

**CITY OF KEY WEST
GENERAL EMPLOYEES'
RETIREMENT PLAN**

**DROP APPLICATION PACKAGE
August 12, 2024**

City of Key West Retirement Plan

Index

	Pages
Application for Deferred Retirement Option Program (DROP) Participation and Service Retirement (Form DP-01).....	1-2
Election to Participate in DROP and Information Checklist for the Review of DROP Program Information (DP-02).	3-6
Notice to City of DROP election.....	7
Age Discrimination in Employment Act Notice	8

**CITY OF KEY WEST GENERAL EMPLOYEES' PENSION FUND
APPLICATION FOR DEFERRED RETIREMENT OPTION PROGRAM
(DROP) PARTICIPATION AND SERVICE RETIREMENT**

Name: _____ SS: _____
 Home Address: _____ City/State/Zip: _____
 Rank/Class: _____ Birth Date: _____

Employment Date: _____ Pension Membership Date: _____ Yrs. of Service: _____
 DROP Begin Date: _____ DROP Termination and Retirement Date: _____
 Entitled to: _____ % of average compensation.
 Spouse's Name: _____ SS#: _____ Birth Date: _____

I elect to participate in the DROP in accordance with the provisions of Section 46-113 of the City Code and to concurrently terminate from employment on the date I terminate my participation in the DROP. I understand that my DROP participation cannot exceed a maximum of 96 months from the date of DROP participation, although I may elect to participate in DROP for less than ninety six months. I further understand that participation in the DROP, when combined with participation in the retirement plan as an active member, may not exceed thirty three(33) years. Participation in the DROP does not guarantee my employment for the DROP period. I understand that when my participation in the DROP begins, my DROP benefit will be based upon the years of service and compensation levels as of the date of DROP participation. Such DROP benefits shall accrue under my name with interest for the duration of my DROP participation. Upon termination of my employment, my DROP account balance will be paid to me in a lump sum less taxes, unless I elect to rollover the DROP balance into an eligible retirement plan. I understand that I cannot add additional service or purchase additional service after my DROP begin date. I also understand that my election to participate in DROP is irrevocable and termination from employment with the City of Key West must occur on or prior to the specified DROP termination date. I also understand that this application represents a binding agreement to participate in DROP and to terminate employment once fully executed and upon the approval of the Board of Pension Trustees. However, until such time as this application is approved by the Board of Pension Trustees, I may cancel the effectiveness of this application upon delivery of a written request for such cancellation. In addition to the foregoing representations and acknowledgments, I hereby acknowledge that I have read and understand the statements and materials contained in the following documents and agree to the provisions contained herein:

1. Election to Participate in DROP and information checklist for review of DROP Program information.
2. Ordinance No.03-14.
3. Booklet on Frequently Asked Questions on the DROP.

 Signature of Applicant Date: _____

This is to certify that the above named employee is eligible to participate in the DROP program and that the Employment Date shown above is true and correct and properly reflects any and all adjustments that may be necessary in response to suspensions, leave without pay and other similar events.

 Signature of Department Head Date: _____

**CITY OF KEY WEST GENERAL EMPLOYEES' RETIREMENT PLAN
APPLICATION FOR DEFERRED RETIREMENT OPTION PROGRAM
(DROP) PARTICIPATION AND SERVICE RETIREMENT**

This is to acknowledge that the above-named employee is seeking approval for DROP participation and that the information shown above, including the Employment Date, as amended, is true and correct to the best of our knowledge and belief.

_____ Date: _____
Personnel Department

This application was approved by the Board of Pension Trustees at their meeting of: _____, for enrollment as a DROP participant effective on _____ with DROP participation continuing until _____ at which time DROP participation shall end and termination of employment and service retirement shall become effective all at a benefit rate of \$ _____ per month.

Administrator

After tax employee contributions into pension fund: \$ _____

CITY OF KEY WEST GENERAL EMPLOYEES' RETIREMENT PLAN
Election to Participate in DROP and Information Checklist
for the Review of DROP Program Information

NAME: _____ SS#: _____

If you are a Member of the City of Key West General Employees' Retirement Plan and have the service necessary to be eligible for service retirement, you may elect to participate in DROP.

