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State of Louisiana
OFFICE OF THE LIEUTENANT GOVERNOR
DEPARTMENT OF CULTURE, RECREATION & TOURISM
MANAGEMENT AND FINANCE

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HUMAN RESOURCE MEMORANDUM NO. 01-059

August 1, 2001

TO: Lt. Governor, Secretary, Undersecretary, Assistant Secretaries, Deputy Assistant Secretaries, Program Managers

FROM: Mary F. Ginn
Human Resources Director

SUBJECT: Deferred Retirement Option Plan (DROP)

In 1990, the Louisiana Legislature authorized the Deferred Retirement Option Plan (DROP), an optional method of retiring from the Louisiana State Employees' Retirement System (LASERS).

During DROP participation, employee and employer contributions are not paid to LASERS. DROP participants accumulate money in an individual account based on the amount they would have received as a monthly retirement benefit. Money can be withdrawn from the DROP account only after termination of state employment.

You may participate in DROP only once and for no more than three years. You must enter DROP within a window of time beginning on your eligibility date for regular retirement and continuing for three years and 60 days from that date. **Participation in DROP must end no later than three years and 60 days after your first retirement eligibility date.** If you wait to enter DROP after the 60 days, the length of time you can stay in DROP is reduced. Once you begin DROP, the stated participation period cannot be extended, and you cannot end your DROP participation prior to the stated ending date unless you leave state service. However, you may choose to continue working after DROP participation ends.

If you are interested in participating in DROP, please contact LASERS at least 3 months prior to your retirement eligibility for a retirement estimate and verification of your retirement eligibility date. DROP applications are available at the Human Resources Office. To ensure timely processing, you should apply in writing for DROP at least 30 days before the effective date of your participation. For more information, you can check the LASERS website at <http://www.lasers.state.la.us/>, or call the Human Resources Office at (225) 342-0880.

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