

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM



7722 OFFICE PARK BOULEVARD - SUITE 200 BATON ROUGE, LOUISIANA 70809-7601
TELEPHONE 1-800-443-4248 OR (225) 929-7411 – FAX (225) 929-6542
www.lampers.org



January 2012

KATHY BOURQUE
DIRECTOR

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Actuary

R. Randall Roche
General Counsel

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TO: Deferred Retirement Option Plan (DROP) Participant

FROM: Kathy Bourque, Director

RE: Interest on DROP accounts for 7/1/10 – 6/30/11

Enclosed is your DROP Statement for the fiscal year ending June 30, 2011. In his annual valuation report, the actuary certified that the interest yield on the system's investment portfolio for the period July 1, 2010 through June 30, 2011 was 3.9%. Therefore, in accordance with R.S.11:2221F(2), interest at the rate of **3.4%** has been credited to individual DROP account balances of those persons who terminated participation in the program prior to July 1, 2011. Interest was posted on a monthly basis on the balance in the account on the last day of each month. If your DROP participation ended on any day other than the last day of the month, the interest for that first month has been prorated to cover only the remaining day(s) of that month. (The monthly compounding factor to achieve a 3.4% annual interest rate is .0027901).

Note: Any individual whose DROP account had been exhausted will receive a check dated February 1, 2012 for a lump sum distribution of the interest due on the account for monthly balances still on deposit prior to exhausting the balance. Mandatory income tax of 20% will be withheld from the disbursement. Those DROP accounts are now considered closed.

PLEASE INCLUDE MEMBER'S SOCIAL SECURITY NUMBER WITH ALL CORRESPONDENCE