

Deferred Retirement Option Plan (DROP) Distribution & Deferral Election



DALLAS POLICE & FIRE PENSION SYSTEM



I hereby request the following distribution from or deferral to my Deferred Retirement Option Plan (DROP) account. **Choose appropriate Plan:** Regular DROP Plan or Supplemental DROP Plan

I understand this election supersedes any previous election I have made.

Distributions:

- 1. Lump Sum distribution of \$_____ (Minimum \$1,000.00). I understand that by Federal law the System must withhold 20% of this distribution for income tax and that the amount withheld may not be enough to cover my tax liability for this distribution.
 - Direct Deposit (To Account on File or Attach a Voided Check)** **Mail to my home (or)**
 - I or _____ will pick up at the Pension Office**
- 2. I elect to change from \$_____ to \$_____ the amount from my DROP account that is added to my regular monthly pension payment. I understand that this request will be made effective as soon as administratively feasible.

If request received on Tuesday by 5pm, payment generally will be ready on Friday. (Except holiday)

Deferrals:

- 3. Defer All or a Portion of my monthly pension benefit in the amount of \$_____ into my DROP account.
- 4. Change from \$_____ to \$_____ the amount deferred into my DROP account.
Note: The method used to calculate withholding for federal income tax will not change unless you file a new Form **W-4P** with the Pension System office.

Tax consequences for persons who (1) terminated employment before age 50; and (2) are now under age 59½:

If you terminate employment before attaining age 50, a lump sum distribution or change in monthly DROP amount received before age 59½ may increase your tax liability and the payment requested by this form will probably subject you to a **10% federal income tax penalty** on (1) everything the Pension System has paid you since the day you retired; and (2) everything the Pension System will pay you before the end of the calendar year in which payment is made.

If there is any question in your mind about whether you are affected by this law, please discuss the effects of Section 72(t) of the Internal Revenue Code with your tax advisor before you submit this form.

I have read this form and understand the consequences of my action: Age when I left active service _____

Social Security number: _____ Phone: _____

Signature: _____

Printed name: _____ Date: _____

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

Notary Public In and For _____ County

Dallas Police & Fire Pension System
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