

FIREFIGHTERS' RETIREMENT SYSTEM

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ANNUAL COST OF LIVING OPTION

- § I understand that if I select the annual automatic COLA option my application will not be processed until I have had either an in-person or telephone discussion with an FRS staff representative.
- § I understand that I have the option of selecting an annual automatic COLA option that would provide me with an actuarially reduced retirement benefit at the time of retirement. I understand that my retirement benefits may be SIGNIFICANTLY reduced. I understand that the reduction is estimated to be 18%, but may be more or less based upon my age at the time of application, whether or not a survivor option is selected and the age of the named option beneficiary.
- § I understand that the annual automatic COLA option will be based upon my selected retirement benefit option. I understand that if I select the annual automatic COLA option that I may also be entitled to any future COLAs granted by the FRS Board of Trustees.
- § I understand that the annual automatic COLA will be effective annually on my retirement anniversary date and is payable to any retiree who is age fifty-five (55) or older. I understand that I must be age fifty-five (55) and retired for one year to be eligible for the annual automatic COLA.
- § I understand that any COLAs granted by the FRS Board of Trustees will be based on my benefit amount on the date the COLA is granted. If the annual automatic COLA is due on the same date the annual automatic COLA shall be calculated first.
- § I understand that, if I select an optional retirement benefit and name my spouse as beneficiary to receive a monthly benefit upon my death, then my spouse will receive the COLA based upon the spouse's benefit on the effective date of the increase.
- § I understand that if I am enrolled in DROP and have selected the annual automatic COLA option that the COLA granted on my anniversary retirement date will be credited to my monthly DROP deposit amount during my period of participation in DROP. I understand that upon retirement the annual automatic COLA option will be applied to any supplemental benefit earned after the DROP participation period.
- § I understand that if I predecease my spouse the annual automatic COLA will only be payable to my surviving spouse if I have selected an optional retirement benefit leaving a monthly benefit to my spouse upon my death. My spouse would be eligible to receive the COLA upon my anniversary retirement date and based upon the date I would have attained age fifty-five (55).
- § I understand that upon application for service retirement, IBO, or DROP I may request that FRS provide me with actuarial estimated benefits that I would receive if I selected the annual automatic COLA option for the fifth, tenth, and fifteenth year following my retirement.
- § I understand that the decision regarding participation in the annual automatic COLA option is irrevocable, meaning that I cannot change my decision at a later date.

Signature: _____ Social Security Number: _____

Date: _____