


Ending DROP

November 2007

 **TRSL** Teachers' Retirement
System of Louisiana



**a guide to ending participation in the
Deferred Retirement Option Plan (forms included)**

TRSL is here to help

The decisions you make concerning your retirement are important. If you have any questions regarding your member account at TRSL, please let us know. TRSL staff are available for counseling, and you are encouraged to talk with them about questions you may have about your retirement. Call our Member Information Center (MIC) at 225-925-6446 (Baton Rouge area) or toll free at 1-877-ASK-TRSL (1-877-275-8775), Monday through Friday, 8 a.m. to 4:30 p.m. You can e-mail us at web.master@trsl.org.

Every effort has been made to ensure that the information in this publication is accurate. If the information should conflict with state or federal law, then the law must take precedence. State laws governing TRSL retirement are found in Louisiana Revised Statutes, Title 11, Sections 1-309 and 701-947, and the Louisiana Constitution, Article 10, Section 29.

Directions to TRSL's office

TRSL is located in Baton Rouge in the Louisiana Retirement Systems Building at 8401 United Plaza Boulevard, which is just off Essen Lane between Interstates 10 and 12.

From Lafayette, exit I-10 and turn left on Essen Lane, or exit I-12 and turn right on Essen Lane;

From New Orleans, exit I-10 and turn right on Essen Lane;

From Hammond, exit I-12 at Jefferson Highway/Drusilla Lane, turn left on Drusilla Lane, then right on Jefferson Highway. Proceed to Essen Lane, and turn left.

Turn at the United Plaza Boulevard traffic signal on Essen Lane at the sign that reads "LA RETIREMENT SYSTEMS BLDG."



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Choices at the end of your DROP participation

At the end of your DROP participation, you have two choices: you can either continue working without a break in service, or you can terminate employment and officially retire.

If you continue working after DROP without a break in service, you will begin making contributions again and, therefore, begin earning service credit again.

The service credit you earn after DROP participation will be added to your benefit when you retire. If you earn three or more years of service credit after DROP, the service credit after DROP will be calculated at the high, three-year average compensation earned after DROP (even if it is lower than the before-DROP average compensation). The average compensation used after DROP is calculated in the same manner as the before-DROP average compensation, and is subject to the 10 percent cap on salary increases. **The years of service before DROP will always be calculated at the before-DROP average compensation.**

Please coordinate your termination date with your employer so that you can earn the three or more years of service credit after DROP needed to calculate a supplemental benefit using your after-DROP average compensation.

Continuing to work after DROP

A DROP participant who has not submitted a *Termination of Employment at End of DROP Participation/Employment* (Form 11H) will be automatically re-enrolled in TRSL on the day following the last day of DROP participation. Employer and employee contributions to TRSL resume during this period of continued employment, even if for only one day. These contributions are not refunded to the member. DROP account withdrawals are not permitted until you officially retire.

NOTE: Members with 40 or more years of service credit entering DROP on or after January 1, 1998, will not earn any service credit by working after DROP. Therefore, any increases in salary received after DROP do not affect their final retirement benefit, no matter how long they work.

◆ **If employment continues for less than three years**, the retirement benefit received upon termination of employment will be determined by adding the benefit you would have received if you had not continued working, plus an additional benefit that will include additional service credit earned after DROP and conversion of unused annual and sick leave earned before DROP, during DROP participation, and during the period of additional employment. This additional benefit will be calculated using the same average compensation used to determine the benefit deposited during DROP and your age and your beneficiary's age at the time of retirement.

For example, if you work less than three years after DROP, TRSL calculates a supplemental benefit using your before-DROP average compensation and adds this amount to your DROP deposit amount.

Your supplemental benefit would be calculated as follows:

$$\begin{aligned} & \text{number of years (less than 3)} \\ & \quad \times \\ & \text{retirement \% factor (ex: 2\%, 2.5\%, 3\%)} \\ & \quad \times \\ & \text{before-DROP monthly average compensation} \\ & \quad \times \\ & \text{retirement option factor} \\ & \quad = \\ & \text{supplemental benefit to be added to DROP deposit amount.} \end{aligned}$$

◆ **If employment continues for three years or more**, the final retirement benefit will include the retirement benefit you would have received if you had not continued working, which is the same as the DROP deposit amount, plus an additional benefit which will include additional service credit earned after DROP and conversion of unused annual and sick leave earned during your TRSL career.

For example, if you work three years after DROP, TRSL calculates a supplemental benefit using your after-DROP average compensation and adds this amount to your DROP deposit amount.

Your supplemental benefit would be calculated as follows:

$$\begin{aligned} & \text{number of years (3 or more)} \\ & \quad \times \\ & \text{retirement \% factor (ex: 2\%, 2.5\%, 3\%)} \\ & \quad \times \\ & \text{after-DROP monthly average compensation} \\ & \quad \times \\ & \text{retirement option factor} \\ & \quad = \\ & \text{supplemental benefit to be added to DROP deposit amount.} \end{aligned}$$

Only the additional benefit will be calculated using the average compensation from the period of employment after DROP, even if the new average compensation is less than the average compensation from the period before DROP.

Take note!

Working three or more years after DROP participation does not change the high, three-year average for the years before DROP.

Terminating employment

If you are ending employment, the first thing to do is submit a completed *Termination of Employment at End of DROP Participation/Employment* (Form 11H) and *Direct Deposit of Benefits (Form 15D)* up to six months before your date of retirement. No retirement benefit will be issued unless TRSL has this information on file for you.*

* For all retirements effective on or after January 1, 2002, benefit payments are made by direct deposit. You must complete and submit the *Direct Deposit of Benefits* (Form 15D) before any check is issued.

Please coordinate your date of retirement with your employer and inform TRSL of any change before cashing or depositing a retirement payment (including the DROP account). Once you cash, deposit, or receive direct deposit of a retirement check, you are retired as of the effective date specified on your retirement application, and your retirement cannot be canceled.

After all certification has been received from your employer(s) and all contributions have been posted (if applicable), we will compute your final retirement benefit amount and send you a letter indicating this amount. Because of the time it takes to receive all requested information and correctly post all salary earnings, it can take as long as **six months** from your date of retirement for your benefit to be finalized.

Be sure to include your Social Security number with any correspondence. Also, **send any certified mail to TRSL's street address at 8401 United Plaza Boulevard, Suite 300, Baton Rouge, LA 70809-7017.**

Retirement counseling

If you would like personal counseling, contact TRSL's Member Information Center (MIC) at 225-925-6446 (Baton Rouge area) or toll-free at 1-877-ASK-TRSL (1-877-275-8775). Your call will be directed to a retirement analyst. Most questions can be answered over the phone, saving you a trip to TRSL.

TRSL also has individual counseling sessions in different parts of the state. To find out when and where these sessions are scheduled for your area, call our retirement education department at 225-925-6582 or check the workshop schedule on TRSL's website at www.trsl.org.

Retirement credit for unused sick leave

Sick leave is a benefit of your employment, not retirement, and is subject to the authority of your employing agency. However, unused sick leave is an important aspect of your retirement because it can increase your monthly retirement benefit when it is converted to retirement credit. TRSL calculates the conversion of unused, accumulated sick leave to retirement credit once you have actually retired. The following information will help you make the calculation yourself before you decide to retire.

Unused sick leave cannot be used to attain eligibility for retirement. Eligibility must first be obtained, then unused sick leave credit is added for total retirement service credit.

The amount of sick leave that may be used to increase retirement service credit depends on when the sick leave was earned. Sick leave credit earned through June 30, 1988; between June 30, 1988, and June 30, 1990; and credit earned after June 30, 1990, are governed by different laws.

Sick leave earned through June 30, 1988

For retirement purposes, 9-month employees accumulate 10 days per year. If the school year was less than 9 months, they still accumulate 10 days per year. For retirement purposes, 10-month employees accumulate 11 days per year.

Both 9- and 10-month employees who work extra months accumulate one extra day or a portion thereof for each additional month of full-time service. For example, for a 9-week summer school session, a 9-month teacher would accumulate 2.25 days of sick leave (2.25 months times 1 day per month or 2.25 days). If he or she taught half-time, then 9 weeks of summer school would equal 1.13 days (2.25 months times 0.5 day per month or 1.13 days).

For retirement purposes 11- and 12-month employees accumulate sick leave as follows:

- ◆ First three years - 12 days per year
- ◆ Next seven years - 15 days per year
- ◆ More than 10 years - 18 days per year

From the accumulated total of sick leave days through June 30, 1988, subtract the number of sick leave days you used through June 30, 1988. (See note 5 on page 13.) The balance of **unused** sick leave days on June 30, 1988, will be converted to service credit according to the *Accumulated Sick Leave Conversion Table I* (below) for all members (9-, 10-, 11-, and 12-month employees).

NOTE: The amount of sick leave that your employer allows you to accumulate may be different from the amount TRSL will allow for retirement benefit computation credit.

Accumulated Sick Leave Conversion Table I	
25 - 45 days = 0.25 years	361 - 405 days = 2.25 years
46 - 90 days = 0.50 years	406 - 450 days = 2.50 years
91 - 135 days = 0.75 years	451 - 495 days = 2.75 years
136 - 180 days = 1.00 years	496 - 540 days = 3.00 years
181 - 225 days = 1.25 years	541 - 585 days = 3.25 years
226 - 270 days = 1.50 years	586 - 630 days = 3.50 years
271 - 315 days = 1.75 years	631 - 675 days = 3.75 years
316 - 360 days = 2.00 years	676 - 720 days = 4.00 years

Sick leave earned after June 30, 1988

State law provides that all unused sick leave credit days earned after June 30, 1988, less the number of days for which the employer pays upon the member's retirement, will be converted to years based upon the *Accumulated Sick Leave Conversion Table II* (next page).

Under this provision, 9-month employees continue to accumulate 10 days of sick leave per year, and 10-month employees accrue 11 days per year. Both 9- and 10-month employees who work extra months accumulate one extra day for each additional month of full-time employment. All 11-month and 12-month employees will accumulate 12 days per year during the first 10 years of service as an 11- or 12-month employee, and 18 days per year for each year thereafter for retirement credit.

From the accumulated total of sick leave days earned from July 1, 1988, through termination of employment and retirement, subtract the number of sick leave days you used during that period **and** the number of days you were paid by your employer upon retirement. The balance is converted to retirement service credit according to the table on the following page, subject to the following section on sick leave earned after June 30, 1990. (See note 5 on page 13.)

Accumulated Sick Leave Conversion Table II

Accumulated sick leave days for those who work:				Fraction of year credit
9 months	10 months	11 months	12 months	
10-18	11-20	12-22	13-24	0.1 year
19-36	21-40	23-44	25-48	0.2 year
37-54	41-60	45-66	49-72	0.3 year
55-72	61-80	67-88	73-96	0.4 year
73-90	81-100	89-110	97-120	0.5 year
91-108	101-120	111-132	121-144	0.6 year
109-126	121-140	133-154	145-168	0.7 year
127-144	141-160	155-176	169-192	0.8 year
145-162	161-180	177-198	193-216	0.9 year
163-180	181-200	199-220	217-240	1.0 year

All unused sick leave days earned after June 30, 1988, less the number of days for which your employer pays upon your retirement, will be converted to years based on the *Accumulated Sick Leave Conversion Table II*.

Sick leave earned after June 30, 1990

State law allows a member to convert into service credit one additional year of sick leave earned after June 30, 1990, at no cost.

All unused sick leave days earned after June 30, 1990, in excess of an amount that would convert to one year of service credit may only be added to a member's account if purchased.

At this time, most members are not affected by this limitation. For example, a member who is a 9-month employee would have to work at least 18 years after June 30, 1990, as a 9-month employee, and not use a single day of sick leave in order to be affected by this provision. According to *Accumulated Sick Leave Conversion Table II*, a 9-month employee needs more than 180 unused days to have more than one year of service credit converted from unused leave. Likewise, a 12-month employee who has been accruing 18 days per year since June 30, 1990, would have to work at least 13.33 years since June 30, 1990, and not use a single day of sick leave in order to be affected by this law.

