



ARLINGTON COUNTY EMPLOYEES' SUPPLEMENTAL RETIREMENT SYSTEM ("ACERS")

2100 CLARENDON BOULEVARD – SUITE 511

ARLINGTON, VIRGINIA 22201

TELEPHONES: (703) 228-3500, (800) 818-4910 FAX (703) 228-3265 EMAIL: Benefits@arlingtonva.us

DROP is a Deferred Retirement Option Program. It is a voluntary program that provides a way for you to continue to work for the County in your present or a similar, capacity, earn a salary, and receive your ACERS benefits at the same time. Your ACERS benefit is calculated at the time you enter DROP and is deposited monthly into a stability of principal investment fund within the 401(a) plan. You will see a separate "DROP Account" on your Voya statements. The maximum DROP period is four years. When you separate from service, you will have access to the DROP account AND the County will begin paying your monthly ACERS benefit to you directly.

Advantages of Participating in DROP

- Employee contributions to ACERS stop. (You can reroute the equivalent contribution to the 457 plan to further increase your retirement savings.)
- Your ACERS benefit is deposited to your DROP account tax deferred. (You pay taxes when you withdraw the funds in retirement.)
- You decide what to do with your DROP account balance when you exit the DROP. Distribution options include are the same as those for the 401(a) plan which include: a lump sum, a direct rollover or an annuity, etc.
- Your time in the DROP counts as years of service towards the calculation of your retiree insurance rates.

Eligibility

Once you qualify for an unreduced retirement benefit, you qualify for the DROP:

Public Safety Employees:

- Age 52 with 5 years of service, or
- Completion of 25 years of service

General Employees:

- Age 62 with 5 years of service
- Rule of 80 (Age + years of service = 80)
- Completion of 30 years of service

If you elect to participate in DROP, you should know...

- You remain an active employee eligible for training, salary changes, leave accruals, and other active employee benefits, including the 457 and 401(a) plans, and insurance (at active employee rates).
- Participating in DROP is not a guarantee of continued employment. You are subject to all the same policies, laws and regulations regarding employment.
- Service and any salary increases while in DROP do not affect your ACERS benefit; It is not recalculated when you exit DROP.
- ACERS deposits to your DROP account are made monthly on the last banking day of the month.
- Applications with an entry date after the 15th of the month will be processed the following month, with retroactivity to their DROP entry date.
- Your DROP account will grow with monthly ACERS benefit deposits, any retirement COLAs for which you are eligible, and any earnings on the investment fund.
- You need to designate a beneficiary for your DROP account. You can change your DROP account beneficiary at any time.

Applying for DROP

We recommend applying 2 months prior to entering DROP and meeting with a member of the Retirement Team in advance to discuss your benefit options. You may schedule a meeting through AC Commons. Click on

Benefits & HR, then Retirement, then ACERS Appointment.

Applications may be submitted in-person, by mail, fax (703.228.3265), or email (benefits@arlingtonva.us). A complete application consists of the following forms:

- Application for DROP Entry
- Election or Waiver of Social Security Leveling
- Election of Leave Benefits Form

Upon receipt of a complete application, notification will be sent to the applicant's Department Director, Supervisor, HR Liaison, and the HR Department's Payroll Team.

ACERS Benefit Decisions

You will need to make the following decisions about your ACERS benefit at DROP entry:

1. Single Life Benefit OR Joint & Survivor (J&S) Benefit

- **Single Life Benefit:** The basic benefit is determined by your years of service and your average final salary (average of your 3 highest 12 months of consecutive pays). It is a lifetime benefit and will continue until your death. If you die before all of your member contributions have been paid to you, the remaining funds are paid in a lump-sum to your designated beneficiary. If you choose this option, you cannot change your election after your effective date of retirement.
- **Joint & Survivor Option:** You may choose to receive a benefit amount lower than the Single Life Benefit during your lifetime in order to provide a benefit for one surviving annuitant after your death. The amount of reduction to your benefit depends on your age and the age of your designated beneficiary when your payments begin, and the percentage of your benefit that you want continued to your designated survivor after your death. When you die, the joint & survivor benefits will be payable to your designated surviving annuitant for life.
 - You may choose to leave 50%, 66 2/3% or 100% of your monthly benefit to a surviving annuitant
 - Your survivor may be your spouse or any other individual that you designate.
 - If you are married and you elect a beneficiary other than your spouse or you waive the election of a Joint & Survivor option, you must have the notarized, written consent of your spouse at the time of your retirement.
 - If your beneficiary is covered under the County health insurance plan, you must elect a joint & survivor option in order for your beneficiary to continue to receive health insurance benefits should you predecease your beneficiary.
 - You may cancel this option only with the written consent of the person nominated to receive the joint & survivor option. Should the person nominated die, your benefit would revert to the unreduced basic benefit.

