



DROP DISTRIBUTION ELECTION REQUEST

As described in the “Deferred Retirement Option Plan (“DROP”) DROP Distribution Summary,” a paper copy of which will be provided to you from the Plan Administrator at no cost to you, you have certain options and rights related to your DROP account. This DROP Distribution Election Request allows you to make your selection of the option(s) you desire for the payment of your DROP account.

The DROP funds payable to you as a plan member or alternate payee may be received as a lump sum cash payment, a rollover to a qualified plan, or a combination lump sum cash payment and rollover. No portion of a DROP account may be left on deposit with Los Angeles Fire and Police Pensions (LAFPP).

All funds in the DROP account are likely to be taxable, in full, upon distribution. However, you may have some “basis recovery” due to the fact that employee contributions have been made on an after-tax basis. You will not be liable for any tax on the portion of the DROP lump sum amount that represents the after-tax contributions. To avoid the mandatory 20% federal withholding for taxable distributions, you may elect to rollover the entire taxable portion of your DROP funds to a tax-qualified plan.

In order to comply with the distribution election(s) you have requested, **LAFPP must receive completed forms and documentation requested by DROP/Service Pensions staff no later than 90 calendar days after the DROP exit date.** The forms and documentation required include, but are not limited to, the following:

- Distribution Election and Rollover Form(s)
- LAFPP Direct Deposit Authorization For Deferred Retirement Option Plan (if applicable)
- All documentation pertaining to a division of community property i.e., Dissolution Judgment, DRO, etc. (if applicable)

In accordance with the “Special Tax Notice regarding Your Rollover Options” provided to you (copy of which is attached for your convenience), if you fail to meet the 90-day deadline set forth in this DROP Distribution Election Request, as a default, LAFPP will distribute your DROP account as a lump sum cash payment only, subject to a mandatory 20% Federal tax withholding for the entire account balance, and any after-tax contributions will be recoverable solely from your monthly pension payments.

LAFPP strongly encourages you to seek financial, legal, and tax advice from professionals before submitting your DROP distribution request. LAFPP cannot advise you on these issues.

By signing below I acknowledge that I have read and understand the information provided above:

 DROP PAYEE’S FULL NAME (PLEASE PRINT)

 DATE

 PAYEE’S SIGNATURE



**DROP DISTRIBUTION ELECTION AND ROLLOVER FORM
 FOR THE TAXABLE PORTION (NOT YET TAXED) OF THE DROPFUNDS**
 (Please submit the original form and retain a copy for yourself.)

XXX-XX-

LAST NAME FIRST NAME M.I. SOCIAL SECURITY NUMBER

SECTION A: FOR TOTAL TAXABLE PORTION, PLEASE INDICATE YOUR ELECTION

1. LUMP SUM (CASH) PAYMENT OF ALL TAXABLE FUNDS. Please complete Section C.

I understand that the mandatory 20% Federal income tax will be withheld and California income tax withholding is optional. I must complete and submit to LAFPP the [IRS form W4-R](#) if I want to withhold more than the mandatory 20% withholding.

- a. Yes, withhold California income tax at 10% of amount of Federal withholding.
- b. Yes, withhold California income tax at _____ % of Federal tax withholding (must indicate a whole percentage amount and must be higher than 10%).
- c. No, do not withhold California income tax.

2. DIRECT ROLLOVER (if selected, check either a. or b. below):

I understand this form must be completed and returned to the Los Angeles Fire and Police Pension Plan, together with the necessary authorization from the financial institution receiving my distribution, within 90 calendar days from my DROP exit date.

- a. All taxable funds. Please complete Sections B, C & D.
- b. Partial Lump Sum (Cash) Payment and Partial Direct Rollover

Lump Sum Cash Payment of \$ _____ **NET** or **GROSS** (circle one) and Balance as Rollover.

Please complete Sections B, C & D. I understand the mandatory 20% Federal income tax will be withheld from the remaining portion of the taxable amount not rolled over. I must complete and submit to LAFPP the IRS Form W-4R if I want to withhold more than the mandatory 20% withholding. California income tax will not be withheld unless I check Item b.1. or Item b.2.