In order to purchase unused sick leave days as service credit, you must pay to the retirement system an amount which, on an actuarial basis, totally offsets the increase in accrued liability of the system resulting from the receipt of the credit. Unused sick leave can only be purchased at the time of retirement.

Any leave purchased cannot be used to attain eligibility for any benefit, and cannot be used in the computation of the average compensation.

The employer, at its discretion, may not pay more than 50 percent of the purchase price. However, if the employer makes such a payment, it must then treat all employees in the same manner.

For more information about purchasing unused sick leave, see TRSL's handbook, *Purchases and Transfers of Service Credit*.

Some examples

1. This member worked 30 years, 5 of which were after June 30, 1988. The first 10 years were on a 9-month contract, and the last 20 were on a 12-month contract. In addition, the member worked 8 summers.

Sick leave before July 1, 1988 (refer to Table I):

10 years @ 10 days = 100 days
8 summers @ 2.25 days = 18 days
3 years @ 12 days = 36 days
7 years @ 15 days = 105 days
5 years @ 18 days = 90 days
Total possible = 349 days
Less days used – 33 days
Total sick leave = 316 days
Retirement leave credit 316 days = 2 years

Sick leave after June 30, 1988 (refer to Table II):

5 years @ 18 days = 90 days
Less days used – 6 days
Subtotal of sick leave = 84 days
Less days paid by employer – 25 days
Total sick leave = 59 days
Retirement leave credit 59 days = 0.3 years

Total additional service credit added for unused sick leave would be 2.3 years.

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2. This member worked 25 years on a 9-month contract, 4 years of which were after June 30, 1988.

Sick leave before July 1, 1988 (refer to Table I):

21 years @ 10 days = 210 days
Less days used – 35 days
Total sick leave = 175 days
Retirement leave credit 175 days = 1 year

Sick leave after June 30, 1988 (refer to Table II):

4 years @ 10 days = 40 days
Less days used – 2 days
Subtotal of sick leave = 38 days
Less days paid by employer – 25 days
Total sick leave = 13 days
Retirement leave credit 13 days = 0.1 year

Total additional credit added for unused sick leave will be 1.1 year.

3. This member worked 26 years, 6 of which were earned after June 30, 1988. The first 12 years were on a 9-month contract, and the last 14 were on an 11-month contract.

Sick leave before July 1, 1988 (refer to Table I):

12 years @ 10 days = 120 days
3 years @ 12 days = 36 days
5 years @ 15 days = 75 days
Total possible = 231 days
Less days used – 15 days
Total sick leave = 216 days
Retirement leave credit 216 days = 1.25 years

Sick leave after June 30, 1988 (refer to Table II):

2 years @ 12 days = 24 days
4 years @ 18 days = 72 days
Total possible = 96 days
Less days used – 2 days
Subtotal of sick leave = 94 days
Less days paid by employer – 25 days
Total sick leave = 69 days
Retirement leave credit 69 days = 0.4 years

Total additional service credit added for unused sick leave would be 1.65 years.

Additional notes on sick leave conversion

1. Since teachers employed on a substitute basis do not earn sick leave, and LSA-R.S. 11:752 specifies no sick leave accrual rate for substitute teachers, no sick leave calculated in accordance with LSA-R.S. 11:752 will be used by TRSL in determining the retirement benefit applicable to service credit earned by the member while working as a substitute.
2. Sick leave credit for purchased military leave under USERRA or the Military Service Relief Act that interrupts TRSL employment is computed by TRSL at the 9-, 10-, 11-, or 12-month rate, depending on the member's status when the leave began. Military Service Relief Act includes Desert Storm service.
3. At retirement, members who purchase service credit at actuarial cost after June 30, 1986, do not receive sick leave credit for the purchased time. This includes private school service, out-of-state public school service, official leave, and most military service.
4. After DROP participation, upon regular retirement and termination of employment, the number of sick leave days for which the member was paid will be subtracted from the sick leave accumulated **after** June 30, 1988.
5. After June 30, 1988, if sick leave days **before** subtracting the paid days shows only overused days, then the overused days are subtracted from the balance through June 30, 1988, to determine sick leave credit per *Accumulated Sick Leave Conversion Table I*.
6. In the computation of sick leave accrued, the actual, not rounded, service credit is used.
7. At retirement, members who transfer service credit from another Louisiana public retirement system do not receive credit for sick or annual leave earned during the years transferred.

Sick leave computation worksheet

Unused leave earned through June 30, 1988 (refer to Table I)

Service Credit Years		Days Accrued per Months of Contract		Total Days Accrued
_____	x	_____	=	_____
_____	x	_____	=	_____
_____	x	_____	=	_____
_____	x	_____	=	_____
_____	x	_____	=	_____

11- and 12-month employment:

_____	x	12.00	=	_____
_____	x	15.00	=	_____
_____	x	18.00	=	_____

Percent		Summer School Months		
100%	x	_____	=	_____

Total days accrued	_____
Total days used	- _____
Overused days after June 30, 1988	- _____
Unused sick leave days	_____
Sick leave credit through June 30, 1988	_____ year

(Worksheet for unused leave earned after June 30, 1988, on next page.)

**Unused leave earned after June 30, 1988
(refer to Table II)**

Service Credit Years		Days Accrued per Months of Contract		Total Days Accrued
_____	x	_____	=	_____
_____	x	_____	=	_____
_____	x	12.00	=	_____
_____	x	18.00	=	_____
_____	x	_____	=	_____

Employment during/after DROP:

_____	x	_____	=	_____
_____	x	_____	=	_____
_____	x	_____	=	_____

Percent		Summer School Months		
100%	x	_____	=	_____

Total days accrued after June 30, 1988	_____
Total days used after June 30, 1988	- _____
Balance or (overused) days	_____
Paid by employer	- <u>(25.00)</u>
Unused sick leave days	_____

Contract months at termination (circle one) 9 / 10 / 11 / 12

Sick leave credit after June 30, 1988 _____ year

Sick leave through June 30, 1988 +
Sick leave after June 30, 1988 =
Total sick leave credit _____ year

(For simplified estimate purposes only.)

Retirement credit for unused annual leave

Annual leave cannot be used to attain eligibility for any benefit, and cannot be used in the computation of average compensation.

Employees of state agencies, colleges, universities, community colleges, and technical colleges are eligible to receive credit for unused annual leave at no cost, subject to the restrictions given below.

For a member to obtain credit for unused annual leave, TRSL must receive official certification of annual leave accrued under established leave regulations and for which an attendance record was maintained for the employee by his employer.

Members who are state employees are usually paid for 300 hours or 37.5 days of annual leave by their employers upon termination of employment. The number of days for which a member is paid is deducted from the number of days certified as unused by the employer.

The formula for computing unused annual leave is as follows: divide annual leave days remaining by the days of contract to determine the percentage of year for retirement credit.

Annual leave earned after June 30, 1990

After June 30, 1990, unless a member was a state employee as defined by law and was eligible to retire on or before that date, any unused annual leave earned after that date will have to be purchased at actuarial cost in order to have it converted into service credit. This applies only to annual leave earned after June 30, 1990.

Annual leave purchase by school board employees

Employees of school boards are eligible to receive credit for unused annual leave if it is purchased at actuarial cost. This annual leave must have accrued under established leave regulations, and an employee attendance record must have been maintained by the employer.

Only at the time of retirement may these members purchase unused annual leave for which they are not entitled to payment. The employing agency may not pay more than 50 percent of the purchase price. However, if it makes such a payment, the agency must then make the same payments for all employees who make application for the purchase of annual leave.

For more information about purchasing unused annual leave, see TRSL's handbook, *Purchases and Transfers of Service Credit*.

Retirement benefit payments

TRSL issues retirement benefit checks on the first of each month for that month. If you have submitted your completed *Termination of Employment at End of DROP Participation/Employment* (Form 11H) by the first week of the month in which you terminate, you can expect to receive an estimated benefit payment the following

month* A retiree's first payment is always a paper check. You will continue to receive estimated payments until we finalize your retirement. The amount of the estimated payment is your DROP deposit plus your after-DROP estimated benefit. The formula used to compute the after-DROP estimated benefit is as follows: DROP regular service credit × retirement factor (2%, 2.5%, or 3%) × before-DROP average compensation × 90%. Because of the time it takes to receive all requested information and correctly post all salary earnings, it may take as long as **six months** from your date of retirement for your benefit to be finalized.

* For all retirements effective on or after January 1, 2002, benefit payments are made by direct deposit. You must complete and submit the enclosed *Authorization for Direct Deposit* (Form 15D) before any check is issued.

Note: Retirement checks cannot be forwarded to a new address. You must notify TRSL in writing of any change of address.

Retroactive payment

After the final retirement benefit amount is calculated, the Retirement Payroll Section will compute the amount of your "retro" payment. The "retro" payment will include the difference between the amount of the estimated payments received, and the final monthly amount plus any partial or whole months not paid after your retirement date.

For example, if your retirement date is June 6 and you receive estimated benefit payments July 1 and August 1 for \$2,000 each and your final benefit is \$2,100, we will owe you a "retro" amount of \$1,949.93, which is calculated as follows:

June 6 through August 31 = 2.8333 months;
2.8333 months × \$2,100 = \$5,949.93;
\$5,949.93 – \$4,000 = \$1,949.93.

The "retro" payment will be issued. Then, your next retirement payment will be for the final monthly amount.

Tax recoverable contributions

Information about the monthly, tax-free portion of your benefit will appear on the benefit computation worksheet that is sent when your retirement benefit is finalized. The annual amount will also appear in Box 5 of Form 1099-R, which is mailed each January.

Your retirement benefit is exempt from Louisiana state income tax. However, it is subject to federal income tax.

Member contributions made to TRSL before July 1, 1988, were taxed (unsheltered) and are not subject to tax in retirement. However, member contributions made on and after that date were not taxed (sheltered), and become taxable in retirement.

The Internal Revenue Service (IRS) developed the *simplified method*, using two

tables, to calculate what portion of the retirement benefit is subject to federal income tax. Using the appropriate table, the basic formula for calculating the tax-free portion of the retirement benefit is the amount of unsheltered TRSL contributions divided by the number of months allowed by the IRS according to the member's age. The resulting figure is the tax-free portion of the monthly benefit.

The **Single Life Annuity (Table 1)** applies to those who retired before January 1, 1998. After December 31, 1997, it applies only to retirees who retired under the Maximum Option or Option 1.

Single Life Annuity (Table 1)		
Age when member begins retirement	Number of months for payout or recovery	Number of years for payout or recovery
55 or under	360	30.00
55 and one day to 60	310	25.83
60 and one day to 65	260	21.67
65 and one day to 70	210	17.50
70 and one day or more	160	13.33

For example, if a retiree paid taxes on contributions of \$20,000 and was age 60 at retirement, the tax-free portion would be computed as follows: \$20,000 in contributions divided by 260 payments equals \$79.92 per month tax free. The retiree would pay federal income tax on all the monthly benefit, except \$79.92.

The **Joint and Survivor Annuity (Table 2)** applies to anyone retiring after December 31, 1997, under Options 2, 2A, 3, 3A, 4, or 4A. These options provide benefits based on the combined ages of the retiree and the beneficiary.

Joint and Survivor Annuity (Table 2)		
Combined ages of member and beneficiary when member began retirement	Number of months for payout or recovery	Number of years for payout or recovery
110 or under	410	34.17
110 and one day to 120	360	30.00
120 and one day to 130	310	25.83
130 and one day to 140	260	21.67
140 and one day or more	210	17.50

For example, if a retiree paid taxes on contributions of \$20,000 and was age 60 and his designated beneficiary was age 56, the tax-free portion of his benefit would be computed as follows: \$20,000 in total contributions divided by 360 payments equal \$55.56 per month tax-free. The tax-free portion stays the same throughout the retiree's life expectancy, regardless of changes in the benefit.

If the contributions have not been fully recovered at the time the retiree dies, in the case of a joint and survivor annuity, the survivor will exclude the same monthly amount from taxable income until the amount of contributions has been recovered for tax purposes.

