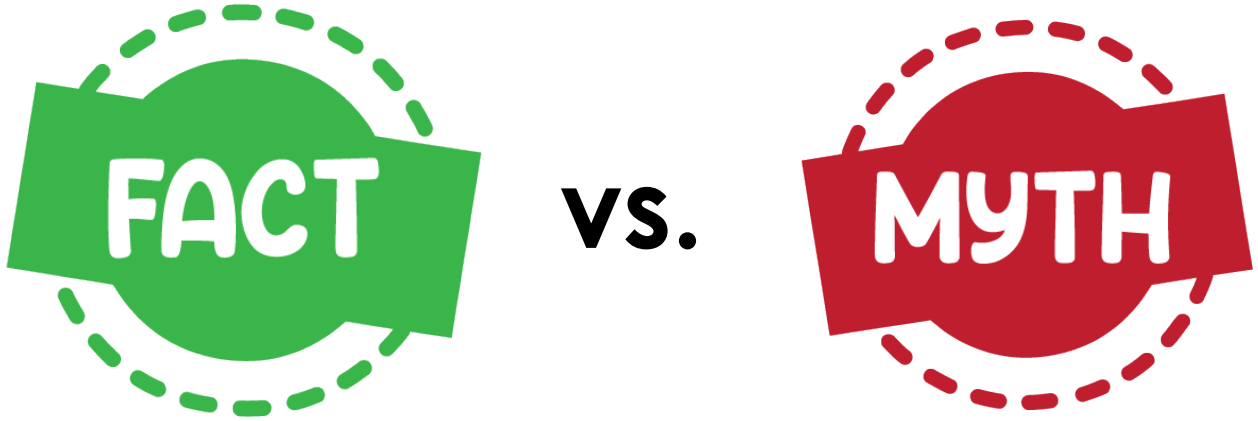


Deferred Retirement Option Plan (DROP)

TRSL

Agenda

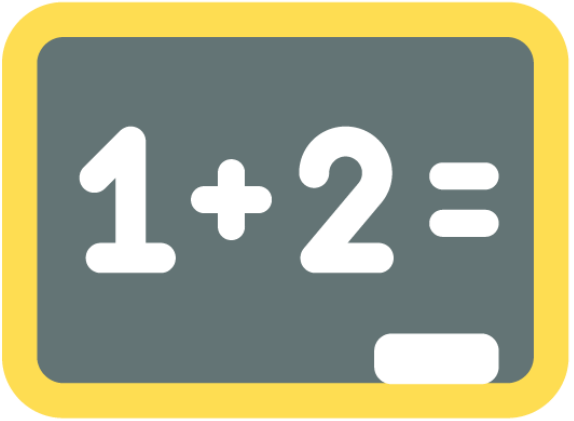
- What is DROP?
- What should you review before entering DROP?
- What happens during DROP?
- What are your options after DROP?



Homework – Is DROP right for me?

Introduction to DROP

- DROP can be a smart way to save for retirement for some TRSL members.
- You continue working, earn leave, and receive your regular paycheck.
- Meanwhile…your future 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 8% retirement contribution in deferred comp while in DROP
- Supplement monthly retirement check with DROP monthly withdrawals in retirement

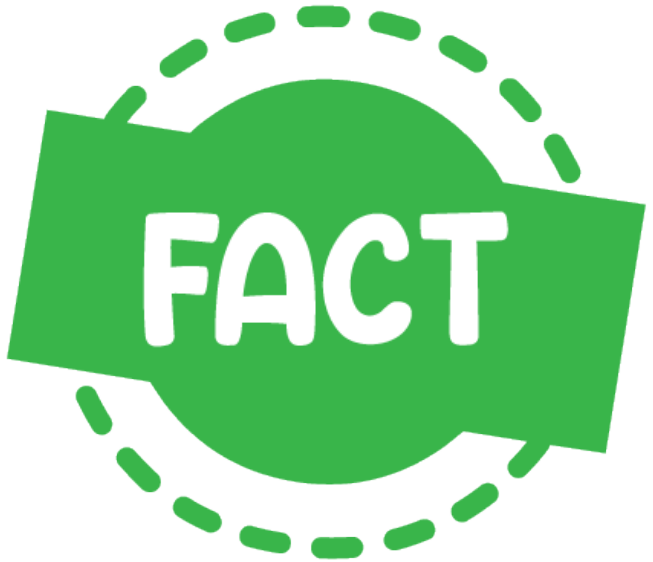
***Before* DROP**

"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 of time (36 months)
- 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.



