

AUSTIN POLICE RETIREMENT SYSTEM

Impact of Changes to Forward DROP

Adopted by the Board of Trustees

February 17, 2016

Future Forward DROP changes include (see notes below as to **which** members are affected):

1. Employee contributions are still required during the DROP period but are not added to the DROP account balance.
2. Interest is not paid on the DROP account.
3. A fee for DROP participation is applied on a graduated scale during the DROP period and ends after the DROP period.*
4. DROP participation limit is extended from five years to seven years with the adjustments listed above.

*Graduated fee structure:

DROP Year	DROP Fee Applied to Monthly DROP Amount
1	25%
2	20%
3	15%
4	10%
5	5%
6	5%
7	5%

APRS Members already in DROP on February 17, 2016:

No changes. Members continue with their irrevocable decision in Forward DROP up to five years; new adjustments specified above do not apply.

APRS Members with 23 years creditable service on February 17, 2016, **AND** not yet participating in DROP:

Upon entering Forward DROP may choose the five-year DROP under previous policy (changes above do not apply), OR may choose a DROP up to seven years with the newly-adopted adjustments applied.

APRS Members with less than 23 years creditable service on February 17, 2016:

May choose Forward DROP participation when they reach 23 years creditable service, as adjusted with changes specified above.