2. **Social Security Leveling Option** (Chapter 46 Only): If you start receiving retirement plan benefits before Social Security retirement benefits begin, you may choose to receive a larger benefit from the ACERS plan until either your 62nd birthday or the birthday following your Social Security Normal Retirement Age and a smaller benefit thereafter. This payment option is intended to keep your total monthly retirement income from changing significantly when your Social Security benefits begin.

3. Whether or not to use any leave toward service credit.

- Any amount of your unused vacation and/or comp time may be paid to you at DROP entry AND the hours paid will be used in calculating your service for your ACERS benefit.
- Any amount of sick leave may be converted to service for calculating your ACERS benefit. If you are retiring "early" with a reduced benefit, your sick leave hours may reduce your early retirement reduction factor.
 - Employees hired before 1/1/01: may choose between using sick leave for service credit OR receiving a portion of their sick leave paid in cash. If opting for service credit, any unused sick leave at DROP exit may not be cashed out.
- Any leave paid in cash may be deferred into the 457 and/or 401(a) plans, subject to IRS maximum contribution limits.

Disability during DROP

For service-connected disability, you will receive the greater of:

- Your disability retirement benefit as if you had never elected to participate in the DROP. (Your years of service in the DROP will be added to your years of service for the disability benefit calculation and you forfeit the money in your DROP account.); or
- Your regular retirement benefit as calculated with years of service up to your DROP entry date along with your DROP account balance.

Death during DROP

For service-connected deaths, your beneficiary will receive the balance in your DROP account (based on the payment option your beneficiary chooses) plus the death benefit he or she would have received had you passed away on the day prior to your participation in the DROP. The benefit includes adjustments for:

- Sick leave credit not already converted to service credit or a cash payout according to County regulations.
- Vacation and Compensatory payout in addition to extended service time.
- COLA changes to the amount of your monthly retirement benefit to this date (credited to the DROP plan).
- The DROP's effect on other benefits

Retiring from DROP

We recommend you meet with a member of the Retirement Team and submit your application to exit DROP at least 2 months prior to when you want to retire. Your DROP Exit application provides the County with direction regarding direct deposit of your monthly ACERS benefit, tax withholding, leave payouts, and any retiree insurance elections.

Unused vacation and comp time will be paid out. Sick leave will be paid out if you were hired prior to 1/1/01 AND did not use sick leave for service credit at DROP entry. You may elect to defer all or a portion of it to the 457 and/or 401(a) plans.

You will need to contact Voya if you would like distributions from your DROP account. Before you decide whether to take your DROP benefit as a lump sum, direct rollover or annuity, be sure to carefully consider any potential tax consequences. Tax laws are complicated and may change. We recommend and encourage you to seek the advice of a tax professional to determine what is best for you and how you will be impacted. Distributions can be obtained by contacting VOYA at 800-584-6001.

Reemployment after DROP

You may be reemployed after retiring/exiting DROP. You must not pre-plan re-employment and you must have a break in service of at least 90 days. If you are re-employed, you will be paid at a rate appropriate to the assignment, not a rate based on your pre-retirement pay.



ACERS DROP Entry Application

ARLINGTON COUNTY EMPLOYEES' SUPPLEMENTAL RETIREMENT SYSTEM ("ACERS")

2100 CLARENDON BOULEVARD – SUITE 511

ARLINGTON, VIRGINIA 22201

TELEPHONES: (703) 228-3500, (800) 818-4910 FAX (703) 228-3265 EMAIL: Benefits@arlingtonva.us

Part A. Member Information		
1. Name (First) (MI) (Last) (Jr./Sr.)	2. Employee #	3. LAST FOUR OF SOCIAL SECURITY #
4. Department & Supervisor's Name		
5. Home Address (Street, City, State, Zip)		
6. Phone Home Cell: Other:	7. Home Email Address	
8. DROP Entry Date (must be the beginning of a pay period)	9. Marital Status Married Not Married	

Part B. Payment Options		
Basic Benefit (Single Life)	OR	Survivor Option 50% Survivor Option 66 2/3% Survivor Option 100% Survivor Option

Under the provisions of the Arlington County Code as a retiring member you can elect a reduced monthly retirement benefit during your lifetime in order to provide a joint & survivorship continuance benefit to your beneficiary following your death. You may choose to leave 50%, 66 2/3%, or 100% of the monthly benefit you were receiving when you died. This survivor annuity is payable for life. The amount of reduction to your benefit depends on your age and the age of your nominated beneficiary when payments begin, and on the percentage of your benefit that you want continued after your death. If your nominated beneficiary should die before you, your benefit would be increased to the single life monthly benefit you would have received if you had not elected an optional joint & survivorship benefit.