- b.1. Yes, withhold California income tax at 10% of amount of Federal withholding.
- b.2. Yes, withhold California income tax at _____ % of Federal tax withholding (must indicate a whole percentage amount and must be higher than 20%).
- b.3. No, do not withhold California income tax.

SECTION B: I have elected to rollover all or part of the taxable portion (not yet taxed) of my DROP funds as indicated above. I have received and read the *Special Tax Notice Regarding Your Rollover Options* provided by the Plan. I understand that if I elect a rollover, I am responsible for supplying the plan with the necessary authorization in **Section D** from a financial institution eligible to receive this rollover and that it is my responsibility to provide accurate information. I understand that this rollover can only be made to a traditional IRA, a Roth IRA, an eligible retirement plan that agrees to accept my rollover, or to a SIMPLE IRA that has been established for two years.

By placing my initials here, I agree to the terms in Section B: _____ **(Please initial here).**

SECTION C: I hereby authorize the Los Angeles Fire and Police Pension Plan to distribute the taxable portion of my DROP funds in accord with the election(s) indicated above. I understand that I have the right to consider my election options for 30 days before making the above distribution election. I also understand that I am waiving this right if I sign below within 30 days of receiving this form. I understand that if a lump sum (cash) payment is elected, the check will be mailed to the address I provide below unless a Direct Deposit Authorization Form has been submitted. **For income reporting purposes, a 1099-R tax form will also be mailed to the address I provide below.**

 DROP PAYEE'S FULL NAME (PLEASE PRINT) PAYEE'S SIGNATURE DATE

 ADDRESS CITY STATE ZIP CODE

(_____) _____
 PHONE NUMBER EMAIL ADDRESS **DROP EXIT DATE**



SECTION D:

FINANCIAL INSTITUTION ROLLOVER INFORMATION FOR TAXABLE PORTION (NOT YET TAXED) OF DROP FUNDS

(THIS SECTION TO BE COMPLETED BY PERSON REQUESTING ROLLOVER)

I understand this form must be completed and returned to Los Angeles Fire and Police Pensions (LAFPP), no later than 90 calendar days after the DROP exit date to avoid a single lump sum (cash) payment of the DROP account balance and Federal (20%) tax withholding. I further understand that I am responsible for providing correct information to LAFPP for a direct rollover and that LAFPP is not responsible for verifying accuracy of information listed below.

XXX-XX-

DROP PAYEE'S FULL NAME (PLEASE PRINT) SOCIAL SECURITY NUMBER DROP EXIT DATE

SIGNATURE DATE PHONE NUMBER

FINANCIAL INSTITUTION RECEIVING ROLLOVER DISTRIBUTION

(THIS SECTION TO BE COMPLETED BY FINANCIAL INSTITUTION)

I certify that (fill in name of financial institution) _____ is authorized to accept these taxable DROP funds and will accept this direct rollover from the Los Angeles Fire and Police Pension Plan which is an Internal Revenue Code Section 401(a) plan. This financial institution is a (check one):

- Section 401(a) Plan, Section 403(b) Annuity, Section 408(a) or 408(b) Traditional IRA, Section 408A Roth IRA, Section 457(b) Governmental Deferred Compensation Plan, Section 403(a) Annuity Plan, Section 408 SIMPLE IRA *

THIS INSTITUTION AS TRUSTEE OF THE IRA OF _____

(PRINT NAME OF ACCOUNT OWNER)

COMPLETE BOX 1 FOR ROLLOVER INFORMATION VIA CHECK. COMPLETE BOXES 1 AND 2 FOR ROLLOVER VIA WIRE TRANSFER

1. ROLLOVER CHECK MAILED TO: (IF ROLLOVER WIRE TRANSFER IS REQUESTED BY MBR, FILL OUT BOX 1 INFORMATION AND BOX 2 BELOW. INFORMATION HERE WILL BE USED TO PRINT STATEMENT. Place only one character per box.

