



OKLAHOMA LAW ENFORCEMENT
— RETIREMENT SYSTEM —

Application for Participation in DROP

Applicant Information

Applicant _____ Applicant SSN _____

Name Spouse _____ Marriage Date _____

Name Address _____

City _____ State _____ Zip Code _____

Home Phone _____ Cell Phone _____

Email _____

Estimated Hours of Sick Leave to be Used for Retirement (max 1,920)

(Sick Leave will be confirmed/paid by your agency before being credited. 240 days equal 1,920 hours) _____

(Initial) I understand that the sick leave I mentioned above, if any, will only be credited once it has been confirmed and paid for by my current Agency.

DROP Election

The Deferred Retirement Option Plan ("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 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 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 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 in accordance with 47 O.S. § 2 305.2.

(Initial) I understand that once the Board has approved my application and my DROP account has been credited with the first contribution, my participation in DROP is irrevocable for the period of the DROP of up to five (5) years as long as I remain employed by an employer which qualified me for membership in the System.

OLERS USE ONLY

Admin Data
Actions _____ Entry _____ Reviewed _____ Approved _____

Applicant Name _____

DROP Information (Please initial each statement)

My participation in DROP shall begin on the first day of _____, _____ and shall not exceed five (5) years, terminating on the last day of _____, _____, unless I terminate employment prior to such date. At the conclusion of my participation in DROP, I shall terminate employment with all employers that participate in this System, and shall start receiving my accrued monthly retirement benefit from the System. I understand that once I terminate employment pursuant to the Oklahoma Law Enforcement Deferred Option Plan, I will not be eligible for active participation in the System.

Upon commencement of my participation in the DROP, my monthly employee contributions to the System shall cease. My employing agency, _____, ("Employer") will continue to make monthly contributions to the System in accordance with Title 47.

(Initial) I understand that after participation in the DROP I must terminate employment with all participating employers in the System, take a distribution from my DROP, and begin receiving my accrued monthly retirement benefit from the System. I understand that if, shortly after terminating employment with Employer, I go back to work and I am under the age of fifty-nine and one-half (59½), I might have to pay a ten percent (10%) tax on the taxable portion of a distribution as a penalty for early withdrawal. This ten percent (10%) tax is in addition to any income tax due on this distribution.

(Initial) I understand that I will be able to rollover any money from my DROP account into an eligible retirement plan, including an IRA. However, I understand that if I elect to receive a lump sum distribution from my DROP account, my distribution will be subject to a 20% withholding for federal income taxes of the total taxable distribution. I may avoid this withholding by electing a direct rollover 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 (which is not rolled over) 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 DROP.

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

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

Fax: (405) 522-5004

Email: forms@olers.ok.gov