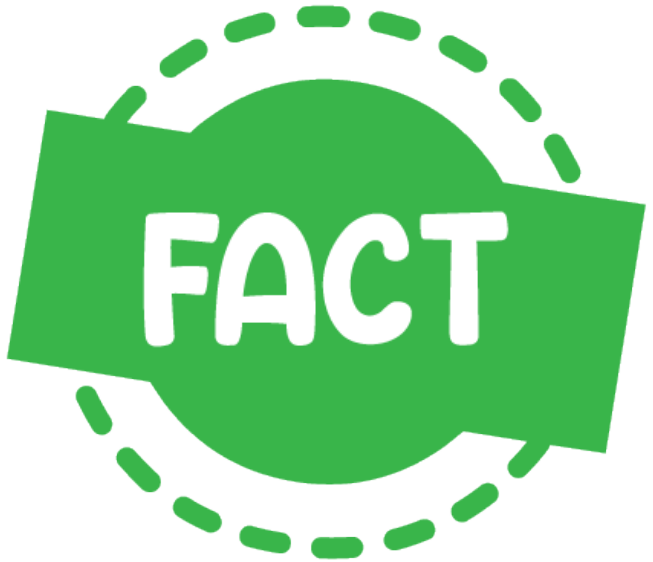
***Before* DROP**

"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%?



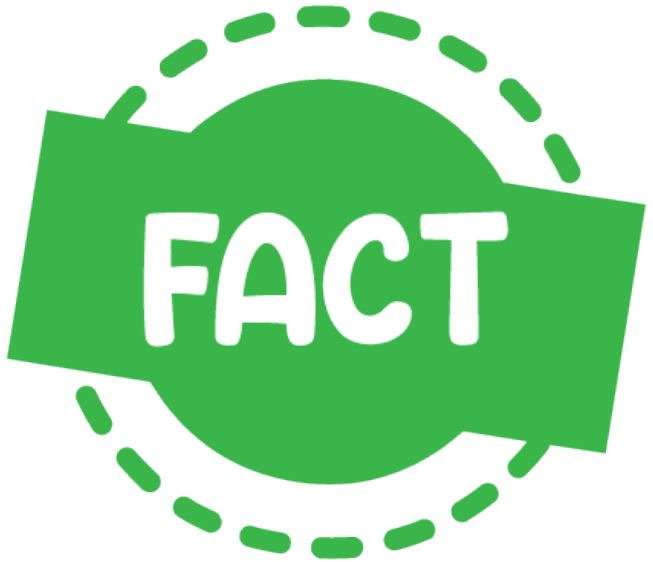
***Before* DROP**

"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 future monthly retirement benefit, which will increase your DROP account balance



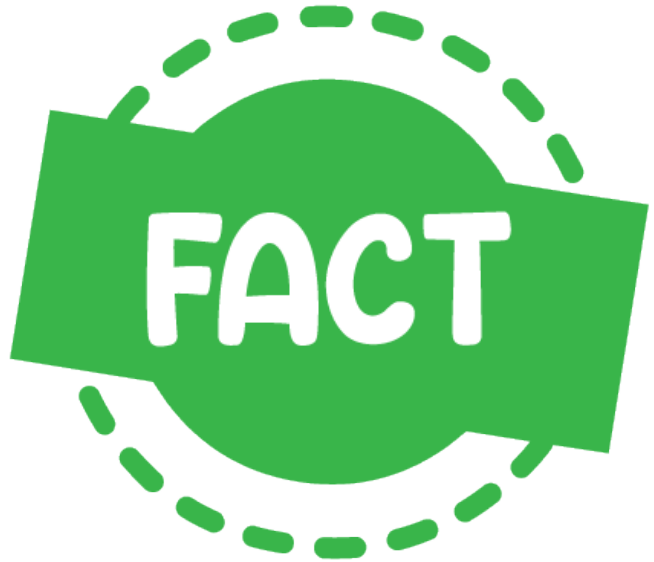
During DROP

"You earn service credit and contribute 8% to TRSL 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 (around 8%).



