

vs.



Myths about the Deferred Retirement Option Plan (DROP)

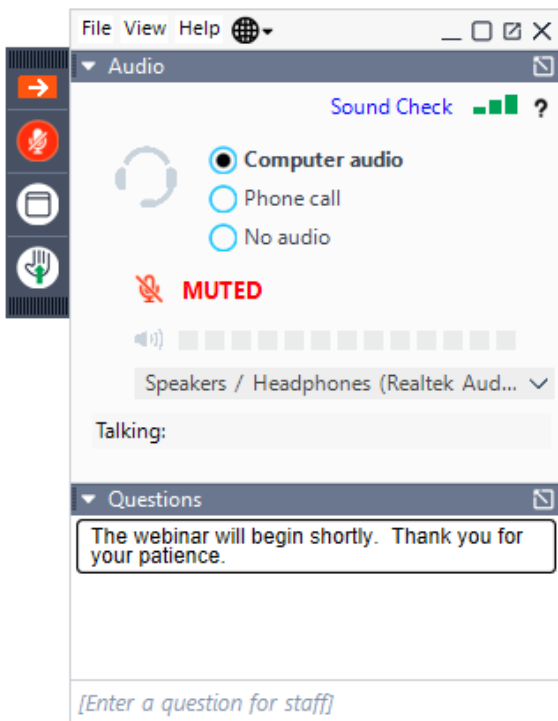


November 9, 2021

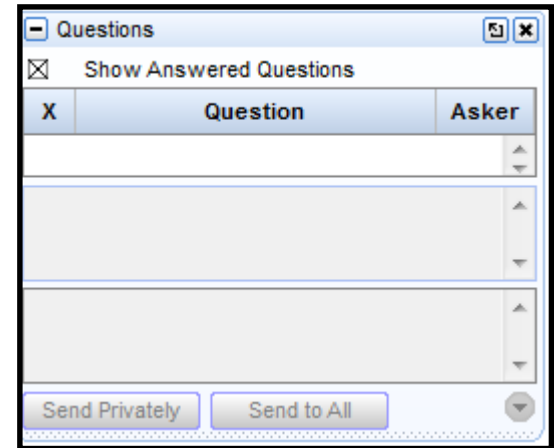
Friendly reminders

- This presentation contains general information.
- It is meant to be used as a guide during the webinar.
- All participants are muted during the webinar.
- **Have a question?**
 - Type your question in the **Questions** area during the webinar. The moderator will see it and respond.
- There will be a question-and-answer period at the end of the webinar.
- Please maximize your screen size to have full use of the webinar's features.

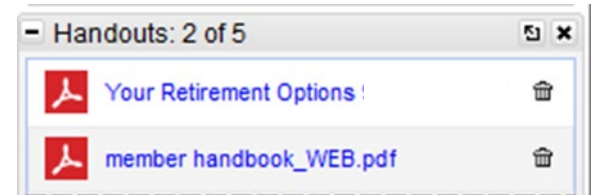
Go To Webinar features



Type your question here.



Download handout here.



If you have any specific questions about your retirement (such as DROP window, retirement eligibility, FAC questions, etc.) please email us at web.master@trsl.org so we can look up your account and assist you directly.

Agenda

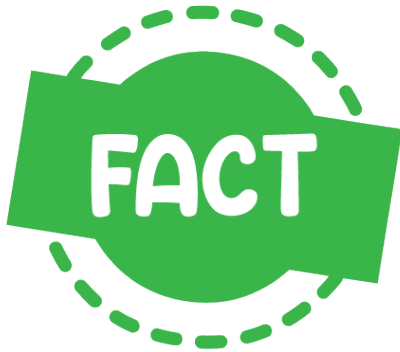
- What is DROP?
- What should you review before entering DROP?
- What happens during DROP?
- What are your options after DROP?



Homework – Is DROP right for me?

