



# LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND

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## DEFERRED RETIREMENT OPTION PLAN (DROP)

### SUMMARY

#### 1. To be Eligible:

- a. Have at least 12 years creditable service in the Clerks' of Court Retirement and Relief Fund (cannot include any reciprocal credit.)
- b. Members hired before January 1, 2011, be at least 55 years of age; Members hired after January 1, 2011, be at least 60 years of age

#### 2. To Participate:

- a. Specify period time (up to 3 years) on application.
- b. Complete application and select option.
- c. Option cannot be changed after DROP commences.
- d. May participate only once.

#### 3. Upon commencement of participation in DROP:

- a. Member continues working in the Clerks' office and **no creditable service is earned while in DROP.**
- b. Employee contributions cease while in DROP.
- c. Employer contributions continue while member is in DROP.
- d. Each month the Retirement Fund allocates the amount of the member's benefit to the member's DROP account.
- e. No benefit cost-of-living increases are granted while in DROP.
- f. No interest earned on DROP account while member is participating.
- g. At the end of each year, members in DROP will receive a statement of the total amount deposited to their individual DROP account.

**4. To receive funds in DROP account:**

- a. Must terminate employment in the Clerks' office. (Employee may terminate prior to or at the end of his declared period of participation.)
- b. Clerk's office must notify Retirement Fund of termination of employment.
- c. May receive funds in lump sum payment, as an annuity, a rollover, or a combination of these. All annuities must be approved by the Board of Trustees.
- d. Method of payment cannot be changed once selected.
- e. DROP account will be taxed less twenty percent (20%) federal taxes at time of distribution unless the total amount of DROP is rolled over to a qualifying IRA or, if you choose, to another employer plan that accepts your rollover.
- f. Member begins to receive previously computed retirement benefit monthly. Member is eligible for cost-of-living increase on retirement benefit after being on retirement one full calendar year. Cost-of-living increase may or may not be granted each year.

**5. If member continues employment in the Clerks' office after end of DROP:**

- a. Member begins to contribute to the Retirement Fund again and to accumulate creditable service for an additional benefit.
- b. No payment of DROP funds can be made while the member is still employed in the Clerk's office.
- c. The retirement benefit previously computed remains in effect, and no change can be made in amount or the option selected.
- d. The member will earn interest on the DROP fund balance until their termination from active work.
- e. At the time of termination, an additional benefit is computed for service earned during the period of employment after DROP. Member may not select a different option for this additional benefit.

**6. If member dies while participating in DROP:**

- a. Amount of funds in DROP would be paid to beneficiary or estate.
- b. Survivorship benefits would begin, if applicable.