

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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APPLICATION FOR DEFERRED RETIREMENT OPTION PLAN (DROP)

** Date of participation must be at least 30 days after signature date or 30 days after date received by MPERS. **

Name	Date of Birth	Social Security Number
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Mailing Address, City, State, Zip Code

Single never married
 Married. If your current status is married but your previous status was divorced, we must receive a copy of your divorce decree(s).
 Divorced. If your current status is divorced, we must receive a copy of your divorce decree(s).

Last Date on Active Payroll	Effective Date of DROP Participation	Area Code and Telephone Number	___ Male ___ Female
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Specify Duration (max 3 yrs)

SELECTION OF RETIREMENT PLAN OPTION – INDICATE CHOICE BY SIGNATURE

Maximum Plan - Pays largest monthly benefit retiree is eligible to receive but does not provide for a monthly benefit to be paid to a named beneficiary after the retiree's death; however, in the event the retiree dies before he/she receives in benefits an amount equal to his/her contributions, the beneficiary or estate will be paid the difference in one lump sum payment. I hereby apply for retirement under the Maximum Plan. Spouse must complete form MP-4A.

Signature: _____ Date: _____

Option 2 - Pays the retiree a monthly benefit that is reduced from the Maximum. Pays the same monthly benefit for life to the named retirement beneficiary after the retiree's death. The benefit is based on the ages of the retiree and his/her beneficiary. The beneficiary may not be changed after retirement. I hereby apply for regular retirement under the Option 2 Plan.

Signature: _____ Date: _____

Option 2a (formerly 4-1) - Pays the retiree a monthly benefit that is reduced from the Maximum. Pays the same monthly benefit for life to the named retirement beneficiary after the retiree's death. However, if the named beneficiary predeceases the retiree, the benefit amount will convert to the **Maximum Plan** and benefits will cease upon the death of the retiree. The benefit is based on the ages of the retiree and his/her beneficiary. The retirement beneficiary may not be changed after retirement. I hereby apply for regular retirement under the Option 2a Plan.

Signature: _____ Date: _____

Option 3 - Pays the retiree a monthly benefit that is reduced from the Maximum. Pays 50% of the monthly benefit for life to the named retirement beneficiary after the retiree's death. The benefit is based on the ages of the retiree and his/her beneficiary. The beneficiary may not be changed after retirement. I hereby apply for regular retirement under the Option 3 Plan.

Signature: _____ Date: _____

Option 3a (formerly 4-2) - Pays the retiree a monthly benefit that is reduced from the Maximum. Pays 50% of the monthly benefit for life to the named retirement beneficiary after the retiree's death. However, if the named beneficiary predeceases the retiree, the benefit amount will convert to the **Maximum Plan** and benefits will cease upon the death of the retiree. The benefit is based on the ages of the retiree and his/her beneficiary. The retirement beneficiary may not be changed after retirement. I hereby apply for regular retirement under the Option 3a Plan.

Signature: _____ Date: _____

RETIREMENT BENEFICIARY INFORMATION

I hereby designate the below named person as my beneficiary to receive benefits as provided under the retirement plan which I have selected above. I understand that I cannot change the designated beneficiary under any optional retirement plan or change the retirement plan selected after the effective date of retirement, except in the event of divorce as provided by R.S. 11:2224C, wherein the spouse, irrevocably, by court order relinquishes survivorship rights under the option originally selected by the retiree.

Full Name of Beneficiary	Relationship	Social Security No.	Date of Birth	___ Male ___ Female
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Mailing Address, City, State and Zip Code

DROP BENEFICIARY INFORMATION

I hereby designate the below named person(s) as my beneficiary (beneficiaries) to receive any balance that may be standing in my DROP account at the time of my death. If spouse is not designated to share at least 50% of the outstanding DROP balance, spouse must submit Form MP-4B, an affidavit waiving her/his right to at least 50% of the DROP balance.

Full Name of DROP Beneficiary(s)	Relationship	Social Security No.	Date of Birth	<input type="checkbox"/> Male <input type="checkbox"/> Female
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Mailing Address, City, State and Zip Code

R.S.11:2221 - DEFERRED RETIREMENT OPTION PLAN (DROP)

A. In lieu of terminating employment and accepting a service retirement allowance under R.S.11:2220, any member of this system who has at least twelve years of creditable service and has attained at least age fifty-five or at least twenty years of creditable service and who is eligible to receive a service retirement allowance may elect to participate in the Deferred Retirement Option Plan and defer the receipt of benefits in accordance with the provisions of this Section.