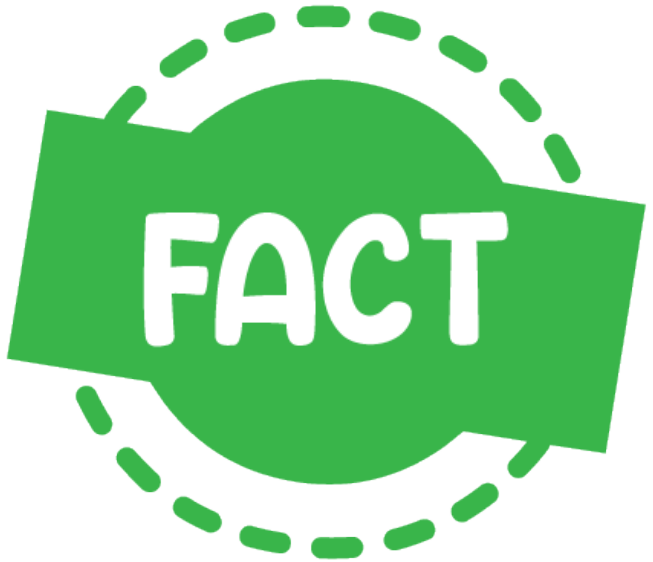
During DROP

"Your retirement contributions go into your DROP account!"



During DROP

- Your DROP deposits are a “frozen” retirement benefit calculated on your years of TRSL service credit, your benefit factor of 2% or 2.5% and your FAC (final average compensation) upon entering DROP.
- You are not contributing to TRSL retirement during your DROP participation period



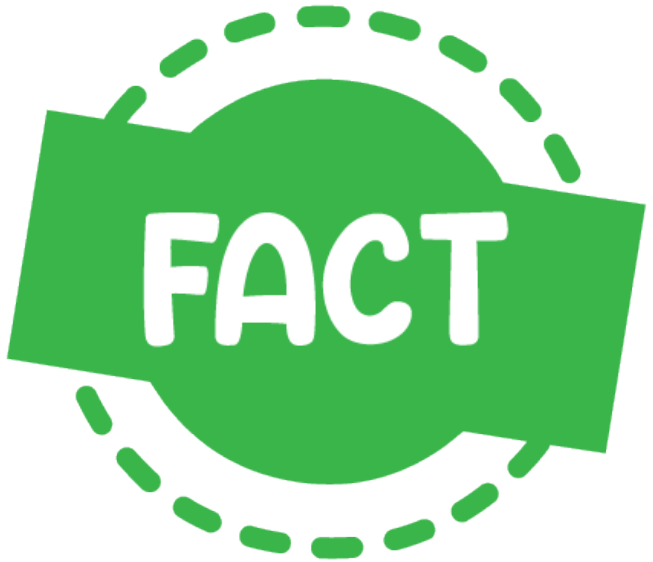
During DROP

"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.



