

FIREFIGHTERS' RETIREMENT SYSTEM

PO Box 94095, Capitol Station
Baton Rouge, LA 70804-9095
Phone (225) 925-4060 * Fax (225) 925-4062

ANNUAL COST OF LIVING OPTION

Act 270, 2009 allows members who are applying for Service Retirement, IBO, or DROP to receive annually a 2 ½ percent cost-of-living increase by taking a lifetime actuarially reduced benefit. (Please note that your retirement benefits may be SIGNIFICANTLY reduced.) In general, the reduction is estimated to be 18%, but may be more or less based upon your age at the time of application, whether or not a survivor option is selected and the age of the named option beneficiary. In addition to receiving this COLA, you may also be entitled to any future COLAs granted by the FRS Board of Trustees. The decision regarding participation in the COLA option is irrevocable, meaning that you cannot change your decision at a later date.

The COLA is payable annually on your anniversary retirement date beginning after you attain age 55. You must be age 55 or older to be eligible for the COLA. If you are not age 55 after being retired for one year, then you are eligible to receive the first automatic COLA on the first retirement anniversary date after you attain age 55.

If you choose Option 2 or Option 3 and name a beneficiary who is not your spouse, the beneficiary will not be entitled to the annual automatic COLA. If your spouse is named as beneficiary and you predecease your spouse, then your spouse's annual automatic COLA is based upon the spouse's benefit being received on the effective date of the increase. The annual automatic COLA may not be selected if you select Option 4, Option 4-2, or Option 4-3.

The example below is an ESTIMATE based on a retiree at age 52 with a maximum monthly benefit of \$3,000.00:

	Maximum
Without COLA option	\$3,000.00
With COLA option	\$2,450.31
5 TH year anniversary date	\$2,638.72
10 th year anniversary date	\$2,985.46
15 th year anniversary date	\$3,377.78
20 th year anniversary date	\$3,821.65

Firefighters' Retirement System will not process your application for Service Retirement, IBO, or DROP unless the Annual Cost of Living Option form is correctly completed and attached to your application.

Selection of the annual automatic COLA requires an in-person or telephone discussion with an FRS staff representative before the application will be processed. Possibly causing a delay in the processing of the application.

An ESTIMATE reflecting the option amounts relating to your own retirement benefit may be received by choosing a selection below: (must check one)

- I AM NOT INTERESTED IN RECEIVING AN ESTIMATE OR SELECTING THE ANNUAL AUTOMATIC COLA OPTION
- I WOULD LIKE TO RECEIVE AN ESTIMATE FOR THE ANNUAL AUTOMATIC COLA OPTION

Signature: _____ Social Security Number: _____

Date: _____

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- § 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: _____