FULL NAME OF YOUR COMPANY: (CHECK PAYABLE TO)

Grid for company name

ACCOUNT NUMBER:

Grid for account number

ADDRESS LINE 1:

Grid for address line 1

ADDRESS LINE 2:

Grid for address line 2

CITY:

Grid for city

STATE:

Grid for state

ZIP CODE:

Grid for zip code

2. WIRE TRANSFER INFORMATION (FEE TO BE PAID BY MEMBER)

BANK NAME BANK CITY

Table with columns: TRANSIT ROUTING NUMBERS, ACCOUNT NUMBER, ACCOUNT TYPE (Checking, Savings)

TO BE COMPLETED BY FINANCIAL INSTITUTION OFFICER:

SIGNATURE

DATE

PHONE NUMBER

PRINT NAME AND TITLE

EMAIL

* After a two-year waiting period, SIMPLE IRA accounts can receive rollover eligible funds from other types of retirement plans, including 401(a) governmental plans. The two-year period begins on the first day on which the employer deposits contributions in the SIMPLE IRA.



**DROP DISTRIBUTION ELECTION AND ROLLOVER FORM
 FOR THE NON-TAXABLE PORTION (ALREADY TAXED) OF THE DROP FUNDS**
 (Please submit the original form and retain a copy for yourself.)

_____ XXX - XX -
 LAST NAME FIRST NAME M.I. SOCIAL SECURITY NUMBER

SECTION A: FOR TOTAL NON-TAXABLE PORTION, PLEASE INDICATE YOUR ELECTION

1. **LUMP SUM (CASH) PAYMENT OF ALL NON-TAXABLE FUNDS**
2. **DIRECT ROLLOVER (if selected, check either a. or b. below):** I understand that I may not rollover any nontaxable DROP funds unless I have first rolled over all of my taxable DROP funds. I further understand this form must be completed and returned to the Los Angeles Fire and Police Pension Plan, together with the necessary authorization from the financial institution receiving my distribution, and the distribution must occur within 90 calendar days from my DROP exit date.
- a. **All nontaxable DROP funds. Please complete Sections B, C & D.**
- b. **Partial Lump Sum (Cash) and Partial Direct Rollover**
- Lump Sum Cash Payment of \$ _____ **NET** or **GROSS** (circle one) and Balance as Rollover.
Please complete Sections B, C & D.

SECTION B: I have elected to rollover all or part of the non-taxable portion (already taxed) of my DROP funds as indicated above. I have received and read the *Special Tax Notice Regarding Your Rollover Options under a Governmental 401(a) Plan* provided by the Plan. I understand that if I elect a rollover, I am responsible for supplying the plan with the necessary authorization in **Section D** from a financial institution eligible to receive this rollover and that it is my responsibility to provide accurate information. I understand that if the rollover is to a traditional IRA, I am responsible for keeping track of, and reporting to the IRS on the applicable forms, the amounts of these non-taxable funds that are rolled over. I understand that this rollover can only be made to a traditional IRA, Roth IRA or an eligible retirement plan that separately accounts for the non-taxable DROP funds and earnings on those funds and that this rollover cannot be made to a governmental 457(b) deferred compensation plan or a SIMPLE IRA.

By placing my initials here, I agree to the terms in Section B: _____ **(Please initial here).**

SECTION C: I hereby authorize the Los Angeles Fire and Police Pension Plan to distribute the non-taxable (already taxed) portion of my DROP funds in accord with the election(s) indicated above. I understand that I have the right to consider my election options for 30 days before making the above distribution election. I also understand that I am waiving this right if I sign below within 30 days of receiving this form. I understand that if a lump sum (cash) payment is elected, the check will be mailed to the address I provide below, unless a Direct Deposit Authorization Form has been submitted. **For income reporting purposes, a 1099-R tax form will also be mailed to the address I provide below.**

DROP PAYEE'S FULL NAME (PLEASE PRINT)	PAYEE'S SIGNATURE	DATE
ADDRESS	CITY	STATE
(_____) _____ PHONE NUMBER	EMAIL ADDRESS	DROP EXIT DATE



SECTION D:

FINANCIAL INSTITUTION ROLLOVER INFORMATION FOR NON-TAXABLE PORTION (ALREADY TAXED) OF DROP FUNDS

(THIS SECTION TO BE COMPLETED BY PERSON REQUESTING ROLLOVER)

I understand this form must be completed and returned to Los Angeles Fire and Police Pensions (LAFPP), no later than 90 calendar days after the DROP exit date. If this form is not returned to LAFPP within 90 calendar days, I understand that no basis will be assigned to the DROP account balance and, therefore, there will not be any non-taxable portion. As a result, my entire DROP account will be distributed as a taxable amount. I further understand that I am responsible for providing correct information to LAFPP for a direct rollover and that LAFPP is not responsible for verifying accuracy of information listed below.