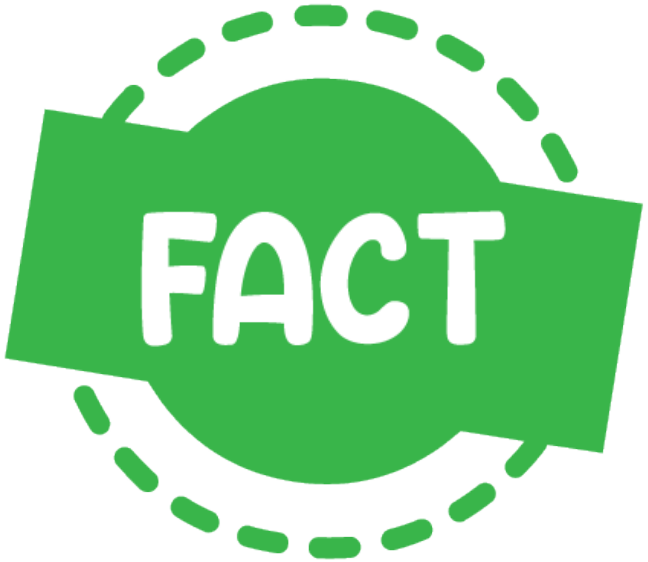
After DROP

"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



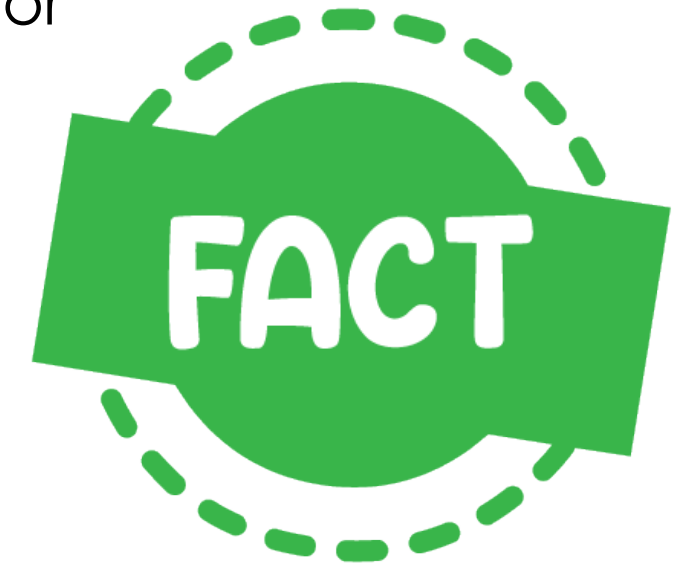
After DROP

"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 since your retirement benefit was "frozen" upon entering DROP.
- However, you will receive a supplemental benefit for any time worked after DROP.
- Your supplement 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?



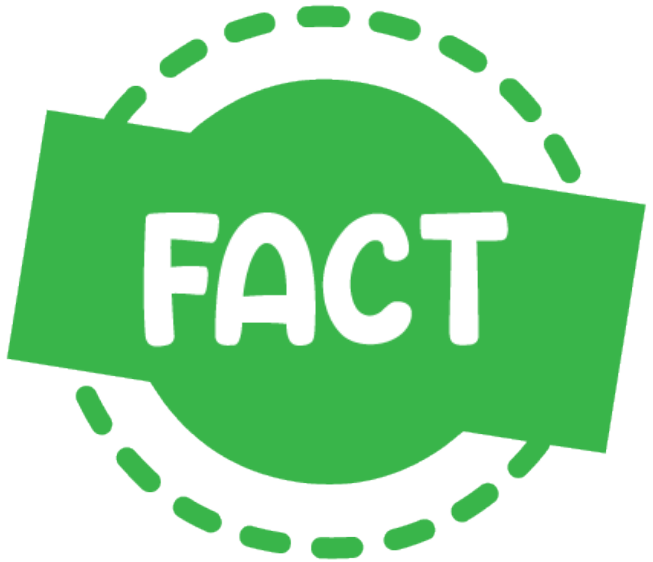
After DROP

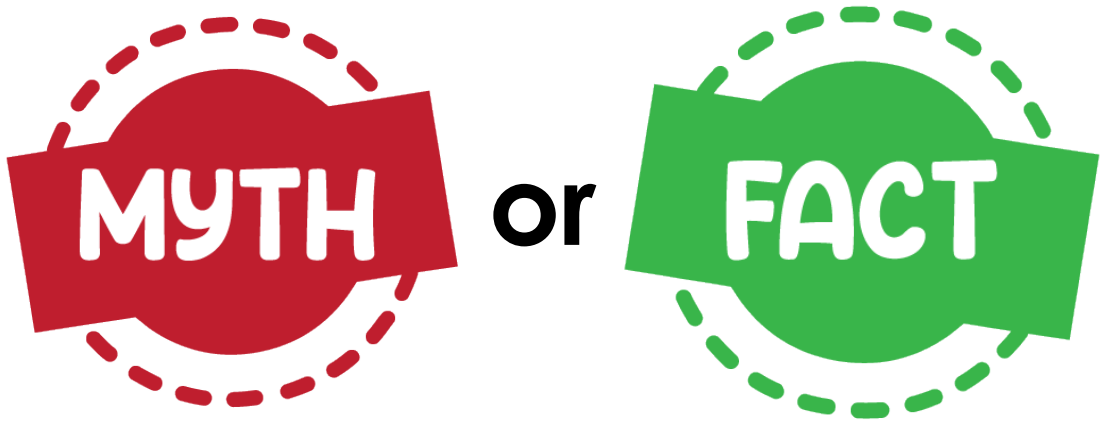
"If you work after DROP, it won't increase your retirement benefit!"



