

October 3, 2025

VIA CERTIFIED MAIL & EMAIL

Police Commissioner Jessica S. Tisch
New York City Police Department
1 Police Plaza
New York, NY 10038

Re: Detective Specialist Jaenice Smith — Unlawful Pension Interference, Service-Retirement Eligibility, and Civil-Rights Violations [DAO Case No.: C-034320]

Dear Commissioner Tisch:

This office represents Detective Specialist Jaenice Smith (Shield No. 7774; Tax Registry No. 939488). We write to (i) challenge the Department's and the New York City Police Pension Fund's unlawful interference with Detective Specialist Smith's vested retirement rights; (ii) place you on notice of her retirement election and dates; and (iii) demand immediate cessation of further interference, investigations, and disciplinary actions.

I. Unauthorized "claw back" of service credit (Holloran letters)

On May 28, 2025, June 6, 2025, and June 26, 2025, [Exhibit Nos.: 1, 2, and 3], Kevin Holloran, Executive Director of the Police Pension Fund, issued letters purporting to change Detective Specialist Smith's appointment/calculable retirement date from July 11, 2005 to August 24, 2006, subtracting roughly 1.1 years of creditable service based on an "AWOL" allegation. No lawful disciplinary finding exists to support this. These letters are *ultra vires* and void.

II. Controlling Tier-2 law and plan text**A. NYC Admin. Code § 13-218 (Credit for service)**

- § 13-218(c) (quoted in pertinent part): "Time during which a member was absent on leave without pay shall not be allowed in computing service as a member except as to time subsequent to approval of such allowance for retirement purposes granted by the commissioner and approved by such board."

Detective Specialist Smith's absences were expressly authorized; they are creditable service.

- § 13-218(d)(1) (quoted in pertinent part): "No member... shall be eligible for retirement for service until he or she has served in the police force for a minimum period of twenty or twenty-five years, or until he or she has reached the age of fifty-five, according to the minimum period or age of retirement elected by such member..."

B. NYC Admin. Code § 13-246 (Retirement; minimum period and application)
Upon attaining the minimum period for service retirement and filing a written application specifying a date at least 30 days thereafter, the member "shall be retired" as of that date.

C. Tier 2 Summary Plan Description (October 2024) — exact plan text

"Members are eligible for Service Retirement upon completion of 20 years of Allowable Police Service. The application for Service Retirement must be filed at the Police Pension Fund at least 30 days before discontinuance of active police service."

The SPD then sets the service-retirement formula (50% of final average salary, plus 1/60th of total earnings after the 20th anniversary, plus the non-uniform service factor, plus annuity values of ITHP and ASF excess, less ASF shortage).

D. Sole method of forfeiture (Chapter 514, Laws of 2011)

If a member is dismissed for any reason other than a felony conviction and has at least 20 years of Allowable Police Service, the member is deemed retired as of the date of dismissal with no loss of rights or benefits. Only a felony conviction can trigger forfeiture. No such conviction exists here. [Exhibit No.: 4]

Conclusion from the law: Detective Specialist Smith completed **20 years** of Allowable Police Service on **July 11, 2025**. Her service retirement eligibility **vested by statute** on that date. The New York City Police Pension Fund and Department lack the authority to subtract credited service or retroactively adjust her appointment date, absent the narrow forfeiture conditions above, which are not present.

III. Unlawful interference & intimidation — Kings County District Attorney threats

The Department has unlawfully interfered with Detective Specialist Smith's right to file for service retirement by leveraging threats of criminal prosecution through the Department Advocate's Office and the Office of the District Attorney of the County of Kings. These coercive tactics chilled the exercise of a vested statutory right and are discriminatory and retaliatory. The

coordination of pension manipulation with prosecutorial threats is an abuse of authority that violates due process and equal protection.

