

# **General Employees DROP Plan**

## **(Deferred Retirement Option Plan)**

The following is a list of provisions of the City of Tallahassee General Employees' DROP plan:

- 3 Year DROP (Maximum) - This means you would have to terminate employment at the end of your three (3) year DROP period, however, you could terminate employment at anytime you are participating in DROP. Your decision to join DROP is irrevocable.
- General Employees are eligible to join DROP at normal retirement (30 yrs of service or age 62 with 5 yrs of service). There is no provision for joining DROP at early retirement.
- General Employees have a 6-year window to join DROP, beginning with their first eligible normal retirement date (30 yrs of service or age 62 with 5 yrs of service). You will no longer have the option to join DROP once this deadline is past.
- Your retirement benefit is calculated as though you “retire” the day you enter DROP. You continue working as an active employee, while your monthly DROP benefit accumulates in an interest bearing account. You stop earning pension accrual at the time you enter DROP.
- Your monthly DROP benefits are held in the Prudential Blended Guaranteed Interest Account as long as you are still employed. Once you terminate employment/DROP, you will have full investment control and access to your DROP funds. You will also have the same withdrawal options currently available with the MAP 401(k) and RSVP 457 plans.
- You and the City will both continue to make pension contributions while you are in DROP.
- You will continue to participate in the MAP 401(k) plan. The City will continue to contribute 5% of your salary each bi-weekly pay period, and up to 5% of your contributions are still eligible for the City's 50% match when you terminate employment/DROP participation.
- You will not be able to access/withdraw any DROP, MAP 401(k), or RSVP 457 funds until you terminate employment/DROP participation.
- While participating in DROP, all of your benefits as an active employee will remain the same:
  - Health insurance
  - Any other benefits that are deducted from your paycheck
  - Annual October 1<sup>st</sup> salary increase (if applicable)
  - All job requirements (training, performance evaluations, etc.)
  - Employment rights (Sick/Annual leave accrual, eligible for promotions, etc.)
  - Personal/Sick leave accrual remains the same with the following exceptions:
    1. Personal leave: You will be given the option of having your accrued personal leave (up to 6 weeks maximum) included in the calculation of your DROP benefit. If you choose to do so, you will be paid out for that amount in the paycheck following your entry into DROP. You will retain any personal leave you have over the 6-week maximum when you enter DROP. However, when you terminate employment/DROP participation, you will only be paid for the number of personal leave hours you had when you entered DROP.
    2. Sick leave: Sick leave will continue to accrue and you will be paid out according to HR policies and procedures when you terminate employment/DROP.