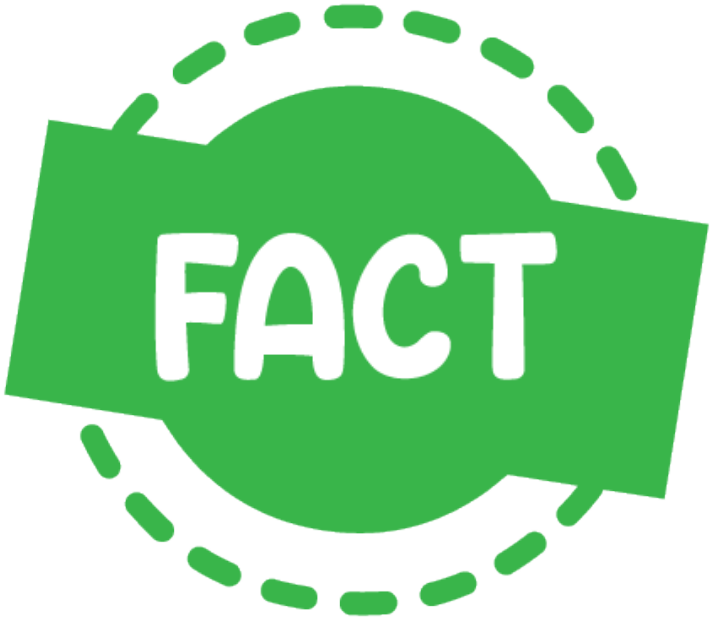
After DROP

- Working after DROP can result in a future 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.

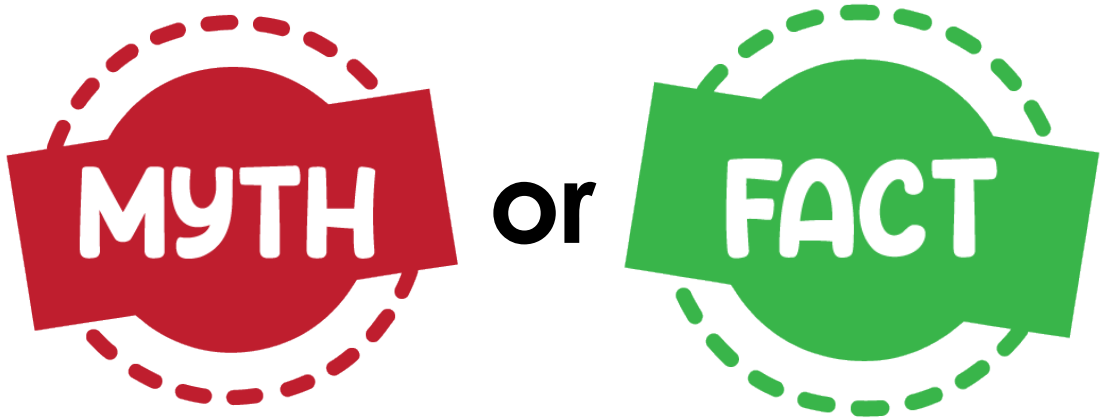




- Your “window” to enter DROP can vary from your co-workers’ windows.



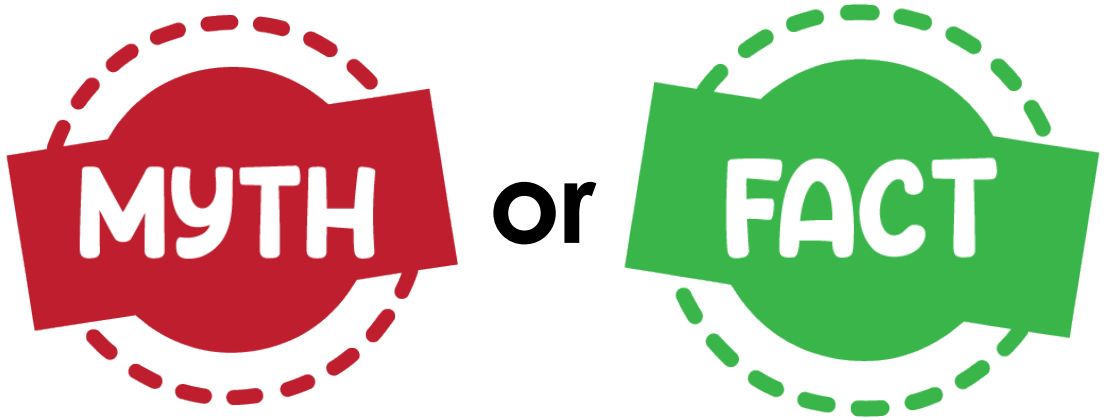
- Your “window” to enter DROP can vary from your co-workers’ windows.