Insurance questions

You may have health and life insurance through your employer, either with the Louisiana Office of Group Benefits or some other authorized insurance provider. You will probably want to continue that coverage after retirement.

For information about your health and life insurance coverage, contact your employer or your insurance company. TRSL has no authority over members' or retirees' insurance coverage.

Here are some questions which you should ask your employer and your insurance company:

- ◆ Will my premiums remain the same, or will they increase after I retire?
- ◆ Will I continue to have dependent coverage?
- ◆ Will my premiums be deducted from my retirement check, or will I be billed through my employer? TRSL does automatically deduct insurance premiums from insurance providers if requested by your employer. Contact your personnel office for information.
- ◆ Will I remain covered if I am eligible for Medicare?

Members should also tell their friends and family where to locate their insurance policies and other important documents in the event of their death or serious illness.

Withdrawing from your DROP account

DROP or ILSB Retiree Withdrawal Method Selection (Form 11J or 11N), *Direct Deposit for DROP or ILSB Account Withdrawals* (Form 11R), and *DROP or ILSB Retiree Spousal Consent to Withdrawal Method* (Form 11G-1) will be mailed to you after TRSL receives your completed employment termination notice (Form 11H).

After you end participation in DROP and terminate employment, you may begin withdrawing from your DROP account. Your *DROP or ILSB Retiree Withdrawal Method Selection* (Form 11J) should be received **at least 30 days before the disbursement of funds**. Withdrawals from your DROP account will be paid to you on the 15th of each month, according to the withdrawal method you select. **Your**

withdrawal may begin on the 15th day of the month following payment of your first monthly retirement benefit.

The start of your withdrawals may be delayed up to 11 months after your retirement date. **If you delay beginning your DROP withdrawals or your first payment was delayed until you received your first monthly benefit, your first DROP withdrawal will include a retroactive amount equal to the withdrawals that would have been made during the delay period. The delay period is the months between your retirement date and the date your DROP withdrawals began.**

You may withdraw the total account balance at any time after ending DROP participation and terminating employment, even after beginning a series of withdrawal payments. There are potential tax issues if you do this. Check with TRSL for more information. Total account balance withdrawals are taxable as described below.

Total account balance withdrawals or withdrawals that are scheduled to be paid out over a period of less than 10 years are subject to a mandatory 20 percent withholding for federal income tax unless TRSL transfers the withdrawal directly to another qualified plan. Qualified plans include retirement accounts qualified under Sections 401(a) or 401(k) of the Internal Revenue Code, tax-sheltered annuities under IRC Section 403(b), governmental deferred compensation plans under IRC Section 457, or traditional IRAs under IRC Section 408(a). Transfers cannot be made to a Roth IRA, a Simple IRA, or a Coverdell Education Savings Account.

See TRSL's *Special Tax Notice* for information on how this requirement will affect you.

Your DROP withdrawal amount is exempt from Louisiana state income tax if paid directly to you by TRSL. However, if you roll these funds over to an IRA and later withdraw them from the IRA, state income tax applies to any withdrawals from that IRA.

Take note!

Send certified mail to TRSL's street address at 8401 United Plaza Blvd., Ste. 300, Baton Rouge, LA 70809-7017.

Withdrawal methods

The manner in which funds are withdrawn from DROP accounts can have serious tax consequences. TRSL recommends that you consult a qualified tax advisor before making any decisions about withdrawing your funds.

TRSL staff is also available to discuss the options available to you when deciding how to withdraw from your DROP account. If you are married, your spouse must sign the *DROP or ILSB Retiree Spousal Consent to Withdrawal Method* (Form 11G-1) if you withdraw your funds over a period of less than your life expectancy.

Taxes are deferred on DROP account deposits. Taxes become due as funds are withdrawn. TRSL reports withdrawals to the Internal Revenue Service (IRS) at the end of each calendar year. DROP withdrawals must be made in accordance with IRS regulations and established TRSL rules and regulations. (See “Effect of life-expectancy table” on page 22.)

Withdrawals will be issued on the 15th day of each month and are limited to the following methods:

- ◆ **Monthly withdrawals** in an amount to be determined by your life expectancy or any amount specified by you to last for a period less than your life expectancy. This periodic payment may not vary from month to month, but you will have an opportunity to increase this amount once a year.
- ◆ **Annual withdrawals** in an amount to be determined by your life expectancy or any amount specified by you to last for a period less than your life expectancy. This periodic payment may not vary from year to year, but you will have an opportunity to increase this amount once a year. You must select the month in which the annual payment is to be made.

Whether monthly or annual, the first payment must be made within the 12-month period immediately following DROP participation and termination of employment.

- ◆ **A partial, single-sum (PSS) withdrawal**, in an amount determined by you, can be taken once in your or your beneficiary's lifetime.

If taken when **beginning withdrawals**, the balance of the account must be taken out monthly or annually not to exceed your life expectancy.

If taken **after withdrawals have begun**, the previous monthly or annual withdrawal cannot be decreased. Taking a PSS may change the way taxes are withheld from future monthly or annual withdrawals. This may result in a change from a voluntary federal income tax withholding to a mandatory 20 percent federal income tax withholding. In order to take a partial single sum after withdrawals have begun, certain conditions must be met. You must have been at least age 55 at retirement, or you must be at least age 59-1/2 at the time you receive the partial single sum, and you cannot decrease your current monthly or annual withdrawal.

In any case, a spousal consent form, *DROP or ILSB Retiree Spousal Consent to Withdrawal Method* (Form 11G-1), must be signed if you are married when you get your partial single sum.

- ◆ **A total DROP account balance withdrawal** can be chosen at any time after your retirement or at any time after monthly or annual withdrawals have begun.

You may have your continuing DROP withdrawals (and retirement benefit) deposited directly to your personal checking or savings account via electronic fund transfer to most financial institutions. This is mandatory for members who retire on or after January 1, 2002.

Changing the withdrawal method and/or amount

You will have one opportunity each year to change the periodic withdrawal method and/or amount. At no time may the disbursement from the account be less than the previous amount of the periodic payment, unless you retired before January 1, 2003, and are now age 70-1/2 or older. Call TRSL at 225-925-6446 for more information on this situation. You may make a total withdrawal of all funds in the DROP account at any time following termination of employment, even after periodic withdrawals have begun.

If you are under age 55 and elect to receive your distribution for life and then change the payout schedule to less than life and you do so within five years or before you are age 59-1/2, you will be subject to a federal recapture of 10 percent plus interest on all the amounts you received prior to age 59-1/2.

Effect of life-expectancy table

According to IRS regulations, you must withdraw the entire account balance within a certain time period, which is your projected life expectancy based on the age at which you retire.

The current IRS life expectancy table became effective for those who retired on or after January 1, 2003.

When you retire, you must withdraw your account balance according to the *Single Life Table*, a portion of which is shown on the facing page. If your age is not listed, please contact TRSL at 225-925-6446 or refer to the complete IRS tables on TRSL's website at www.trsl.org.

Withdrawal changes after death

If you die, your accumulated DROP benefits will be paid to your designated beneficiary(ies).

If you have not begun withdrawals at the time of your death, a spousal beneficiary will select a withdrawal method by submitting a *DROP or ILSB Retiree Beneficiary Request for Withdrawal Selection* (Form 11K-S). The time period for withdrawals will be based on your spouse's age and may not be longer than that shown in the life-expectancy table on the previous page. If withdrawals have already begun, your spouse must submit a *DROP or ILSB Retiree Spousal Beneficiary Request for Withdrawal* (Form 11M-S). The spouse may continue the same withdrawals or make any changes the member would have been able to make.

A nonspousal beneficiary must withdraw the total DROP account balance.

Portion of the IRS <i>Single Life Table</i>		
Age when member begins retirement	Number of months for payout or recovery	Number of years for payout or recovery
50	410	34.2
51	399	33.3
52	387	32.3
53	376	31.4
54	366	30.5
55	355	29.6
56	344	28.7
57	334	27.9
58	324	27.0
59	313	26.1
60	302	25.2
61	292	24.4
62	282	23.5
63	272	22.7
64	261	21.8
65	252	21.0
66	242	20.2
67	232	19.4
68	223	18.6
69	213	17.8
70	204	17.0
71	195	16.3
72	186	15.5
73	177	14.8
74	169	14.1
75	160	13.4

Should you die without having a beneficiary, the account balance will be paid to your succession.

In the event of the death of your spousal or nonspousal beneficiary after your death, any remaining DROP account balance will be paid to your beneficiary's succession.

Legislation affecting DROP interest calculations

Act 962 of the 2003 Regular Session of the Louisiana Legislature established a new method of calculating interest earnings for DROP accounts of members who become eligible for DROP **on or after** January 1, 2004.

The new interest bearing DROP account will be referred to as LaDROP (Liquid Asset DROP). LaDROP accounts will earn interest at the liquid asset money market rate less a 0.25 percent administrative fee for TRSL.

The liquid asset money market returns as of July 2003 averaged approximately 1 percent. This means LaDROP accounts would have earned approximately 0.75 percent. The estimated returns over a member's life expectancy (less the administrative fee) should be approximately 3.5 percent annually based upon historic interest rates. Liquid asset money market rates are approximately the same as passbook savings account interest rates.

Members eligible to enter DROP **before** January 1, 2004, are not affected by this new provision and will continue to earn interest computed annually based on the system's actuarially realized rate of return less 0.5 percent administrative fee. See interest rate information on pages 28-29.

Using the *Monthly Withdrawals* table

To use the table on the facing page, find your age on the date of your retirement.

- ◆ **Column 1** shows the age at retirement.
- ◆ **Column 2** assumes \$1,000 as your account balance.
- ◆ **Column 3** shows the minimum monthly amount that must be withdrawn from the account according to IRS requirements. The minimum monthly/annual withdrawals would not be subject to the IRS provisions requiring mandatory withholding, although taxes would still be due.

No interest is assumed in Column 3 calculations; therefore, the last payment from the account would likely be substantial and would be subject to the mandatory 20 percent federal income tax withholding and may be eligible for rollover, subject to any federal minimum distribution requirements.

- ◆ **Column 4** shows the monthly LaDROP withdrawal amounts necessary to pay out the entire balance, assuming projected interest earnings of 3.5 percent on LaDROP accounts, according to IRS requirements. These monthly/annual withdrawals would not be subject to the mandatory 20 percent federal income tax withholding and would not be eligible for rollover. The 3.5 percent interest is not guaranteed by TRSL.
- ◆ **Column 5** shows the greatest monthly amount that may be withdrawn from the LaDROP account and not be subject to the mandatory 20 percent federal income tax withholding and also not be eligible for rollover. These withdrawals, which assume projected interest earnings of 3.5 percent on LaDROP accounts, would exhaust the account in approximately 10 years. If a withdrawal schedule is chosen that exhausts the account in less than 10 years, the withdrawal is eligible for rollover and would be subject to the mandatory 20 percent federal income tax withholding if not rolled over. The 3.5 percent interest is not guaranteed by TRSL.

- ◆ **Column 6** shows the monthly withdrawal amounts necessary to pay out the entire DROP account balance over your projected lifetime, assuming projected interest earnings of 7.75 percent, according to IRS requirements. These monthly/annual withdrawals would not be subject to the mandatory 20 percent federal income tax withholding and would not be eligible for rollover. The 7.75 percent interest is not guaranteed by TRSL.
- ◆ **Column 7** shows the greatest monthly amount that may be withdrawn from the DROP account and not be subject to the mandatory 20 percent federal income tax withholding and not be eligible for rollover. These withdrawals, which assume projected interest earnings of 7.75 percent, would exhaust the account in approximately 10 years. If a withdrawal schedule is chosen that exhausts the account in less than 10 years, the withdrawal is eligible for rollover and would be subject to the mandatory 20 percent federal income tax withholding if not rolled over. The 7.75 percent interest is not guaranteed by TRSL.

The formula to determine your approximate monthly withdrawal amount is your account balance divided by 1,000 and multiplied by the amount corresponding to your age.