IV. Retirement election — EFFECTIVE IMMEDIATELY (dates specified)

Effective immediately, Detective Specialist Smith intends to file her Application for Service Retirement with:

- **Application (submission) date: August 11, 2025**
- **Retirement (separation) date: September 11, 2025**

Accordingly, effective immediately, consider Detective Specialist Smith to be retired as of September 11, 2025. The Department shall:

1. Cease all investigations, referrals, and disciplinary actions against her;
2. Direct the New York City Police Pension Fund to calculate her retirement and benefits consistent with this notice, using July 11, 2005, as her appointment date and the governing provisions of §§ 13-218 and 13-246 and the Tier-2 SPD;
3. Rescind/withdraw the Holloran letters dated May 28, 2025; June 6, 2025; and June 26, 2025.

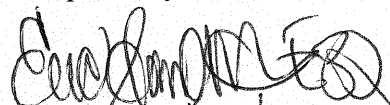
V. Civil-rights liability preserved

The New York City Pension Fund's "claw back" and the Department's intimidation expose both entities and the individual employees who effected these unlawful actions to liability under:

- Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e et seq.) — discrimination, hostile work environment, and retaliation;
- Civil Rights Act of 1871 (42 U.S.C. § 1983) — discrimination, hostile work environment, retaliation, Monell, deprivation of due process and equal protection under color of law;
- New York State Human Rights Law (Exec. Law § 296); and
- New York City Human Rights Law (Admin. Code § 8-107).

All rights and remedies — including injunctive relief, damages, and attorneys' fees — are expressly reserved.

Respectfully submitted,

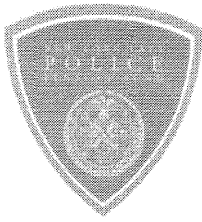


Eric Sanders (ES0224)

ES/es

cc: Kevin Holloran, Executive Director, New York City Police Pension Fund

EXHIBIT 1



New York City Police Pension Fund

233 Broadway, 25th Floor
New York, NY 10279
(212) 693-5100

Kevin Holloran
Executive Director

May 28, 2025

Jaenice Smith


Subject: New Retirement Eligibility Date(s)

Dear Member:

The following event has changed the date(s) on which you are eligible to retire:

Leave without pay from 02/07/2024 to 03/21/2025

Your equated date is used for retirement purposes only. When you have accumulated 20 years of credited service from your equated date, you are eligible for a service retirement. Prior to the event cited above, your date for retirement purposes was 07/11/2005. You now have an equated date of 08/24/2006.

If you have any questions, please contact our Membership Services Unit (212) 693-5850.

Sincerely yours,

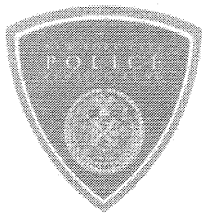
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Kevin Holloran
Executive Director

dp
Tax ID #: 939488

MS15

EXHIBIT 2



New York City Police Pension Fund

233 Broadway, 25th Floor
New York, NY 10279
(212) 693-5100

Kevin Holloran
Executive Director

June 6, 2025

Jaenice Smith



Subject: Retirement Eligibility Date Review

Dear Member:

Please be advised that the following event has not resulted in a change to the date(s) on which you are eligible to retire:

Leave with pay from 02/07/2024 to 03/21/2025

Your appointment date remains unchanged and is not affected by this leave.

If you have any questions or need further assistance, please feel free to contact our Membership Services Unit at (212) 693-5850.

Sincerely yours,

A handwritten signature in black ink, appearing to be "KH", written over a horizontal line.

Kevin Holloran
Executive Director

ff
Tax ID #: 939488

MS15

EXHIBIT 3

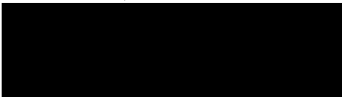


New York City Police Pension Fund

233 Broadway
New York, NY 10279
(212) 693-5100

Kevin Holloran
Executive Director

June 26, 2025

Jaenice Smith


Subject: Update to Your Retirement Eligibility Date

Dear Member,

We are writing to inform you of a change to your retirement eligibility date resulting from the following event:

Leave without pay from February 7, 2024, to March 21, 2025

Your equated date is used solely for determining retirement eligibility. Once you have accumulated 20 years of credited service from your equated date, you become eligible for a service retirement.

