



Austin Fire Fighters Relief and Retirement Fund

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August 16, 2022

Dear Members:

This letter will summarize staff's efforts and provide justification regarding the proposed Deferred Retirement Option Plan (DROP) Procedure. Staff has presented and discussed the DROP Procedure at several Austin Fire Fighters Relief and Retirement Fund (AFRRF) Board meetings and posted for several months on the AFRRF website. This Procedure will not become effective September 1, 2022. The proposed change is detailed as follows:

1. To request a distribution from a DROP account, either full or partial, the distribution form must be received and approved by the Fund by the 15th day of the month for funds to be distributed by the last day of that month.
2. Forms received and approved by the Fund after the 15th day of the month will be processed the following month for funds to be distributed by the last day of that month.

Following briefly outlines the purpose and provides justification for the proposed changes:

- To provide DROP participants with a decisive expectation on when they receive distributions which will aid in financial planning.
- To provide more structured and efficient workflow in the pension office to enhance service delivery to all AFRRF members.
- To minimize errors associated with sporadic and often hasty DROP distribution processing.
- To ensure granting DROP interest on the first business day of each month.

Sincerely,

Anumeha Kumar, Executive Director
Austin Fire Fighters Relief and
Retirement Fund