Monthly Withdrawals						
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
Age	DROP or LaDROP account balance	Lifetime minimum monthly withdrawal	LaDROP Lifetime withdrawal assuming 3.5% interest	LaDROP Withdrawal for 10-year payout bearing 3.5% interest	DROP Lifetime withdrawal assuming 7.75% interest	DROP Withdrawal for 10-year payout bearing 7.75% interest
50	\$1,000	\$2.00	\$4.00	\$10.00	\$7.00	\$12.00
51	1,000	3.00	4.00	10.00	7.00	12.00
52	1,000	3.00	4.00	10.00	7.00	12.00
53	1,000	3.00	4.00	10.00	7.00	12.00
54	1,000	3.00	4.00	10.00	7.00	12.00
55	1,000	3.00	4.00	10.00	7.00	12.00
56	1,000	3.00	5.00	10.00	7.00	12.00
57	1,000	3.00	5.00	10.00	7.00	12.00
58	1,000	3.00	5.00	10.00	7.00	12.00
59	1,000	3.00	5.00	10.00	7.00	12.00
60	1,000	3.00	5.00	10.00	7.00	12.00
61	1,000	3.00	5.00	10.00	7.00	12.00
62	1,000	4.00	5.00	10.00	7.00	12.00
63	1,000	4.00	5.00	10.00	8.00	12.00
64	1,000	4.00	5.00	10.00	8.00	12.00
65	1,000	4.00	6.00	10.00	8.00	12.00
66	1,000	4.00	6.00	10.00	8.00	12.00
67	1,000	4.00	6.00	10.00	8.00	12.00
68	1,000	4.00	6.00	10.00	8.00	12.00
69	1,000	5.00	6.00	10.00	8.00	12.00
70	1,000	5.00	6.00	10.00	9.00	12.00
71	1,000	5.00	7.00	10.00	9.00	12.00
72	1,000	5.00	7.00	10.00	9.00	12.00
73	1,000	6.00	7.00	10.00	9.00	12.00
74	1,000	6.00	7.00	10.00	10.00	12.00
75	1,000	6.00	8.00	10.00	10.00	12.00

LaDROP (members eligible on or after January 1, 2004)

The formula to determine your approximate monthly withdrawal amount is your account balance divided by 1,000 and multiplied by the amount corresponding to your age.

For example, if your account balance is \$55,234.64 and your age at retirement is 56:

$$\$55,234.64 \div \$1000 \times \$5.00 = \$276.17$$

In this case, the monthly withdrawal for your projected lifetime would be \$276.17, assuming 3.5 percent interest.

The withdrawal amounts in Column 4 and 5 assume an interest rate of 3.5 percent.

TRSL does not guarantee this or any other rate of interest on the money you have in your LaDROP account. Your LaDROP account earns 0.25 percent less than the liquid asset money market rate. **TRSL does not guarantee a minimum interest rate.**

DROP (members eligible before January 1, 2004)

For example, if your account balance is \$55,234.64 and your age at retirement is 56:

$$\$55,234.64 \div \$1,000 \times \$7.00 = \$386.64$$

In this case, the monthly withdrawal for your projected lifetime would be \$386.64, assuming 7.75 percent interest.

The withdrawal amounts in Columns 6 and 7 assume an interest rate of 7.75 percent. **TRSL does not guarantee this or any other rate of interest on the money you have in your DROP account.** Your account earns one-half of one percent less than TRSL's annual actuarially realized rate of return on investments. **TRSL does not guarantee a minimum interest rate.**

If interest rates decline in the future, withdrawal amounts in Columns 4, 5, 6, and 7 may result in the account being exhausted in less time than originally chosen.

All DROP retirees who are younger than 70-1/2 at the time of retirement must begin withdrawing at least the minimum amount within 12 months after retirement. (*DROP or ILSB Retiree Withdrawal Method Selection* - Form 11J)

All DROP retirees who turn 70-1/2 or who are older than 70-1/2 must begin withdrawing a minimum amount by April 1 of the calendar year beginning after they become 70-1/2 or within 12 months after retirement, whichever is earlier. Failure to do so will subject those members to an excise tax of 50 percent of the difference between the required payment and the actual payments made during the year. (*DROP or ILSB Retiree Withdrawal Method Selection for Ages 70-1/2 and Over* - Form 11N)

Members over 70-1/2 at the time of retirement may be able to withdraw less than shown in the table. Contact TRSL at 225-925-6446 for more information.

Partial single-sum (PSS) withdrawal as it relates to your required minimum distribution (RMD)

The Tax Reform Act of 1986 established minimum required pension distributions for retirees who are 70-1/2 or older at the time of retirement. If that retiree does not receive all of his or her account as payouts during the life expectancy (or less) following retirement, then the federal government will charge the retiree an excise tax equal to 50 percent of the difference between the required distribution and the actual distribution during each year following retirement. (Please see TRSL's *Special Tax Notice* brochure for more information regarding required minimum distribution (RMD).)

If you retire and your actual distribution from your DROP account begins in the calendar year that you have attained the age of 70-1/2 or later, you must receive an RMD each calendar year. RMD is **NOT** rollover eligible.

If you retire on or after January 1, 2003, withdrawals are calculated using the Internal Revenue Service (IRS) **Single Life Expectancy** table. Two additional tables exist that may lower your withdrawal amount (conditions apply). If your spouse is either not the sole beneficiary or is the sole beneficiary but not more than 10 years younger than you, you may select the **Uniform Lifetime** table. If your spouse is more than 10 years younger than you, or your designated beneficiary is not your spouse, you may select the **Joint Life and Last Survivor Expectancy** table. These tables can be found in IRS Publication 590, *Individual Retirement Arrangements (IRAs)* and on TRSL's website at www.trsl.org.

If you must meet an RMD and you choose a partial single sum (PSS) when you begin withdrawals, then the PSS will be used to meet your RMD first. The PSS amount chosen may exceed the RMD; it may equal the RMD; or it may be less than the RMD.

In the case where it exceeds the RMD, that portion which is in excess is rollover eligible and if it is received directly by you, it will be subject to 20 percent withholding when paid. Example: Your RMD equals \$8,000. You choose a PSS of \$10,000 and elect to receive the balance of your account monthly. \$8,000 of your PSS is not rollover eligible and is used to meet your RMD. The \$2,000 remaining is rollover eligible and is subject to 20 percent withholding if we pay it directly to you. The monthly or annual distribution chosen must equal at least \$8,000 when paid out over a calendar year (12 months).

In the case where your PSS equals the RMD, the entire PSS is used to meet the RMD. No portion is eligible for rollover, and you must follow the guidelines above for the remaining balance taken monthly or annually.

In the case where your PSS is less than the RMD, then the entire PSS is used to meet the RMD, and the monthly or annual amount chosen is used to meet the remaining balance of the RMD. In succeeding years, the monthly or annual amount chosen must equal at least the RMD when paid out over a calendar year (12 months).

In cases where you are already withdrawing and choose to make a PSS withdrawal, the PSS will be used to complete the RMD for the calendar year. If there is any amount remaining in excess of the RMD, this portion of the PSS will be rollover eligible.

It is best to consult with TRSL DROP staff regarding the PSS and the RMD prior to selecting your withdrawal method.

More DROP withdrawal information

DROP payments are issued on the 15th of the month.

Are you thinking about delaying your withdrawal from your DROP account?

If so, keep in mind that you'll receive a retroactive payment covering all withdrawals you were due since the month you were first eligible to begin your withdrawal.

For example, let's say you retired on June 1, 2002. Your first withdrawal could have begun on June 15, 2002. However, you decided to wait the maximum 11 months before you chose to begin withdrawing \$500 monthly. On May 14, 2003, you would have received a retroactive check in the amount of \$5,500 covering 11 months (June 15, 2002, through April 15, 2003). You would have also received your regular DROP withdrawal for the month of May 2003 in the amount of \$500. Your retroactive payment would have been taxed at 10 percent, and the tax on your regular monthly withdrawal would have been based on the marital status and the number of exemptions you elected on your *DROP or ILSB Retiree Withdrawal Method Selection* (Form 11J) W-4P withholding certificate.

Are you married and planning to withdraw your account balance over a period less than your life expectancy? If yes, your spouse is required to complete and sign a *DROP or ILSB Spousal Consent to Withdrawal Method* (Form 11G-1) in the presence of a notary public.

Interest on DROP and LaDROP accounts

DROP (members eligible before January 1, 2004)

After DROP participation is completed, the account earns 0.5 percent less than TRSL's actuarially realized rate of return.

Interest is posted to a regular DROP account once a year (based on daily compounding), usually in the first quarter of the calendar year following the end of the fiscal year for which the interest was earned. For example, interest earned on account balances for the 2002-03 fiscal year (July 1, 2002, through June 30, 2003) were posted in the first quarter (January-March) of 2004. No interest is lost because of the delayed posting.

The delayed posting is necessary because it is several months after the end of the fiscal year (July 1–June 30) before TRSL knows what the interest rate will be for that fiscal year. Time is needed to evaluate the performance of TRSL’s investments and to prepare financial and actuarial reports before a rate of return can be determined. Then the Public Retirement Systems’ Actuarial Committee, which usually meets in January each year, must approve the rate.

Once posted, statements are mailed showing the new account balance, including interest. Past interest rates have been posted as follows:

Interest rates on DROP accounts (members eligible before 1/1/04)		
Fiscal Year Ended June 30	TRSL Actuarially Realized Rate of Return	DROP Interest Rate
1993	12.48%	11.98%
1994	9.20%	8.70%
1995	5.72%	5.22%
1996	17.09%	16.59%
1997	12.82%	12.32%
1998	20.78%	20.28%
1999	13.99%	13.49%
2000	17.63%	17.13%
2001	0.05%	0.00%*
2002	-5.84%	0.00%*
2003	-5.55%	0.00%*
2004	9.85%	9.35%
2005	9.87%	9.37%
2006	15.65%	15.15%
2007	15.20%	14.70%

* An attorney general opinion ruled that DROP accounts could not be debited, so account interest rates were set to zero.

LaDROP (members eligible on or after January 1, 2004)

After DROP participation is completed, the LaDROP account earns interest at the liquid asset money market rate, which was 4.88 percent as of June 2007, after the 0.25 percent administrative fee.

Interest will be posted to a LaDROP account monthly. Interest will be based on the balance in the account for that month. If a member chooses a total account balance withdrawal, interest factors will be projected for the last two to four days before the payroll date to allow time for processing.

Direct deposit

You must complete the *Direct Deposit of DROP or ILSB Account Withdrawals* (Form 11R) for DROP or LaDROP monthly or annual withdrawals. This form can be downloaded from TRSL's website. The financial institution that you designate for your deposit must certify Section 3 of the form. A completed Form 11R is required to begin or change your direct deposit of DROP or ILSB account withdrawals. These completed forms can be faxed to TRSL at 225-925-4779. Nonreceipt of the DROP or ILSB direct deposit form will result in TRSL using the direct deposit information on file for your monthly benefit payment.

With direct deposit, DROP withdrawals are deposited directly into your checking or savings account on the 15th of the month. However, when the 15th of the month falls on a weekend or a holiday, the direct deposit is posted to your account the next business day of the month. Direct deposits cannot be dated on a weekend or federal holiday because these are nonbanking days for the Federal Reserve Bank.

Waivers may be granted upon written request to TRSL. Requests for exemption from this direct deposit requirement should be addressed to Retirement Benefits Administrator, at P.O. Box 94123, Baton Rouge LA 70804-9123.

Cost-of-living adjustment (COLA)

In 1992 the Employee Experience Account was established to provide periodic cost-of-living increases for retirees and their beneficiaries. The account is funded by setting aside 50 percent of net investment earnings in excess of the amount needed to meet TRSL's actuarial obligations.

