

COOPER CITY GENERAL EMPLOYEES RETIREMENT PLAN DEFERRED RETIREMENT OPTION PLAN

DROP FACTS

DROP is an optional or alternative form of retirement, within your retirement plan.

When you participate in DROP, you retire from the pension plan but continue employment with the City.

Effective June 1, 2014, any member who is eligible for normal retirement may enter the DROP, with no penalty for late entry.

DROP eligibility starts after you reach age 55 and 6 years of service.

You may participate in the DROP for a maximum of 5 years from DROP entry date.

Your benefit is calculated the same for DROP as for regular retirement and you have all the same benefit choices.

Your pension benefit will not change once you enter the DROP - it is fixed.

While you are in the DROP, instead of receiving your pension payment each month, it is put in an account for you to collect in a lump sum at the end of the DROP. At the end of the DROP you will begin receiving a regular pension payment every month.

Once you enter the DROP, you are considered a retiree for pension plan purposes.

Once you enter the DROP, you no longer contribute to the GE pension fund - the 10.43% you were contributing is no longer deducted.

Once you enter the DROP, you will be automatically enrolled in FRS which requires a 3% contribution.

The monthly payment into your DROP account is not taxed until you receive it.

Your DROP money is invested the same as the regular pension fund and your earnings/losses are the same as the regular fund.

DROP is irrevocable – once you have entered the DROP you must leave employment at the end of your 5 years of DROP participation.

You should consult with a financial advisor or CPA before making a decision.