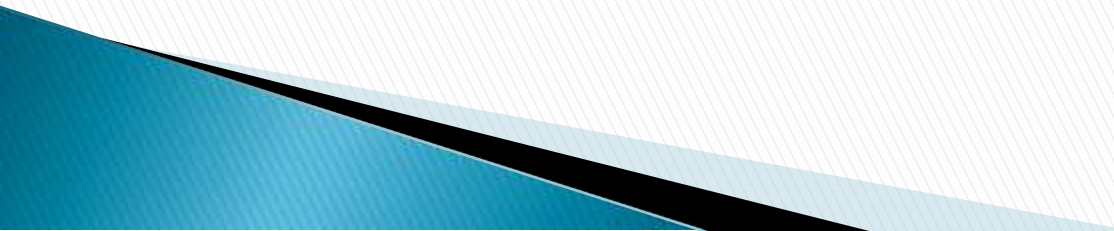


# **DROP UPDATE**

## **CCG Pension Plan**

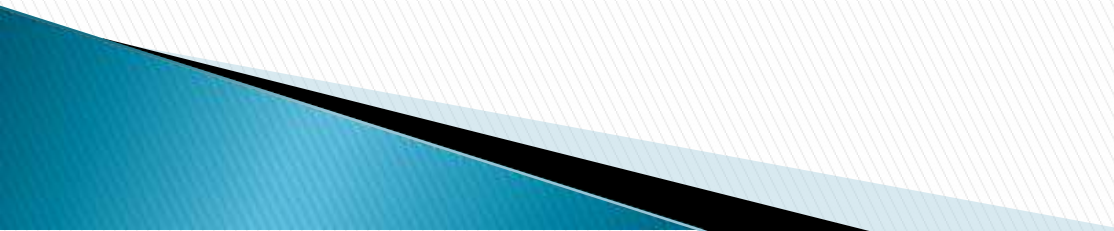
Columbus Consolidated Government  
September 23, 2025

# DROP Summary

- ▶ Deferred Retirement Option Plan (DROP)
  - ▶ Adopted by City Council in 2012 as part of Pension Reform
  - ▶ DROP is a cost neutral benefit to the Pension Plan
  - ▶ Allows eligible employees to retire w/o terminating employment for up to 3 years
- 

# DROP Summary

## ▶ Employees in DROP

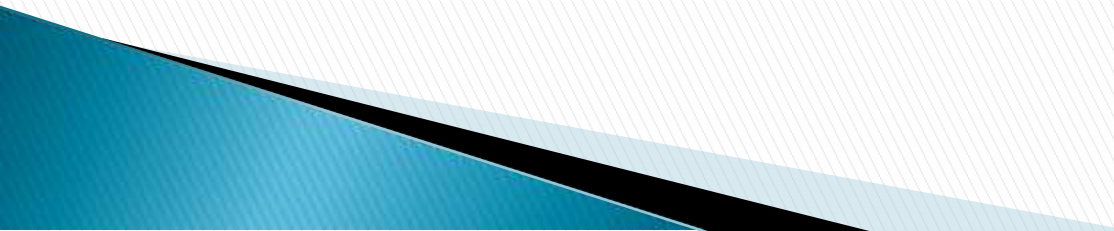
- Continue to receive their regular salary; no longer make pension contributions. Increased take-home pay by 4%
  - Start receiving pension payments, which accumulate in a special DROP Account held in the pension fund to provide a lump sum of money for retirement; may be rolled over to an individual retirement account or another qualified plan
  - ▶ When DROP period ends, termination of employment is required.
- 

# **DROP Eligibility**

## **For Long-Term Employees**

<b>Age</b>	<b>Years of Service</b>
58	30
55	35

# DROP 3-Year Suspension Period

- ▶ Allows employees in the DROP to suspend DROP participation and extend full-time employment for up to three additional years.
  - ▶ Employee does not accrue additional service years
  - ▶ Pension payments to DROP Account ceases; account continues to earn interest.
  - ▶ Ord. #17-4, Effective Jan. 24, 2017
- 

# DROP Participants

General Government	Public Safety	Total Count
17	25	42

3-Year Drop Suspension Period		
3	13	16

Past Suspension Period (Historical)		
5	16	21

Since 2012, 165 employees have exited the DROP; 21 have entered the 3-year suspension period, or 13%.

# Employees in Drop Suspension Period

## **CURRENT Public Safety Participants (Suspension Period)**

Fire & EMS	3
Police	3
Sheriff	7
<b>TOTAL</b>	<b>13</b>

## **CURRENT General Government Participants (Suspension Period)**

Public Works	2
State Ct. Judge Office	1
<b>TOTAL</b>	<b>3</b>

## **PAST Public Safety Participants (Suspension Period)**

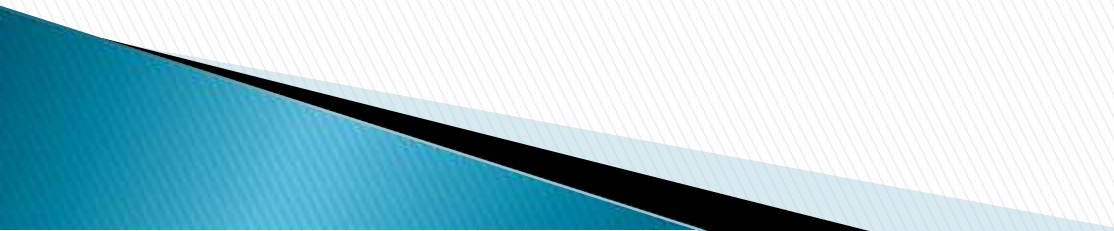
Fire & EMS	4
Police	11
Sheriff	1
<b>TOTAL</b>	<b>16</b>

## **PAST General Government Participants (Suspension Period)**

Engineering	1
Inspections & Code	1
Planning	1
Public Works	1
State Ct. Solicitor	1
<b>TOTAL</b>	<b>5</b>

# Pension Plan Amendment

## Eliminates the 3-Year DROP Suspension Period

- ▶ Employees currently in the DROP will remain in the DROP, with no change in their status.
  - ▶ Employees currently in the DROP and in their initial 3-year period will have the option to enter the 3-year DROP suspension period.
  - ▶ Employees currently in the 3-year DROP suspension period may complete their suspension.
  - ▶ Employees who enter the DROP before the effective date of the amended ordinance may take advantage of the 3-year DROP suspension period.
- 



# DROP Participant “Example”

Year 1	Year 2	Year 3	Year 4 Suspension Period	Year 5 Suspension Period	Year 6 Suspension Period
\$25,000 + Interest	\$25,000 + Interest	\$25,000 + Interest	Interest Only	Interest Only	Interest Only

Total Drop after three years – \$75,000 plus interest.

Suspension Period – Year 4 through 6 – Earn interest only on \$75,000.

Current interest rate is 5%. Determined by Actuary.

# Questions?