

DEFERRED RETIREMENT OPTION PLAN (DROP)

Member Election Form

Member's name _____

Member's SS# _____

Police Department Fire Department



D A L L A S
POLICE & FIRE
PENSION SYSTEM



BY SIGNING THIS ELECTION FORM, I ACKNOWLEDGE THE FOLLOWING:

- I have read and understand the provisions of the Combined Pension Plan of the Dallas Police and Fire Pension System ("System"), which provides for the Deferred Retirement Option Plan ("DROP").
- I have read and understand the policy and procedure for DROP participation, 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 DROP and its affect on my benefits under the Combined Pension Plan.
- I have had the opportunity to seek advice from professional financial planners and tax advisors, 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 entering DROP at different times in my career with the Police or Fire Department will have on the total amount of benefits I may receive, or the effect DROP will or may have on the taxation of any benefit I or my survivors may receive under the Combined Pension Plan.
- In electing to participate in DROP, I have relied upon information provided by the System's administrative staff. However, my decision to elect to participate in DROP is solely my own and is based only on my understanding of the program as provided in the Combined Pension Plan and in the policy and procedure for DROP, as adopted by the Board. Neither the Board, Administrator or administrative staff is responsible for my decision to enter or not enter DROP.
- I meet the eligibility requirements of DROP as set forth in the Combined Pension Plan or will meet such requirements as of the intended effective date of my participation in DROP.
- I understand that upon the effective date of my participation in DROP, I may no longer make contributions to the System's fund.
- I understand that I may elect a 100% joint and survivor option upon leaving active service and (only available to person who leave Active Service after December 17, 2001).

Initial Here: _____

- I understand that my retirement pension as calculated under the terms of the Combined Pension Plan will be determined as of the effective date of my participation in DROP. And that, as a consequence of my election to participate in DROP, the following will apply as of and after the effective date of my DROP participation:
 - ❖ My eligibility for a benefit supplement to my retirement pension will be determined as of the effective date of my participation in DROP;
 - ❖ I will not get any otherwise applicable additional improvements in my retirement pension, including, but not limited to, improvements attributable to advances in age, rank, increase in pay or years of service with my department; for example, if I have not already earned the 78 points needed to qualify for the special survivor benefit, I will never be able to earn them after I enter DROP;
 - ❖ If I am a Group B Member of the Combined Pension Plan and I am promoted to a rank higher than the highest Civil Service Rank for the City of Dallas after the effective date of my participation in DROP, I will not be entitled to participate in the System's Supplemental Pension Plan;
 - ❖ If I am a Group B Member, I will not be entitled to repay any contributions that I have withdrawn from the System's Fund;
 - ❖ If I am a Group B Member, I will not be entitled to purchase credit for Pension Service lost on account of an assignment of my retirement pension to an "alternate payee" pursuant to a "qualified domestic relations order";
 - ❖ If I am a Group A Member, I will not be entitled to change to Group B Member status;
 - ❖ If I am a Group B Member, I will not be entitled to purchase credit for Pension Service for any period in which I was employed by the City of Dallas as a Police Officer or Firefighter and was not a member of the Old Pension Plan;
 - ❖ I will not be entitled to purchase credit for Pension Service for periods that I was on leave of absence, except for military leave I may still be entitled to purchase pursuant to the Uniformed Services Employment and Reemployment Rights Act; and
 - ❖ I will not be entitled to purchase credit for Pension Service under any other nondiscriminatory policy that has or may be adopted by the Board from time to time.
 - ❖ If I enter DROP earlier rather than later, especially if I enter DROP before age 50, my monthly pension will be smaller and my total pension and DROP benefits may be smaller than if I had waited until later to join DROP.
 - ❖ If I change or add a spouse before I leave active service that spouse, if still my spouse at the time of my death, will be the one eligible for survivor benefits.
- As of the effective date of my participation in DROP, I will also be ineligible to receive a disability pension under the terms of the Combined Pension Plan. Further, I understand that in

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the event of a disability that prevents me from performing the duties of a Police Officer or Firefighter (whichever is applicable), I will receive a retirement pension that has been adjusted for the period of my DROP participation. My pension benefit is calculated as if I had left employment with the City of Dallas as a Police Officer or Firefighter on the day before the effective date of my participation in DROP.

