

Sec. 29. Annuity Withdrawal Program (AWP).

- (1) Subject to the funding requirements of section 46, a participating municipality by resolution of its governing body or administrative order of its chief judge, may adopt Benefit Program AWP. The resolution or administrative order shall specify the effective date of the change in coverage, which shall not be earlier than the actual date of adoption, and shall be uniformly applicable to all members employed by the participating municipality or court in the division for which Benefit Program AWP is adopted.
- (2) The member, upon application for retirement under section 20, may elect the AWP if there are employee contributions attributable to such member and the municipality has elected to offer the AWP. Such member will receive, upon retirement, a lump sum distribution of 100% of the member's employee contributions, at the irrevocable option of the member, plus any interest credited to the portion of the distributed employee's contributions pursuant to plan section 16(5). The interest credited to the employee's contributions will be as determined by the Retirement Board. The lump sum distribution will not include any amounts paid or otherwise contributed by a member for the purchase of service credit.
- (3) Upon retirement, the member will commence receiving a benefit that is the monthly benefit the member would have received had the member not elected AWP, less the actuarial equivalent of the lump sum distribution, which benefit is then subject to any further reductions based on the form of payment elected under section 27. The actuarial equivalent will be calculated using either the interest rate for employee contributions as determined by the Retirement Board or the MERS assumed rate of return as of the date the lump sum distribution is withdrawn, at the employer's election at the time the AWP is adopted, and the MERS mortality tables.
- (4) A member who elects AWP may not elect the DROP Benefit Program under section 30.
- (5) A participating municipality or court shall not adopt AWP for retirement allowances payable under the Hybrid Plan.
- (6) On or after January 1, 2015, in the event of any alteration of this provision through collective bargaining, such alteration shall not be recognized or administered by MERS.