

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)

My *estimated* Annual Supplemental Benefit amount is: \$ _____ /year
(if eligible, paid in November and contingent on Board approval each year)

During my retirement counseling appointment we went over the following:

- 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)
- 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
- I cannot continue working for my employer after my DROP participation period has ended
 - Exception: 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
- Retirement Benefit Options
- Beneficiary Designations
- Cost of Living Adjustments (will not exceed 2%)
- 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”
- The current DROP participation account interest rate (compounded quarterly) is ____%. I understand:
 - 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
- Reciprocity (if applicable, DROP exit date must be simultaneous with retirement date at reciprocal systems) → *Note that other retirement systems may have different rules regarding reciprocity. Your SDCERS plan document contains specific rules that must be followed in order for you to maintain reciprocity, and SDCERS does not have the authority to make exceptions to those rules. For example, we will not be able to retroactively change your retirement date once it has passed.*

- Note: If you go on LTD while you are in DROP, your LTD payments may be reduced. Please contact Risk Management for more information.
- Retiree Health Benefits
- Retiree Associations

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:
