

**[HFRRF]**  
**Deferred Retirement Option Plan (DROP)**  
**Distribution Election Form**

**For HFRRF Use Only:**  
**Date Received** \_\_\_\_\_ **By** \_\_\_\_\_  
**Date Entered** \_\_\_\_\_ **By** \_\_\_\_\_  
**Date Verified** \_\_\_\_\_ **By** \_\_\_\_\_  
**Control Number** \_\_\_\_\_  
**Distribution Code** \_\_\_\_\_



Houston Firefighters Relief and Retirement Fund

I understand that my distribution options with respect to my DROP Account at the time of my termination of employment are limited to: (i) a single lump sum distribution, or (ii) partial payments in accordance with Section 5(f), 5(g), and 5(h) of the Act. I understand that I may select, change, or modify my Distribution Form at any time prior to distribution by executing a new Distribution Form and delivering the original to the Fund's administrative staff. I understand that a distribution from my DROP Account could be affected by a QDRO that is applicable to me, but only to the extent that the QDRO specifically awards a dollar amount or a percentage of my DROP Account to an Alternate Payee. I fully understand that regardless of the distribution form I choose, no earnings will be credited to my DROP Account if I remain on the City of Houston payroll after the 13 years of my DROP participation, and until I terminate active service. I have read and understand the Special Tax Notice Regarding Plan Payments and I hereby elect to have my DROP account balance distributed to me in the following manner:

**Section I. - Single Lump Sum Payment (distribution of entire DROP account)**

- A. \_\_\_ I elect to have my DROP distribution **Paid in a Direct Rollover** as indicated below in Section III.
- B. \_\_\_ I elect to have a portion of my DROP distribution **Paid in a Direct Rollover** as indicated below in Section III, and the Remainder **Paid to Me**. I understand that this may result in adverse tax consequences, and that the portion of my DROP Account paid to me will be subject to mandatory tax withholding of 20%. (Please withhold an additional \_\_\_% for a total of \_\_\_%)
- C. \_\_\_ I elect to have my entire DROP Distribution **Paid to Me**. I understand that this may result in adverse tax consequences and that my distribution will be subject to mandatory tax withholding of 20%. (Please withhold an additional \_\_\_% for a total of \_\_\_%)

**Section II. - Partial Payment(s) (Up to 4 allowed per calendar year)**

- A. \_\_\_ I elect to have my **entire** DROP account balance **left in the Fund** as described in Section 5(g) and 5(h) of the Act.
- B. \_\_\_ I elect to have a portion of my DROP distribution **Paid in a Direct Rollover** as indicated below in Section III and the remainder of my DROP account balance left in the Fund as described in Section 5(g) and 5(h) of the Act.
- C. \_\_\_ I elect to have a portion of my DROP distribution **Paid in a Direct Rollover** as indicated below in Section III, a portion **Paid to Me** in the amount indicated below in Section III, and the remainder of my DROP account balance **left in the Fund** as described in Section 5(g) and 5(h) of the Act. I understand that this may result in adverse tax consequences and that the portion of my DROP Account paid to me will be subject to mandatory tax withholding of 20%. (Please withhold an additional \_\_\_% for a total of \_\_\_%)
- D. \_\_\_ I elect to have a portion of my DROP distribution **Paid to Me** in the amount indicated below in Section III and the remainder of my DROP account balance left in the Fund as described in Section 5(g) and 5(h) of the Act.  
 I understand that this may result in adverse tax consequences and that my distribution will be subject to mandatory tax withholding of 20% (I may also withhold an additional \_\_\_% for a total of \_\_\_%).  
 If this distribution is a **required minimum distribution**, I may elect 0 - 99% withholding. I hereby elect \_\_\_% withholding. I understand that the Fund will withhold 10% if no tax election is made.
- E. I understand that this is my \_\_\_\_\_ (enter 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup>) DROP distribution this calendar year.

**Section III. - Amount and Method of Issue**

- A. Please issue a check to me for \$ \_\_\_\_\_ (less the applicable withholding) and send it to my address on file with the Fund.
  - B. Please issue \$ \_\_\_\_\_ to me (less the applicable withholding) and send by Electronic Fund Transfer (ACH) to my account on file with the Fund.
  - C. Please issue \$ \_\_\_\_\_ to me (less the applicable withholding) and send by Electronic Fund Transfer (ACH) to the account listed below.
- NOTE:** (A, B, or C of this section) I understand that the amount distributed to me after taxes will be \$ \_\_\_\_\_ Initial \_\_\_\_\_
- D. Please issue \$ \_\_\_\_\_ for a direct rollover and send it directly to the Institution listed below:  Mail  Wire (Additional fees may apply)

Name of Institution or Plan Name: \_\_\_\_\_ Attention: \_\_\_\_\_

Account Number: \_\_\_\_\_  Checking  Savings Routing Number: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

**Section IV. - Exemption from the Early Withdrawal Penalty (please check reason):**

\_\_\_ Distribution made to member who is/was at least age 50 in the year of retirement  
 \_\_\_ Distributions are part of a series of substantially equal payments.  
 \_\_\_ Distribution made upon death of the member.  
 \_\_\_ Distribution made upon disability of the member.

(Note: If you select the substantially equal payment option, you must follow the withdrawal schedule for either 5 years or until 59 1/2, whichever is later, or the 10 percent penalty is applied retroactively, plus interest. Withdrawals may be modified or stopped after the minimum withdrawal period is satisfied.) **This is not intended as legal or tax advice. Rely on your tax advisor for specific calculations and IRS reporting.**

\_\_\_\_\_  
 (Printed) Name & Social Security Number  
 (Identification: \_\_\_\_\_, verified by: \_\_\_\_\_)  
 State of \_\_\_\_\_ § \_\_\_\_\_ County of \_\_\_\_\_ § \_\_\_\_\_  
**BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_ known to me to be the person whose name is subscribed to the foregoing instrument, who did swear and/or affirm and acknowledge to me that he/she executed the same for the purposes declared therein. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.**

My Commission expires \_\_\_\_\_ Signature \_\_\_\_\_