

DROP

Deferred Retirement Option Program

Effective July 1, 2024



Overview

✿ What is DROP

◆ How does DROP work?

● Things to Consider

☰ How do I apply?

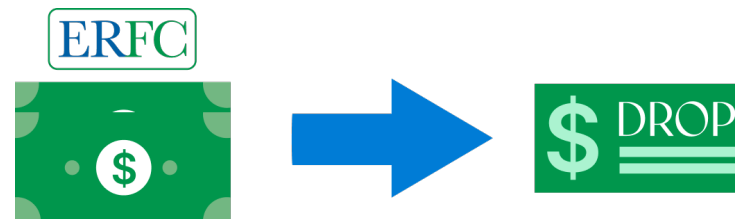
✿ Questions?

What is DROP?

DROP allows **ERFC Legacy members eligible for an unreduced retirement** the option to retire for purposes of the ERFC pension plan while continuing to work full-time for FCPS and receive a salary for a maximum of five years.

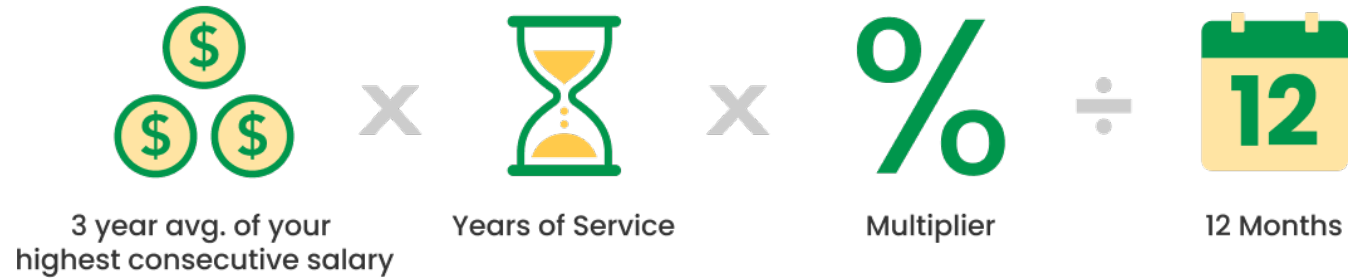


Once you enter DROP, your monthly ERFC pension benefit will be credited to a DROP account that's payable to you at the end of the DROP period.



What is DROP?

The amount credited monthly to your DROP account will be the Legacy benefit formula calculation as of the date you enter DROP.



During DROP, your ERFC pension benefit will receive annual cost-of-living adjustments (COLAs) and your DROP account will earn 4% annual interest compounded monthly **(unless the Board of Trustees adopts a lower rate for a particular fiscal year)**. Interest on your DROP account will only be applied for full months, not partial months.

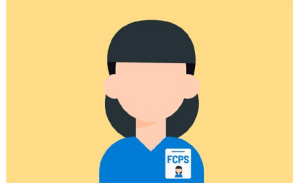


How does DROP work?



Overview	Program Eligibility	Sick Leave/Disability & DROP	Retirement Application and Payment Option
DROP Benefit Estimates	Sample DROP Estimate	What happens when I exit DROP?	Healthcare Benefits

How does DROP work? — Overview



You'll continue to work for FCPS, receive a salary, and be treated as an active employee for all other purposes (promotions, raises, and benefits).

Please Note: If your employment with FCPS is terminated or you move to an FCPS position that's not covered by ERFC, you must exit DROP.



While you'll no longer contribute to or add additional years of service credit to your ERFC pension, you will continue contributing to your VRS pension.



FCPS contributions to ERFC continue.

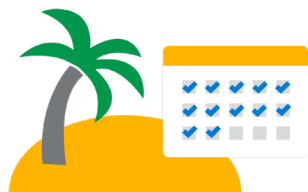


Prior to entering DROP, you must submit ERFC 41A and all required retirement forms and make your ERFC pension payment option election.

ERFC 1

ERFC 22D

ERFC 41A



You'll continue to earn leave at the same rate and receive eligibility service for purposes of the health subsidy and length of service awards.



To exit DROP, first submit an **HR-2** in StaffConnect to end employment with FCPS and retire. Then complete DROP exit form ERFC 41B.

