

CITY OF LAKE WORTH POLICE OFFICERS' RETIREMENT SYSTEM

APPLICATION FOR DEFERRED RETIREMENT OPTION PLAN

Name: _____ Social Security: _____

I hereby apply for participation in the Deferred Retirement Option Plan (hereafter referred to as the "DROP") and acknowledge and agree to the following:

Participation in the DROP is irrevocable. Once I enter the DROP, my earnings and service with the City of Lake Worth thereafter will not be used to determine my pension benefits. I may not discontinue participating in the DROP regardless of the length of time that I continue to be employed in a position covered by the City of Lake Worth Police Officers' Retirement System, or the circumstances of such employment. I understand and acknowledge that upon entering the DROP, I will no longer be eligible or ever receive disability or pre-retirement death benefits from the Retirement System. I acknowledge that I may elect to continue or discontinue my contributions to the Retirement System, and that should I elect to do so such contributions shall be deposited into my DROP account.

____ I elect to continue my contributions to the Retirement System, which shall be deposited into my DROP account and may be discontinued at any time during my DROP participation by my written notification to the Board of Trustees (hereafter referred to as the "Board").

____ I elect to discontinue my contributions to the Retirement System.

The DROP shall be administered in accordance with the City of Lake Worth Code (Ordinances) and the DROP Rules and Regulations adopted by the Retirement System Board. **I acknowledge that the Board has adopted procedures for the administration of the DROP and has reserved the right to change such procedures from time to time.** I have received and read a copy of these procedures. I agree to those procedures, and acknowledge that they may be changed from time to time by the Board. **These procedures limit payment of earnings to my DROP account to not more than 5 years and require that an administrative fee be deducted from my DROP account.** Additionally, I understand that I have the option of retaining up to eighty (80) hours of accrued vacation leave in lieu of receiving payment for such leave. I further understand that within ninety (90) days of termination of my employment with the City of Lake Worth, (during this 90 day period my DROP account shall be credited with earnings or interest) the balance in my DROP account shall be payable at my option either as a single lump sum payment or; as an eligible rollover distribution to a qualified or Retirement Account as provided in the Internal Revenue Code (IRC); or in a combination of partial lump sum payment and rollover as described above.

____ I elect to receive payment of all accrued vacation leave.

____ I elect to retain ____ hours of accrued vacation leave.

I understand that my DROP account may be invested, at my election in a specific account as follows:

FULL PARTICIPATION ACCOUNT; DROP monies in a full participation account will be co-mingled with the rest of the Retirement System's trust fund assets and will be invested according to the Investment Guidelines adopted by the Board, which are subject to revision by the Board from time to time. I have received and read a copy of the Investment Guidelines. I acknowledge that such Investment Guidelines may be changed by the Board.

ALL FUNDS PAID INTO AND EARNED BY MY FULL PARTICIPATION DROP ACCOUNT ARE SUBJECT TO MARKET AND INVESTMENT RISK. PAST INVESTMENT PERFORMANCE OF THE RETIREMENT SYSTEM'S INVESTMENTS IS NO INDICATION OR GUARANTEE OF FUTURE INVESTMENT PERFORMANCE. I ACKNOWLEDGE AND UNDERSTAND THAT MY FULL PARTICIPATION DROP ACCOUNT MAY DECLINE IN VALUE AND I MAY LOSE MONEY IN MY DROP ACCOUNT DUE TO THE PERFORMANCE OF THE RETIREMENT SYSTEM'S INVESTMENTS. I UNDERSTAND AND ACCEPT THIS RISK.

FIXED RATE ACCOUNT; DROP monies in a fixed rate account will be segregated, for accounting purposes only, and will be credited with a fixed rate of interest as established by the Board.

I elect to have my DROP account as:

A Full Participation Account _____. A Fixed Rate Account _____.

I acknowledge that the fixed rate of interest on my commencement of DROP participation is ____%

Signature of Participant

Signature of Witness

The DROP is meant to comply with the provisions of the Internal Revenue Code and the Board shall take no action which may jeopardize the qualification of the Retirement System. I understand that the payout of my DROP account may be deferred and may not be paid out according to my request, if doing so would jeopardize the Retirement System's Internal Revenue Service tax qualification or if doing so, in the sole opinion of the Board, violates the Internal Revenue Code.

My participation in the DROP shall be effective the ____ day of _____, 20____.

Signature of Participant

Signature of Witness

Date

Date