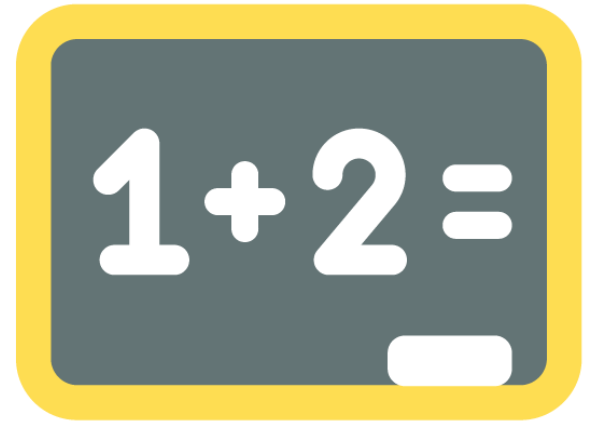
Fact vs. myth activity

- What have YOU heard about DROP?
 - Share something you have heard about DROP with us by typing it into the Questions Box.
 - We will discuss what you shared together.



Introduction to DROP

- DROP is a smart way to save for retirement!
- Keep working, earning leave, and receiving your regular paycheck.
- Meanwhile, your retirement check is **SAVED** for you each month during your DROP participation period.



What is DROP?

- DROP is an **optional** program that lets you freeze your retirement benefit.
- Your monthly benefit is deposited each month into a special account while you continue to work and earn a paycheck.
- How long is DROP?
 - Maximum of 3 years once your DROP “window” of eligibility opens
 - You can shorten, but not extend your DROP participation time.



Why do people enter DROP?

- Retire with a nest egg
- Save money
- Retire earlier
- Already worked their highest years
- Save retirement contribution in deferred comp while in DROP
- Supplement monthly retirement check with DROP monthly withdrawals

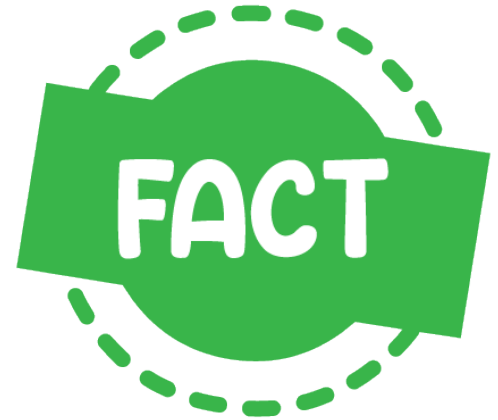
Before DROP



- You can enter DROP at any time.

Before DROP

- You can ONLY enter DROP when your “DROP window” opens.
 - You have a 3-year period plus 60 day grace period
- This period is your **ONE-TIME** opportunity to participate in DROP during your career.
- It is important to find out the EXACT DATE you first become eligible for DROP from TRSL.



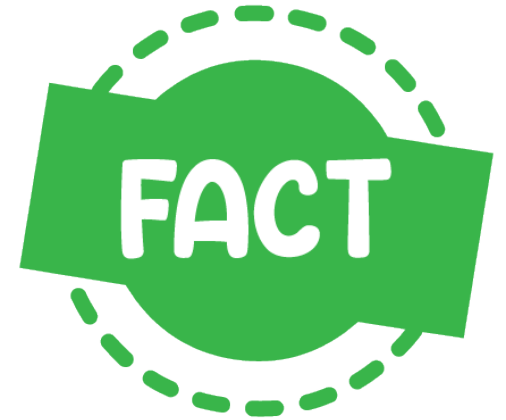
Before DROP



- Everyone should participate in DROP.

Before DROP

- DROP is **NOT** for everyone.
 - What's right for your friend may not be right for you.
 - We all have different circumstances.
- Things to consider:
 - Will you be receiving a significant salary increase?
 - Do you plan to work for many years after DROP?
 - Will your benefit be calculated at 2.0% or 2.5%?



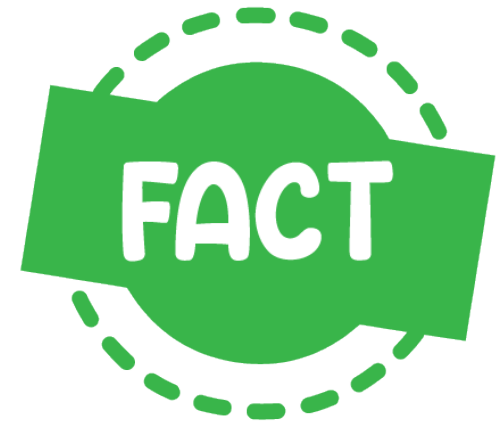
Before DROP



- You must complete all 3 years of DROP.