XXX-XX-

DROP PAYEE'S FULL NAME (PLEASE PRINT) SOCIAL SECURITY NUMBER DROP EXIT DATE

SIGNATURE DATE PHONE NUMBER

FINANCIAL INSTITUTION RECEIVING ROLLOVER DISTRIBUTION

(THIS SECTION TO BE COMPLETED BY FINANCIAL INSTITUTION)

I certify that (fill in name of financial institution) is authorized to accept these after-tax DROP funds from the Los Angeles Fire and Police Pension Plan which is an Internal Revenue Code Section 401(a) plan. This financial institution is a (check one):

- Section 401(a) Plan*
Section 403(b) Annuity*
Section 408(a) or 408(b) Traditional IRA
Section 408A Roth IRA

* A Section 401(a) plan or Section 403(b) annuity must agree to separately account for non-taxable funds and earnings. THIS INSTITUTION AS TRUSTEE OF THE IRA OF

(PRINT NAME OF ACCOUNT OWNER)

COMPLETE BOX 1 FOR ROLLOVER VIA CHECK. COMPLETE BOXES 1 AND 2 FOR ROLLOVER VIA WIRE TRANSFER

1. ROLLOVER CHECK MAILED TO: (IF ROLLOVER WIRE TRANSFER IS REQUESTED BY MBR, FILL OUT BOX 1 INFORMATION AND BOX 2 BELOW. INFORMATION HERE WILL BE USED TO PRINT STATEMENT. Place only one character per box.

FULL NAME OF YOUR COMPANY: (CHECK PAYABLE TO)

Grid for company name

ACCOUNT NUMBER:

Grid for account number

ADDRESS LINE 1:

Grid for address line 1

ADDRESS LINE 2:

Grid for address line 2

CITY:

Grid for city

STATE:

Grid for state

ZIP CODE:

Grid for zip code

2. WIRE TRANSFER INFORMATION (FEE TO BE PAID BY MEMBER)

BANK NAME BANK CITY

Table with columns: TRANSIT ROUTING NUMBERS, ACCOUNT NUMBER, ACCOUNT TYPE (Checking, Savings)

TO BE COMPLETED BY FINANCIAL INSTITUTION OFFICER:

SIGNATURE DATE PHONE NUMBER

PRINT NAME AND TITLE EMAIL



Los Angeles

Fire & Police Pensions

TO SERVE THOSE WHO PROTECT

LAFPP DIRECT DEPOSIT AUTHORIZATION FOR DEFERRED RETIREMENT OPTION PLAN (DROP)

Form with fields for Social Security Number, Last Name, First Name, and MI.

Form with fields for Transit Routing Numbers and Account Number, with checkboxes for Checking and Savings.

Form with fields for Bank Name, Branch, Telephone, Address, City, ST, and ZIP.

I hereby authorize direct deposit of the lump sum cash disbursement of my DROP funds into my checking or savings account as indicated above. I also authorize you to make corrections to my account to adjust for any errors in deposit.

DROP PAYEE'S SIGNATURE PHONE DATE

TO DIRECT DEPOSIT YOUR DROP LUMP SUM CASH DISBURSEMENT:

- 1. Print your name and social security number.
2. Enter transit routing number, account number, and financial institution information.
3. Mark a box next to Checking or Savings to indicate type of account.
4. Attach a cancelled or voided check to the direct deposit form.
5. Sign and date form and return it to

Los Angeles Fire and Police Pensions
DROP/Service Pensions Section
701 E. 3rd Street, Suite 200
Los Angeles, CA 90013

If you have any questions, please call the DROP/Service Pensions Section at:

(844) 88-LAFPP ext. 93100
(213) 279-3100

Email: drops@lafpp.com

For Office use only:

Lump Sum: Taxable Amount \$ Non-Taxable Amount \$