

**AUSTIN POLICE RETIREMENT SYSTEM
RETROACTIVE DEFERRED RETIREMENT OPTION PLAN**

RETRO DROP APPLICATION AND ELECTION

NAME: _____ SOCIAL SECURITY #: _____ - _____ - _____.

BY SIGNING THIS APPLICATION AND ELECTION, I ACKNOWLEDGE THE FOLLOWING:

- I have read and understand the provisions of Section 6.07 of Article 6243n.1, Vernon's Texas Civil Statutes (the Act governing the System), which provide for the Retroactive Deferred Retirement Option Plan (RETRO DROP) available to members of the Austin Police Retirement System ("System").
- I have read and understand the policy and procedure for RETRO DROP election, as adopted by the Board of Trustees of the System (Board).
- I have had the opportunity to meet with the System's administrative staff and ask them questions regarding the operation of RETRO DROP and its effect on my benefits under the System, and any potential benefit that my survivors may receive under the System.
- I have had the opportunity to seek advice from a professional tax advisor, and understand that the administrative staff of the System, although providing some general information, cannot and has not rendered legal advice to me on the effect RETRO DROP will or may have on the taxation of any benefit I may receive under the System, or any potential benefit that my survivors may receive under the System.
- In electing RETRO DROP, I have not relied upon information provided by the System's administrative staff. My decision to elect RETRO DROP is based solely on my understanding of the program as provided in the Act governing the System and in the policy and procedure for RETRO DROP, as adopted by the Board.
- I meet the eligibility requirements of RETRO DROP as set forth in the Act governing the System.

Initial here _____.

- I understand that my retirement annuity as calculated under the terms of the Act governing the System will be determined as of the RETRO DROP benefit computation date as if I had retired on that date, but including my service credit under sections 5.02, 5.03, or 5.04 of the Act governing the System.
- I understand that my retirement annuity and my RETRO DROP benefits are subject to the provisions of Article XI of the Act governing the System (the Internal Revenue Code Section 415 limitations).

EFFECT OF ELECTION TO PARTICIPATE:

I understand that my RETRO DROP election is irrevocable, and that subject to the rules of RETRO DROP participation set forth in the Act governing the System, I will receive a RETRO DROP lump sum distribution and a monthly retirement annuity upon my leaving employment with the City of Austin as a police officer (or upon my leaving employment with the System, if I am an employee of the System).

I further understand that if I should once again become employed by the City of Austin as a police officer (or become employed again by the System), I will not be able to elect RETRO DROP again.

EFFECTIVE DATE OF RETIREMENT:

If this application is approved by the Board, I understand that my retirement will become effective the last day of _____, 20____.

BENEFIT COMPUTATION DATE:

If this application is approved by the Board, I have elected a RETRO DROP benefit computation date that is the last day of _____, 20____.

An Election Form will be deemed not received if it is incomplete.

Signature of Participant

Print or Type Name of Participant

BENEFICIARY DESIGNATION FOR RETRO DROP LUMP SUM

I wish to designate the following person to be my beneficiary. I understand that if I do not designate a beneficiary and I am married, my spouse will automatically be my beneficiary provided that my spouse survives me. If I am unmarried and do not designate a beneficiary, my beneficiary will be determined according to the laws of the state in which I live, which I understand may be a more costly process for my heirs. I direct that, if my relationship with a beneficiary designated below ceases, then this designation shall become inoperative as to that beneficiary.

Beneficiary Name: _____.

Social Security #: _____ - _____ - _____ Date of Birth: _____.

Relationship: _____.

Beneficiary's Address: _____.

City: _____ State: _____ Zip Code: _____.

Contingent Beneficiary Name: _____.

Social Security #: _____ - _____ - _____ Date of Birth: _____.

Relationship: _____.

Contingent Beneficiary's Address: _____.

City: _____ State: _____ Zip Code: _____.

This beneficiary election will continue to be effective unless I submit (and the System's Administrative Office receives) a new beneficiary designation on a form adopted by the Board.

Date: _____.

Signature of participant

Printed or Typed Name of Participant

Austin Police Retirement System – Deferred Retirement Option Plan
DISTRIBUTION ELECTION FORM

Name: _____ Social Security #: _____ - _____ - _____.

Address: _____
Street City State Zip

I understand that all distributions from a DROP account (that have not been previously taxed) are subject to a mandatory twenty percent (20%) withholding for federal income tax; unless the withdrawal is transferred directly by the Fund to an Individual Retirement Account (IRA), an Individual Retirement Annuity, or a Qualified Trust.

I understand that no DROP distribution shall be made to any participant who has not attained age fifty-nine and one-half (59 1/2) at the time of distribution unless either,

- a. the participant had attained age fifty (50) prior to or during the calendar year of terminating covered employment (age 55 if the participant was an employee of the System); or
- b. the distribution is made in the form of a rollover to an individual retirement account.

I understand that, to the extent permissible under federal tax laws, payment of a DROP benefit will be in the following form:

- a. a single payment distribution made at a time selected by the DROP participant, but not later than 60 days after the last day of the month immediately following the retirement date, or April 1 of the year after the participant attains 70-1/2 years of age.

Please choose one of the following:

_____ **ROLLOVER**, I choose to have all my lump sum drop account balance rolled over into an eligible Qualified Plan or IRA. No federal income tax will be held. (The name and address of the plan/IRA is completed below.)

_____ **ROLLOVER / PARTIAL DISTRIBUTION**, I choose to have my taxable lump sum drop account balance rolled over into an eligible Qualified Plan or IRA. No federal income tax will be held. (The name and address of the plan/IRA is completed below.) I choose to have \$ _____ of my non-taxable lump sum account balance paid to me. (No income tax will be held.)

_____ **LUMP SUM DIRECT DISTRIBUTION TO PARTICIPANT**, I choose to have my complete lump sum made payable to me. Please withhold 20% for federal income tax. (only members fifty (50) years of age or older are eligible)

For transfer to IRA or qualified plan:

Name of IRA or plan and Account No.: _____.

Address: (Street, City, State, Zip) _____.

DROP Participant's Signature Date of Signature
SWORN AND SUBSCRIBED TO BEFORE ME, this _____ day of _____, 20____.

NOTARY

Notary Public in and for _____ County, Texas