HR-2

ERFC 41B

How does DROP work? — Program Eligibility

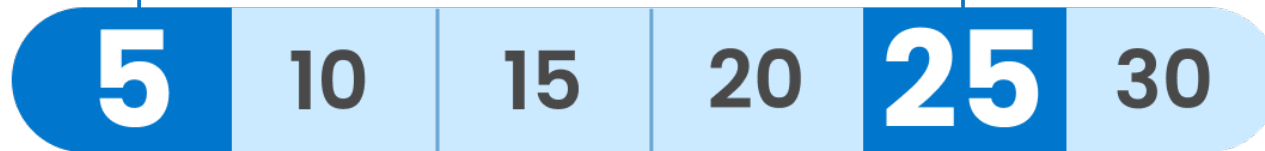


You must be a **Legacy member** (Hire Date: Before July 1, 2001) eligible for an **unreduced retirement**:

Age 65 with at least 5 years of service



Age 55 with 25 or more years of service



 YEARS OF SERVICE

How does DROP work? — Sick Leave & DROP



Sick leave will be converted to retirement service credit at DROP entry and used to calculate the monthly retirement benefit that will be credited to your DROP account.

When you submit your Application to Enter DROP (ERFC 41A), you can choose to hold back up to 40 hours of sick leave. Sick leave that is converted to retirement service credit cannot be used in any other manner.

You'll enter DROP with the 14 days of sick leave granted to you on July 1 at the start of the current fiscal year (if you haven't used them), plus any sick leave hours you chose to hold back.

How does DROP work? — Sick Leave & DROP



While in DROP, you'll continue to earn both annual and sick leave at the same rate you did before entering DROP. Any sick leave earned during DROP is **“use it or lose it.”**

You will not be able to apply any unused sick leave accrued during DROP or any unused sick leave carried over from before the DROP period toward years of service credit.

Your retirement benefit will not be re-calculated when you leave DROP.

How does DROP work? — Disability & DROP



If you're on short-term disability or workers' compensation, your participation in DROP doesn't change.

If you enter long-term disability or take a leave of absence (LOA), you must exit DROP.

How does DROP work? — Retirement Application and Payment Option



After you submit your Application to Enter DROP (ERFC 41A) and receive email confirmation, go to [ERFCDirect](#) and select “Correspondence” to access your DROP entry packet, which includes your ERFC retirement application (ERFC 22D). This form must be submitted at the time you enter DROP.

ERFC 22D is where you'll choose your ERFC pension payment option. You can go to [ERFCDirect](#) to run estimates before making this election.

Did you know ERFCDirect is your online account portal? Access your personal information at [www.erfc-direct](#)

ERFC 3110 Fairview Park Drive, Suite 300
Falls Church, VA 22042
703-426-3900 | [erfcension.org](#)

Application for Retirement Benefits - ERFC Plan

Last Name _____ First Name _____ Middle Initial _____ F M

Street Address _____ Apt. Number _____ City _____ State _____ Zip Code _____

Retirement Date _____ SSN (last 4 digits) _____ Birth Date (month/day/year) _____

Home Telephone Number (area code-xxx-xxxx) _____ Home Email _____

Retirement Type: (Refer to Estimate)
 Full Service Reduced Service Deferred Vested Ordinary Disability Service-Connected Disability

Benefit Payment Type: (Refer to Estimate)
 Standard Formula Alternative "Guarantee" Alternative Level "Guarantee" Level Lifetime Benefit (LLB)

Payment Option: (See description of Benefit Payment Types / Payment Options enclosed)
 Basic Benefit (20% Service Benefit) Option A (20% Service Benefit) Option B (20% Service Benefit) Option C (20% Service Benefit) Option D (20% Service Benefit) Small Pension Benefit* *Check grid if your benefit estimate projects an annuity of \$1,000 or less per month

Complete the following section only if you choose one of the Survivor Payment Options (A, B, or C)

Contingent Annuitant's First Name _____ Middle Initial _____ Last Name _____
Relationship _____

I hereby certify that all information provided in this document is true, and I understand that any willful falsification of facts presented may result in prosecution. I also agree that in the event ERFC pays retirement benefits in excess of what I am entitled, for my estate will repay the excess amount to ERFC. I understand that any pension amount that totals \$1,000 or less per month will be paid to me in a one-time, lump sum payment, in accordance with ERFC Regulations that govern the payment of small pension amounts. Further, I understand that in the event of my death, no survivor benefits will be paid to my spouse or anyone else unless I have checked the appropriate box above for Option A, B, or C. I also understand that each of the elections I have made on this form is irrevocable, and that I will not be able to change any of these elections after the effective date of my retirement unless the ERFC Plan Document specifically permits such a change. I have reviewed the retirement estimate provided to me by ERFC, and I am knowledgeable of the estimated benefit amounts and the applicable reductions that will occur at the ages specified in my final estimate calculation.

