

DROP Retirement (City Employees)

My last day of work is: _____ . (You must work this day.)

My first day of retirement is: _____ . (You will not work this day.)

My pension benefit amount is currently: \$ _____ /month (before taxes)

My 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:

- Retirement Benefit Option selected upon DROP entry: _____
- DROP account distribution options
- Direct deposit
- Tax withholding
- Beneficiary designations & applicable death benefits
- Cost of Living Adjustments (“COLA”) → will not exceed 2% per year, applies every July
- DROP Interest Rates –
 - The current DROP participation account interest rate (compounded quarterly) is ____%
 - 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
 - The current DROP annuity interest rate is ____%
 - If I choose to receive my DROP account as an annuity, my monthly annuity will be calculated over either 20 years or my life expectancy, and it will incorporate the DROP annuity interest rate *that is in effect on the day I exit DROP*
 - These rates are 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
- 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.*
- Retiree Health Benefits
- Retiree Associations
- DROP Extension for City Firefighters –
 - 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.

My first pension check will be directly deposited into my selected bank account in approximately 6 to 8 weeks after my retirement date. My subsequent monthly payments will be directly deposited on the last working day of each month.

- I elected to receive my DROP account as an **annuity**:
- My DROP account will be annuitized over _____
 - My monthly DROP annuity will be directly deposited into my selected bank account in approximately _____
 - I can only designate one beneficiary to receive my DROP annuity after I die. If I designate multiple beneficiaries or a trust, they will receive prorated lump sum shares of whatever funds remain in my DROP account upon my death.

- I elected to receive my DROP account as a **lump sum rollover**:
- Lump sum rollover will be sent via check to (circle one) **me** or **the institution I selected** in approximately _____

- I elected to receive my DROP account as a **lump sum payment**:
- Lump sum payment will be deposited into the bank I selected in approximately _____

The tax consequences of the option I selected were explained to me.

Other Possible Retirement Benefits (not administered by SDCERS):

- Supplemental Pension Savings Plans (“SPSP”), 401(a), and/or 401(k) → contact Principal Financial Group at 1 (800) 986-3343. You can also contact the City’s Risk Management Department at Benefits@sandiego.gov
- Deferred Compensation – CalPERS 457(b) Plan → contact CalPERS at (800) 260-0659 (x2)
- Social Security → if you are eligible for Social Security benefits, you must inform the Social Security Administration that you are receiving a government pension payment. Because the City of San Diego does not withhold Social Security taxes from employees’ salary, your City pension benefits might reduce your Social Security benefits. Visit Social Security at www.socialsecurity.gov

Online SDCERS Member Portal Account:

- I have been advised that any funds posted to my DROP account, as shown on my Member Portal, following my DROP retirement date will be removed when my DROP account is finalized.
- I have been instructed on how to use the Member Portal at www.sdcers.org, so that I can use my online account to
 - Access my monthly benefit statements
 - Download and view current and past 1099-R tax forms
 - Request award letters for lenders
 - Make updates to my account, including –
 - Beneficiary designations
 - Tax withholding selections
 - Direct deposit information
 - Mailing address

Retiree Associations:

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

**Note: If you have been a member of retiree association while working in DROP, you will need to complete a payroll deduction authorization form, so your dues can be paid directly from your SDCERS pension payment. The authorization form is available via the link above.*

Additional Notes:

Any questions, email me or contact the Call Center at (619) 525-3600.