Act 402 of 1999 established an annual COLA, payable on July 1 each year, based on the annual percentage increase in the Consumer Price Index–All Urban Consumer (CPI-U), as long as the funds necessary to pay the COLA are in the Employee Experience Account. The COLA is to be equal to the CPI-U percentage increase from the preceding calendar year, but cannot exceed 2 percent. Effective July 1, 2002, Act 1172 of 2001 allows TRSL to increase the annual COLA from 2 percent to 3 percent, not to exceed the CPI-U, in the years when TRSL's return on investments equals or exceeds 8.25 percent. The 2 percent limit remains in effect in those years when the investment target is not reached. **No COLA can be given unless there are sufficient funds in the Employee Experience Account to pay for it.**

To be eligible for the COLA, a retiree must be at least 55 years of age by July 1 and have received a benefit for at least one year. A beneficiary will be eligible for the COLA if the retiree would have been eligible for the COLA.

Effective July 1, 2001, Act 1172 of 2001 limits the COLA to the first \$81,184 of the annual benefit and allows disability retirees to receive the annual COLA without regard to age. The \$81,184 is adjusted upward for inflation each year.

Social Security

There are Social Security offsets and reductions that may affect any Social Security benefit a member may be expecting on his or her own account or as a spouse.

Regular Plan members who had 10 years of TRSL service credit as of September 1, 1985, are not subject to an offset of Social Security benefits based on their own Social Security account. If you were not eligible to retire before January 1, 1986, you will receive a reduced Social Security benefit when you begin receiving your TRSL pension.

In order to avoid the Social Security reduction, you do not have to actually retire under early retirement provisions, but you must be able to provide the Social Security Administration with proof that you were eligible for retirement before January 1, 1986. If you are eligible for retirement and need proof of your eligibility for Social Security, you should send your request in writing to TRSL.

If you have paid into Social Security for 30 years or more on “substantial earnings,” you will not be subject to the reduction in benefits discussed above, even if you were not eligible to retire before January 1, 1986. If you are eligible for Social Security benefits based on your spouse’s Social Security earnings, you will probably receive reduced Social Security benefits when you begin receiving your TRSL pension. Call TRSL for a copy of our brochure *TRSL and Social Security Benefits* to learn more.

To find out how your retirement benefit from TRSL will affect your Social Security benefits, you should visit your local Social Security office, check the Social Security website at <http://www.socialsecurity.gov>, or call the Social Security Administration’s toll-free number (1-800-772-1213) for more information.

Act 132 of 1995 was enacted to provide early retirement to TRSL members who on January 1, 1982, had earned 10 years of service credit, regardless of their age. The Social Security Administration will not consider this law in order to determine if you will receive a reduction in your Social Security benefit.

If you are presently receiving Social Security benefits and you are subject to a reduction, notify the Social Security Administration anytime you receive a COLA from TRSL.

Returning to work after retirement

Effective July 1, 2001, retirees may return to work and earn a full salary and full retirement benefits if they wait at least 12 months after retirement. Re-employment during the 12-month waiting period will result in a suspension of retirement benefits for the duration of re-employment or the lapse of the waiting period, whichever occurs first. DROP withdrawals are not affected by returning to work.

During re-employment, the retiree and the employer will make contributions to TRSL, but the retiree will not receive additional service credit nor accrue additional retirement benefits. Upon termination of reemployment, the retiree may request a refund of contributions by completing and submitting a *Retiree Refund Application* (Form 7A).

Returning to work immediately

The earliest a retiree can return to work is the day **after** the date of retirement. There must be a break in service of at least one weekday (Monday–Friday) to be eligible to return to work as a retiree. For example, if the last day of work were a Friday, then the date of retirement would be a Saturday. The retiree could return to work on Tuesday (Monday is the one weekday representing the break in service). A retiree must negotiate **(cash or deposit)** the first retirement benefit check in order to be officially retired.

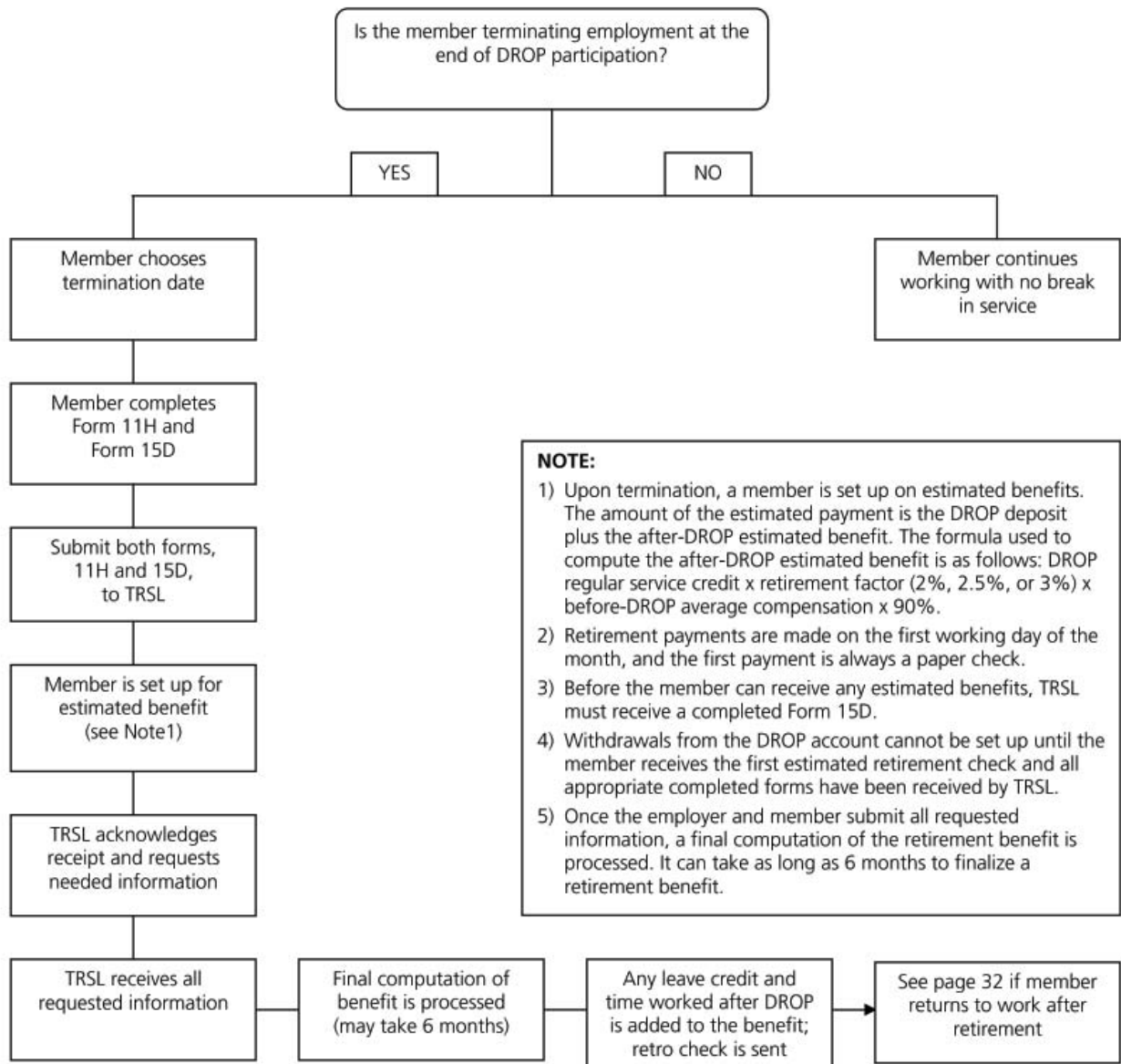
If employment occurs immediately after the date of retirement, the retiree must cash/negotiate the first retirement check and complete the *Retiree Return to Work Notification* (Form 15). As a result of immediate re-employment, the retiree is overpaid from the date of employment until benefits are suspended. Once benefits are reinstated, any prior overpayment is subtracted from the retiree's benefit.

Refund of contributions after re-employment ends

Retirees who return to work and make contributions to TRSL may request a refund of those funds upon termination of employment by completing and submitting a *Retiree Refund Application* (Form 7A). This form is available from the employer or from TRSL's website at www.trsl.org.

Once TRSL receives the application, the refund will be issued in approximately 30 to 45 days after the date of termination to allow time for employers to report all employee contributions to TRSL.

Flowchart for retirement after DROP



**The latest versions of all forms may be
found on TRSL's website at
*www.trsl.org***

Back of Form 10



Teachers' Retirement System of Louisiana

8401 United Plaza Blvd, Ste 300 • Baton Rouge, LA 70809-7017
P.O. Box 94123 • Baton Rouge, LA 70804-9123
Telephone: 225-925-6446 • Fax: (225) 925-6366
Toll free: (877) 275-8775
www.trsl.org

(08/07)

Checklist for Retiring After DROP

You can continue employment after DROP participation ends. However, when you are ready to retire, you must complete and submit to TRSL an *Application for Termination of Employment at End of DROP Participation/Employment* (Form 11H). You may cancel your application for retirement after DROP prior to the effective retirement date or prior to cashing or depositing any retirement payments (including the DROP account).

Use this checklist as a guide in gathering the documents necessary to process your application for retirement after DROP. Write your Social Security number and name on every document page.

What you need to do:

- Complete all sections of the *Application for Termination of Employment at End of DROP Participation/Employment* (Form 11H). Also complete the *Direct Deposit of Benefits* (Form 15D). No retirement benefit will be issued unless TRSL has a Form 15D on file for you.
- Talk with your employer about any insurance deductions.
- Mail all original completed forms to TRSL, and keep copies for your files.
- Contact other state retirement system if you have a reciprocal agreement

What your employer needs to do:

- Talk with you about any insurance deductions.
- Keep copies of all completed forms for your personnel file.
- Furnish you with copies of all completed forms.
- Furnish you with all original completed forms to send to TRSL.

If you were employed after DROP participation, your employer also needs to complete and submit the following documents:

- Certification of Questionable Years and Sick Leave - to be submitted online. If you worked for three or more years after DROP, your employer should certify your actual earnings and full-time rate for the base year, including any 10% cap exemptions.
- Agency Certification* (Form 11B), if applicable – to be submitted only **after** the last day of employment
- Annual Leave Certification* (Form 11C), if applicable – to be submitted only **after** the last day of employment
- Items to discuss with employer: resignation, insurance deductions, payment of unused sick leave

Additional forms that may be needed:

Additional forms to be completed and attached to *Application for Termination of Employment at End of DROP Participation/Employment* (Form 11H) - if applicable

- DROP or ILSB Account Spousal Consent* (Form 11G) – if spouse is not a named beneficiary to receive 50% of the DROP account

DROP or ILSB Retiree Withdrawal Method Selection (Form 11J), *Direct Deposit for DROP or ILSB Account Withdrawals* (Form 15R), and *DROP or ILSB Retiree Spousal Consent to Withdrawal Method* (Form 11G-1) will be mailed to you after TRSL receives your completed Form 11H.

**Check TRSL website at www.trsl.org
for latest versions of all forms.**

Back of Form 11H



Teachers' Retirement System of Louisiana
 8401 United Plaza Blvd, Ste 300 • Baton Rouge, LA 70809-7017
 PO Box 94123 • Baton Rouge, LA 70804-9123
 Telephone: 225-925-6446 • Fax: (225) 925-4779
 www.trsl.org

Form 15D (08/05)

10-15D

**Form may not
be altered
Do not use for DROP
or ILSB withdrawals**

Direct Deposit of Benefits

Section A— Benefit recipient information

Name: Last, first, MI, suffix (Jr., III, etc.)		<input type="checkbox"/> Check here if address change	Social Security number	
Telephone ()	If you are receiving multiple benefit payments, check ONE only (no selection indicates change will be applied to all accounts): <input type="checkbox"/> Change applies to ALL benefit payments <input type="checkbox"/> Change applies to RETIREE benefit payments only <input type="checkbox"/> Change applies to SURVIVOR/BENEFICIARY payments only	<input type="checkbox"/> I wish to receive a notice every month <input type="checkbox"/> I wish to receive a notice only when the net amount of my deposit changes		
Mailing address:		<input type="checkbox"/> I wish to receive a notice every month <input type="checkbox"/> I wish to receive a notice only when the net amount of my deposit changes		
City, state, zip				

I authorize and request Teachers' Retirement System of Louisiana (TRSL) to direct the net amount of my monthly benefit payment for crediting to my account at the financial organization designated below. This authorization is not an assignment of my right to receive payment and revokes all prior payment direction notifications applicable to these payments. This authorization will remain in effect until canceled by written notice from me to TRSL.