Signature of Member _____ Date (MM/DD/YYYY) _____

DROP Intention (only for members who qualify for an unreduced benefit)
I am aware of the FCPS Deferred Retirement Option Program (DROP). I am eligible to enter. I understand that this decision is irrevocable on or after my retirement date and the DROP program can only be entered into one time. I understand that I must also submit ERFC Form 41A to ERFC. Check only one Box

I wish to enter DROP I do not wish to enter DROP

Signature of Member _____ Date (MM/DD/YYYY) _____

To be completed by a notary or other court official authorized to take acknowledgments*
*Note: submission through **Lightbox** with approved identity verification does not require notarization.

Date of _____ day of _____, 20____, the member whose name is signed above personally appeared before me and acknowledged the foregoing signature to be his or hers, and having been duly sworn by me, made oath that the statements in the said instrument are true.
Notary Registration # _____
My commission expires _____ Notary Signature _____

ERFC-22D 3/28/2017

<input checked="" type="radio"/> Basic Benefit Option	<input type="radio"/> Survivor Options Option A Option B Option C	<input type="radio"/> Option D - Partial Lump Sum Payment	<input type="radio"/> Small Pension Payout
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This election is irrevocable after you enter DROP, except for limited circumstances as permitted under the ERFC Plan.

How does DROP work? — DROP Benefit Estimates



- 1 Log in to [ERFCDirect](#).
- 2 Click "Create Your Own Estimate" on the left menu. Choose "DROP" in the "Type" dropdown.
- 3 Run an estimate for the first day of the month you want to enter DROP.

Benefit estimate illustrates:

The monthly pension amount at DROP entry and the amount you would have earned had you continued to work for five more years without entering DROP.

Your accumulated DROP balance and the monthly pension amount that would begin in five years after the DROP period.

Estimate assumes 4% annual interest and annual COLAs.
Note: The Board of Trustees may adopt a lower annual interest rate for a particular fiscal year.

ERFC Member Status: Active
 John Doe (12/12/2222)

3110 Fairview Park Dr., Ste 300
 Park Church, VA 22064-4522
 703.425.5000 | erfcpension.org

Monthly Benefit Estimate Calculation Summary for:

Estimate Created: 4/25/2024 1:28:13 PM Benefit Type: DROP (Service Retirement)
 Plan Name: ERFC

Membership Date: 09/2000 Retirement Date: 12/1/2030 Beneficiary Name: Doe, Johnny T
 Member's Date of Birth: 11/18/1974 Age at Retirement: 55.00 Beneficiary Date of Birth: 11/01/1974
 Full Social Security Date: 12/1/2042 Full Social Security Age: 67.00 Beneficiary Age at Retirement: 55.00

Salary
 3-Year Average Salary: \$50.0

Contributions
 Member Contribution: \$91.4

Basic Benefit Option
 Age 55 to Full SS Age
 Full Social Security Age

Option A: 100% Survivor
 Age 55 to Full SS Age
 Full Social Security Age

Option B: 50% Survivor
 Age 55 to Full SS Age
 Full Social Security Age

Option B: Potential to Survivor
 Age 55 to Full SS Age
 Full Social Security Age

Option C: 120 Payments Certain
 Age 55 to Full SS Age
 Full Social Security Age

Option D: Partial Lump Sum
 Age 55 to Full SS Age
 Full Social Security Age
 Lump Sum Amount: \$17,424.43

Note: The Lifetime Benefit is based on the date, whichever occurs first. No Change

Drop Account Estimates

The table below displays your DROP account balance at the end of each year of DROP Participation. Also displayed is the amount of your ongoing monthly benefit (including cost-of-living adjustments, COLA if applicable) if you were to exit DROP at the end of the respective year.

NOTE: The computed DROP Account Balance is the accumulation of the monthly DROP benefit, COLA if applicable, and interest earned using the current DROP interest rate. Your DROP account will earn 4% annual interest compounded monthly (unless the Board of Trustees adopts a lower rate for a particular fiscal year). Interest on your DROP account will only be applied for full months, not partial months.

Basic Benefit Option - Standard			Basic Benefit Option - Level Lifetime		
Year	DROP Monthly Benefit	DROP Acct Balance	Year	DROP Monthly Benefit	DROP Acct Balance
1	\$1,688.72	\$20,746.20	1	\$1,952.58	\$13,343.52
2	\$1,749.69	\$42,866.12	2	\$1,125.36	\$27,070.52
3	\$1,802.16	\$66,509.63	3	\$1,159.12	\$42,777.47
4	\$1,856.25	\$91,758.87	4	\$1,193.88	\$59,076.82
5	\$1,911.54	\$118,691.70	5	\$1,229.71	\$76,339.60