Previously, your equated date for retirement purposes was **July 11, 2005**.
Following the event noted above, your new equated date is **August 24, 2006**.

As the result of this change you will now be eligible for a Service Retirement on **August 23, 2026**.

The Fund is aware that you received two prior letters regarding this leave, and we apologize for the confusion. This letter represents the most current and accurate information available.

If you have any questions, please contact our Membership Services Unit at (212) 693-5850.

Sincerely yours,

A handwritten signature in black ink, appearing to be "KH", written over a horizontal line.

Kevin Holloran
Executive Director

Tax # 939488

EXHIBIT 4



SUMMARY PLAN DESCRIPTION

New York City Police Pension Fund
Tier 2 Members

New York City Police Pension Fund

Board of Trustees

Mayor

Police Commissioner

Commissioner of Finance

Comptroller

President—PBA

1st Vice President—PBA

2nd Vice President—PBA

Chairman, Board of Trustees—PBA

President—DEA

President—SBA

President—LBA

President—CEA



Kevin Holloran

Executive Director

Robert Sens-Castet

Deputy Executive Director



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Introduction

This booklet is called the Tier 2 Summary Plan Description (SPD). It is published by the New York City Police Pension Fund (NYCPPF, PPF, Fund), and is intended to summarize provisions relating to the retirement benefits offered to uniformed employees of the New York City Police Department (NYPD), whose membership date is between July 1, 1973 and June 30, 2009.

This booklet is not intended to be comprehensive. Laws affecting the plan can be enacted in any given year, which may result in inaccuracies within this SPD. In the event of a conflict between the contents of this booklet and any applicable law and/or rules, including, but not limited to, the Administrative Code of the City of New York (NYCAC), the New York State Retirement and Social Security Law (RSSL), and the Rules of NYCPPF, the applicable Law or Rule will govern.

About PPF

In 2001, legislation provided Corpus Funding for the Pension Fund to begin operations in September, 2002 at its new location at 233 Broadway in New York City. The PPF is governed by the Board of Trustees. The Comptroller of the City of New York is Custodian of the funds of the System, and by delegation of the Board of Trustees, has the power to invest those funds. The Executive Director is the chief administrative officer of the agency. The Chief Actuary for the City of New York provides actuarial services to the PPF. The Office of Corporation Counsel provides legal services to the Fund.

NYCPPF is a defined benefit plan. PPF manages the Fund's invested assets and pays out benefits according to formulas set forth in New York State and New York City laws. In general, Tier 2 members are governed by Title 13 of the NYCAC, the Rules of the Fund and certain other applicable statutes.

How to Contact PPF



webCOPS is a secure website where members can view pension account information and connect with PPF online. Members who register on webCOPS can check their current account balance, verify contact and beneficiary information, and download and submit member request forms. webCOPS will continue to evolve with scheduled updates over the next few years.

For members with an active account you can log onto webCOPS at:

<https://webcopsmss.v3locity.com/>

To register for webCOPS members can call the PPF's Call Center at (646) 905-5596 and request that a PIN be mailed to your address on file. PPF's Call Center is also available to provide webCOPS support during standard business hours.

Members can also find the answers to many questions quickly and conveniently by visiting PPF's public website: www.nyc.gov/nycppf.

At PPF, protecting and securing the privacy of member data is a top priority. Therefore, forms not submitted via webCOPS require notarization; affidavits must always be notarized regardless of how they are submitted. PPF staff does not respond to telephone or e-mail inquiries relating to private member information because the identity of the caller or e-mail writer cannot be confirmed.



For answers to questions of a **general** nature concerning retirement and pensions, please call PPF at (212) 693-5100.



You may send forms or letters to the Pension Fund at 233 Broadway, 25th Floor, New York, New York 10279.



