



DEFERRED RETIREMENT OPTION PROGRAM (DROP) DISTRIBUTION PAYMENT SELECTION

PART A: GENERAL INFORMATION (PLEASE PRINT)

Last Name

First Name

Employee ID

Date of Request

For Office Use Only:

Year: _____

Election: Initial

1st

2nd - Final

PART B: ELECTION OF PAYMENT OPTION

Each of the following elections will have various tax consequences depending on your situation. All distributions from the DROP account are taxable unless rolled over to a qualifying retirement savings account. Please seek qualified tax advice before making your selection.

You are allowed to make changes to periodic payments at any time; however, request for lump sum distributions are limited to two requests per calendar year.

No final payments will be made until all unposted payments have been debited from your account. No additional investment returns will be allocated to your account. Periodic payments are not guaranteed for life and are made for as long as there is money in your DROP account.

While your DROP balance is in the Fund, it shall gain or lose net monthly earnings at the same rate as the Retirement Fund's investment portfolio.

Initial: _____

PART C: CHECK ALL THAT APPLY – Then sign and date the form

The total of the options elected may not exceed the balance of your DROP account

1. **Lump Sum** **Amount:** _____

A one-time distribution of funds. Choose one of the following options:

(1) I elect to have \$ _____ of this lump sum paid directly to me. This is a gross amount which will be taxed at 20%.

Paid the same method as monthly pension New Account (complete direct deposit form)

(2) I elect to have \$ _____ of this lump sum paid as a direct rollover to a Qualified Plan or a 457 Deferred Compensation Plan.

Plan Name _____

(Please provide the Fund with rollover instructions.)

2. **Defined Benefit Annuity**
Convert my lump sum of \$ _____ into an additional defined benefit annuity. The additional benefit will be added to my regular pension benefit, payable for life.

3.

Periodic Payment

- Fixed Amount:** Monthly payments of \$ _____ until the balance of my DROP account has been entirely distributed.

- Fixed Time Period:** Monthly payments continuing for a period of _____ years. The Employees' Retirement Fund will calculate the dollar amount of the periodic payment, so that the entire balance in my DROP account will have been distributed by the end of the period selected. ***This amount may be recalculated annually due to the impact of returns.***

- Lifetime Distribution:** The Employees' Retirement Fund will calculate the dollar amount of the periodic payment based on the current DROP balance. The minimum distribution is based on my life expectancy. ***This amount may be recalculated annually due to the impact of returns and estimated life expectancy.***

Periodic payments and Annuities will be effective on the first day of the month following this election.

Lump sums will be paid on the next available payment date from the date of this request, less any unposted transactions.

I further acknowledge and understand that DROP account information is available via the Member Portal and that the Fund does not send quarterly or annual benefit statements to retired members.

Member's Full Legal Signature

Date

Last Name, First Name

Employee ID