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



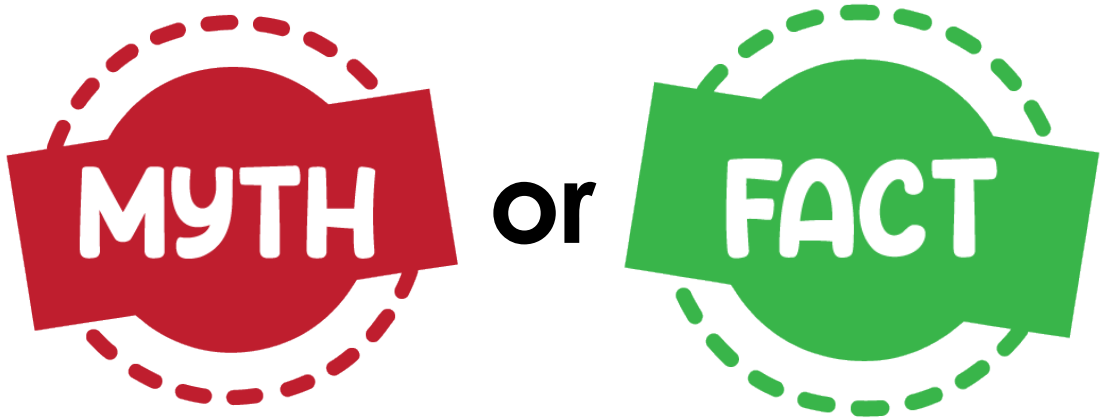
- ~~If you enter DROP, you must complete all 3 years of DROP.~~
  - **FACT**: You can participate in DROP for fewer than 36 months



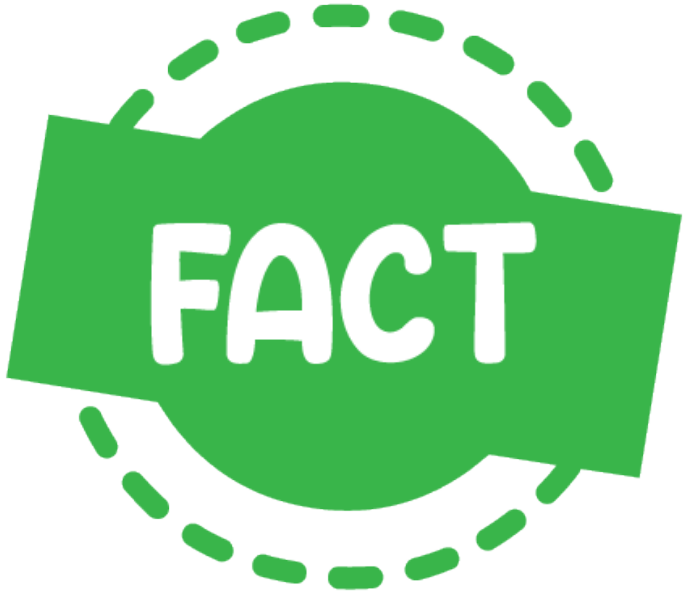
- Your member contributions go into your DROP account.



- ~~Your member 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.



