



# **FIREFIGHTERS' RETIREMENT SYSTEM**

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## **Responses to RFP Clarification Questions**

1. Please provide a copy of the most recent plan document. Or, if there is a separate DROP provision, please provide a copy.

The Firefighters' Retirement System (hereinafter "FRS") was established by and is governed by the Louisiana Revised Statutes, specifically La. R.S. 11:2251, et seq. The Deferred Retirement Option Plan is governed by La. R.S. 11:2257.

2. Please provide the current investment lineup with ticker symbols. Are there any liquidity constraints such as puts, market value adjustment, or structured payouts?

There is no current investment lineup for the purpose of this question. DROP participants can select between a number of options, described below:

- a. Money Market Option: The money market option pays a monthly rate of interest based on the Northern Trust Asset Management Government Short Term Investment Fund monthly return.
  - b. "Portfolio" Option: The "portfolio" option pays, on an annual basis, the rate of return of the Firefighters' Retirement System assets.
  - c. Annuitized Option: The member's DROP balance would be converted to a monthly lifetime benefit. The amount of the monthly lifetime benefit is calculated by the FRS actuary based upon the account balance, member's age, and beneficiary's age if an option is selected.
  - d. Combination Option: Members can allocate between both Money Market option and "Portfolio" Option. Allocation can be a set monetary amount or percentage. The allocation is a one-time irrevocable election within FRS.
  - e. Third Party Option (New): Assets are managed by a third party provider that offers members access to a broader range of investment options and account administration services.
3. Please confirm if the committee is considering a structural change to the current fund lineup. Such as adding new investment categories?

Yes; It is anticipated that DROP participants will be able to choose from a list of curated investments selected based on a prudent institutional process. The investment lineup is independent of the Firefighters' Retirement System portfolio of assets.

4. Please provide the annual contributions to the DROP for the last 3 years.

The annual contributions (by DROP deposits) are:

FY23 \$16,984,053  
FY24 \$15,901,455

FY25 \$14,947,243

5. What is the average member balance leaving the DROP plan for the last 3 years?  
During Fiscal Year 2025, there were 79 rollover withdrawals from FRS that totaled \$11,400,000. The legacy system used prior to Fiscal Year 2025 did not include tracking rollover withdrawals from FRS DROP accounts. More detailed information is as follows:

FY 2023

Actively contributing DROP participants: 248  
Total of DROP accounts (including retirees and beneficiaries):  
\$124,172,090

FY 2024

Actively contributing DROP participants: 194  
Total of DROP accounts (including retirees and beneficiaries):  
\$140,036,558

FY 2025

Actively contributing DROP participants: 184  
Total of DROP accounts (including retirees and beneficiaries):  
\$174,252,240

The 2025 DROP account balance represents approximately 1,060 individual accounts. Further, additional historical information can be found on the FRS website in the actuarial valuation reports.

6. On average, how many members enter the DROP plan annually for the last 3 years?

On average, 208 members entered DROP each year for the past three years.

7. How would the plan submit contributions to the provider? (wires, ach)

Once a member separates service, they have 90 days to make an investment election regarding their DROP account funds. One of the available options is the third-party administrator. FRS would aggregate all participant elections to transfer assets to the third-party administrator and would submit a single ACH payment on the first business day of each month.

8. How do participants receive communications in the DROP plan today? (mailings, electronic) If electronic, what percentage receive their education materials electronically?

Members receive statements and communication by mail, both individually and through the FRS newsletter. Additionally, FRS has recently initiated a member portal.

9. Does the plan offer for extension of DROP? If so, how long?

In accordance with La. R.S. 11:2257, any FRS member who has not less than twenty years of creditable service and who is eligible to receive a service retirement allowance may participate in DROP for a period that shall not exceed

three years. An FRS member who has earned at least twenty-eight years of service credit and who begins participation in the plan on or after April 1, 2026, may elect a participation period of not more than five years. Any FRS member who has earned at least twenty-eight years of service credit and who began participation in DROP prior to and is participating on April 1, 2026, may elect to extend his participation period for a total participation of up to five years. An FRS member may only participate in DROP once.

10. Does the plan allow for a member to exit before their termination date in the DROP plan?

When an FRS member applies to participate in DROP, the member must select a participation period based on the member's years of service credit (see the response above). The plan does not allow for a member to exit DROP prior to the selected date unless the member terminates active service.

11. Is this a start-up plan or are the assets transferring into the new Self Directed DROP plan?

The DROP plan is currently managed by the Benefits team consisting of FRS staff members. The system has \$174,000,000 in DROP assets as of June 30, 2025. DROP participants may elect, but are not obligated to, transfer their assets to the new third party DROP administrator.

12. Is there a desired number of onsite education days per year?

FRS seeks to have the selected provider conduct a virtual, one hour education session at least quarterly with the information available for review on the FRS website.

13. Are there any transfer restrictions and/or charges that will apply upon termination of the current provider's contract (e.g., deferred sales charges, market value adjustments)? If so, please describe.

There are no restrictions or charges as the DROP plan is currently managed by the Benefits team consisting of FRS staff members.

14. Will the fund line include variable fund options or just a Stable Value/Fixed Account?

It is anticipated that DROP participants will be able to choose from a list of curated investments selected based on a prudent institutional process. It is anticipated that a money market fund must be made available as an option.

15. Who is the current provider of the DROP plan?

The DROP plan is currently managed by the Benefits team consisting of FRS staff members.