Your election of a survivor option also affects health and/or dental coverage for your dependents. If you have elected to continue health and/or dental coverage for your dependents and have elected a survivor option, your dependents may continue the coverage as long they are receiving a retirement benefit. If you do not elect a survivor option, your dependents will be eligible for COBRA continuation insurance for 36 months following your death. There is no County subsidy for COBRA coverage, so your dependents would be responsible for both their portion and the County's portion of the premium, plus a 2% administrative fee.

If you elect the basic benefit, your designated beneficiary is entitled to only the amount of your accumulated contributions reduced by the amount of any retirement allowance received by you during your lifetime and your dependents will not be able to continue health and or dental coverage beyond the COBRA period of 36 months.

For Human Resources Department Use

Application scanned
 Leave Form to Payroll
 Insurance Form to H&W team
 Memo/email to Dept

Process for Retiree Payroll Month of: _____
 One year added to Service
 One year added to age

Recalculation needed for inclusion of leave payout? Y/N
 Recalculation completed

Other Notes: _____

Part C. Survivor/Beneficiary Information

1. Name (First) (MI) (Last) (Jr./Sr.)	2. Birth Date (mm/dd/yy)
3. Social Security Number	4. Relationship
5. Gender Male Female	5. Address (only if different from member)

PART D. CERTIFICATION

Member Certification

Under the provisions of the Arlington County Retirement System Ordinance, I hereby apply for entry into the DROP program. I understand I must separate from service no later than four years from my DROP entry date.

I have reviewed each area of this form and made informed decisions regarding my choices.

Under the provisions of the Arlington County Retirement System Ordinance, I hereby apply for retirement. I certify that:

I am not currently under a Qualified Domestic Relations Order (QDRO) or

I have provided such document along with this application I have been advised of the optional benefits available to me. I understand that by electing a joint & survivor option, my basic benefit will be reduced in order to provide a benefit for my beneficiary after my death and that if I wish to rescind the joint & survivor election I must receive the written consent of the person nominated to receive the benefit. I further understand that if I am married at the time of retirement and I have not made this election for my spouse or I have elected a beneficiary other than my spouse, this application must have the written consent of my spouse.

Member's Signature _____ Date _____

TO BE COMPLETED BY NOTARY:

County Of _____ State Of _____

On this (dd) _____ day of (mm) _____, (yy) _____, the member whose name is signed above, personally appeared before me and acknowledged the foregoing signature to be his/hers.

My commission expires _____ Notary's Signature _____

Spouse Certification (*spouse to sign only if retiring employee elects Basic/Single Life annuity*)

I the undersigned spouse of the above retiring member have read and understand the retirement payout options available. I understand that my spouse has selected a retirement option which **does not** provide a lifetime annuity for me in the event he/she predeceases me. I voluntarily and under my own free will consent to this election and hereby absolve the Retirement System of any liability under the survivorship option provisions of the Arlington County Retirement Code.

Spouse's Signature _____ Date _____

TO BE COMPLETED BY NOTARY:

County Of _____ State Of _____

On this (dd) _____ day of (mm) _____, (yy) _____, the member whose name is signed above, personally appeared before me and acknowledged the foregoing signature to be his/hers.

My commission expires _____ Notary's Signature _____



SOCIAL SECURITY LEVELING OPTION ELECTION FORM
ARLINGTON COUNTY EMPLOYEES' SUPPLEMENTAL RETIREMENT SYSTEM ("ACERS")
 2100 CLARENDON BOULEVARD – SUITE 511
 ARLINGTON, VIRGINIA 22201

TELEPHONES: (703) 228-3500, (800) 818-4910 FAX (703) 228-3265 EMAIL: Benefits@arlingtonva.us

<i>Member Information</i>		
1. Name (First) (MI) (Last) (Jr./Sr.)	2. Employee #	3. LAST FOUR OF SOCIAL SECURITY #

Any member covered by Chapter 46 who elects to retire on a normal or early service retirement may elect to receive an increased retirement allowance until either age 62 or the birthday following your Social Security Normal Retirement Age, and a decreased retirement allowance thereafter.

Under the provisions of the Arlington County Retirement System Ordinance, I hereby apply for the Social Security Leveling Option and elect to receive an increased retirement allowance until (check one):

Age 62 or **Birthday following Social Security Normal Retirement Age**

and a decreased retirement allowance thereafter.

My estimated monthly Social Security benefit at that time is: \$_____.

(A copy of the estimate from Social Security Administration must be attached.)

SIGNATURE

DATE

SOCIAL SECURITY LEVELING WAIVER

I have been advised of the Social Security leveling option available to me and do hereby request and elect to receive the regular allowance payable to me during my lifetime.