The Fund is also on Facebook! Members, their beneficiaries, and fans of the Fund can "like" us on Facebook at www.facebook.com/nycppf.

The Fund cannot answer member specific questions regarding financial information or provide legal or tax advice.

In person and online, PPF is proud to be serving the FINEST.

Membership

Uniformed members of the New York City Police Department with membership dates between July 1, 1973 and June 30, 2009 are considered Tier 2 members. Contributions to the Fund are made while employed with the NYPD in accordance with the "Contributions" section. Membership in the Fund ceases upon withdrawal of contributions.

Credited Service

Credited service is classified as Allowable Police Service or other credited service. Members may buy back any missing service under Chapter 552, as described below.

Allowable Police Service

Twenty years of Allowable Police Service are required for Service Retirement. Allowable Police Service includes:

- ✓ All service rendered as a uniformed member of the NYC Police Department.
- ✓ Credit for service rendered as a uniformed member of the NYC Fire Department.
- ✓ Credit for service rendered while a member of the New York City Employees' Retirement System uniformed force service immediately preceding appointment as a uniformed member of the New York City Police Department. Such uniformed service includes: service in the Housing Police Department, Transit Police Department, Department of Correction, Sanitation Department, and as an Emergency Medical Technician (EMT).
- ✓ Credit for uniformed service rendered while a member of the New York State Employees' Retirement System or New York State Police and Fire Retirement System.
- ✓ Credit for service as a Peace Officer in accordance with New York State Criminal Procedure Law §2.10
- ✓ Service in the United States Military
- ✓ Up to one year for each authorized Child Care Leave purchased pursuant to Chapter 594 of the Laws of 2000.

Other Credited Service

Other credited service is service other than Allowable Police Service and counts as additional service credit beyond the required 20 years. This provides an additional monetary benefit.

Other credited service includes membership service rendered while a member in a non-uniformed position. In addition, uniformed service credit that does not immediately precede uniformed service in the New York City Police Department is considered to be Other Credited Service.

Please note buybacks and transfers must be completed within prescribed time limits. For further information please contact Membership Services at (212) 693-5850.

Retroactive Military Seniority (RMS)

Retroactive Military Seniority (RMS) is awarded to a member after being appointed to the NYPD from a special list, retroactive to the date the member would have been appointed had the member not been serving in the military. Information contained herein applies only to pension, not employment, benefits.

Members who are awarded RMS from the Department of Citywide Administrative Services (DCAS) are eligible to receive pension credit retroactive to their RMS date upon remitting the

cost of pension contribution to the Fund. This entitles the member to the same rights, privileges and obligations as if he had served continuously in such position from the RMS date

Contributions must be completed within the repayment period prescribed by law; the maximum repayment period is the time from the RMS date to the NYPD appointment multiplied by 3, up to a maximum of 5 years. Payments can be made via certified check or money order, or through bi-weekly payroll deductions. Upon completion of the payment, interest will be credited to the account, as it would have been earned during the period.

Tier 2 members may elect to not make their contributions, forgoing the interest the Fund would have paid, thereby creating a shortage in their contribution account. If a shortage exists in the contribution account at the time of retirement, the pension will be offset by an actuarial equivalent to the shortage.

Members may also elect to make voluntary contributions, i.e., the ITHP Waiver, and/or 50% Additional Contributions, as if they were made during the RMS period. The Fund is responsible for interest on such voluntary contributions. Members who make this election must elect to participate in one or both programs for the entire RMS period.

Please note a member cannot receive RMS and credit for the same military service through a buyback. Members who have already completed a military buyback for time covering the RMS period, will receive a refund for the buyback or the Fund will credit the money toward the RMS payment.

Prior Transit and Housing Service

Former Transit and Housing Police Officers who became members of the Police Pension Fund Article II due to the 1995 merger, or a rollover, maintain their eligibility based on their original dates of membership in NYCERS.