Before DROP

- You can elect to participate in DROP for fewer than 36 months
 - This means that you could retire before your 36 month DROP participation period ends
- How long do you want to participate in DROP?
- Each month participating in DROP results in another deposit of your monthly retirement benefit, which will increase your DROP account balance



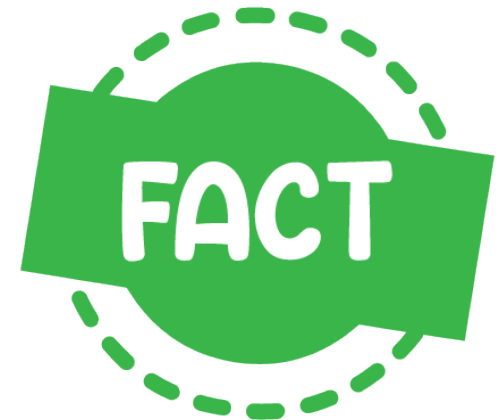
During DROP



- You earn service credit and contribute to retirement during DROP.

During DROP

- You do not earn service credit while you are in DROP.
 - Example: If you enter DROP at 30 years of service, participate for 3 years and retire, your service credit is calculated at 30 years
- Neither you nor your employer make contributions during DROP.
 - Your paycheck is higher!



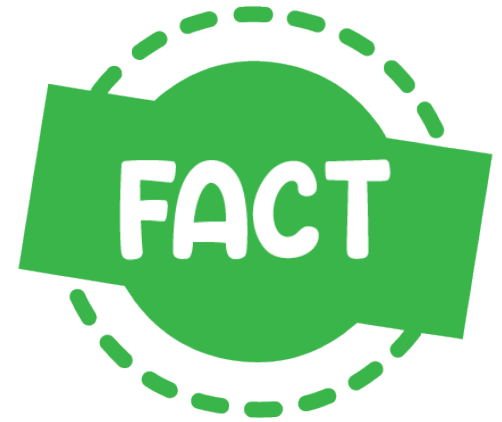
During DROP



- Your retirement contributions go into your DROP account.

During DROP

- Your DROP deposits are a “frozen” retirement benefit calculated based upon years of service credit and highest average compensation upon entering DROP.
- You are not contributing to retirement during your DROP participation period



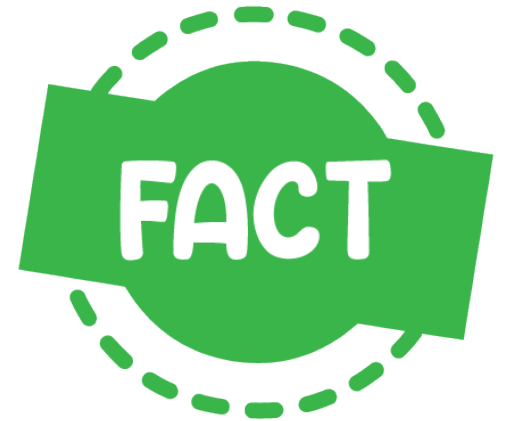
During DROP



- You can withdraw from your DROP account while still working.

During DROP

- You cannot withdraw from your DROP account while still working.
- Withdrawals can begin only after you terminate employment (retire).
- DROP accounts are eligible to earn interest after your DROP participation period has ended.



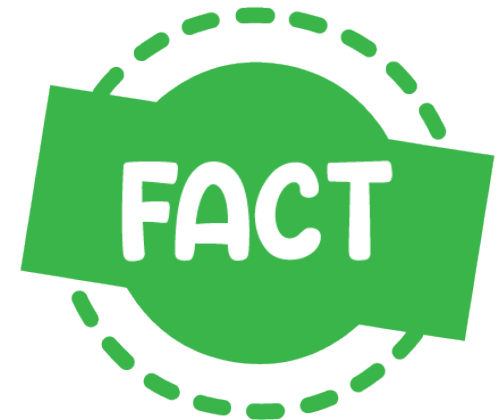
After DROP



- You must retire after completing DROP.

