



Building a **Brilliant** Retirement.



City of Memphis Deferred Compensation Plan and Defined Contribution Services

Do you have questions about the Deferred Retirement Option Plan (DROP)?

The Drop Program is a feature of the City of Memphis Retirement System. It allows eligible employees, who agree to retire in one, two or three years, to cease participating in, and contributing to, the City of Memphis Retirement System. In addition, once an eligible employee joins the DROP Program, his or her benefit payments will be determined and payments from the Retirement Plan will begin. However, instead of payments being distributed to you, they will be placed in an interest-bearing account in the Retirement Plan. The account is credited each calendar quarter on the average monthly balance in the account. The interest is based on 25% of the 90-day Treasury Bill yield published in the Wall Street Journal each quarter.¹ When you actually retire, you will not only begin receiving your pension payments, but you will also receive a lump sum payment equal to the pension payments placed into your DROP account plus interest earned.

MassMutual is available to help answer your questions and assist you personally to:

- help you navigate the DROP process, from entry to exit, to make it easy and hassle free
- assist you with rolling over your DROP money to your Deferred Compensation account
- discuss how you can save taxes on your final pay distribution by using it to maximize your annual pre-tax contribution to your Deferred Compensation account
- determine how you can potentially take advantage of maximizing your annual pre-tax contributions when you enter the DROP program

Contact MassMutual for assistance:

If you have questions contact your MassMutual Education Specialist David Bennett, davidbennett@massmutual.com, 901-389-8503. You may also access your account via massmutual.com/cityofmemphis.

¹To obtain additional information on the interest-bearing account please contact the HR Department.