Transfer of Service

Members with a previous membership in New York City or State public retirement system may be eligible to transfer their prior service to PPF. Members transferring uniformed Police or Fire time, Peace Officer status or EMT time will be granted allowable police service provided the application for such credited service was made within prescribed time limits and such credited service was properly transferred to PPF.

Members should discuss potential transfers with PPF, as well as a representative from the former retirement system to determine eligibility.

Prior State of New York service may be transferred to PPF for up to seven years from the termination of state service, after which point the member must purchase the time to obtain service credit or a pension benefit, as permitted by law. All properly transferred state time is uniformed time. Please note that the New York State Teachers' Retirement System does not allow system-to-system transfers; such prior time must be purchased. Members should initiate the transfer process with PPF Membership Services.

Prior City of New York service may be transferred to PPF for up to one year from termination of city service, after which point the member must purchase the time to obtain service credit or a pension benefit, as permitted by law. Members should initiate the transfer process with the former retirement system.

Under Chapter 498 of the Laws of 2005, active members who properly transferred City or State time that immediately preceded appointment to the NYPD may count this time as uniformed time, provided it is considered to have peace officer status under New York State Criminal Procedure Law § 2.10 or is service as a NYC Emergency Medical Technician (EMT). This law is not retroactive, and it will impact a member's contribution rate. Members who wish to have this time count as uniformed time must ask the Police Pension Fund's Membership Services Unit for application assistance. This time, if properly transferred to the New York City Police Pension Fund as an active member, shall be credited as uniformed time.

Buyback Information

There are several statutory provisions that allow for the purchase of prior service. Some of these buybacks merely grant service credit that will provide an additional monetary benefit at retirement, while others may count toward the number of years necessary to reach Service Retirement. However, those that grant such service credit as "allowable" police service, typically must be immediately preceding the NYPD service (including service in the uniformed transit police force, the housing police force, uniformed corrections force or the uniformed force of the Department of Sanitation).

Prior Service, Chapter 646, Laws of 1999

Chapter 646 allows PPF members with former membership in a New York City or State public retirement system to receive credited service by repaying contributions that system refunded (if any) with interest. Former Police Pension Fund members with a lapse in service also can buy back time under Chapter 646.

Service purchased pursuant to Chapter 646 can either be non-uniformed service, which increases the pension's value but does not change the retirement date, or it can be uniformed service, which changes the retirement date. Both types of service change the contribution rate and may cause a shortage due to the rate change.

Military Service, RSSL § 1000

New York State Retirement and Social Security Law ("RSSL") § 1000 allows members to purchase up to three years of pre-membership military service.

To be eligible for this service credit purchase, the member must:

- ✓ Be in active City service; and
- ✓ Have five years of allowable police service with PPF, not including the military service being purchased; and
- ✓ Produce a DD-214 demonstrating an honorable discharge from any branch of the U.S. Armed Forces.

The member must render payment for the service credit as follows: 3% of the member's compensation earned during the 12 months of credited service immediately preceding the application date multiplied by years of military service claimed

The member must apply and remit payment for service credit before the effective date of retirement. In the event of retirement prior to completing payment for the service credit purchase, the amount of service credited to the member shall be proportional to the total amount paid. If upon death, retirement, or separation, the service purchase does not produce a greater benefit, the cost of the service purchase must be refunded to the member with interest.

Prior Service, Chapter 552, Laws of 2000

Chapter 552 allows members to buy back previous service while employed by New York City, State or political subdivisions of the State prior to becoming a member of the Police Pension Fund. Service bought back under Ch. 552 can be uniformed or non-uniformed service, but only uniformed service will change the retirement date. The contribution rate under Chapter 552 always is unchanged.

Child Care, Chapter 594, Laws of 2000

Chapter 594 allows members who were on leave without pay for purposes of authorized child care leave to purchase uniformed credited service. A member must file an application not later than ninety (90) days from the final date of the leave.

Bosnia Bill, Chapter 606, Laws of 2000

Chapter 606 permits PPF members to purchase police duty rendered on behalf of the U. S. Government that is located in a foreign country (e.g., Bosnia). When such police service is combined with qualifying military service under Chapter 606, a maximum of four years of service may be purchased.

Contributions

During active service, members are required to make pension contributions until eligibility for Service retirement, at which point all contributions become voluntary. At the time of hire to the NYPD, members are assigned a contribution rate based upon their age. Member contributions in Tier 2 earn a statutory 8.25% interest, paid by the City and compounded annually.

The contribution rate is applied to the member's pensionable earnings during their career and when combined with earned interest, creates what is called the "required amount." The required amount is unique to each member and is the amount necessary to remain in the account to receive a retirement benefit with no reduction. This amount "freezes" when the member becomes eligible for service retirement, as contributions are no longer necessary.

Pensionable earnings consist of: base salary, overtime, night differential, holiday pay, worked vacation, portal to portal and allowable longevity.

Internal Revenue Code § 414(h) provides that contributions made on or after December 1, 1989, are not subject to federal tax, but are subject to state and local income taxes. Member contributions made before December 1, 1989 are subject to federal, state, and local taxation.

Contribution Rates

Age at Appointment	Required Rate	=	City/ITHP Rate	+	Member Rate
20	8.05%		5.00%		3.05%
21	7.85%		5.00%		2.85%
22	7.65%		5.00%		2.65%
23	7.50%		5.00%		2.50%
24	7.30%		5.00%		2.30%
25	7.15%		5.00%		2.15%
26	6.95%		5.00%		1.95%
27	6.80%		5.00%		1.80%
28	6.65%		5.00%		1.65%
29	6.45%		5.00%		1.45%
30	6.30%		5.00%		1.30%
31	6.15%		5.00%		1.15%
32	6.00%		5.00%		1.00%
33	5.85%		5.00%		0.85%
34	5.65%		5.00%		0.65%
35	5.50%		5.00%		0.50%
36	5.35%		5.00%		0.35%
37	5.20%		5.00%		0.20%
38	5.05%		5.00%		0.05%
39	4.90%		5.00%		0.00%

Voluntary Employee Contributions

Waive ITHP

The City assumes 5% of a member's contribution rate, which is referred to as "increased take home pay" or "ITHP." The City's assumptions are placed in a separate account and partially fund the benefit. City ITHP cannot be borrowed against or otherwise taken as a distribution by the member; however, the ITHP assumption made after a member is eligible for service retirement, but continues working, is annuitized and added as an additional monetary benefit when the member ultimately retires. The City assumes this ITHP rate regardless of whether the member is making any pension contributions, as long as the member is active.

A member may elect to waive the City's ITHP assumption and make their entire contribution. For instance, if a member's assigned rate is 7%, the member contributes 2% and the City assumes 5%; if ITHP is waived, the member contributes 7% to his account, all of which earns interest, and the City continues to assume the 5%, which is deposited into a separate account.

This is a very common voluntary election by Tier 2 members, because it creates an excess in the account and leads to a greater retirement benefit. ITHP waiver contributions made by members are tax deferred.

50% Additional

In addition to the ITHP waiver, a member can also participate in another voluntary contribution program: the 50% additional. Under this program, a member can contribute an additional 50% of their required contribution rate to their account. With the above example, if a member is assigned an 7% contribution rate, the additional contribution would be 3.5%. This contribution is made post-tax, but earns the guaranteed interest in the account, which is tax deferred.

Stop or Reinstate Member Contributions

Even though it is not advisable, a member may stop making pension contributions. When this occurs, the City will continue making the ITHP contribution. **It is important to note that stopping member contributions will create a shortage in the ASF account; if that shortage is not repaid it will result in a lower pension upon retirement.** See the “Shortages” section for further information.

Members may only stop member contributions until earnings for the year reach the level upon which FICA (Social Security) taxes are no longer imposed. If and when a member’s earnings reach that level, member contributions are automatically reinstated.