After DROP

- You have 2 options after DROP participation:
 - Terminate employment (retire)
 - ENJOY retirement!
 - Receive your monthly retirement benefit
 - Access your DROP account
 - Continue to work
 - DROP deposits end
 - Resume retirement contributions
 - Earn supplemental benefit



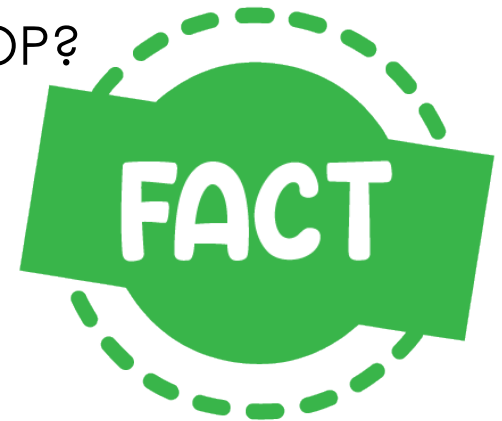
After DROP



- If you work 3 years after DROP, your retirement benefit is recalculated.

After DROP

- Your retirement benefit (the years before participating in DROP) will NOT be recalculated.
- Your retirement benefit was “frozen” upon entering DROP.
- Your supplemental benefit is calculated depending on how much time you work after DROP:
 - Working less than 3 (or 5) years after DROP?
 - Working 3 (or 5) or more years after DROP?



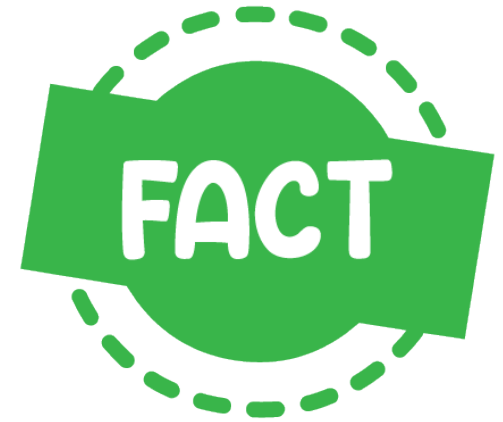
After DROP

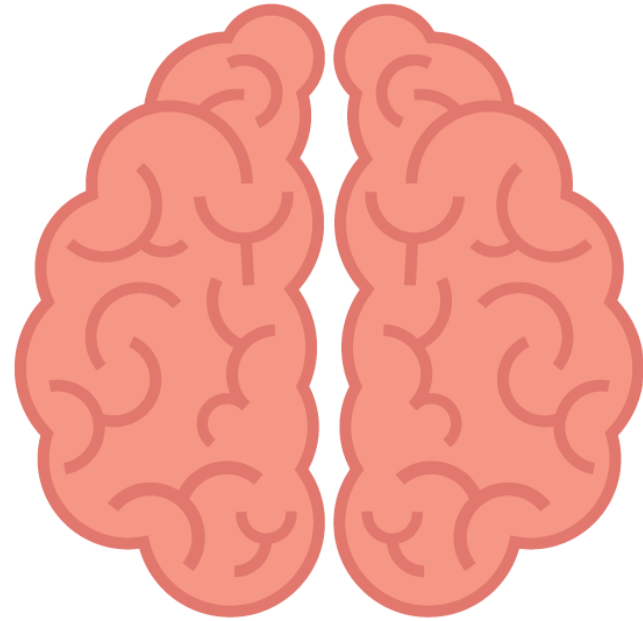


- If you work after DROP, it won't increase your retirement benefit.

