



FIREFIIGHTERS RETIREMENT SYSTEM

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ACKNOWLEDGMENT AND WAIVER OF DROP/IBO RIGHTS

I, (print name) _____, acknowledge that I have certain rights regarding the interest earned by my Deferred Retirement Option Plan (DROP) account or my Initial Benefit Option (IBO) account which are set forth in Article X, Section 29 of the Louisiana Constitution.
_____ (member's initials after each paragraph)

I acknowledge my right to have my DROP/IBO account earn interest at the money market rate and the financial safety related to earning at that rate. I understand that the earnings on my DROP/IBO account will most frequently be positive and will very rarely, if ever, equal zero or less if I chose to continue earning at the money market rate, instead of signing this waiver. _____

I irrevocably waive my constitutional rights regarding the interest earned by my DROP/IBO account. I understand that the word "irrevocable" means I cannot ever change my mind after I sign this waiver. _____

I understand that, by signing this waiver, my DROP/IBO account balance will not have the safety of earning at the money market rate. My DROP/IBO account balance will instead earn interest at a rate equal to the percentage rate of return of the system's investment portfolio, less the cost of merger notes as certified by the actuary in his yearly valuation report, less the cost of administering the DROP/IBO plan as determined annually by the board of trustees. I fully understand the risks involved in choosing this option and do hereby knowingly assume the risk. _____

I understand that, by signing this waiver, the amount of money in my DROP/IBO account will be permanently reduced if the system's investment portfolio experiences a negative earnings rate. I do hereby give my permanent, ongoing consent to having money taken from my DROP/IBO account balance if the system's investment portfolio experiences a negative earnings rate. _____

I acknowledge and understand that if this waiver is declared null, void, inapplicable, or otherwise unenforceable by any court of law, then my DROP/IBO account will be treated as though I had not executed a waiver, and my DROP/IBO balance will be adjusted to reflect such treatment. _____

I acknowledge that I can call the FRS office and ask any question or seek any information I need before signing this waiver and, if I do not call the retirement office, then my initials and signature show that I fully understand this waiver. _____

Signed in _____, Louisiana, _____, 2006.
(City) (Month, Day)

Two Required Witnesses:

(First Witness Signature)

(Member's Signature)

(Second Witness Signature)