Option A: 100% Survivor - Standard			Option A: 100% Survivor - Level Lifetime		
Year	DROP Monthly Benefit	DROP Acct Balance	Year	DROP Monthly Benefit	DROP Acct Balance
1	\$1,443.91	\$17,634.25	1	\$926.88	\$11,341.85
2	\$1,487.23	\$35,435.11	2	\$956.54	\$23,534.62
3	\$1,531.84	\$54,532.94	3	\$985.24	\$36,360.36
4	\$1,577.79	\$74,992.83	4	\$1,014.80	\$50,162.86
5	\$1,625.13	\$96,867.77	5	\$1,045.24	\$64,887.81

Option B: 50% Survivor - Standard			Option B: 50% Survivor - Level Lifetime		
Year	DROP Monthly Benefit	DROP Acct Balance	Year	DROP Monthly Benefit	DROP Acct Balance
1	\$1,245.84	\$18,879.09	1	\$994.25	\$12,142.83
2	\$1,292.27	\$39,098.28	2	\$1,024.06	\$25,089.27
3	\$1,339.99	\$60,523.90	3	\$1,054.80	\$38,927.62
4	\$1,388.19	\$83,498.91	4	\$1,086.44	\$53,704.52
5	\$1,436.86	\$108,009.57	5	\$1,119.03	\$69,469.12

This is only an estimate of your monthly retirement benefit. The actual amount of your monthly retirement benefit will be determined by the Board of Trustees. The amount of the DROP benefit may differ from the estimate shown above due to the DROP account. No other note.

How does DROP work? — Sample DROP Estimate



3110 Fairview Park Dr., Ste 300
Falls Church, VA 22042-4525
703-426-3600 | erfopension.org



Member Status: Active

Monthly Benefit Estimate Calculation Summary for:

John Doe (***.**-2222)

Estimate Created:	4/25/2024 1:26:13 PM	Benefit Type:	DROP (Service Retirement)		
		Plan Name:	ERFC		
Membership Date:	09/2000	Retirement Date:	12/1/2030	Beneficiary Name:	Doe, Johnny T
Member's Date of Birth:	11/18/1974	Age at Retirement:	55.00	Beneficiary Date of Birth:	11/5/1974
Full Social Security Date:	12/1/2042	Full Social Security Age:	67.00	Beneficiary Age at Retirement:	55.00

DROP Account Estimates

The table below displays your DROP account balance at the end of each year of DROP Participation. Also displayed is the amount of your ongoing monthly benefit (including cost-of-living adjustments, COLA if applicable) if you were to exit DROP at the end of the respective year.

NOTE: The computed DROP Account Balance is the accumulation of the monthly DROP benefit, COLA if applicable, and interest earned using the current DROP interest rate. Your DROP account will earn 4% annual interest compounded monthly (unless the Board of Trustees adopts a lower rate for a particular fiscal year.) Interest on your DROP account will only be applied for full months, not partial months.

DROP Account

Basic Benefit Option - Standard		
Year	DROP Monthly Benefit	DROP Acct Balance
1	\$1,698.72	\$20,746.20
2	\$1,749.69	\$42,866.12
3	\$1,802.18	\$66,509.63
4	\$1,856.25	\$91,756.87
5	\$1,911.94	\$118,691.70

Basic Benefit Option - Level Lifetime		
Year	DROP Monthly Benefit	DROP Acct Balance
1	\$1,092.58	\$13,343.50
2	\$1,125.36	\$27,570.52
3	\$1,159.12	\$42,777.47
4	\$1,193.89	\$59,015.82
5	\$1,229.71	\$76,339.60

Option A: 100% Survivor - Standard		
Year	DROP Monthly Benefit	DROP Acct Balance
1	\$1,443.91	\$17,634.25
2	\$1,487.23	\$36,436.11
3	\$1,531.84	\$56,532.94
4	\$1,577.79	\$77,992.83
5	\$1,625.13	\$100,887.17

Option A: 100% Survivor - Level Lifetime		
Year	DROP Monthly Benefit	DROP Acct Balance
1	\$928.68	\$11,341.85
2	\$956.54	\$23,434.62
3	\$985.24	\$36,360.35
4	\$1,014.80	\$50,162.85
5	\$1,045.24	\$64,887.91

Option B: 50% Survivor - Standard		
Year	DROP Monthly Benefit	DROP Acct Balance
1	\$1,545.84	\$18,879.09
2	\$1,592.22	\$39,008.25
3	\$1,639.99	\$60,523.90
4	\$1,689.19	\$83,498.91
5	\$1,739.86	\$108,009.57

Option B: 50% Survivor - Level Lifetime		
Year	DROP Monthly Benefit	DROP Acct Balance
1	\$994.25	\$12,142.63
2	\$1,024.08	\$25,089.27
3	\$1,054.80	\$38,927.62
4	\$1,086.44	\$53,704.52
5	\$1,119.03	\$69,469.12

How does DROP work? — What happens when I exit DROP?