After DROP

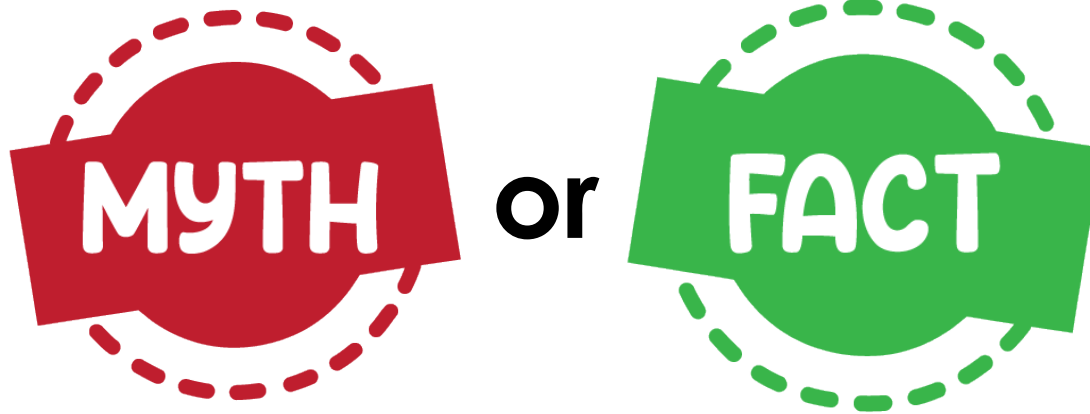
- Working after DROP can result in a higher monthly retirement benefit.
- Upon retirement, TRSL will calculate a supplemental retirement benefit (in addition to your “frozen” retirement benefit) for ALL post-DROP service.



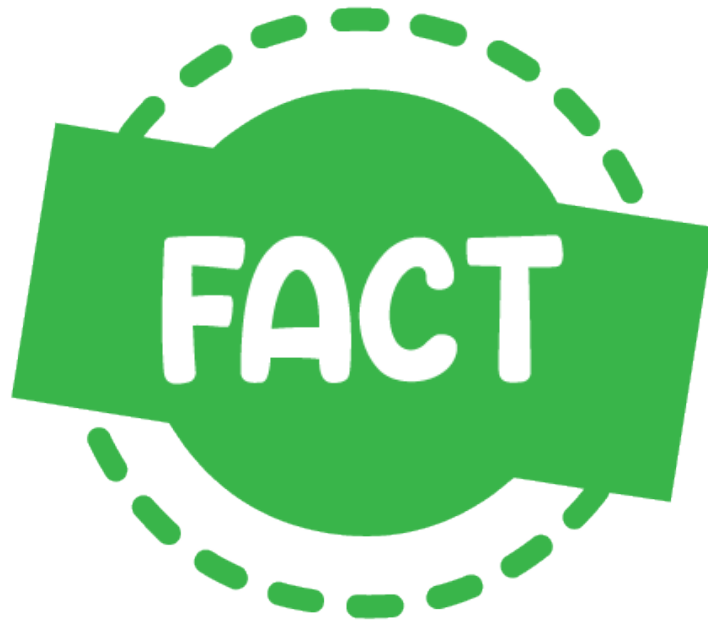


POP QUIZ

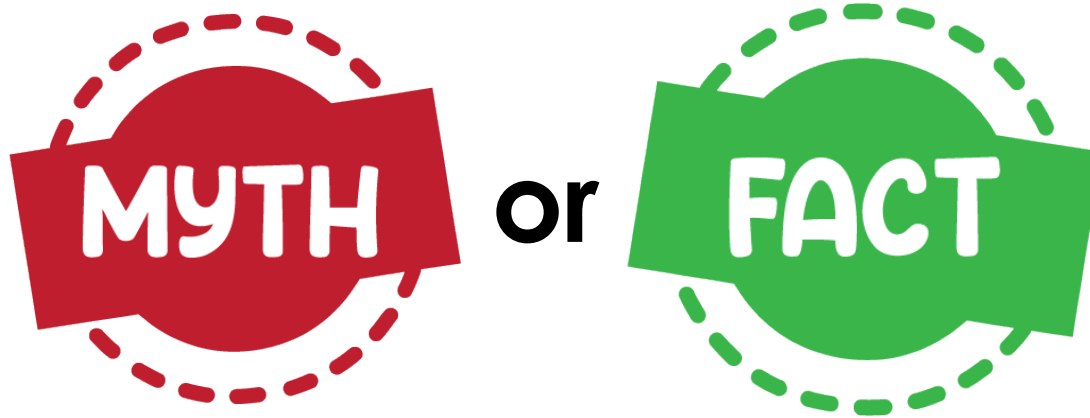
(use the Poll button)



- Your “window” to enter DROP can vary from your co-workers’ windows.



