direct administrative expenses (the "Actual Rate of Return"). Any member who is eligible to enter the DROP before April 28, 2014 shall have the option to earn interest based either upon the actuarially assumed rate of the pension plan or at the monthly Actual Rate of Return achieved by the Trust Fund, but the member had to have notified the City of his/her election between the options within 30 days of the ratification of the collective bargaining agreement between the City and the Fraternal Order of Police, Lodge #161, covering 2013-2016. Upon exiting the DROP, a participant's account cannot be less than the sum of their monthly payments into the DROP during their DROP period. Members shall not have the option of receiving a fixed amount in their DROP account for any period after April 28, 2014.

HOW DO I GET MY MONEY AT THE END OF THE DROP PERIOD?

At the end of the DROP period, an employee must leave the service of the City. At that time, the DROP money is available in a number of ways. It can be taken as a lump sum or rolled over to another retirement plan such as an individual retirement account (IRA). If taken as a lump sum, the DROP money will be immediately taxable. This means that a significant portion of the money will be paid in taxes and early distribution penalties.

A rollover is a direct transfer from the Retirement Plan to another retirement plan, such as an IRA. This permits an employee to avoid paying taxes on the money until a later date. This

option is good for employees who do not have a present need for the DROP assets and wish to delay receipt until a later time. Be aware, if a rollover is selected, the money will not be available tax-free until age 59-1/2. If the money is withdrawn at an earlier age, there is a 10% penalty on top of the ordinary income taxes.

The Lauderhill Police Officers' Retirement Plan Board of Trustees' recognizes that payments to a member from DROP must be made by ordinance within 90 days of separation of service. However calculating the final value of a member's total DROP account, based upon the formula proscribed for members entering the DROP after April 28, 2014, is not possible considering that certain investment managers do not report their returns for 30 to 60 days after the quarterly closing period. Calculating the final value of a member's DROP account prior to obtaining all investment returns could lead to an incorrect valuation of the account.

To avoid confusion to members affected by this rule, for those members entering the DROP after April 28, 2014, the Administrator shall distribute the PRINCIPAL of the DROP account balance (all pension payments to the account) as of the date of the member's separation, as soon as is administratively possible. The remaining sum, which should constitute the DROP account returns (interest, dividends and any other non-principal accumulations in the member's DROP account), will be distributed when the returns are reported and verified by the actuary and investment consultant. Additionally, members shall be notified if their DROP balance declines to \$15,000, or less. Following notification, the entire DROP balance shall be paid as a single lump sum as soon as is administratively possible, unless the member requests a rollover.

DUE TO THE POTENTIALLY SIGNIFICANT TAX QUESTIONS, MEMBERS ARE ENCOURAGED TO SEEK A COMPETENT TAX ADVISOR.

WHAT IF I BECOME DISABLED WHILE I AM IN THE DROP PLAN?

If you elect to enter the DROP, **YOU ARE RETIRED FROM THE PLAN.** This means that **disability benefits under the pension plan are no longer available.** If you become disabled and are not able to continue working for the City, you will receive a regular service retirement and a payout of any accumulated DROP monies. The DROP has no effect on your rights under the state Workers' Compensation laws.

WHAT ABOUT SURVIVORSHIP BENEFITS WHILE IN THE DROP PLAN?

Remember, while in the DROP, you are considered retired from the Plan. If you die and have elected a survivorship benefit, your survivor will begin receiving the monthly survivorship benefit. The DROP account will be distributed to the person you designate in writing. If no written designation has been made, the DROP assets become part of your estate. It is **extremely important** that the Retirement Administrator be informed of your designated beneficiary, in writing, or your DROP benefits may end up going to someone other than the person you want to receive them.

WHAT HAPPENS IF I DROP AT EARLY RETIREMENT AGE?

The DROP works exactly the same way at early retirement that it does at regular retirement age. When an employee takes early retirement, however, the monthly benefit is reduced on an actuarial basis to account for the fact that you will be receiving benefits over a longer period of time.

WHEN DO I SELECT MY RETIREMENT OPTION?