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EFFECT OF ELECTION TO PARTICIPATE:

I understand that my election to participate in DROP is irrevocable, and that subject to the rules of DROP participation set forth in the Combined Pension Plan, I will receive the following retirement pension upon my leaving employment as a Police Officer or Firefighter with the City of Dallas, Texas:

(Initial One)

- _____ Group A retirement pension under Section 6.01(b) and (c) of the Combined Pension Plan.
- _____ Group A retirement pension under Section 6.01(e) of the Combined Pension Plan.
- _____ Group A retirement pension under Section 6.01(g) of the Combined Pension Plan.
- _____ Group B retirement pension under Section 6.02(b) of the Combined Pension Plan.
- _____ Group B retirement pension under Section 6.02(c) of the Combined Pension Plan.
- _____ Group B retirement pension under Section 6.02(d) of the Combined Pension Plan.
- _____ Group B retirement pension under Section 6.02(e) of the Combined Pension Plan.

I understand that my DROP benefits will be calculated based upon the above-elected retirement pension.

I further understand that my election to participate in DROP will continue if, after I terminate my employment, I am once again employed by the City of Dallas as a Police Officer or Firefighter.

EFFECTIVE DATE OF PARTICIPATION;

I understand that my participation in DROP is effective on the first day of the month next following the date this election form is received and accepted by the System's Administrative Office, and that the Election Form will be deemed not received if it is incomplete.

Initial Here: _____

GENERAL BENEFIT INFORMATION

Department: _____ Rank: _____

Date of Birth: _____ Telephone: _____

Street Address: _____

City: _____ State: _____

Date Initially Employed: _____ Pension Service Date: _____

Intended DROP Effective Date: _____

Name of Spouse: _____ Date of Marriage: _____

Date of Spouse's Birth: _____

Spouse's Social Security Number: _____

Children under the age of nineteen (19) or dependent parent(s):

| Name | Social Security No. | Date of Birth |
|------|---------------------|---------------|
| | | |
| | | |
| | | |
| | | |

Member's Signature: _____

Date: _____

DROP BENEFICIARY DESIGNATION FORM

I wish to designate the following person(s) 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. If I am designating more than one beneficiary or more than one contingent beneficiary, I have prepared a DROP Beneficiary Designation Form for each such designation and indicated the percentage of my unpaid benefit to be paid to each such beneficiary. Contingent beneficiaries receive benefits only if beneficiaries die before my benefits are completely distributed. 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.

Beneficiary Name: _____

Relationship: _____

Percent of Benefit to Beneficiary: _____

Beneficiary's Address: _____

City: _____ State: _____ ZIP Code: _____

Contingent Beneficiary Name: _____

Relationship: _____

Percent of Benefit to Contingent Beneficiary: _____

Contingent Beneficiary's Address: _____

City: _____ State: _____ ZIP Code: _____

My 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. Notwithstanding the preceding sentence, I understand that I cannot designate a new beneficiary if I elect to receive my DROP benefits in the form of a life annuity or a joint and survivor annuity and I begin to receive such benefits. I also understand that if I am married, I cannot change my beneficiary without my spouse's consent.

Signature: _____

Date: _____

Printed Name: _____

SPOUSAL WAIVER

As the spouse of the member or pensioner listed above, I understand that I have not been named as beneficiary to receive 100% of my spouse's DROP benefits in the event of my spouse's death. I consent to the designation of the beneficiary(s) named above even though, in the absence of my consent, I would be entitled to receive any balance remaining in my spouse's DROP account upon his or her death. (Signature must be witnessed by a notary public.)

Spouse's Signature: _____ Date: _____

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority on this the _____ day of _____, A.D., 20____.

Notary Public In And For

_____ County