I authorize the bank to release to TRSL, on request, my current mailing address, the names and mailing addresses, if known, of any individuals authorized to sign on my account, and the names and addresses, if known, of individuals who have power of attorney to withdraw funds from my account.

If my death should occur before the due date of any payment which shall have been made by TRSL in compliance with this request or if I am a disability retiree and become employed in the field of education, public or private, or if I am a full-time student and if I should leave school and fail to notify TRSL, the below-mentioned financial organization will return such payments to TRSL in accordance with the agreement annexed hereto.

I further authorize TRSL to initiate electronic funds transfer debit transactions to retrieve payments sent, but not due, in the event that my death has occurred or if I become employed in the field of education, public or private, while receiving disability benefits, or if I am no longer a full-time student.

Recipient's signature (Do not print or type)	Date signed (mm-dd-yyyy)
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Section B — Joint signer information and signatures witnessed by bank office

Not required if spouse. Other joint signers not present for signature require submission of Joint Signer Affidavit (Form 15JS).

Name of joint signer (if any): Last, first, MI, suffix (Jr., III, etc.)		Social Security number	
Relationship to recipient	Telephone ()	<input type="checkbox"/> I wish to receive a notice every month <input type="checkbox"/> I wish to receive a notice only when the net amount of my deposit changes	
Street address only	City, state, zip		

I, _____, joint signer of the bank account listed below, accept the responsibility of notifying TRSL of the death of the above-named benefit recipient. I also accept responsibility for returning any funds to TRSL which were transmitted by TRSL to the bank account after the death of the benefit recipient. I agree to allow the debit transactions of retiree payments sent but not due after the date of death of the benefit recipient.

Joint signer's signature (Do not print or type)	Date signed (mm-dd-yyyy)
-------------------------------------------------	--------------------------

We, _____ and _____, the undersigned competent witnesses, hereby acknowledge and attest that the above-named recipient and joint signer (if any) appeared before us and personally signed the above in our presence this _____ day of _____, _____.

Signature of bank official	Signature of bank official
----------------------------	----------------------------

Section C — Financial organization agreement

Name of financial organization	ACH routing number	<input type="checkbox"/> Check here if not a member of ACH System
Address: Street / P.O. Box	Bank account number	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> ATM
City, state, zip		

In consideration of Teachers' Retirement System of Louisiana (TRSL) making payments in accordance with the foregoing request without requiring the personal endorsement of the payee, we hereby agree to repay and refund to TRSL on demand, subject to disposition required by law, the amount of any funds on deposit in the recipient's account at the time of demand that are due TRSL by reason of death of the retiree. We further agree to accept the certification of TRSL as to the date of death of such payee as sufficient evidence of date of death. In the event that we learn of the payee's death before TRSL, we agree to notify TRSL of the death and return any payments received after the death of payee to the extent that funds are available.

Dated at _____ this _____ day of _____, _____.

Signature of financial officer (Do not print or type)	Name and title of financial officer (Print or type)	Telephone ()	Toll-free number
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Back of Form 15D



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 PO Box 94123 • Baton Rouge, LA 70804-9123
 Telephone: 225-925-6446
 www.trsl.org

Form 11J (08/07)

05-11J

Do not use if you are 70 ½ or older
Submit original form no fax copies accepted

DROP or ILSB Retiree Withdrawal Method Selection

Print in ink or type all entries except signatures. You must complete Sections 1 through 6, as applicable. This form must be received by the Teachers' Retirement System of Louisiana (TRSL) at least 30 days before the disbursement of funds. Distributions will be issued by TRSL on the 15th of each month. **Total account balance distributions may be requested at any time after monthly or annual withdrawals have begun.**

Section 1 — Retiree information

Name: Last, first, MI, suffix (Jr., III, etc.) _____

Daytime telephone () _____ Evening telephone () _____

Marital status: Single Married Divorced Legally separated Widowed

Have you married since entering DROP or since retiring under ILSB? Yes No

If yes, date of marriage _____ Spouse's name _____

Social Security number

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Complete only if check is to be mailed to address other than home address on file.

Check address: Street / P.O. Box _____ Home address: Street / P.O. Box _____

City, state, zip _____ City, state, zip _____

Section 2 — I hereby select a method for withdrawal of funds in my account held by TRSL.

A Form 11G-1 must also be completed whenever a DROP or ILSB retiree is married and has chosen a method of withdrawal other than life expectancy.

Check and fill out ONLY ONE of the following withdrawal methods: A, B, or C.

- A.** The following withdrawal methods are subject to mandatory 20% federal income tax withholding unless the distribution is directly rolled over by TRSL to an IRA or qualified retirement plan. **Section 3 on the reverse must be completed if one of these methods is chosen.**
 - Total account balance withdrawal**
 - Annual fixed amount paid over a period of less than 10 years**
Annual amount \$ _____ Date begin withdrawal _____
 - Monthly fixed amount paid over a period of less than 10 years**
Monthly amount \$ _____ Date begin withdrawal _____
- B.** The following withdrawal methods are subject to voluntary federal income tax withholding.
 - Annual fixed amount paid over life expectancy or any period of 10 years or more**
Annual amount \$ _____ Date begin withdrawal _____
 - Monthly fixed amount paid over life expectancy or any period of 10 years or more**
Monthly amount \$ _____ Date begin withdrawal _____
- C.** The following partial single-sum withdrawal method requires that you receive part of your account in one sum and the remaining balance of the account monthly or annually. The initial single-sum amount is subject to mandatory 20% federal income tax withholding unless the distribution is directly rolled over by TRSL to an IRA or qualified retirement plan. If the balance is withdrawn over a period of less than 10 years, it will also be subject to mandatory 20% federal income tax withholding unless the distribution is directly rolled over by TRSL to an IRA or qualified plan. If the balance is withdrawn over a period of 10 years or more it will be subject to voluntary federal income tax withholding.
 - Partial single-sum withdrawal** - If this option is chosen, you MUST receive the remaining funds either monthly or annually. The first monthly or annual withdrawal will begin when the partial single-sum withdrawal is made. **Section 3 on the reverse must be completed.**
Amount \$ _____ Date begin withdrawal _____

I elect to receive the remaining balance as follows:

 - Annual fixed amount paid over a period of less than 10 years**
Annual amount \$ _____ **Complete Section 3 on reverse**
 - Monthly fixed amount paid over a period of less than 10 years**
Monthly amount \$ _____ **Complete Section 3 on reverse**
 - Annual fixed amount paid over life expectancy or any period of 10 years or more**
Annual amount \$ _____
 - Monthly fixed amount paid over life expectancy or any period of 10 years or more**
Monthly amount \$ _____

I have received the *Special Tax Notice* concerning rollovers. I certify that the information I have entered on this form is true, correct, and complete.

Retiree's signature (Do not print or type) _____ Date signed (mm-dd-yyyy) _____

You must sign this page. You must then complete the relevant tax information on the reverse side that is applicable to your withdrawal election. You must sign the reverse and have the signatures of two witnesses.

Retiree's Social Security number

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Section 3 — Withdrawals eligible for rollover

- I **do not want** any of my distribution to be directly rolled over by TRSL. (This includes partial single-sum amount and monthly/annual amount options.)
- I **do want** to have all of my distribution directly rolled over to the IRA or qualified retirement plan named in Section 4. (This includes partial single-sum amount and monthly/annual amount options.)
- I **do want** to have \$_____ (must be greater than \$500) of my distribution or partial lump-sum directly rolled over to the IRA or qualified plan named in Section 4 and the balance paid directly to me. The mandatory 20% withholding will apply to the balance paid to the member.

Section 4 — United States financial institution to which rollover(s) will be sent

Rollover must be equal to \$200 or more, or if less than 100% rollover, \$500 or more.

Name and title of contact person		Account number	
Name of financial institution		Type of plan (IRA, etc.)	
Street / P.O. Box		Daytime telephone ()	
City	State	Zip	

Section 5 — Periodic withdrawals for life or 10 years or longer — not eligible for rollover

The amount of withholding on the monthly distribution is dependent on the number of allowances claimed. Form W-4P below must be completed to notify TRSL of your tax filing status. You may choose not to have income tax withholdings deducted from your benefit. If you do not complete the W-4P, TRSL must withhold income tax according to a tax status of married with three allowances. This may result in your not having enough income tax withheld. If withholding and estimated tax payments are not sufficient, you may incur penalties under IRS regulations.

Form W-4P — Withholding Certificate for Pension or Annuity Payments

Complete the following applicable lines:

- 1. I elect not to have income tax withheld from my pension or annuity. **Note: Does not apply to a foreign check address.** (Do not complete lines 2 or 3.)
- 2. I want my withholding from each periodic pension or annuity payment to be figured using the number of allowances and marital status shown. (You may also designate an amount on line 3.) Enter number of allowances
 Marital status: Single Married Married, but withhold at the higher Single rate
- 3. I want the following additional amount withheld from each pension or annuity payment. Note: For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2. \$ _____
Enter amount

Section 6 — Retiree's signature and witnesses

My signature authorizes the elections as indicated above.

Retiree's signature (Do not print or type)		Date signed (mm-dd-yyyy)	
Must be witnessed by two persons other than beneficiary(ies)			
Signature of witness (Do not print or type)		Signature of witness (Do not print or type)	
Street / P.O. Box		Street / P.O. Box	
City, state, zip		City, state, zip	



Teachers' Retirement System of Louisiana
 8401 United Plaza Blvd, Ste 300 • Baton Rouge, LA 70809-7017
 PO Box 94123 • Baton Rouge, LA 70804-9123
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 www.trsl.org

Form 11R (08/07)

05-11R

Form may not be altered

Direct Deposit of DROP or ILSB Account Withdrawals

Section 1 — Benefit recipient information

Name: Last, first, MI, suffix (Jr., III, etc.)		Check here if address change <input type="checkbox"/>	Social Security number	
Daytime telephone ()		Evening telephone ()		<input type="text"/>
Mailing address		Check ONE only:		
City, state, zip		I wish to receive a notice every month <input type="checkbox"/>		
		I wish to receive a notice only when the net amount of my deposit changes <input type="checkbox"/>		

I authorize and request Teachers' Retirement System of Louisiana (TRSL) to direct the net amount of my monthly/annual Deferred Retirement Option Plan (DROP) or Initial Lump-Sum Benefit (ILSB) withdrawal for crediting to my account at the financial organization designated below. This authorization is not an assignment of my right to receive payment and revokes all prior payment direction notifications applicable to these payments. This authorization will remain in effect until canceled by written notice from me to TRSL.

I authorize the bank to release to TRSL, on request, my current mailing address, the names and mailing addresses, if known, of any individuals authorized to sign on my account, and the names and addresses, if known, of individuals who have power of attorney to withdraw funds from my account.

If my death should occur before the due date of any payment which shall have been made by TRSL in compliance with this request, the below-mentioned financial organization will refund such payments to TRSL in accordance with the agreement annexed hereto.

I further authorize TRSL to initiate electronic funds transfer debit transactions to retrieve payments sent, but not due, in the event that my death has occurred.

Recipient's signature (Do not print or type)	Date signed (mm-dd-yyyy)
----------------------------------------------	--------------------------

Section 2 — Joint signer information and signatures witnessed by bank office

Not required if spouse. Other joint signers not present for signature require submission of Affidavit for Nonspousal Joint Signer (Form 15JS).

Name of joint signer (if any): Last, first, MI, suffix (Jr., III, etc.)		Social Security number	
Relationship to recipient	Telephone ()	<input type="text"/>	
Street address only		City, state, zip	

I, _____, joint signer of the bank account listed below, accept the responsibility of notifying TRSL of the death of the above-named benefit recipient. I also accept responsibility for returning any funds to TRSL which were transmitted by TRSL to the bank account after the death of the benefit recipient. I agree to allow the debit transactions of retiree payments sent but not due after the date of death of the benefit recipient.