Signature_____

Date_____



Election of Leave Benefits

ARLINGTON COUNTY EMPLOYEES' SUPPLEMENTAL RETIREMENT SYSTEM ("ACERS")
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TELEPHONES: (703) 228-3500, (800) 818-4910 FAX (703) 228-3265 EMAIL: Benefits@arlingtonva.us

Name:	Employee Number:
Home Email:	Department:
Home Cell:	Work Phone:
Other Phone:	DROP Entry Date:

I hereby make the following election regarding my accrued, unused leave:

Vacation Leave: Number of Hours to Cash In: _____

Comp Leave: Number of Hours to Cash In: _____

Sick Leave:

Hours to be used for service credit: _____

Hours to be paid in cash: _____ (Only available to those who were hired before 1/1/01.)

Enter the total number of sick hours. The amount paid to you will be 30% of the balance of the hours above 100 listed above. For example: If you enter 400 hours, the County will subtract 100 hours, then pay you for 30% of the 300 hours remaining. If you have been paid for sick leave previously, the County will not subtract 100 hours again, but will pay you for 30% of the hours listed above.

I would like my leave paid in the following manner:

\$_____ deposited to my regular bank account(s) after applicable taxes are withheld

\$_____ deposited to my 457 plan on a pre-tax basis (FICA taxes are withheld)

\$_____ deposited to my 457 plan on a post-tax basis (i.e. Roth 457)

\$_____ deposited to my 401(a) plan on an after-tax basis

Additional Clarifying Notes:	Benefits Staff Assisting with Form:
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Please check one of the boxes below. If no box is checked and funds are being deposited to the 457 plan, the maximum amount to be deposited will be the lesser of the employee's dollar election above or the current calendar year's IRS maximum contribution for which you are eligible.

Using Age 50+ Catch-up Provision (For use if you are turning age 50 anytime this calendar year.)

Using Retirement Catch-up Provision (Must qualify to use, attach completed Catch-up Worksheet)

IMPORTANT:

I hereby make the elections above regarding my accrued leave balances. In making these elections, **I have read and understand the guidelines indicated on the reverse side of this document.** In addition, I understand that all payouts are subject to **7.65% FICA (Social Security/Medicare) withholding and applicable federal & state taxes.**

Employee's Signature:	Date:
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PLEASE READ BEFORE SIGNING THIS FORM

DROP Sick Leave Election

I understand that:

- I may elect to use an unlimited amount of my accumulated sick leave as retirement service credit upon my entry into the DROP.
- If I use any sick leave as retirement service credit, I am not eligible for payout of any sick leave balance when I exit the DROP.
- Sick leave balances not used for service credit will be carried forward for my use while in the DROP.
- If hired before January 1, 2001, I have the option to cash out all or a portion of my sick leave balance according to county policy and if I do so, I may not use any sick leave for service credit.
- If I elect to cash out my sick leave balance, I can receive my payout as cash or defer it into my 457 or 401 plan. ***Contact the Human Resources Benefits Unit to discuss this option before making the election.*
- **I may request sick leave to be paid out once a calendar year while in the DROP.**
- I will continue accruing additional sick leave while in the DROP.
- **I may not change this election once it is made.**
- The County makes no representation that service credit is a greater or lesser benefit than the cash payment.

DROP Vacation/Comp Leave Election

I understand that:

- I may elect to have all or a portion of my vacation and compensatory leave paid to me **only upon my entry into or exit from the DROP.**
- If I elect to cash out my vacation and compensatory leave balance, I can receive my payout as cash or defer it into my 457 plan. **Contact the Human Resources Benefits Unit to discuss this option.*
- Any vacation and compensatory leave I elect to have paid to me upon my entry into the DROP will be applied as retirement service credit.
- If I forego a cash payout of my unused vacation and compensatory leave upon my entry into the DROP I will not receive retirement service credit at a later date.
- Any unpaid vacation and compensatory leave will be carried forward for my use while in the DROP and will be paid to me upon my exit from the DROP.
- I will continue accruing vacation and compensatory leave while in the DROP.
- **I may not change this election once it is made.**

For Internal Human Resources Use Only

_____ Reviewed in-person with Benefits Team Member	Initials: _____ Date: ____/____/_____
_____ Received by Benefits Team Member, Follow-up Required	Initials: _____ Date: ____/____/_____
_____ Age 50 Catch-up Element added in PRISM if needed	Initials: _____ Date: ____/____/_____
_____ Retirement Catch-up Element added in PRISM if needed	Initials: _____ Date: ____/____/_____
_____ Forwarded to Payroll for Processing	Initials: _____ Date: ____/____/_____
_____ Forwarded for PensionGold Processing	Initials: _____ Date: ____/____/_____
_____ Processed in PensionGold, if applicable	Initials: _____ Date: ____/____/_____
_____ Processed by Payroll	Initials: _____ Date: ____/____/_____

Additional Notes:

