

Retirement Q&A

1. How often does the interest rate change?

The DROP interest rate changes quarterly for members leaving active service. The interest rate does not change after it is set for a member upon leaving active service.

2. What are some things to consider when selecting the monthly or annual distribution of the annuity?

If you select the monthly option, payments begin immediately in the month following board approval. Whereas you will have to wait a full year if you select the annual option. The decision is irrevocable and cannot be changed under any circumstance.

3. If I die, what will happen to the remaining balance of my DROP annuity?

Your designated beneficiary named on your beneficiary selection form will receive any remaining payment under the annuity period.

4. If I retire, can I continue to contribute to my 401K or 457 plan?

No 401k or 457 plan contributions cannot be deducted from your pension benefit. If you have any questions about this, contact a City of Dallas fidelity representative.

5. Why would someone enter DROP after 2017?

The common reason is because an active member has reached 90% of their average comp pay and they want to continue working for the city.

6. What are my options if I want to retire but not draw my pension yet?

You can enter deferred vested status. This means if you leave active service with the City of Dallas, and you have at least 5 years of pension service, you may elect to leave your contributions with the pension system until you reach an age you are eligible to retire and receive pension payments.

7. Can you explain the retirement calendar?

The retirement calendar is a tool the pension system uses to help guide members through the retirement process. Based on the month a member wishes to begin pension payments, the calendar highlights when that member would need to be off payroll, when an application would be due, when the Board would formally approval the retirement, and when to expect the first direct deposit. Click [HERE](#) to see important dates for 2021.

- 8. If I entered DROP prior to 2017, and have not separated from the department, was the interest rate set before or after 2017?**

The interest rate is determined or set when you leave active service. If you entered DROP prior to 2017, and have not left active service then your interest rate has not been set.

- 9. Do you have to be off the city payroll before October 1st to get the current interest rate for this quarter?**

Yes. In order to lock in a DROP interest rate for the current quarter (July 1st- September 30th) you would need to be off city payroll by September 30th.

- 10. Is the 2022 calendar available yet?**

Not at this time but it will be completed in the fourth quarter of year.

- 11. Will COLA be added in the future?**

Not until certain parameters have been met. Refer to Section 6.12 of the regular Plan document.

- 12. How do I set up a one-on-one appointment with a counselor?**

Counselors can be reached 214-638-3863 Monday- Friday from 8 a.m.- 5 p.m.

- 13. Since the life expectancy was lowered this year, will that be taken into account?**

Life expectancy is determined by DPFP's actuary who performs an experience study. This study looks at the experience of DPFP members and actuarial standards. The experience study is performed every 5 years, with the latest study in 2020.

- 14. When will the benefit estimate calculator on Web Member Services be updated to calculate the supplemental benefit?**

Web Member Services has been updated to calculate the supplemental benefit.