DROP Entry (City Employees)

My last day as an active employee (not in DROP) is: ___________________

The first day of my DROP participation period is: ___________________

The last day of my 5-year DROP participation period is: ___________________

My estimated pension benefit amount is: $________________/month (before taxes)

During my retirement counseling appointment we went over the following:
  o How DROP works and what funds will be deposited into my DROP account during my participation period (and I received a copy of the DROP regulations corresponding to my employer’s plan document)
  o I have **7 days from the date I sign my DROP entry application** to change my mind about entering DROP and inform SDCERS – after that, my DROP application and elections are **irrevocable**
  o I cannot continue working for my employer after my DROP participation period has ended
  o Retirement Benefit Options
  o Beneficiary Designations
  o Cost of Living Adjustments (will not exceed 2%)
  o My retirement contributions will be reduced to 3.05% during my DROP participation period
    ▪ This line item is seen on my paycheck under pre-tax deductions, labeled “DROP GEN EE” or “DROP SAFETY EE”
  o The current quarterly DROP participation account interest rate is ____%. I understand that –
    ▪ This rate is subject to change every year and new rates are announced at the November Board meeting, but do not go into effect until the following January
    ▪ I must be working and participating in DROP on the **last day of the quarter** in order to receive interest for that quarter – so, if my DROP exit date is on or before the last day of a quarter, I will **not** receive interest for that quarter
  o Retiree Associations
  o City Firefighters have the option to extend their DROP participation period by the amount of unused leave they have as of the last day of their five-year participation period.
    ▪ An application for a DROP extension must be submitted **within 90 days** of the last day of their five-year DROP participation period.

If I participate in retiree health plan Option C, my trust account will fund/funded within 60 days of the day I became eligible to service retire. **However, I will not be able to access these funds until 60 days after I exit DROP.** I should contact my trust account administrator, **not** SDCERS, for questions about my account. The Option C trust account administrators are as follows:
  o For unrepresented/unclassified employees and deferred vested employees – Voya/TASC, (1-866-678-8322), [https://www.voya.com/hra](https://www.voya.com/hra)
  o For represented employees **other than Local 145 members** – Gallagher/Health Invest HRA, (1-844-342-5505)
  o For Local 145 members – Benefit Programs Administration, (1-844-353-7839) or (213-406-2370)

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My DROP account will be set up and viewable on the Member Portal approximately 6 to 8 weeks after my DROP entry date. This is because SDCERS must receive the final employer transmittal of my active member contributions before my DROP account can be set up.

I have been instructed on how to use the Member Portal at www.sdcers.org, so that I can use my member account to make updates to my account (e.g., beneficiary designations, mailing address).

Principal Financial Group administers my City-sponsored 401(k), 401(a), and/or SPSP accounts, not SDCERS, and can be reached at 1 (800) 986-3343. I can also contact the City’s Risk Management Department at Benefits@sandiego.gov.

Retiree Associations:
Learn about your Retiree Associations, and how to participate and keep informed, at https://www.sdcers.org/Resources/Important-Links.aspx

Additional Notes: