

# VILLAGE OF NORTH PALM BEACH FIRE AND POLICE RETIREMENT FUND

## REVISED STATEMENT OF POLICY REGARDING ENTRY INTO DROP

WHEREAS, the Village of North Palm Beach Fire and Police Retirement Fund ("Plan") provides benefits to Members of the Plan, including a DROP plan;

WHEREAS, there has arisen a question about the provisions of the plan regarding entry into the DROP

WHEREAS, the Board of Trustees of the Plan ("Board") wants to clarify its interpretation of the Plan ;

WHEREAS, the Board desires to adopt a policy regarding the entry into the DROP;

NOW, THEREFORE, it is hereby resolved that the following Statement of Policy Regarding Entry into DROP is hereby adopted.

1. DROP entry into the Plan is stated in Section 2-170.1 of the Plan as follows (quoted in pertinent part):

### **Sec. 2-170.1. - Deferred option benefit plan (DROP).**

- (a) Effective upon the adoption of the Ordinance from which this section derived, a Deferred Retirement Option Plan ("DROP") benefit is created and added to the Plan and shall be available to employees upon reaching their normal retirement date.
- (b) Upon entry into the DROP, an employee is considered retired for pension plan purposes.
- (c) **An employee may elect to participate in the DROP provided the employee makes the election no later than thirty (30) days after reaching the employee's normal retirement date. Notwithstanding the foregoing, upon first enactment of the Ordinance from which this section derived, members must make their initial election to participate in the DROP by the later of:**
  - (1) **Thirty (30) days after reaching their normal retirement date; or**
  - (2) **Ninety (90) days after creation of the DROP.**

- (d) An election to participate in the DROP must be made in writing and shall become irrevocable thirty (30) days following the date it is received by the Pension Administrator and the Village's Director of Human Resources.
- 2. DROP entry is permitted when a member reaches normal retirement and must be made within thirty (30) days of reaching normal retirement to enter into the DROP.
- 3. There are two normal retirement dates in the Plan:
  - A. Attaining age fifty-five (55); or
  - B. The date on which the member attains age fifty-two (52) and has twenty-five (25) years of credited service.
- 4. According to the definition of Normal Retirement Date in the Plan, a member may retire on either normal retirement date or on the first day of any month thereafter.
- 5. The Board interprets the language in the Plan to require that the member must enter into the DROP within 30 days of reaching the latest normal retirement date. Therefore a member must enter into the DROP within 30 days of the later of reaching age 55 or the date at which the Member reaches at least age 52 and has 25 years of credited service.

IN WITNESS WHEREOF the Board of Trustees has adopted this **REVISED STATEMENT OF POLICY REGARDING ENTRY INTO DROP** this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

TRUSTEES

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WITNESS: \_\_\_\_\_