B. For purposes of this Section, creditable service for eligibility purposes only shall include service credit reciprocally recognized under R.S. 11:142.

C. The duration of participation in the plan shall be specified and shall not exceed three years.

D. A member may participate in the plan only once.

E. (1)(a) Upon the effective date of the commencement of participation in the plan, membership in the system shall terminate and neither employee nor employer contributions shall be payable.

(b) A participant in the plan shall be classified as a "deferred retirement option plan participant" and, as such, shall be treated as an active member of this system, except with respect to the following:

(i) Contributions as provided in Subparagraph (a) of this Paragraph.

(ii) The payment of survivor benefits as provided in R.S. 2220(B).

(iii) A deferred retirement option plan participant shall be treated as retired for purposes of eligibility to serve in an active member position on the board of trustees.

(2) For purposes of this Section, compensation and creditable service shall remain as they existed on the effective date of commencement of participation in the plan.

(3) The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, shall be paid into the deferred retirement option plan account.

(4) Upon termination of employment, deferred benefits shall be payable as provided by Subsection H.

F. (1) A person who participates in this program shall not be eligible to receive a cost-of-living increase while participating and shall not be eligible until his employment which makes him eligible to be a member of this system has been terminated for at least one full fiscal year.

(2) With respect to any individual who was eligible to participate in the Deferred Retirement Option Plan prior to January 1, 2004, after a person terminates his participation in this program, his individual account balance in the plan shall earn interest at a rate of one-half of one percent below the percentage rate of return of the system's investment portfolio as certified by the actuary in his yearly evaluation report, said interest is to be credited to his individual account balance on an annual basis. With respect to any individual who becomes eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination of participation in the plan shall be placed in liquid asset money marked investments at the discretion of the board of trustees. Such account balances may be credited with interest at the actual rate of returned earned on such account balance investments less one-fourth of one percent per annum; or at the option of the system, the funds may be credited to subaccounts as herein established:

(a) The contributing period shall mean that time period when funds are being credited to the participant's subaccount which is maintained by the system.

(b) After the contributing period ends, the balance of the subaccount then may be transferred to a self-directed subaccount, which shall be known as the investment period. Both subaccounts shall be within the Deferred Retirement Option Plan established herein. Management of the funds shall be by the system during the contributing period. When the funds are transferred to the self-directed subaccount for the investment period, the system is authorized to hire a third party provider. The third party provider shall act as an agent of the system for purposes of investing balances in the self-directed subaccounts of the participant as directed by the participant. The participant shall be given such options that comply with federal law self-directed plans.

Applicant's Initials

APPLICATION FOR DEFERRED RETIREMENT OPTION PLAN (DROP) CONTINUED

(c) The participant in the self-directed portion of this plan agrees that the benefits payable to the participant are not the obligations of the state or the system and that any returns and other rights of the plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made. Furthermore, each participant, in accordance with this provision, shall expressly waive his rights as set forth in Article X, Section 29(A) and (B) of the Louisiana Constitution as it relates to his subaccount in the self-directed portion of the plan. By participating in the self-directed portion of the plan, the participant agrees that he and the provider shall be responsible for complying with all applicable provisions of the Internal Revenue Code. The participant also agrees that if any violation of the Internal Revenue Code occurs as a result of the participant's participation in the self-directed portion of the plan, it shall be the sole responsibility and liability of the participant and the provider, not the state or the system. There shall be no liability on the part of and no cause of action of any nature shall arise against the state, the system or its agents or employees, for any action taken by the participant for choices the participant makes in relationship to the funds in which he chooses to place his subaccount balance.

G. Repealed by Acts 2003, No. 962, § 2, eff. Jan. 1, 2004.

H. Upon termination of employment at the end of the specified period of participation, a participant in the program shall receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account, or he may elect any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the fund during the period of participation shall begin being paid to the retiree.

I. (1)(a) If a participant dies during the period of participation in the program, and he selected an option allowance designating his spouse as beneficiary, such beneficiary shall receive, at the option of the beneficiary a lump sum payment of the participant's account balance or the beneficiary may elect any other method of payment approved by the board of trustees as if the participant had retired on the date of death; in addition, the normal benefits payable to the designated beneficiary under the option selected shall be payable.

(b) In the event the designated beneficiary is not the participant's spouse, and is entitled to monthly benefits under the option selected, such beneficiary shall receive, at his option, a lump sum payment of the participant's account balance or he may elect to receive the balance in the account under any method that will cause a total distribution of the account over a period not to exceed five years; in addition, the normal benefits payable to the designated beneficiary under the option selected shall become payable.