Joint signer's signature (Do not print or type)	Date signed (mm-dd-yyyy)
-------------------------------------------------	--------------------------

We, _____ and _____, the undersigned competent witnesses, hereby acknowledge and attest that the above-named recipient and joint signer (if any) appeared before us and personally signed the above in our presence this _____ day of _____, _____.

Signature of bank official	Signature of bank official
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Section 3 — Financial organization agreement **DROP or ILSB account**

Name of financial organization	ACH routing number	Check here if not a member of ACH System <input type="checkbox"/>
Address: Street / P.O. Box	<input type="text"/>	
City, state, zip	Bank account number <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> ATM	
	<input type="text"/>	

In consideration of Teachers' Retirement System of Louisiana (TRSL) making payments in accordance with the foregoing request without requiring the personal endorsement of the payee, we hereby agree to repay and refund to TRSL on demand, subject to disposition required by law, the amount of any funds on deposit in the recipient's account at the time of demand that are due TRSL by reason of death of the retiree. We further agree to accept the certification of TRSL as to the date of death of such payee as sufficient evidence of date of death. In the event that we learn of the payee's death before TRSL, we agree to notify TRSL of the death and return any payments received after the death of payee to the extent that funds are available.

Dated at _____ this _____ day of _____, _____.

Signature of financial officer (Do not print or type)	Name and title of financial officer (Print or type)	Telephone ()	Toll-free number 45
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Return original to Teachers' Retirement System of Louisiana

Back of Form 11R



Teachers' Retirement System of Louisiana
 8401 United Plaza Blvd, Ste 300 • Baton Rouge, LA 70809-7017
 PO Box 94123 • Baton Rouge, LA 70804-9123
 Telephone: 225-925-6446
 www.trsl.org

**Original signatures
 required;
 no fax or copy accepted**

DROP or ILSB Account Spousal Consent

Print in ink or type all entries except signatures. This form must be completed whenever a Deferred Retirement Option Plan (DROP) participant or Initial Lump-Sum Benefit (ILSB, formerly Option 5) retiree has not designated their spouse to receive at least 50 percent of the DROP or ILSB account and/or they have chosen a method of withdrawal other than life expectancy. The DROP participant or ILSB retiree must complete Sections 1 and 2. Section 3 must be completed in the presence of a notary.

Section 1 — DROP Participant / ILSB Retiree

Name: Last, first, MI, suffix (Jr., III, etc.)

Social Security number

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Section 2 — Spouse

Name: Last, first, MI, suffix (Jr., III, etc.)

Social Security number

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Section 3 — Spousal Consent Information

State of _____

Parish / County of _____

BEFORE ME, the undersigned authority, personally came and appeared _____ (spouse) who, after being duly sworn, deposed and said:

That spouse acknowledges that he/she is fully aware that the above-named DROP participant or ILSB retiree has designated someone other than the spouse as beneficiary(ies) of DROP participant's DROP account or the retiree's ILSB account with Teachers' Retirement System of Louisiana (TRSL), and that spouse hereby consents to such designation(s) **and** expressly consents to any subsequent change(s) of designation(s) by the DROP participant or ILSB retiree without any requirement of further consent by spouse. Spouse acknowledges that he/she has the right to limit this consent to a specific beneficiary designation, and spouse expressly waives that right.

That, pursuant to the above consent, the spouse understands that, upon DROP participant's or ILSB retiree's death, TRSL will pay all funds in the aforesaid DROP or ILSB account to the beneficiary(ies) designated as of the date of death, and that such payment shall discharge all obligations of TRSL with regard to these funds, and shall constitute a release of all accrued rights of every kind and nature against TRSL.

That spouse acknowledges that he/she is fully aware that his/her spouse, the above-named DROP participant or ILSB retiree, may select a method of withdrawal from DROP participant's DROP account or retiree's ILSB account other than an annual or monthly amount over DROP participant's or ILSB retiree's life expectancy; that spouse hereby consents to DROP participant's or ILSB retiree's selection of any withdrawal method not based upon their life expectancy and expressly consents to any subsequent change(s) in the method of withdrawal by DROP participant or retiree, including a total withdrawal of the balance of the DROP or ILSB account at any time, without the requirement of further consent by the spouse. The spouse acknowledges that he/she has the right to limit this consent to a specific withdrawal method, and the spouse expressly waives that right.

That the sole purpose of the above consent is to comply with applicable provisions of the Internal Revenue Code and LSA-R.S. 11:784, and that nothing contained herein is intended to affect any other rights the spouse may have in or to the aforesaid DROP or ILSB account.

That spouse hereby agrees to notify TRSL or its successor immediately in the event of DROP participant's or ILSB retiree's death. The spouse further agrees to refund any payment received from the DROP or ILSB account to which the spouse was not entitled.

 Signature of Spouse

SWORN TO AND SUBSCRIBED before me, Notary Public in and for the parish / county and state aforesaid, this _____ day of

_____, 20____ (year).

Back of Form 11G



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 8401 United Plaza Blvd, Ste 300 • Baton Rouge, LA 70809-7017
 PO Box 94123 • Baton Rouge, LA 70804-9123
 Telephone: 225-925-6446
 www.trsl.org

Form 11G-1 (05/05)

05-11G-1

**Original signatures
 required;
 no fax or copy accepted**

**DROP or ILSB Retiree
 Spousal Consent to Withdrawal Method**

Print in ink or type all entries except signatures. This form must be completed whenever a Deferred Retirement Option Plan (DROP) participant or Initial Lump-Sum Benefit (ILSB) retiree has chosen a method of withdrawal **other than** life expectancy. The DROP participant or ILSB retiree must complete Sections 1 and 2. Section 3 must be completed in the presence of a notary.

Section 1 — DROP / ILSB Retiree

Name: Last, first, MI, suffix (Jr., III, etc.)

Social Security number

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Section 2 — Spouse

Name: Last, first, MI, suffix (Jr., III, etc.)

Social Security number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Section 3 — Spousal Consent Information

State of _____

Parish / County of _____

BEFORE ME, the undersigned authority, personally came and appeared _____ (spouse) who, after being duly sworn, deposed and said:

That spouse acknowledges that he/she is fully aware that the above-named DROP / ILSB retiree has selected a method of withdrawal from a DROP or ILSB account with Teachers' Retirement System of Louisiana (TRSL) other than an annual or monthly amount over the retiree's life expectancy and expressly consents to this selection and to any subsequent change(s) in the method of withdrawal by retiree, including a total withdrawal of the balance of the account at any time, without the requirement of further consent by spouse. Spouse acknowledges that he/she has the right to limit this consent to a specific withdrawal method, and spouse expressly waives that right.

That, pursuant to the above consent, spouse acknowledges that payment to DROP / ILSB retiree under his/her selected method of withdrawal shall discharge all obligations of TRSL with regard to these funds and shall constitute a release of all accrued rights of every kind and nature against TRSL.

That the sole purpose of the above consent is to comply with applicable provisions of the Internal Revenue Code and LSA-R.S. 11:784, and that nothing contained herein is intended to affect any other rights spouse may have in or to the aforesaid account.

That spouse hereby agrees to notify TRSL or its successor immediately in the event of retiree's death. The spouse further agrees to refund any payment received from the account to which the spouse was not entitled.

 Signature of Spouse

SWORN TO AND SUBSCRIBED before me, Notary Public in and for the parish / county and state aforesaid, this _____ day of

_____, 20_____
 (year)

 Notary Public Identification/Bar Roll Number

 Notary Public name, printed

▶ _____
 Notary Public signature

Back of Form 11G-1



**Submit original form
no fax copies accepted**

**DROP or ILSB Retiree
Withdrawal Method Selection for Ages 70-1/2 and Over**

Print in ink or type all entries except signatures. Sections 1 through 6, as applicable, must be completed by the retiree. This form must be received by the Teachers' Retirement System of Louisiana (TRSL) at least 30 days before the disbursement of funds. Distributions from the accounts will be issued by TRSL on the 15th day of each month. **Total account balance distributions may be requested at any time after monthly or annual withdrawals have begun.**

Section 1 — Retiree information

Retiree's name: Last, first, MI, suffix (Jr., III, etc.) _____

Social Security number

Daytime telephone () () _____	Evening telephone () () _____	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> <td style="width:10%; height: 20px;"></td> </tr> </table>										

Marital status
 Single Married Divorced Legally separated Widowed

Have you married since entering DROP or since retiring under ILSB? Yes No
 If yes, date of marriage _____ Spouse's name _____

▼ **Complete only if check is to be mailed to address other than home address on file.** ▼

Check address: Street / P.O. Box _____	Home address: Street / P.O. Box _____
City, state, zip _____	City, state, zip _____

Section 2 — I hereby select a method for withdrawal of funds in my account held by TRSL.

PAYMENTS MUST BEGIN WITHIN 12 MONTHS AFTER TERMINATION OF EMPLOYMENT OR BY MARCH 15 OF THE YEAR FOLLOWING TERMINATION OF EMPLOYMENT, WHICHEVER IS EARLIER.

A Form 11G-1 must also be completed whenever a DROP or ILSB retiree is married and has chosen a method of withdrawal other than life expectancy.

Check and fill out **ONLY ONE** of the following withdrawal methods: **A, B, or C**, based on the following Internal Revenue Service (IRS) life expectancy table (select one): **Single Life Expectancy** **Uniform Lifetime** **Joint Life and Last Survivor Expectancy**

A. The following withdrawal methods are subject to mandatory 20% federal income tax withholding once your required minimum distribution (RMD) is met, unless the distribution is sent directly by TRSL to an IRA or qualified retirement plan. **Section 3 on the reverse must be completed if one of these methods is chosen.**

<input type="checkbox"/> Total account balance withdrawal	<input type="checkbox"/> Monthly fixed amount paid over a period of less than 10 years Monthly amount \$ _____ Date begin withdrawal _____
<input type="checkbox"/> Annual fixed amount paid over a period of less than 10 years Annual amount \$ _____ Date begin withdrawal _____	<input type="checkbox"/> Monthly fixed amount paid over a period of less than 10 years Monthly amount \$ _____ Date begin withdrawal _____

B. The following withdrawal methods are subject to voluntary federal income tax withholding.

<input type="checkbox"/> Annual fixed amount paid over life expectancy or any period of 10 years or more Annual amount \$ _____ Date begin withdrawal _____	<input type="checkbox"/> Monthly fixed amount paid over life expectancy or any period of 10 years or more Monthly amount \$ _____ Date begin withdrawal _____
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C. The following partial single-sum withdrawal method requires that you receive part of your account in one sum and the remaining balance of the account monthly or annually. The initial single-sum amount is subject to mandatory 20% federal income tax withholding once your required minimum distribution (RMD) is met, unless the distribution is sent by TRSL to an IRA or qualified retirement plan. If the balance is withdrawn over a period of less than 10 years, it will also be subject to mandatory 20% federal income tax withholding once your RMD is met, unless the distribution is sent by TRSL to an IRA or qualified plan. If the balance is withdrawn over a period of 10 years or more it will be subject to voluntary federal income tax withholding.

Partial single-sum withdrawal - If this option is chosen, you **MUST** receive the remaining funds either monthly or annually. The first monthly or annual withdrawal will begin when the partial single-sum withdrawal is made. **Section 3 on the reverse must be completed.**

Amount \$ _____ Date begin withdrawal _____

I elect to receive the remaining balance as follows:

<input type="checkbox"/> Annual fixed amount paid over a period of less than 10 years Annual amount \$ _____ Complete Section 3 on reverse	<input type="checkbox"/> Monthly fixed amount paid over a period of less than 10 years Monthly amount \$ _____ Complete Section 3 on reverse
<input type="checkbox"/> Annual fixed amount paid over life expectancy or any period of 10 years or more Annual amount \$ _____	<input type="checkbox"/> Monthly fixed amount paid over life expectancy or any period of 10 years or more Monthly amount \$ _____

I have received the *Special Tax Notice* concerning rollovers. I certify that the information I have entered on this form is true, correct, and complete.