A member may reinstate member contributions at any time.

Member Contributions While on Military Leaves

Members may take military leaves with or without pay during their career with the NYPD; however, all members must be given the opportunity to purchase pension credit for such leaves.

The Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”) military service members’ pensions—as well as employer and employee contributions to pension plans—are required to be computed based on the rate of compensation the employees would have received but for their periods of military service.

Therefore, when a member goes on military leave, PPF must impute, for purposes of pension calculations, overtime and night-shift differential compensation that members would have earned had they not taken military leaves during their careers with the NYPD.

For example, the member may ordinarily have earned overtime or night-shift differential compensation, but missed the opportunity to do so because of military obligations. Military service begins on the day a member begins his or her leave from the NYPD for the purposes of military service; this may include use of annual leave and/or compensatory time. The military service is deemed completed on the day before the member returns to the NYPD.

To determine the amount of earnings a member would have earned, PPF will average any additional differential payments and overtime the member earned during the 12 months immediately preceding his or her active military service. PPF will then add the base pay to the imputed earnings to reach the pensionable earnings for the military leave. Members are responsible for making additional pension contributions to the Fund.

Excess Contributions/Refund of Excess

A member with twenty or more years of service and no shortage may make an application for a refund of any excess funds in the member's account. If no refund request is made by the time of retirement, the pension will be increased by the actuarial value of the excess.

A refund of excess is the return of any funds in a member's account above the amount required on the member's 20th anniversary. **All taxable distributions are subject to a 20% withholding.** The withholding tax is credited toward the payment of the tax on the distribution. **Members under the age of 59 ½ are also subject to a 10% penalty on the distribution;** however, if a member is retiring from the service, the age for the 10% penalty is reduced from 59 ½ to age 50. Members retiring are eligible to roll over a taxable distribution into an IRA, thereby avoiding the 20% withholding and 10% penalties.

A member who requests a refund of excess will receive a 1099 from the Comptroller's Office at the end of the year for the distribution.

Refund of Contributions upon Separation From The Fund

If a member separates from the Fund for reasons other than retirement (resignation, termination, or death) a request for a refund of accumulated contributions plus interest may be made. If contributions are left with the Fund, the money will continue to earn interest for a maximum of five years from the date of separation. After this time, the contributions will no longer accrue interest and will be refunded. If a member has a taxable outstanding loan balance, a Form 1099-R will be generated at the end of the separation year.

Loans

The maximum allowable loan for members, including any outstanding loans, cannot exceed 90% of accumulated contributions, plus interest.

Loans are issued in multiples of \$10.00, with a minimum amount of \$100. Members are limited to holding 10 outstanding loans at one time, and no more than two new loans may be granted during any 12-month period.

Repayments are automatically deducted from salary checks in the amount specified by the member, but in no event less than 2% of the bi-weekly gross check. Payments may not exceed 10% of the bi-weekly gross check without written authorization from the member. Repayment on all loans must occur prior to a member's 63rd birthday. Members must appear in person at the Pension Fund if they desire to repay loans prior to termination.

Loans with a repayment schedule of five years (130 payments) or less are treated as separate loans for purposes of repayment, tax liability and tracking. Loans being repaid with a term of five years or more will be combined, resulting in a single repayment on the combined loan. If there is a prior loan outstanding, a new loan will have a separate repayment schedule unless the consolidated loan will be repaid in full by the original repayment date.

Why Pension Loans Cause Shortages

A pension loan causes a shortage even if the loan is repaid. The interest on a member’s ASF account is 8.25%, whereas the interest on a pension loan 4.0%. Accordingly, making regular pension contributions during the loan repayment period, or even fully repaying the loan, does not prevent the shortage from occurring because the loan is repaid at 4.25 percentage points lower than what the borrowed funds would have earned in the account.

When a member’s ASF account falls below the required amount there is a shortage in the account. If not repaid, a shortage will reduce the member’s pension at retirement.