(c) If there is no designated beneficiary, a lump sum payment to the participant's account balance shall be paid to his estate.

(2)(a) If a participant terminates employment prior to the end of the specified period of participation he shall receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account balance, or he may elect any other method of payment if approved by the board of trustees.

(b) The monthly benefits that were paid into the fund during the period of participation shall begin being paid to the retiree.

J. (1) If employment is not terminated at the end of the period specified for participation, payments into the account shall cease. Payment from the account shall not be made until employment is terminated; nor shall the monthly benefits being paid into the fund during the period of participation be payable to the individual until he terminates employment.

(2) Upon termination of employment a member shall receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account balance, or he may elect any other method of payment if approved by the board of trustees.

K. The following shall also apply if employment is not terminated at the end of the period of participation:

(1) If employment is not terminated at the end of the period specified for participation, he shall resume active contributing membership in the system.

(2) Upon termination of employment, the monthly benefits which were being paid to the fund shall begin to be paid to him. He may not change the option which was originally selected.

(3) Upon termination of employment, he shall receive an additional retirement benefit based on his additional service rendered since termination of participation in the fund, using the normal method of computation of benefit, subject to the following:

(a) If his period of additional service was less than thirty-six months, the average compensation figure used to calculate the additional benefit shall be that used to calculate his original benefit.

(b) If his period of additional service was thirty-six or more months, the average compensation figure used to calculate the additional benefit shall be based on his compensation during the period of additional service.

(c) The option used shall be that applicable to the original benefit.

(d) In no event shall the additional benefit exceed an amount which, when combined with the original benefit, equals one hundred percent of the average compensation figure used to compute the additional benefit.

(4)(a) If he dies or becomes disabled during the period of additional service, he shall be considered as having retired on the date of death or commencement of disability.

(b) In the event he dies, his designated beneficiary, or if none, his estate, shall receive payment from his account in accordance with the provisions of Subsection I of this Section.

L. A retiree whose benefit has been suspended under the provisions of R.S. 11:2220(A)(1)(e) shall not be eligible to participate in the deferred retirement option plan.

M. For purposes of R.S. 17:1681 and 1681.1, any member who is killed or who becomes permanently disabled solely as the result of injuries sustained in the course and scope of the performance of his official duties, while participating in the Deferred Retirement Option Plan or during continued employment after participation in the Deferred Retirement Option Plan has ended, shall be considered as having died in service or retired for disability purposes, provided satisfactory proof of such fatal or disabling injury is furnished to the retirement system by the member's employing municipality.

Acts 1991, No. 74, § 3, eff. June 25, 1991. Amended by Acts 1991, No. 58, § 1, eff. July 1, 1991; Acts 1992, No. 496, § 1, eff. July 1, 1992; Acts 1992, No. 554, § 1, eff. July 1, 1992; Acts 1993, No. 862, § 1, eff. June 23, 1993; Acts 1997, No. 900, § 1, eff. Jan. 1, 1997; Acts 1999, No. 1300, § 1, eff. July 12, 1999; Acts 2001, No. 1161, § 1, eff. June 29, 2001; Acts 2003, No. 962, § 1, eff. Jan. 1, 2004

Applicant's Initials

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CERTIFICATION OF ELIGIBILITY

TO BE COMPLETED BY EMPLOYER:

This is to certify that _____ submitted his/her application for the Deferred Retirement Option Plan to me on _____, and the last date for which contributions will be reported to the retirement system will be _____. This individual is still an employee of the _____ Police Department.

Date

(Last Date on Active Payroll)

If applicant is the Chief of Police, form must be signed by the Appointing Authority.

Authorized Signature	Title	Date
Phone Number	Email Address	

I have read and understand R.S. 11:2221 - Deferred Retirement Option Plan (DROP) provisions. I understand that my DROP account will not earn interest while I am an active participant in the DROP. I understand my original DROP benefit will never be recalculated even if I continue working after the completion of my DROP. I understand that if I work less than 36 months after DROP, additional service will be calculated using my final average compensation used for the calculation of my original DROP benefit and if I work 36 months or more after DROP, only my additional service will be calculated using my final average compensation earned during the additional service period. I understand the additional benefit will be added to my original benefit to get the total of my gross monthly benefit.

Signature of Applicant

Date

I understand that once I have entered and/or completed DROP, in the event of my death or disability, I shall be considered as having retired under regular retirement on the date of death or commencement of disability whether or not such occurred in the line of duty.

Signature of Applicant

Date