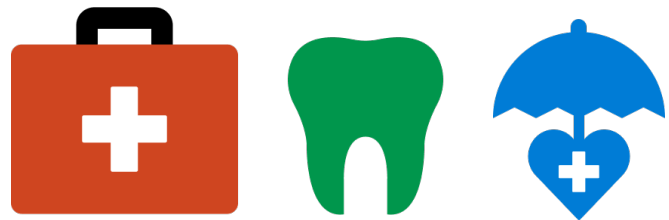
I want to submit a(n):*

Retirement from FCPS (HR-2) form

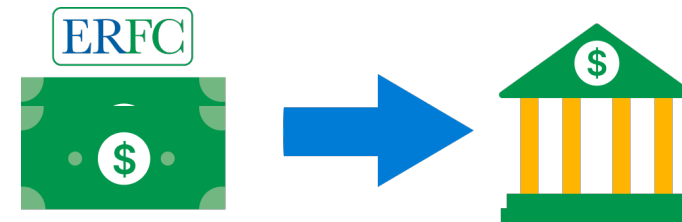
After five years (or sooner), you'll submit a **Retirement from FCPS (HR-2) form** in [FCPS StaffConnect](#) to terminate employment with FCPS and retire.



You'll submit the **DROP Exit Packet** to ERFC, which includes how you want to receive your DROP account balance.



You'll contact FCPS HR Benefits to make decisions regarding health and dental insurance. Contact VRS to make decisions regarding life insurance.

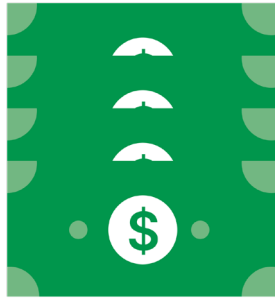


You'll begin receiving your monthly ERFC pension via direct deposit.

How does DROP work? — What happens when I exit DROP?



You'll have the option to receive your DROP account balance one of three ways:



Lump sum payment to you
(taxable income)



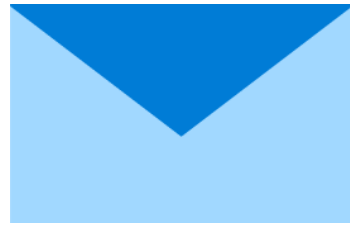
Rollover to an IRA or other
qualified retirement plan
(no immediate taxable income)



Combination of lump sum
payment and rollover



Contact FCPS HR Benefits with all questions regarding healthcare benefits.



[StaffConnect](#)



571-423-3200, option 3

Things to Consider

During DROP

- ✓ Employee benefits continue (e.g., promotions, leave, healthcare, deductions, etc.).

- ✓ Employee contributions to ERFC stop.

- ✓ FCPS contributions to ERFC continue.

- ✓ You're retired only for purposes of the ERFC retirement plan.
 - Salary increases during DROP have no impact on future pension amounts. Your retirement benefit will not be re-calculated when you exit DROP.
 - During DROP, your ERFC pension benefit will receive annual retiree COLA increases.
 - You may participate in DROP only once.

How do I apply?



The DROP Entry Application Packet can be accessed in [ERFCDirect](#). If possible, apply six months in advance. However, your application must be received by ERFC at least **60 days prior** to program entry.



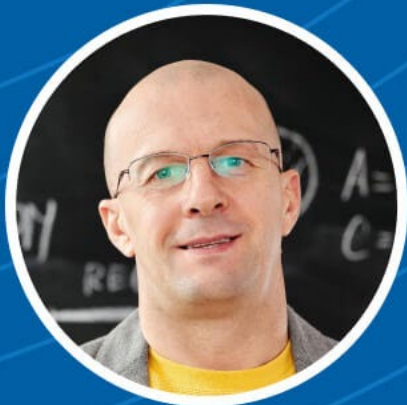
Your DROP entry date must be on the **first of the month** AND it must be the **same date as your ERFC retirement date**.



To have your packet approved, you must:

- Complete all required forms and have them notarized
- Have your supervisor sign the application (ERFC 41A)
- Provide birth documentation for you and your nominated survivor (if applicable)





Questions?

If you have any questions about your DROP estimate or how to apply, call us at [703-426-3900](tel:703-426-3900) or email us at erfcritirement@fcps.edu and we'll be happy to help.

