



OKLAHOMA LAW ENFORCEMENT
— RETIREMENT SYSTEM —

Application for Participation in Back DROP

Applicant Information

Applicant Name _____ Applicant SSN _____

Spouse Name _____ Marriage Date _____

Address _____

City _____ State _____ Zip Code _____

Home Phone _____ Cell Phone _____

Email _____

Back DROP Election

The Back DROP has certain tax consequences which could be unfavorable in some situations. While the Oklahoma Law Enforcement Retirement System ("OLERS") has been approved by the Internal Revenue Service ("IRS") as a qualified plan under Internal Revenue Code section 401, this approval in no way addresses the tax consequences of any portion of this system to any individual participant of the Back DROP.

OLERS, the Oklahoma Law Enforcement Retirement Board ("Board") and the employing agency ("Employer") are not responsible for any tax consequences to the member of OLERS that result from the member making an election to participate in the Back DROP and/or receiving payments under OLERS. We strongly recommend that a member or potential member who is considering making an election to participate in the back DROP seek the advice of a competent professional tax advisor regarding the potential adverse tax consequences of this action.

I, _____, having not less than twenty (20) years of creditable service and being eligible to receive a service retirement pension, do hereby irrevocably elect to participate in the Oklahoma Law Enforcement Deferred Option Plan under the Back DROP provision in accordance with 47 O.S. § 2 305.2(H).

_____ (Initial) I understand that I shall terminate employment with all employers that participate in OLERS and shall start receiving my accrued monthly retirement benefit from OLERS. I may be reemployed by a state agency but only in a position not covered under OLERS.

My monthly benefit shall be determined based on my earlier attained credited service (credited service earned as of the "back DROP date") and on the final average salary as of the "back DROP date." My "Back DROP date" is _____ (your back DROP date is your normal retirement date or the date up to five (5) years before you elected to participate in the Back DROP, whichever is later.)

OLERS USE ONLY

Admin Actions _____ Data Entry _____ Reviewed _____ Approved _____

Applicant Name _____

Back DROP Information (Please initial each statement)

Upon commencement of my participation in the Back DROP, I shall receive as a distribution from the Back DROP:

- (1) A refund from OLEERS in an amount equal to the accumulated contributions I made to OLEERS from my back DROP date to my termination date, but excluding any interest (**Withdrawal of Contributions Form Required**);
- (2) An amount equal to all monthly retirement benefits that would have been payable had I elected to cease employment on the back DROP date and receive a service retirement from the back DROP date to the termination date with applicable cost of living adjustments and with interest based on how the benefit would have accumulated as if I had participated in the Deferred Option Plan in accordance with 47 O.S. 2-305.2(A-E) from my back DROP date to my termination date (**Withdrawal of DROP Account Form Required**); and
- (3) An amount equal to one-half (1/2) of the employer contributions from the back DROP date to the termination date, with interest based on how the benefit would have accumulated as if I had participated in the Deferred Option Plan in accordance with 47 O.S. 2-305.2(A-E) from my back DROP date to my termination date.

(Initial) I understand that on my back DROP date, my retirement benefit freezes and at no time will I be allowed to increase my pension benefit due to additional years of service, salary or other promotional increase.

(Initial) I understand that if I am reemployed by a state agency in a position not covered under OLEERS, I shall continue to receive in-service distributions of my accrued monthly benefit from OLEERS.

(Initial) I understand that at the time of my termination, I shall select the method of payment as set out in the **Withdrawal of DROP Account Form** provided by OLEERS.

(Initial) I understand that I will be able to rollover any money from my Back DROP account into an IRA. However, I understand that if I elect to receive a lump sum distribution from my Back DROP, my distribution will be subject to a 20% withholding for federal income taxes of the total distribution. I may avoid this withholding by electing a trustee-to-trustee transfer of my distribution.

(Initial) I understand that if I am an Oklahoma resident at the time of the distribution, Oklahoma law requires that 4.75% of the taxable portion of my distribution be withheld toward payment of my Oklahoma income taxes, unless I elect not to have any withholding.

(Initial) I have been urged to seek the advice of a professional tax adviser before electing to participate in the Back DROP.

(Initial) I have read and understood the possible tax and other consequences of electing to participate in the Back DROP. After careful consideration of the consequences, I have decided to participate in the Back DROP.

Signature and Notary

Wherefore, the applicant hereby absolves the Board, the System and the Employer from any responsibility or liability as to the tax and other consequences of my election to participate in the Back DROP.

Date _____

Applicant's Signature

The Applicant stated above has attested that he/she has read this application, knows the contents thereof, and that the statements contained therein are true and correct.

Subscribed and sworn before me on _____.

State of _____

Notary Signature _____

County of _____

Notary Title (and Rank) _____

My Commission Expires on _____

Commission # _____

(seal)

Submission Information

Completed form can be sent to OLEERS via:

Mail: 421 N.W. 13th, Suite 100, Oklahoma City, OK 73103

Fax: (405) 522-5004

Email: forms@olers.ok.gov