

**AUSTIN POLICE RETIREMENT SYSTEM**  
**POST RETIREMENT OPTION PLAN (PROP)**  
**FOR MEMBERS WHO ELECT RETRO DROP**  
**PROP 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) and Post Retirement Option Plan (PROP) available to members of the Austin Police Retirement System (System).
- I have read and understand the Policy and Procedure for PROP, 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 PROP.
- I 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 PROP 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 PROP, I have not relied upon information provided by the System's administrative staff. My decision to elect PROP is based solely on my understanding of the program as provided in the Act governing the System and in the Policy and Procedure for PROP, as adopted by the Board.
- I meet the eligibility requirements of RETRO DROP as set forth in the Act governing the System.
- I understand that my PROP benefits are subject to the provisions of Section 401(a)(9) of the Internal Revenue Code (minimum required distributions after age 70 ½).

Initial here \_\_\_\_\_

**EFFECT OF ELECTION TO PARTICIPATE:**

I understand that my PROP election is subject to the rules of PROP participation set forth in the PROP Policy and Procedure adopted by the Board in accordance with the Act governing the System.

I further understand that the amount indicated below of my RETRO DROP balance that I elect to leave in the System must remain in the System for a minimum of 90 days after my PROP effective date of participation before the System will make an elective PROP distribution.

**EFFECTIVE DATE OF RETIREMENT AND PROP PARTICIPATION:**

If this application is approved by the Board, I understand that my retirement and PROP participation will become effective the last day of \_\_\_\_\_, 20 \_\_\_\_\_. The amount of my RETRO DROP balance that I elect to leave in the System as my beginning PROP balance is the following:

\$ \_\_\_\_\_

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

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Print or Type Name of Participant

**BENEFICIARY DESIGNATION FOR PROP ACCOUNT BALANCE**

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 may 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 understand that I may designate my estate as beneficiary. 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: \_\_\_\_\_

In the event that the beneficiary named above is not living at the time that the first payment would otherwise be payable to that beneficiary (or if my relationship to that beneficiary as stated above has terminated prior to that date), I hereby revoke the forgoing designation. In that event I designate the following person as my beneficiary.

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 – Post Retirement Option Plan (PROP)

**DISTRIBUTION ELECTION FORM**

Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_  
Street City State Zip

- I understand that all distributions from a PROP account have not been previously taxed and are subject to a mandatory twenty percent (20%) withholding for federal income tax unless the withdrawal is transferred directly by the System to an Individual Retirement Account or an Individual Retirement Annuity (IRA) or another eligible retirement plan.
- I understand that no PROP distribution shall be made to any member who has not attained age 59-1/2 at the time of distribution unless the distribution is made in the form of a rollover to an IRA, or another eligible retirement plan or the member had attained age 50 prior to or during the calendar year in which the member terminated covered employment at the age of fifty (50) (age 55 if the member was an employee of the System) .
- I understand that if I select distribution option d. or e. that the regular partial payments will be paid for as long as I live or until my PROP account is completely distributed unless I later file another distribution form requesting distribution option a. I understand that distribution option b. or c. is for only one or two irregular partial payments.
- If I am a retired member who has been deferring my monthly annuity into my PROP account, I understand that this distribution election cannot be carried out by the System until I revoke my election to defer my monthly annuity into my PROP account and thereafter receive my monthly annuity directly.

Please choose one of the following distribution options:

- \_\_\_\_\_ a. I choose a single payment of the entire balance in my PROP account payable on \_\_\_\_\_ (must be the last day of a month).
- \_\_\_\_\_ b. I choose one partial payment from my PROP account in the amount of \$ \_\_\_\_\_ on \_\_\_\_\_ (must be the last day of a month).
- \_\_\_\_\_ c. I choose two partial payments from my PROP account in the amount of \$ \_\_\_\_\_ on \_\_\_\_\_ (the first date requested) and in the amount of \$ \_\_\_\_\_ on \_\_\_\_\_ (the second date requested, both dates being on the last day of a month).
- \_\_\_\_\_ d. I choose **regular** partial payments from my PROP account in the amount of \$ \_\_\_\_\_ each once every year on the last day of the month of \_\_\_\_\_ beginning on the date of \_\_\_\_\_.
- \_\_\_\_\_ e. I choose **regular** partial payments from my PROP account in the amount of \$ \_\_\_\_\_ each twice a year on the last day of the months of \_\_\_\_\_ and \_\_\_\_\_ with the first payment on the date of \_\_\_\_\_.

Please choose one of the following forms of distribution:

\_\_\_\_\_ **ROLLOVER**, I choose to have my requested distribution(s) rolled over into an IRA or another eligible retirement plan. No federal income tax will be withheld. (The name and address of the IRA/plan is completed below.)

\_\_\_\_\_ **DIRECT DISTRIBUTION TO PARTICIPANT**, I choose to have my requested distribution(s) made payable to me. (Only members 59-1/2 years of age or older are eligible or member terminated covered employment in a calendar year during or after attaining fifty (50) (or age 55 for members who were employees of the System). Please withhold 20% for federal income tax.

For transfer to IRA or other eligible retirement plan:

Name of IRA or plan and Account No.: \_\_\_\_\_

Address: (Street, City, State, Zip) \_\_\_\_\_

\_\_\_\_\_  
PROP Participant's Signature

\_\_\_\_\_  
Date of Signature

SWORN AND SUBSCRIBED TO BEFORE ME, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary  
Notary Public in and for \_\_\_\_\_ County, Texas