

PLOP Reduced Benefit Table

The table below identifies the amount a monthly benefit is permanently reduced for each \$1,000 of a lump-sum distribution.

Amounts shown in this table are based on Plan A - Maximum Plan of Retirement. If you choose any of the other TRS retirement plans, the amounts shown will vary.

Age	Reduction per \$1,000
50	\$6.54
51	\$6.60
52	\$6.67
53	\$6.73
54	\$6.81
55	\$6.89
56	\$6.97
57	\$7.06
58	\$7.16
59	\$7.26
60	\$7.38
61	\$7.50
62	\$7.63
63	\$7.77
64	\$7.93
65	\$8.09
66	\$8.27
67	\$8.47
68	\$8.68
69	\$8.90
70	\$9.15
71	\$9.41
72	\$9.69
73	\$10.00
74	\$10.33
75	\$10.68

PLOP Distribution Example

Before electing a PLOP distribution, TRS encourages you to consider the following:

1. How much will you receive in a lump-sum distribution?
2. How much will your monthly benefit be permanently reduced?
3. Will the reduced monthly benefit be sufficient to cover living expenses throughout retirement?

If you elect a PLOP distribution, you will receive an actuarially reduced monthly benefit. Your age at retirement, along with your beneficiary's age (if you choose a survivorship option), is used to determine the reduction in your benefit if you elect a PLOP distribution.

Example:

A 60-year-old member with a \$3,300 monthly retirement benefit under the Maximum Plan elects to take a lump-sum distribution at retirement. The member is eligible to choose a PLOP distribution, in \$1,000 increments, from \$4,000 (1 x \$3,300 rounded up to the nearest \$1,000) to \$118,000 (36 x \$3,300 rounded down to the nearest \$1,000). This member chooses a \$50,000 lump-sum distribution.

Under the Maximum Plan, the cost per \$1,000 of the lump-sum distribution for a member retiring at age 60 is \$7.38 per month, as shown in the adjacent table. This member's monthly cost for a \$50,000 payment is \$369 (50 x \$7.38).

To determine the reduced benefit, subtract \$369 from \$3,300. The member would receive \$2,931 per month as a result of electing the PLOP distribution.

Partial Lump-Sum Option Plan (PLOP)



A New Benefit from TRS!

Members can elect to receive a lump-sum distribution at retirement in addition to a monthly retirement benefit.



What is a PLOP?

In an effort to provide you with more choices, TRS offers a Partial Lump-Sum Option Plan (PLOP) at retirement. In exchange for a permanently reduced lifetime benefit, you can elect to receive a lump-sum distribution in addition to a monthly retirement benefit. Your age and plan of retirement are used to determine the reduction in your benefit.

A PLOP distribution will be made as a single payment at the time the first monthly allowance is paid. Based on the amount of the lump-sum distribution, the monthly retirement benefit is then calculated to be the actuarial equivalent of the retirement benefit without a lump-sum distribution.

If you are interested in electing a PLOP distribution, TRS encourages you to seek assistance from a financial advisor and tax professional. A lump-sum distribution used to enhance retirement income or savings may merit consideration. A PLOP distribution used to purchase depreciable assets or used for leisure should be given careful consideration as these purchases may compromise your long-term retirement income.

Who is Eligible?

You are eligible to participate in the Partial Lump-Sum Option Plan if you meet the following criteria. You must

- ◆ have 30 years of creditable service or 10 years of creditable service and attain age 60 (not early retirement).
- ◆ not retire with disability benefits.



Beneficiary Designations

When applying for retirement, you may choose a retirement plan that provides for survivorship benefits. If you elect a survivorship option, you may also choose to receive a lump-sum distribution. Once the lump-sum amount is determined, the reduced monthly benefit will be calculated based on your age and the age of your beneficiary(ies). If you elect a survivorship option and a PLOP distribution, at your death, the beneficiary's benefit will be based on your reduced benefit.

Distribution Options

At retirement, you may elect a lump-sum distribution in an amount between 1 and 36 months of your normal monthly retirement benefit. This amount will be calculated under Plan A - Maximum Plan of Retirement and will be rounded up and down to be a multiple of \$1,000. If a PLOP distribution is elected, your monthly benefit is actuarially reduced to reflect the value of the PLOP distribution. The combination of both the PLOP distribution and the reduced benefit are the same actuarial value as the unreduced normal benefit alone.

A PLOP distribution can be paid through direct deposit to a financial institution or by check. Generally, 20% of the lump-sum distribution will be withheld for federal income taxes. However, you may be required to pay more taxes on the distribution depending on your age at retirement.

To defer paying taxes on a lump-sum distribution, you may roll over all or a portion of the distribution to another qualified retirement plan or traditional Individual Retirement Account (IRA). TRS encourages you to seek advice from a tax professional.

Fast Facts

- ◆ The actual lump-sum distribution is based on your unreduced normal monthly retirement benefit.
- ◆ Monthly benefit payments will be actuarially reduced due to the election of a PLOP distribution.
- ◆ All lump-sum distributions will be provided in \$1,000 increments.

Fast Facts

- ◆ The smallest lump-sum distribution available to you cannot be less than one month of your normal monthly retirement benefit.
- ◆ The largest lump-sum distribution available to you cannot exceed 36 months of your normal monthly retirement benefit.

For more detailed information on the TRS PLOP, please visit our website at www.trsga.com.

Fast Facts

- ◆ All PLOP distributions are considered final once the money has either been deposited into a checking or savings account or the check has been cashed.
- ◆ Cost of Living Adjustments (COLAs) are not applied to a PLOP distribution, only to a monthly retirement benefit.