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

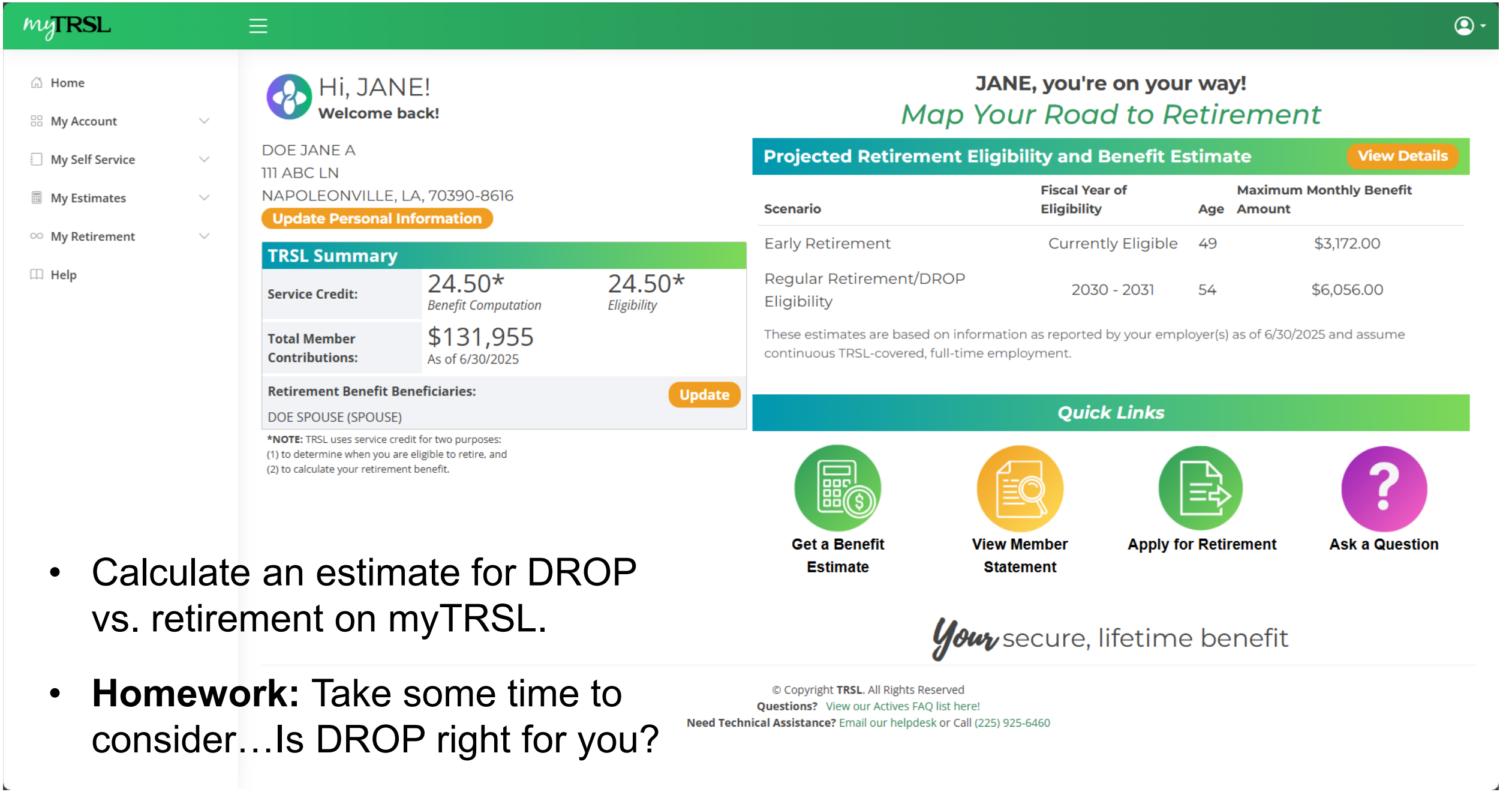


myTRSL.ORG

A redesigned member portal with *YOU* in mind!

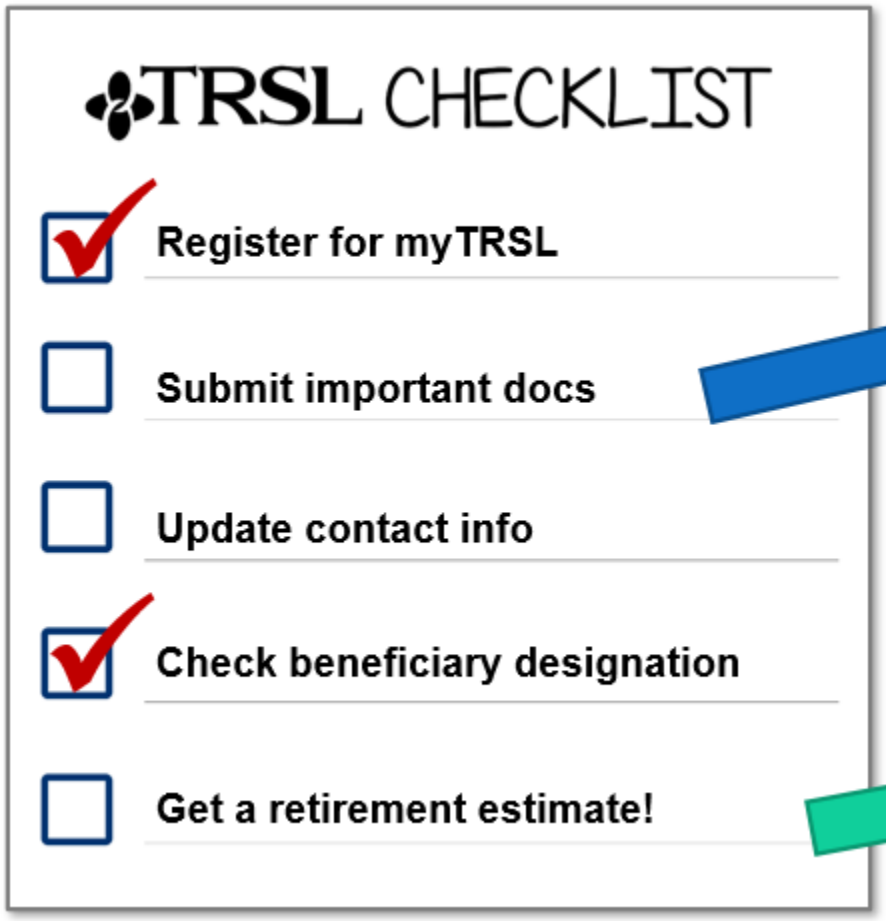
- Update personal information,
- Calculate future retirement estimates,
- View account information,
- Apply for retirement/DROP, and
- MORE simple, self-service functions.