DROP provides access to a lump sum benefit in addition to your normal monthly retirement allowance.

If you elect to participate in DROP, you must terminate your employment with the City of Key West and retire from service no later than the end of the DROP participation period you designate. There is a cap on your participation in DROP. You may not participate in DROP for a period longer than ninety six months. Furthermore, participation in the DROP, when combined with participation in the retirement plan as an active member, may not exceed thirty three (33) years. Once approved by the Pension Board, your election to participate in DROP and your agreement to terminate City employment and retire are IRREVOCABLE.

Your election to participate in DROP and your agreement to retire and terminate from employment are irrevocable regardless of what may happen between now and your retirement date. For example, if you elect to participate in DROP and your family circumstances change such that you would rather continue working with the City, you still must retire and terminate employment at the end of the period of time you designated for your participation in DROP.

You should consider an election to participate in DROP very carefully. This election to participate and information checklist is designed to help you think carefully about your decision to participate in DROP. This document asks you specific questions to provide assurances to the Board of Pension Trustees that you have in fact carefully considered your decision to participate in DROP and understand the consequences of that decision.

Please take the information contained in this document seriously. If anything is unclear, please talk to the Pension Office staff for clarification.

The acknowledgments requested on the following pages are important because it demonstrates that you have carefully considered your election to participate in DROP.

By initialing each page and by signing this election form, I acknowledge the following:

General Acknowledgments

- I have read and understand the provisions of the General Employees' Retirement Plan as reflected which sets forth the terms and conditions for participation in DROP.
- I have read and understand the booklet provided by the Administrator which addressed "Frequently Asked Questions" on the DROP.
- I understand that the Board of Pension Trustees may adopt Rules and Regulations governing the administration of the DROP and that such document will be available to me upon my request. I understand that the Board reserves the right to change such Rules and Regulations from time to time.

Initial Here: _____

- I have had the opportunity to meet with the General Employee Pension Fund's administrator and ask her questions regarding the operation of DROP and its effect on my benefits under the Pension Plan, as well as any potential benefit that may be received by my survivors under the Pension Plan.
- I have had the opportunity to seek advice from a professional tax advisor, and understand that the administrator, although providing some general information, cannot and has not rendered legal advice to me on the effect DROP will or may have on the taxation of any benefit I may receive under the Pension Plan, or any potential benefit that may be received by my survivors under the Pension Plan.
- My decision to elect to participate in DROP is based solely on my understanding of the program as provided in the Pension Plan and in the Rules and Regulations for the administration of DROP, as adopted by the Board.
- I meet the eligibility requirements of DROP as set forth in the Pension Plan or will meet such requirements as of the intended effective date of my participation in DROP.
- I understand that upon the effective date of my participation in DROP, my obligation to make contributions to the Pension Fund will be reduced to 0% of salary.
- I voluntarily elect to participate in DROP.
- I will retire under the General Employees' Retirement Plan and terminate my employment with the City no later than completion of my DROP participation period.
- I have not been subject to any pressure, coercion, intimidation or threats by the City, or the Pension Office staff or any of the agents of the foregoing in connection with my election to participate in DROP.
- I understand that during the period of DROP participation, my DROP account will accrue or lose interest based upon the actual earnings of the retirement plan for the preceding year.
- I have had sufficient time to consider my options regarding my employment with the City.
- I understand my election to participate in DROP means I will retire and terminate my employment with the City no later than the period of time I designate to participate in DROP.
- I further understand there is a maximum period of ninety six months for participation in DROP.
- I understand my election to participate in DROP has very important consequences for me. I have been advised by the Pension Office staff to consult an advisor such as an accountant or an attorney of my choosing if I have any questions about my participation in DROP.
- I understand that DROP participation has very important consequences for me and is legally binding on me. I have been advised by the Pension Office staff to consult an attorney of my choosing if I have any questions about the DROP and the execution of any document related thereto.
- I understand that my participation in DROP and obligation to terminate employment with the City is irrevocable except in the case of my being designated as an appointed official or becoming an elected official of the City of Key West.
- I understand that I may withdraw my DROP application at any time before the Board of Pension Trustees approves the application. I further understand that my request to withdraw must be made in writing and received

Initial Here: _____

by the Trustees prior to its approval, and that once acted upon by the Trustees, the irrevocability of my DROP participation is in effect.