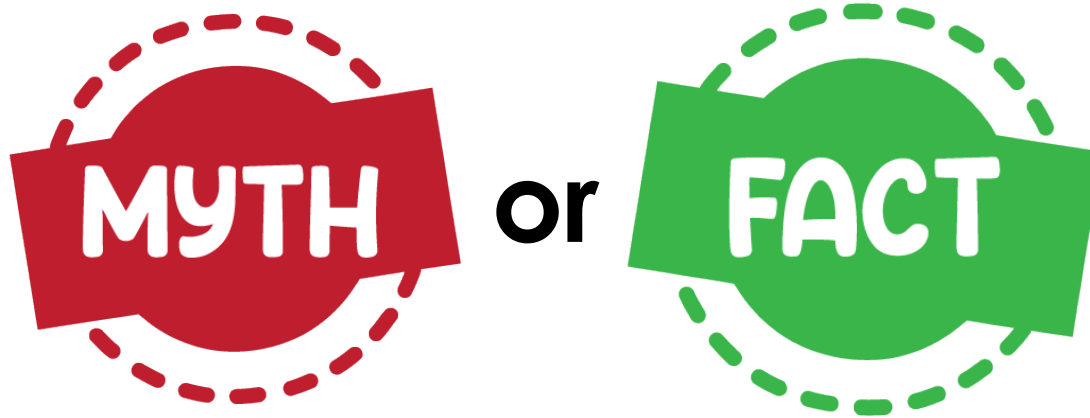
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- If you enter DROP, you must complete all 3 years of DROP.



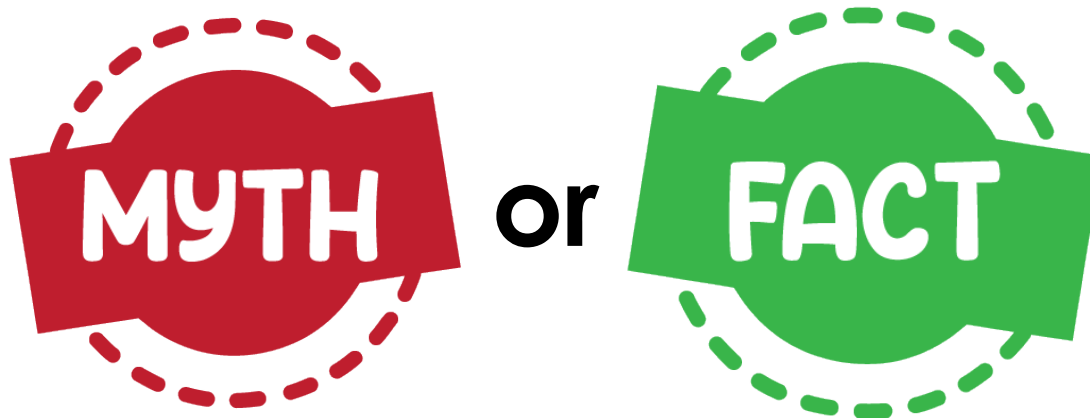
- If you enter DROP, you must complete all 3 years of DROP.
 - FACT: You can participate in DROP for fewer than 36 months



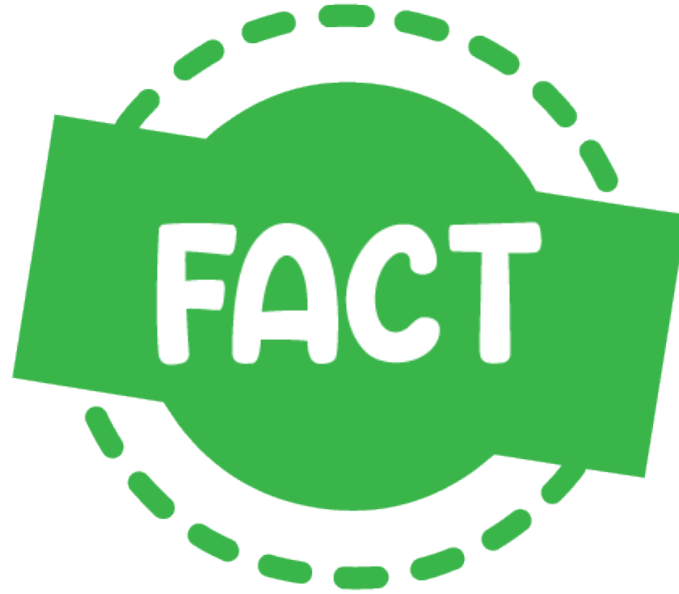
- Your contributions go into your DROP account.