Smarter features, fresh design, secure access.



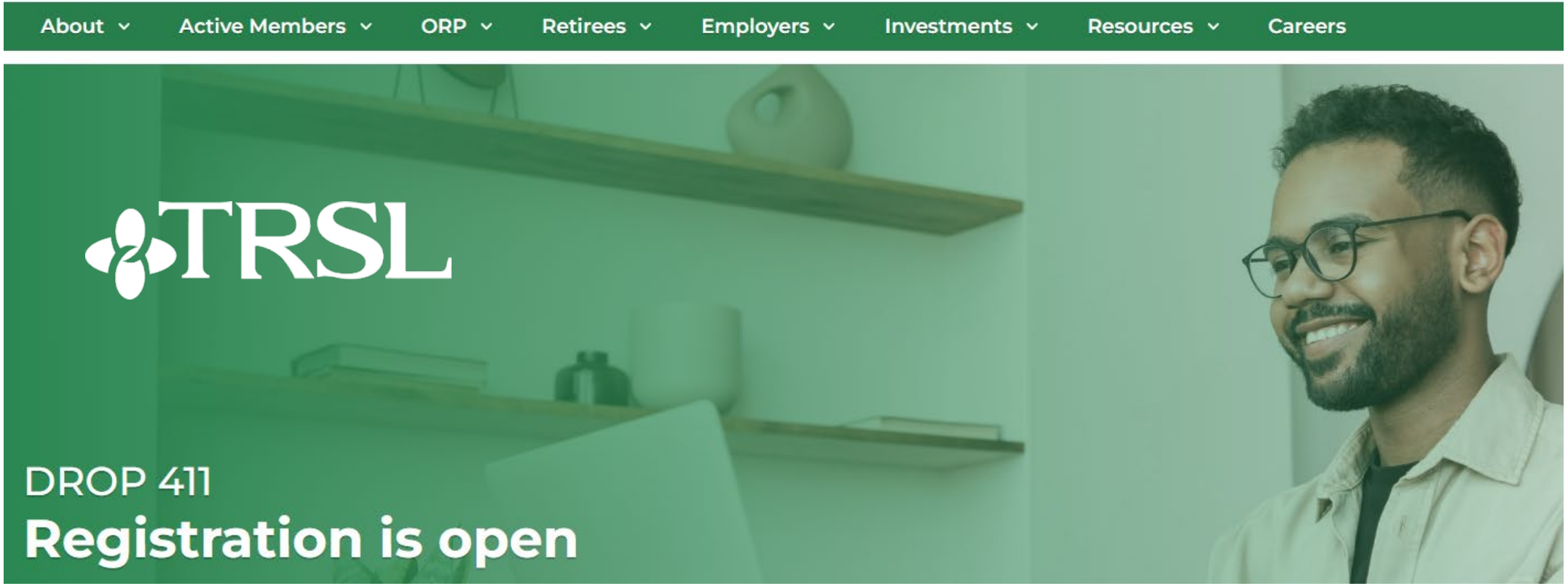
- Calculate an estimate for DROP vs. retirement on myTRSL.
- **Homework:** Take some time to consider…Is DROP right for you?

Things to do now

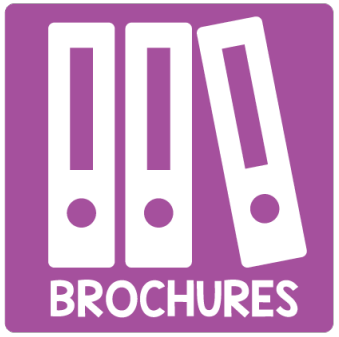


- Social Security cards (member & beneficiary)
- Birth certificates (member & beneficiary)

- DIY via myTRSL
- Submit Form 10



Find it online at www.TRSL.org











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