At the time you enter the DROP, you must elect the form of benefit you want, as if you were separating from service. Under the terms of the Plan, you can take benefits as a life annuity, a joint and last survivor option, or a 10-year certain and life thereafter option.

A life annuity means a monthly benefit payment made for the life of the member only. This yields the most money of any benefit because the benefit is enhanced due to the absence of any minimum guaranteed payment. If the member dies, the benefit ends. There is no payment to any survivors. A joint and last survivor option lets a member take a smaller payment during his or her life and leaves a percentage of benefits for a survivor. Any person may be named as survivor; it need not be the member's spouse. The payment to the member is smaller because the Plan is providing payments to two people instead of one. If the survivor dies before the benefits begin, the election is cancelled and as if the election had never been made. At that time, the member may elect an unreduced life annuity or a 10-year certain and life thereafter benefit.

A ten year certain benefit guarantees that the Plan will pay 120 monthly payments. If the member dies before the 120th payment, the remaining unpaid amount is paid to a designated survivor, or if no one is designated, then to the member's estate. If the member is still alive after 120 payments, the benefits continue as a life annuity with no survivorship benefit. This is the "normal" form of retirement.

WHEN SHOULD I ENTER THE DROP?

This is a very personal decision. You may enter the DROP upon attaining eligibility for a service retirement. However, no one knows better than you when to begin taking

retirement benefits. Once you enter the DROP, you cannot accumulate any more service credit in the Plan.

If you get a raise or a promotion after you enter the DROP, that salary increase will not count toward your pension. **Once you enter the DROP, you are retired under the Plan and your benefits are fixed.**

WHAT EFFECT DOES DROP HAVE ON MY OTHER RIGHTS AS AN EMPLOYEE?

While in the DROP, you continue to enjoy all other City employee rights. The DROP only affects your status in the Retirement Plan. In all other respects, you are still an active City employee.

HOW IS MY DROP ACCOUNT INVESTED?

Your DROP money stays as part of the Retirement Plan assets until it is paid to you. The assets of the Retirement Plan are invested by professional investment managers in a variety of corporate stocks and corporate and government bonds. The Retirement Plan has a consistent history of steady growth in its investments. A DROP participant's account earns interest at the same rate as the investment earnings assumption for the plan (currently 7.75 percent per year, compounded annually). The investment earning assumption may be adjusted up or down during participation in the DROP, which would result in a change in the prospective interest rate credit on the individual's DROP account.

CAN I GET MY DROP MONEY BEFORE I STOP WORKING FOR THE CITY?

No. In order to receive any payment from the Plan, including the DROP money, you must actually separate from service. It would violate both state and federal tax law to receive a distribution while still an active employee. There is no minimum time you must stay in the DROP. You may leave City service at any time and receive the DROP money.

**ONCE I ENTER THE DROP,
MUST I RETIRE AT THE END OF THE DROP PERIOD?**

Yes. DROP participation is retirement from the Plan. Once you enter the DROP, you agree to leave the City workforce as a police officer no later than 5 years after your DROP participation begins. After retirement, if you are re-hired by the City as a full-time Civil Service employee, in a position covered by this Plan (police officer), your pension payments stop (including any undistributed DROP money) and you must once again join the Plan.

DO I MAKE CONTRIBUTIONS WHILE IN THE DROP?

No. Once you enter the DROP neither you nor the City makes any further contributions on your behalf to the Plan.

CAN A DIVORCE AFFECT MY RIGHTS IN THE DROP?

Yes. All retirement benefits, including DROP assets are considered marital property subject to division in a divorce proceeding. No payment can be made from the DROP until a member separates from the City, but a court can determine that upon distribution, a certain percentage be awarded to a former spouse.

HOW CAN I GET MORE INFORMATION?

Entering the DROP is a big decision. Once made, it is **FINAL**. Before entering the DROP, you are encouraged to attend a meeting of the Plan's Board of Trustees or to submit written questions to the Board. The DROP is a valuable benefit, but like anything, it does not meet everyone's needs in the same way. Before you decide to participate in the DROP, be sure of your rights and make careful plans for your future. For more information, you may contact the Plan Administrator.