- Your contributions go into your DROP account.
 - **FACT**: Your DROP deposits are a “frozen” retirement benefit calculated based upon years of service credit and highest average compensation upon entering DROP



- Any time worked after DROP can increase your retirement benefit.



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Next steps



- Ask for an estimate for DROP vs. retirement from TRSL.
- Find out **exactly** when your DROP window opens.
- **Homework:** Take some time to consider...Is DROP right for you?

Things to do now

- Register for **Member Access**.
- Submit copies of important documents:
 - Social security cards (member and beneficiary)
 - Birth certificates (member and beneficiary)
 - Legal documents (including divorce decrees, judgment of separation, and/or community property settlements)
- Update address & beneficiary/ies.
- Get a retirement estimate:
 - Use Member Access or
 - Submit Form 10



Online access to your TRSL account

Member Access is a secure website where you have all the tools you need to plan for retirement:



- View service credit, contributions and beneficiary designations
- Create a benefit estimate
- Update your name or address
- Apply for retirement

Create your account today!

Create a benefit estimate

Online calculators loaded with your account information



1. Log on to Member Access.
2. Under “My Retirement” drop-down menu, select “Estimate Your Retirement Benefit.”
3. Enter your desired retirement date and click “Create Estimate!”

Register for MEMBER ACCESS @ www.TRSL.org

For technical assistance with Member Access, contact support@trsl.org

Share this:   



LINKS

MEMBER NEWSLETTER

TRSL

April 2015


Summer workshops: We're ready! Are you?

We've scheduled our "Planning for Your Retirement" workshops for the summer. And we'll be coming to a city near you.

If you are within five years of retirement or DROP eligibility, then this workshop is perfect for you! We'll discuss the benefits of your TRSL membership, go over the retirement process, and answer all your retirement questions, such as:

- How is my benefit calculated?
- Can I name both of my children as beneficiaries?
- Should I go into DROP?
- What happens to my sick leave?
- Will I get Social Security?

Remember... it's never too early to start your retirement planning. Check out our workshop [schedule](#) and [register](#). We look forward to seeing you there!



HOME ABOUT TRSL INVESTMENTS

Change Text Size: **AA** My TRSL

Forms by Subject

Address or name changes


[Active Member Change of Address Authorization](#) (Form 2AC)
[Active Member Name Change Request](#) (Form 2NC)
[Retiree Change of Address Authorization](#) (Form 15C) - *Survivors, beneficiaries, and alternate payees*
[ORP Member Change of Address Authorization](#) (Form 16AC)
[ORP Member Name Change Request](#) (Form 16NC)

Beneficiary (Designations by member)

[Beneficiary Designation for Non-Retired Members](#) (Form 3)
[Change of Beneficiary for Option 1 Retiree](#) (Form 3A)
[Beneficiary Designation for DROP and ILSB Accounts](#) (Form 3B)
[Beneficiary Designation for Retiree Return-to-Work Employee Contributions](#) (Form 3C)


Direct deposit

[Direct Deposit for Refund of Contributions](#) (Form 7D)
[Direct Deposit of DROP or ILSB Account Withdrawals](#) (Form 11R) - *Use 15D for regular benefits*
[Direct Deposit of Benefits](#) (Form 15D) - *Use 11R for DROP or ILSB account withdrawals*
[Addendum to Direct Deposit of Benefits - Nonspousal Joint Signer\(s\)](#) (Form 15JS)



Teachers' Retirement System of Louisiana

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OUR VISION:
*Retirement Security
 in a Changing World*

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Questions?



We are here for you!



Local phone: (225) 925-6446

Toll free (outside Baton Rouge):
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Website: www.TRSL.org

Email: web.master@trsl.org



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