

Chattanooga Fire and Police Pension Fund

Deferred Retirement Option Provision Payment Policy

GENERAL INFORMATION

This Deferred Retirement Option Provision Payment Policy has been updated and restated as of November 17, 2022 for the benefit of sworn members ("Members") of the Chattanooga Fire and Police Pension Fund.

SCOPE OF THIS POLICY

This Deferred Retirement Option Provision (or "DROP") payment policy reflects the relevant policy parameters, objectives and constraints of the Chattanooga Fire and Police Pension Fund (or "Fund") regarding payment of the DROP lump sum amounts.

OBJECTIVES OF THE DEFERRED RETIREMENT OPTION PROVISION

The DROP is an optional form of payment of a portion of the earned benefit that enables Members to receive a portion of the accrued retirement benefit paid in a lump sum payment shortly after retirement, in exchange for working longer than required and taking a reduction in the monthly benefit. Members may decline the DROP option and receive a monthly pension benefit based on total years of service.

PURPOSE OF THE DROP PAYMENT POLICY

This Policy is adopted by the Board of Trustees of the Fund to:

1. Define and assign the responsibilities of all parties involved;
2. Establish guidelines for the payment of DROP lump sum benefits;
3. Insure that the Fund is administered in the interest of all participants of the Fund; and
4. Reduce the impact that large cash withdrawals can have on the Fund's cash flow and investment objectives.

DROP BENEFIT PAYMENT GUIDELINES


This policy is effective November 17, 2022. Any member retiring on or after this date, or whom is currently retired and has not yet received their DROP payment due to the previous DROP Payment Policy schedule, who is eligible and who elects to receive a DROP lump sum payment in accordance with Chapter 2, Article III, Division 5, sections 2-422 and 2-423 of the Chattanooga City Code, will be eligible to have the DROP lump sum payments paid once the member has provided a completed DROP Election Form with applicable payment instructions.

ASSIGNMENT OF RESPONSIBILITY

In order to be eligible to receive a DROP payment in a timely manner, it shall be the responsibility of each retiring Member to verify the accuracy and completeness of DROP payment instructions prior to processing of said payment.

The Board of Trustees shall have the responsibility to review and revise this policy as deemed necessary.

This Deferred Retirement Option Provision Payment Policy is effective November 17, 2022, by the Board of Trustees whose signatures appear below.



Joe Shaw, President




Britt Bradshaw, Secretary



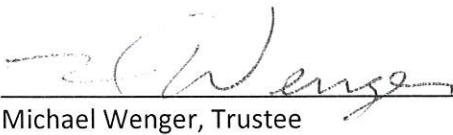
Scott Sparks, Vice President



Phillip McClain, Trustee



Chris Hopkins, Trustee



Michael Wenger, Trustee



Matt Rorex, Trustee