Retiree's signature (Do not print or type) _____	Date signed (mm-dd-yyyy) _____
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You must sign this page. You must then complete the relevant tax information on the reverse side that is applicable to your withdrawal election. You must sign the reverse and have the signatures of two witnesses.

Retiree's Social Security number

Grid for Social Security number

Section 3 — Total account balance withdrawals and periodic withdrawals lasting less than 10 years

Check one of the following:

- I do not want any of my distribution to be directly rolled over or transferred by TRSL.
I do want to have any amounts above the required distribution amount sent to the IRA or qualified retirement plan named in Section 4.
I do want to have \$ (amount must be greater than \$500) of my distribution above the required distribution amount sent to the IRA or qualified plan named in Section 4 and the balance paid directly to me.

Section 4 — United States financial institution to which rollover or trustee-to-trustee transfer will be sent

Amount must be equal to \$200 or more. If less than 100% of distribution is sent, amount sent must be \$500 or more.

Form for Section 4 with fields: Name and title of contact person, Account number, Name of financial institution, Type of plan, Street / P.O. Box, Daytime telephone, City, State, Zip.

Section 5 — Periodic withdrawals for life or 10 years or longer — not eligible for rollover

The amount of withholding on the monthly distribution is dependent on the number of allowances claimed. Form W-4P below must be completed to notify TRSL of your tax filing status.

Form W-4P — Withholding Certificate for Pension or Annuity Payments

Complete the following applicable lines:

- 1. I elect not to have income tax withheld from my pension or annuity.
2. I want my withholding from each periodic pension or annuity payment to be figured using the number of allowances and marital status shown.
3. I want the following additional amount withheld from each pension or annuity payment.

Section 6 — Retiree's signature and witnesses

My signature authorizes the elections as indicated above.

Form for Section 6 with fields: Retiree's signature, Date signed, Signature of witness, Street / P.O. Box, City, state, zip.

Partial Single Sum as it Relates to Your Required Minimum Distribution (RMD)

The Tax Reform Act of 1986 established minimum required pension distributions for retirees who are 70-1/2 or older at the time of retirement. If that retiree does not receive all of his or her account as payouts during the life expectancy (or less) following retirement, then the federal government will charge the retiree an excise tax equal to 50% of the difference between the required distribution and the actual distribution during each year following retirement. (Please see TRSL's *Special Tax Notice* brochure for more information regarding RMD.)

If you retire and your actual distribution from your DROP or ILSB account begins in the calendar year that you have attained the age of 70-1/2 or later, you must receive a required minimum distribution (RMD) each calendar year. RMD is **NOT** rollover eligible.

If you retire on or after January 1, 2003, withdrawals are calculated using the Internal Revenue Service (IRS) **Single Life Expectancy** table. Two additional tables exist that may lower your withdrawal amount (conditions apply). If your spouse is either not the sole beneficiary or is the sole beneficiary but not more than 10 years younger than you, you may select the **Uniform Lifetime** table. If your spouse is more than 10 years younger than you, or your designated beneficiary is not your spouse, you may select the **Joint Life and Last Survivor Expectancy** table. These tables can be found in IRS Publication 590, *Individual Retirement Arrangements (IRAs)*.

If you must meet an RMD and you choose a Partial Single Sum when you begin withdrawals, then the Partial Single Sum will be used to meet your RMD first. The Partial Single Sum amount chosen may exceed the RMD; it may equal the RMD; or it may be less than the RMD.

In the case where it exceeds the RMD, that portion which is in excess is rollover eligible and if it is received directly by you, it will be subject to 20% withholding when paid. Example: Your RMD equals \$8,000. You choose a Partial Single Sum of \$10,000 and elect to receive the balance of your account monthly. \$8,000 of your Partial Single Sum is not rollover eligible and is used to meet your RMD. The \$2,000 remaining is rollover eligible and is subject to 20% withholding if we pay it directly to you. The monthly or annual distribution chosen must equal at least \$8,000 when paid out over a calendar year (12 months).

In the case where your partial single sum equals the RMD, the entire Partial Single Sum is used to meet the RMD and no portion is eligible for rollover and you must follow the guidelines above for the remaining balance to be taken monthly or annually.

In the case where your partial single sum is less than the RMD, then the entire partial single sum is used to meet the RMD, and the monthly or annual amount chosen is used to meet the remaining balance of the RMD. In succeeding years, the monthly or annual amount chosen must equal at least the RMD when paid out over a calendar year (12 months).

In cases where you are already withdrawing and choose to make a partial single sum withdrawal, the partial single sum will be used to complete the RMD for the calendar year. If there is any amount remaining in excess of the RMD, this portion of the partial single sum will be rollover eligible.

It is best to consult with TRSL DROP staff regarding the Partial Single Sum and the Required Minimum Distribution prior to making your election.

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Type of benefit:

- Death
- Disability
- Entering DROP
- Retiring after DROP
- Service / ILSB Retirement

Agency Certification

See instructions on back.

For employer use only

Section 1 — Member Information

1. Member name: Last, first, MI, suffix (Jr., III, etc.) _____

2. Social Security number

3. Employer name _____

4. Employer number

Please check **ONLY ONE** box:

5. Date of termination (last day of work or paid leave) _____

6. Day before DROP begin date _____ / _____ / _____
 mm-dd-yyyy

7. Date of death _____

Section 2 — Current Year Information (July 1 – June 30) — Complete for all retirements, DROP, and deaths

8. Actual earnings \$ _____

9. Full-time earnings \$ _____
 (Earnings the member would have earned working the full year at 100% effort plus any additional pay received.)

10. Rollover earnings earned in June (prior year), paid in July \$ _____

11. Percent of effort (if part-time) _____

12. Months of contract _____

Summer School Employment

13. Days worked: July: _____ August: _____ June: _____

14. Percent of effort: _____
 Percent of effort: _____
 Percent of effort: _____

Retiree Return-to-Work (deceased retiree only)

15. Actual earnings \$ _____

16. Unsheltered contributions \$ _____

Section 3 — Retiring After DROP

Earnings during last 12 months of DROP by fiscal year (include PIP earnings)
 (Information is needed to test 10% cap for members who worked at least 36 months after DROP)

17. Actual earnings \$ _____

18. Full-time earnings \$ _____

19. Fiscal year _____

Section 4 — Sick Leave Information

Sick leave days used (current fiscal year) through the last day of employment or prior to the beginning date of DROP participation 20. Days used

Sick leave days used during DROP participation by fiscal year:

_____/_____/_____	to 06/30/_____	<input type="text"/>
07/01/_____	to 06/30/_____	<input type="text"/>
07/01/_____	to 06/30/_____	<input type="text"/>
07/01/_____	to ____/____/_____	<input type="text"/>

Sick leave days paid by the employer (LSA-R.S. 11:752D) 21. Days paid

Total sick leave days used during DROP participation 22. Days used

Section 5 — Agency Certification

This section must be signed by the employer's representative whose authorized signature is on file at TRSL.

23. Employer signature

24. Date signed (mm-dd-yyyy) _____

25. Title

Purpose: The employer must submit this form for a member of the Teachers' Retirement of Louisiana (TRSL) who (1) enters DROP, (2) retires, or (3) dies. The most recent employer(s) may not certify this information until after the last day for which the member will receive pay. Certification for members electing to participate in the Deferred Retirement Option Plan (DROP) may not be submitted until after the beginning date of the DROP participation. A second certification is required when the DROP participant ultimately terminates employment, which is referred to as DROP Out. Salary information should reflect actual earnings and contributions for the current fiscal year through the date of termination or the day before DROP participation, if applicable. Certification of regular earnings should be for dates earned during the current fiscal year and must agree with the Contributions Reports submitted by the employer payroll department. The monthly Contributions Reports are the official reports of member earnings as provided by LSA-R.S. 11:888.

Section 1 — Member Information

1. Member name – as indicated in TRSL system
2. Social Security number – member Social Security number
3. Employer name – name of employer certifying information
4. Employer number – employer identification number issued by TRSL
5. Date of termination – last day of work for which member received pay or paid leave.
6. Day before DROP begin date – last day member will make retirement contributions prior to entering DROP
7. Date of death – active/DROP member date of death

Section 2 — Current Year Information (July 1 – June 30) — Complete for all retirements, DROP, and deaths

8. Actual earnings – earnings actually paid to the member or earnings for which retirement contributions were withheld
9. Full-time earnings – earnings the member would have earned working the full year at 100% effort plus any additional pay received. Refer to the Employer Procedures Manual, Index 4.1, for more information.
10. Rollover earnings earned in June (prior year), paid in July – amount of salary that is earned in June that would normally be paid in July.
11. Percent of effort (if part-time) – percent of time part-time member works, for example, the member works 4 hours out of an 8-hour day, 5 days a week, for 180 days a year, the percent effort would be 50%
12. Months of contract - usually 9, 10, 11 or 12

Summer School Employment

13. Number of Summer School Days Worked - break down the number of summer school days worked during July, August and June
14. Percent Effort – break down the percent effort (% of full-time worked) during the summer months of July, August and June

Retiree Return-to-Work (deceased retiree only)

15. Actual earnings – earnings paid to member after retirement during the current fiscal year
16. Unsheltered contributions – amount of unsheltered contributions paid by the retiree

Section 3 — Retiring After DROP

17. Actual earnings – earnings the DROP participant earned during the last 12 months of DROP by fiscal year. This information is needed to test 10% cap.
18. Full time earnings – earnings the DROP participant –would have earned working the full year at 100% effort.
19. Fiscal year – last fiscal year the member was in DROP and paid no retirement contributions due to DROP participation

Section 4 — Sick Leave Information

20. Sick leave days used – number of sick leave days used during the current fiscal year through the termination/death date or the beginning date of DROP
21. Sick leave days paid by employer – the number of sick leave days the employer paid the member. The amount paid to the member for unused sick leave days is not reportable as earnable compensation-no retirement contributions should be withheld.
22. Total sick leave days used during DROP participation – the total number of sick leave days used by fiscal year

Section 5 — Agency Certification

23. Employer signature – only authorized agency representative can sign
24. Date signed – date signed by the employer
25. Title – position title of agency representative signing form



Annual Leave Certification

Print in ink or type all entries except signatures. The employer must submit this form for a member of the Teachers' Retirement System of Louisiana (TRSL) who is retiring. The form must be signed by the employer's representative whose authorized signature is on file at TRSL. This information should not be certified until the last day of work for which the member will receive pay or the termination date, whichever is later. Under the provisions of LSA-R.S. 11:754, the annual leave had to have been accrued under established leave regulations and an attendance record had to have been maintained for the employee by his supervisor.

Section 1 — Member information

Name: Last, first, MI, suffix (Jr., III, etc.)

Social Security number

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Section 2 — Agency certification

Annual leave records reflect the following **hourly** balances:

Annual leave balance on June 30, 1990: Hourly balance <input type="text"/> If this balance includes leave transferred from another employer, complete Section III.	Annual leave accrued / used from 7/1/1990 to the day before DROP-begin date or through the date of termination: Hours accrued <input type="text"/> Hours used <input type="text"/>	Applicable only to DROP participants Annual leave accrued / used from the beginning date of DROP participation to the date of termination: Hours accrued <input type="text"/> Hours used <input type="text"/>
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Annual leave hours paid

Section 3 — Transferred balance

Former employer _____

Balance transferred:

Date transferred _____ / _____ / _____
mm/dd/yyyy

Section 4 — Agency verification

This section must be signed by the employer's representative whose authorized signature is on file at TRSL. The above information has been verified for accuracy.

Employer name	Employer number <input type="text"/>
Authorized signature	Date signed (mm-dd-yyyy)
▶ Title	

Back of Form 11C

The Teachers' Retirement System of Louisiana is an equal opportunity employer and complies with the Americans with Disabilities Act.

This public document was published at a cost of \$8,789.81. Ten thousand copies of this document were published by the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, to inform TRSL members of laws and policies that affect them. Printing of this material was purchased in accordance with the provisions of Title 43 of the Louisiana Revised Statutes.

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