



DEFERRED RETIREMENT OPTION PROGRAM (DROP) DISTRIBUTION PAYMENT SELECTION

MEMBER INFORMATION (PLEASE PRINT)

Last Name

First Name

Employee ID

Date of Request

PAYMENT SELECTION

I hereby direct the Fort Worth Employees' Retirement Fund (the "Fund") to pay my DROP account balance to me as follows: *(Please select one of the following options.)*

1. **Lump Sum** **Total DROP Account Balance:** _____

A one-time lump sum distribution of my entire DROP account balance to be distributed pursuant to the following rollover election. *(The total of the amount(s) to be paid directly to you and paid as a direct rollover to an eligible qualified plan or governmental 457(b) deferred compensation plan may not exceed the balance of your DROP account.)*

Rollover Election:

I elect to have \$ _____ of this lump sum paid directly to me. This is a gross amount from which federal income tax will be withheld at a 20% rate.

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

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

Plan Name _____

(Please provide the Fund with rollover instructions.)

2. **Defined Benefit Annuity**
Convert my entire DROP account balance into an additional defined benefit annuity. The additional benefit will be added to my regular pension benefit, payable for life.

3. **Installment Payments**
Five substantially equal annual installment payments in accordance with the Ordinance, to be distributed pursuant to the following rollover election. *(The total of the amount(s) to be paid directly to you and paid as a direct rollover to an eligible qualified plan or governmental 457(b) deferred compensation plan may not exceed the annual installment payment amount.)*

I elect to have \$ _____ of each annual installment payment paid directly to me. This is a gross amount from which federal income tax will be withheld at a 20% rate.

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

I elect to have \$ _____ of each annual installment payment paid as a direct rollover to an eligible Qualified Plan or Governmental 457(b) Deferred Compensation Plan.

Plan Name _____

(Please provide the Fund with rollover instructions.)

MEMBER ACKNOWLEDGEMENTS

I acknowledge that each of the above payment options will have various tax consequences depending on my situation. I also acknowledge that all distributions from the DROP account are taxable unless rolled over to an eligible qualified plan or governmental 457(b) deferred compensation plan. (Please discuss any tax questions with qualified tax advisor before making your selection.)

I acknowledge that no final payments will be made until all unposted payments have been debited from my account.

If I choose to receive a lump sum payment of my entire DROP account balance, I acknowledge that the lump sum payment will be paid with my first retirement payment.

If I choose to annuitize my DROP account balance and have it added to my regular pension benefit, such payments will, in most cases, be effective on the first day of the month following this election.

If I choose to receive my DROP account balance in five annual installments in accordance with the Ordinance, I acknowledge that the first installment payment will be paid with my first retirement payment and the four subsequent installment payments will be paid on the applicable anniversary dates of my first retirement payment. In addition, I acknowledge that no investment returns will be allocated to my DROP account for the remainder of the five year period until my DROP balance is paid out.

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.

Initial: _____

MEMBER SIGNATURE

Member's Full Legal Signature

Date

Member's Printed Name

Member's Employee ID