

Amalgamated Transit Union Local 1596 Pension Fund

Application for D.R.O.P. (Deferred Option Retirement Plan)

PERSONAL INFORMATION:

- 1) Name of Applicant: _____, _____, _____
(Last) (First) (Middle)
- Social Security Number: _____
- Date of Birth: _____
(Attach birth certificate or other proof)
- Home Phone Number (____) _____ Cell Phone Number (____) _____
- Home Address: _____
(Street Address)
- _____ (City) _____ (State) _____ (Zip)
- 2) The date I would like to enter the DROP: _____
- 3) Date of hire: _____
- 4) Have you ever separated from service and returned to work with LYNX? _____
(yes/no)

ENTRANCE REQUIREMENTS:

I qualify to enter the DROP under one of the following eligibility requirements (check one):

- I am at least 55 years old with 25 years or more of service
- I am at least 58 years old with 20 years or more of service
- I am at least 62 years old with 10 years or more of service

EXIT REQUIREMENTS:

The maximum period of participation in the DROP is five (5) years, but also not after (10) years beyond your earliest early retirement date. If you had ten years of service or more at age 55, then you were eligible for early retirement at age 55 and cannot participate in the DROP past age 65. You will not be able to participate in the DROP at all, if you apply more than ten years after your earliest early retirement date. For clarification regarding your earliest retirement date and specific exit requirements, contact your Plan Administrator at 561-624-3277.

SURVIVORSHIP BENEFITS:

Your Plan allows you to take the full amount of your pension for your life only or a reduced amount that would provide a lifetime survivorship benefit upon your death. **If you are married, you must choose the survivor benefits, unless your spouse agrees to waive the benefit.** The amount of the reduction is based upon the age of your potential joint annuitant, the younger they are the larger the reduction.

After retirement, you will be provided a calculation of many different options and you will make that selection then. For now, you'll just be providing information on anyone that you would be interested in providing survivorship benefits. **If you are married, you must name your spouse, unless your spouse agrees to waive the benefit:**

Are you currently married? Yes No

If yes, please complete the following:

Name of Spouse: _____

Spouse's Social Security Number: _____

Spouse's Date of Birth*: _____

If not married, are you interested in obtaining a calculation of survivorship benefits to another person? Yes No

Name of Potential Joint Annuitant: _____

Potential Joint Annuitant's Date of Birth*: _____

Relationship: _____

*Proof of age required

ACKNOWLEDGEMENTS:

Initial Here _____ I have received a copy of the provisions of the DROP contained in the plan document. I fully understand the terms set forth and have had the opportunity, before signing this application, to talk with a personal advisor of my choice, to explain any terms I do not understand. I understand after I begin to receive the DROP benefit, deductions will no longer be made from any portion of my salary for employee contributions to the pension plan. I also understand that the amount of my pension will be calculated based on my salary at the time of application, and it will not be re-calculated even though I may receive salary increases while I am in the DROP.

Initial Here _____ I acknowledge that I have been advised to seek the counsel of qualified tax and financial advisors regarding the tax consequences to me of entering the DROP. I acknowledge that no one from the Pension Fund has recommended that I enter or not enter the DROP.

Initial Here _____ I fully understand that the maximum period of participation in the DROP is five (5) years, but that **I may not participate after (10) years beyond my earliest early retirement date.**

Initial Here _____ I fully understand that failure to retire at the end of the participation period will result in the in the suspension of additional deposits into my DROP account, the cessation of any applicable investment earnings and I will not receive any retirement benefits until after termination of employment.

Initial Here _____ I understand that my DROP account will be credited with the earnings or losses that the Pension Plan attains on its' investment portfolio on a quarterly basis and there is no guarantee of any minimum or maximum return and that the payout from my DROP account may be less that the total credits to my DROP account. I understand that the investment goals, policies, and objectives of the Pension Plan are based upon what is in the best interests of all of the Pension Plan's participants and beneficiaries and may not be in my own individual best interests.

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DROP Earnings Method Election

PLEASE PRINT OR TYPE:

1) Name: _____, _____, _____
(Last) (First) (Middle)

Social Security Number: _____

Select from below an election of an earnings method for your DROP Account:

1. **Variable rate of return based on the Pension Plan's investment returns**
Initial here if you choose _____

The Pension Plan is invested in a very diversified portfolio of domestic and international stocks and bonds. The investment portfolio is subject to fluctuations in the market including losses. Below is a representation of the investment earnings (and losses) of the Plan over the past six fiscal years:

<u>Year</u>	<u>Investment Gain/Loss</u>	<u>Year</u>	<u>Investment Gain/Loss</u>
2012	+17.5%	2009	+1.1%
2011	+0.3%	2008	-14.2%
2010	+10.0%	2007	+ 9.7%

It is important to realize that your DROP account may lose value under this method. Your DROP payout could be less than the amount deposited.

2. **Rate of return paid by Money Market Fund** : Initial here if you choose: _____

The Plan offers a low-risk alternative to the above option, the Dreyfus Treasury Prime Cash Management Fund. This investment vehicle only invests in short-term securities issued or guaranteed as to principal and interest by the U.S. government, which are the safest and the most liquid securities available. In exchange for the level of credit safety offered by U.S. government securities, the fund's yield is lower than other money market funds. Below is a representation of the investment earnings of this fund over the past ten years (as of August 23, 2010):

Past Year	0.00%
Past Three Years	0.00%
Past Five Years	0.11%
Past Ten Years	1.47%

This is the most conservative earnings method. It has the least risk of investment losses.

