

## **Proposed Rule Regarding DROP Provisions for ASPRS Members**

**DATE:** February 11, 2022

**PURPOSE:** ASPRS Board approval sought to allow promulgation of a proposed amendment to the Deferred Retirement Option Plan (DROP) Rule 11 for compliance with Act 415 of 2021.

**BACKGROUND:** Act 415 of 2021 decreased the number of years from 30 to 28 for a member of ASPRS Tier I or Tier Two to be eligible to enter the DROP.

**KEY POINTS:** The proposed amendment to the Rule:

- (1) Complies with Act 415 of 2021 which decreases the number of years from 30 to 28 for a member to be eligible to enter the Tier I or Tier Two DROP; and
- (2) Relocates the historical Acts within the document and corrects a minor grammatical error previously promulgated in the rule.

**DISCUSSION:** The current DROP Rule allows eligible active ASPRS members who have 30 years of service to enter the DROP program and have a percentage of their earned retirement benefit placed into an interest-bearing account while continuing to work for the covered employer. The DROP money is payable to the member after employment is terminated. Act 415 has decreased the number of years of service eligibility to enter the DROP to 28 years for a member of either Tier I or Tier Two of ASPRS. The decrease in years of service encourages qualified and experienced members to continue in their jobs which is advantageous to the public and government. No other change in DROP provisions has been made. The proposed amendment to Rule 11 follows Act 415, relocates the historical Acts within the document, and corrects a minor grammatical error previously promulgated in the rule.

**RECOMMENDATION:** APERS staff recommends that the proposed amendment to the DROP Rule be approved for promulgation in compliance with Act 415 of 2021.