

# DROP PAYMENT OPTION SELECTION



3801 Hulen Street, Suite 101  
Fort Worth, Texas 76107  
Phone: 817.632.8900  
Fax: 817.632.8910

After completing twelve (12) months in the Deferred Retirement Option Program (DROP), you are eligible to retire and receive a distribution(s) of that account. In addition to the retirement application and required documents, you **must** fill out the Payment Option Selection packet to receive the accumulated amount in your DROP account.

You may choose from a variety of benefit payment options; each option will have various tax consequences, depending on your particular situation. Please seek qualified tax advice before making your selection.

Your payment options are:

1. Defer payment(s) from your account until a later start date with the latest possible benefit commencement date as April 1<sup>st</sup> of the calendar year following the year in which you turn 70 ½ ;
2. A lump sum payment;
3. Periodic payments designating an amount;
4. Periodic payments for a designated period of time;
5. Life expectancy calculation;
6. A combination of lump sum and periodic payments; or
7. A defined benefit annuity

Note: Periodic payments are not guaranteed for life and are only made for as long as there is money in your DROP account.



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FORT WORTH, TEXAS 76107  
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**DEFERRED RETIREMENT OPTION PROGRAM (DROP) DISTRIBUTION  
Payment Option Selection**

**PART A- GENERAL INFORMATION (PLEASE PRINT)**

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Middle Initial

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Apt #

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

(\_\_\_\_\_)\_\_\_\_\_  
(Area Code) Home Telephone

(\_\_\_\_\_)\_\_\_\_\_  
(Area Code) Work/Alt. Telephone

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Social Security Number

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date of Birth (Month/Day/Year)

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Retirement Date (Month/Day/Year)

\_\_\_\_\_  
Department

## PART B- ELECTION OF PAYMENT OPTION

Each of the following elections will have various tax consequences, depending on your particular situation. Please seek qualified tax advice before making your selection.

You may make a change in payment two times during a calendar year. Please contact the Employees' Retirement Fund at least 30 days prior to the date you wish to make the change.

No payments will be made until all contributions have been received and the final monthly investment returns have been allocated. Periodic payments are not guaranteed for life and are made for as long as there is money in your DROP account.

### **CHECK ONLY ONE- Then sign your name and have it notarized on the bottom of page 3.**

1. \_\_\_\_\_ **Defer Payment(s)** from your account until \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (date).

The date chosen above can be any time after you terminate service, but no later than the latter of: 1) April 1<sup>st</sup> of the calendar year following the calendar year in which you attain age 70 ½ .  
2) 60 days after the date on which you separate service with the employer.

On the date listed above, please distribute the account using method # \_\_\_\_\_ below.

2. \_\_\_\_\_ **Lump Sum**

A distribution of your entire account balance. Choose one of the following options:

\_\_\_\_\_ (a) You elect to have all 100% of your account balance paid directly to you.

\_\_\_\_\_ (b) You elect to have **all** or a **portion** \_\_\_\_\_ of your account balance paid as a direct rollover to a Qualified Plan or your 457 Deferred Compensation Plan.  
Plan Name \_\_\_\_\_

(Please provide the Fund with rollover instructions.)

3. \_\_\_\_\_ **Periodic payments designating an amount**

Monthly payments of \$ \_\_\_\_\_ until the balance of your DROP account has been entirely distributed to you.

4. \_\_\_\_\_ **Periodic payments for a designated period of time**

Monthly payments continuing for a period of \_\_\_\_\_ years. The Employees' Retirement Fund will calculate the dollar amount of your periodic payment, so that the entire balance in your DROP account will have been distributed to you by the end of the period you have selected. This amount will be recalculated annually during April.

5. \_\_\_\_\_ **Systematic payment/life expectancy distribution**

The Employees' Retirement Fund will calculate the dollar amount of your periodic payment based on your current DROP balance. The minimum distribution is based on your life expectancy (and the life expectancy of your designated beneficiary, if applicable).

6. \_\_\_\_\_ **Combination of Lump Sum and Periodic Payments**

(a) An initial lump sum payment of \$\_\_\_\_\_. Choose one of the following options for your lump sum payment:

\_\_\_\_\_(i) You elect to have all 100% of this lump sum paid directly to you.

\_\_\_\_\_(ii) You elect to have **all** or a **portion** \_\_\_\_\_ of this lump sum paid as a direct rollover to a Qualified Plan or your 457 Deferred Compensation Plan.

Plan Name \_\_\_\_\_

(Please provide the Fund with rollover instructions.)

(b) The balance to be paid in: **(CHOOSE ONLY ONE)**

\_\_\_\_\_ monthly payments **OR** monthly payments of \$\_\_\_\_\_ ,  
until the balance of your DROP account has been entirely distributed to you.

Payments to commence on \_\_\_\_/\_\_\_\_.  
mo yr

(c) Remaining balance in a lump sum:

Payments to commence on \_\_\_\_/\_\_\_\_.  
mo yr

*It is my responsibility to contact the retirement fund by the commencement date to provide payee directions for any payment other than a direct pay of this lump sum.*

7. \_\_\_\_\_ **Defined Benefit Annuity**

Convert your lump sum into an additional defined benefit. The monthly defined benefit amount calculated will be added to your regular retirement check and paid over your lifetime.

\_\_\_\_\_  
Member's Full Legal Signature

\_\_\_\_\_  
Date

**PART C- NOTARIZATION**

**FOR NOTARY USE ONLY**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, year of \_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Signature of Notary