- I understand that my retirement benefits, as calculated under the terms of the Pension Plan, will be determined as of the effective date of my participation in DROP. I also understand that as a consequence of my election to participate in DROP, the following will apply as of and after the effective date of my DROP participation:
 - My eligibility for a benefit supplement to my retirement pension will be determined as of the effective date of my participation in DROP;
 - I will forgo any otherwise applicable additional improvements in my retirement pension attributable to increase in pay or years of service with the City;
 - I will not be entitled to purchase additional service credit subsequent to the date of DROP participation, unless otherwise agreed through future labor negotiations with the City and made specifically applicable to DROP participants;
 - As of the effective date of my participation in DROP, I will be ineligible to receive a disability pension under the terms of the Pension Plan;
 - As of the effective date of my participation in DROP, I will not be eligible for preretirement death benefits;
 - In the event of my death, my surviving spouse or estate is entitled to receive the accumulated value of my DROP account.
- I understand that steps have been taken to structure the DROP in a way which complies with the provisions of the Internal Revenue Code and that the Board will not knowingly take any action which may jeopardize the qualified status of the Pension Plan. I further understand that the final authority in all matters is the Internal Revenue Service and the Board cannot guarantee, absent IRS approval any particular tax treatment of my DROP account. I understand that in order to address the goal of continued tax qualification, my DROP account must be administered and distributed in such a manner as to comply with IRS regulations so as to preserve the tax qualified status of the Pension Fund. I further understand that this means that if IRS procedures change, that the Board may have to make certain changes in the DROP plan to comply with those tax requirements and that I agree, as a condition of participating in the DROP program to any such changes which may be required by law.

Initial Here: _____

Waiver

I release the City, the Pension Board and all Pension Trustees from any and all claims based on my election to participate in DROP and my agreement to retire and terminate my employment with the City upon completion of my participation in DROP. I release the City and the Board of Pension Trustees from any and all such claims under the Florida and Federal Age Discrimination in Employment laws and Civil Rights laws as these laws relate to my participation in DROP and my agreement to terminate employment with the City upon the completion of my participation in DROP.

Covenant Not to Sue

I will not sue the City, the Pension Board, the Pension Trustees or any of their employees, officers and agents for any claim arising out of my election to participate in DROP, my participation in DROP, or my decision to retire and terminate City employment upon the completion of my participation in DROP.

Acknowledgment

I acknowledge receipt of this Election to Participate Form. By signing this form, I am acknowledging that I have carefully read this form and that I understand the Election Form. In addition, I am acknowledging that I do not challenge or disagree with any of the representations or statements made in this Election Form and that I have signed my name voluntarily. I further acknowledge that the initials located in the bottom left corner of the pages of this application are my initials.

Member (Signature)

Date: _____

NOTE: An Election Form will be deemed not received if it is incomplete or submitted without an Application for DROP Participation and Time Service Retirement as well as a Request for Transfer of Retirement Leave Account Balance.

Initial Here: _____

**CITY OF KEY WEST GENERAL EMPLOYEES' RETIREMENT PLAN
NOTICE TO CITY OF ELECTION TO PARTICIPATE IN
DEFERRED RETIREMENT OPTION PROGRAM (DROP)**

Name: _____ DROP Entry Date: _____

This is to acknowledge that the above-named employee has applied for entry into the DROP program to commence on the date specified above.

By signing this form, I _____, agree to terminate my employment effective 36 months from the date of my entry into the DROP.

Signature

Date: _____

Initial Here: _____

AGE DISCRIMINATION IN EMPLOYMENT ACT

NOTICE

I acknowledge that I have been given not less than 45 days advance notice of program availability in which to consider participation in the DROP plan and was provided at least 7 days following the submittal of the DROP application in which to revoke my application.

Acknowledgment of Notice:

Employee Signature

Date

Employee Name (Please Print)

Employee SS#

Initial Here: _____