



DROP – What Is It?

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The Deferred Retirement Option Program (DROP) allows an eligible General Employee to defer receipt of retirement benefits while continuing employment with the City of Tampa. You may elect to participate in the program for up to seven (7) years and must terminate employment upon exiting the DROP. Upon your election to participate in the DROP, the amount of your continuous service and average monthly salary becomes frozen for purposes of determining your pension benefits. You are considered a retired member for all purposes related to the General Employees Retirement Fund and will not accrue additional retirement benefits, except for cost-of-living adjustments (COLA), if applicable. The monthly retirement benefits you would have received if you had stopped working are credited monthly to your DROP account. Upon separation from City employment, you will receive your DROP account balance and will begin receiving your monthly retirement benefit.

How Does This Affect My Other Employee Benefits?

All employee benefits remain the same, **except** you will no longer be eligible to apply for disability retirement benefits. You remain eligible for promotions, pay increases and benefits, such as annual leave and sick leave. You are subject to all of the same laws and regulations regarding employment that you were subject to prior to entering the DROP. Group health and dental insurance benefits continue during DROP at the same monthly premium as for any other active employee.

When Am I Eligible to Participate in DROP?

Division A participants may enroll at age 55. Division B participants may enroll as early as age 55 provided they are vested; however benefits will be reduced by 5% for each year they fall short of normal retirement age of 62.

Will My DROP Funds be Invested?

Yes. Upon entering the DROP you will be provided with two options for investing your



accumulated DROP balance. Option #1 is the annual net rate of return for the pension trust fund. Option #2 is the low risk, variable rate, J.P. Morgan Actual 2a-7 Money Market Fund. After your initial election you will be provided with an opportunity to update your election annually each year in August, effective October 1.

Will I Receive a DROP Account Statement?

A DROP statement listing your accumulated benefits will be mailed to your home address quarterly on 04/01, 07/01, 10/01 and 01/01. In December of each year you will also receive an annual statement as of 10/01 with your accumulated balance inclusive of investment earnings/losses and an administrative fee.

How Do I Sign Up for DROP?

Contact the General Employees Retirement Fund office at gepension@tampagov.net or call (813) 274-7850 to make an appointment to complete your DROP application paperwork. You will need to bring the following documents with you to your appointment:

- Proof of Age (Birth Certificate or Passport)
- Social Security Card
- Driver's License
- If Married, copies of:
 - Marriage Certificate or License
 - Spouse's Birth Certificate or Passport
 - Spouse's Social Security Card
 - Spouse's Driver's License
 - Spouse's Death Certificate, if applicable
- If Divorced, copy of Divorce Decree

How Soon Must I Submit My Application to Enter DROP?

Your application must be received by the General Employees Retirement Fund two (2) weeks prior to your effective DROP entry date.



What If I Enter DROP and Then Change My Mind?

Once your DROP application paperwork is signed you have seven (7) days to revoke your decision.

How Long Can I Participate in DROP?

You may elect to participate in DROP for a maximum of seven (7) years. If you decide to leave City of Tampa employment on schedule or at an earlier date, you must give 30 days' written notice to your department. You will also need to enter your notice of separation in Oracle.

What Deductions Are Withheld From My Monthly Retirement Benefits?

Your benefit is not subject to payroll deductions during your tenure in DROP. However when you exit DROP, standard deductions such as federal income taxes are withheld. Monthly premiums for health and life insurance will be withheld if you are eligible for coverage and elect to continue the coverage. Also, IRS tax levies and court ordered alimony or child support payments will be deducted, if applicable.

How Does the Health and Dental Insurance Plan Work Upon Exiting DROP?

When you exit DROP, you may continue coverage with the City at the retiree rate, if eligible.

Will I Still Have Life Insurance Coverage Upon Exiting DROP?

If you are an ATU employee you are eligible to elect \$4,000 in life insurance coverage for a monthly premium of \$2.00. If you are a professional employee (supervisory level or above) you are eligible to elect \$3,000 in life insurance coverage for a monthly premium of \$1.50.



What Happens if My Participation in the DROP is Interrupted By Military Service or a Leave of Absence?

Your DROP retirement allowance will continue to be deposited into your account while you are in the military or on a leave of absence for the balance of the elected term, unless you terminate employment with the City of Tampa.

What Happens to My DROP Account If I Become Disabled?

If you become disabled while in the DROP, you will exit DROP and receive your monthly retirement benefit along with your DROP account balance. You are not eligible to apply for disability retirement benefits.

What Happens to My Account Balance If I Should Die During the DROP Period?

- Your designated beneficiary(ies) will receive your DROP account balance; AND
- If you are in Division A and are married, your spouse will receive a monthly pension benefit equal to 75% of your accrued pension; however the monthly pension shall be reduced to 50% of your accrued pension if he/she remarries.
- If you are in Division B, your designated beneficiary(ies) will receive a lump sum death benefit equal to one time your annual salary at the time of your death. If you are married your spouse will receive a monthly pension benefit equal to 50% of your accrued pension.

How and When Will My Account Balance Be Distributed When I Exit DROP?

You may receive your DROP account balance by rolling over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. You may also elect to receive your DROP funds in a lump sum, less 20% federal withholding taxes. No funds will be disbursed until your Election Form for Distribution of Accumulated DROP Benefits is received by the General Employees



Retirement Fund. Your DROP account balance will be distributed at the end of the calendar quarter following the quarter in which you exit the DROP. For example, if you exit the DROP on February 15th, your DROP account balance will be distributed on June 30th.

How Do I Exit DROP?

You must give thirty (30) days' notice to your department of your intention to exit DROP and you must enter your notice of separation in Oracle. Next, you will need to contact the General Employees Retirement Fund to schedule an appointment to complete your DROP exit paperwork. The month in which you exit the DROP a deposit will be made to your DROP account. You will receive your first retirement benefit on the last day of the month following your DROP exit date. You may wish to seek the services of a financial planner or tax advisor before electing your DROP account distribution option (lump-sum payment or a direct rollover to a qualified plan).

Forms to Complete When Exiting DROP

- Election Form for Distribution of Accumulated DROP Benefits
- W4-P Withholding Certificate for Pension or Annuity Payments
- Direct Deposit Authorization Form*
- Health Insurance Enrollment Form
- Retiree Dental Election Form
- Vision Enrollment Form
- Life Insurance Form
- Designation of Beneficiary - Retiree

*You will need to bring a voided check or bank letter with you to your appointment.