The Police Pension Fund recommends that members carefully evaluate whether taking a pension loan is the best option.

Loan Repayment and Insurance

Members may repay a loan in full or in part at any time; the minimum partial payment is \$500. Additionally, members may change the loan payment amount during the months of May and November.

If a member dies prior to retirement, loans with a combined balance up to \$25,000 are insured, subject to how long each loan has been outstanding, as follows:

Days Loan Outstanding	Percentage of Loan Insured
Less than 30 days	0%
30-59 days	25%
60-89 days	50%
90 or more days	100%

Deferred Compensation Plan Loans

The NYC Deferred Compensation Loan Program (DCLP) works in conjunction with Loans taken at the Police Pension Fund.

The maximum DCLP loan is the lesser of:

- 50% of a participant’s DCP account balance; or
- \$50,000, reduced by the highest outstanding principal at the Police Pension Fund during the 12-month period ending on the date of the proposed DCLP loan.

Police Pension Fund members seeking a DCP loan must have the Police Pension Fund certify their highest outstanding PPF loan balance during the above period. NYC Deferred Compensation will not issue a loan if the combined PPF/DCP loan balance exceeds the \$50,000 DCLP maximum.

For more information visit www.nyc.gov/nycppf and click the Loan Services link, then click the Deferred Compensation Loans link.

Loan Taxability

An IRS Form 1099-R will be issued for all taxable and defaulted loans.

A loan will be considered taxable if the combined principal of the new loan, PLUS the balance in the last 12 months for **BOTH** DCP AND PPF loans exceeds the lesser of \$50,000 or one-half of the member's contribution account balance.

When applying for a loan, if "Maximum Non-Taxable Amount" is selected on the application, the member will receive the maximum loan possible without triggering a taxable event.

An additional 10% tax will be charged by the IRS if you take a taxable loan and are under age 59 1/2.

Failure to make any loan payments in a 90 day period will result in a defaulted loan.

Note IRS Form 1099-Rs will ONLY be sent to your legal address on file.

Taxability of the Final Withdrawal

A member may elect to withdraw up to 90% of the required amount at retirement. This is called the final withdrawal (sometimes called the "final loan"). The final withdrawal can consist of both taxable and/or non-taxable funds. The final withdrawal will also create a reduction in the member's retirement allowance.

The portion of the final withdrawal made up of taxable contributions is subject to federal tax withholding at 20%. Taxable contributions withdrawn are also subject to a 10% early withdrawal penalty unless they are *either* over age 50 or have 25 years of uniformed service.

Members have the option of choosing a direct rollover for the final withdrawal. By choosing a direct rollover, the Fund will make the payment of a final withdrawal directly to an IRA or other qualified account of the member's choosing.

If the member elects to receive the entire payment directly, instead of a rollover, the Fund must withhold 20% of the taxable amount as federal withholding taxes.

Members should consult a professional financial planner or tax consultant to assist with making this decision.

Pension Shortages

Shortage Causes

A shortage occurs whenever a member's ASF balance falls below its required amount. If a member's ASF balance is higher than the required amount, the ASF has an excess. There are four possible causes of a shortage in your ASF:

1. **Pension loan:** This creates a shortage because loans are repaid at 4% interest, whereas the ASF earns 8.25% interest. Accordingly, the ASF does not earn the additional 4.25% the loan principal would have earned had it stayed in the member's account ($8.25\% - 4\% = 4.25\%$). The lost interest creates a shortage, even if the member repays the loan before retirement and continues to make pension contributions.
2. **Insufficient member contributions:** A shortage may be created anytime a member stops pension contributions. Some members choose to stop making pension contributions and contribute to the NYC Deferred Compensation Plan; by doing so, the member may have a pension shortage at retirement.
3. **Service transfers and most buybacks:** With service transfers and most service buybacks, the required rate must be adjusted to the rate corresponding to the member's age at the start of the service transferred or purchased, creating a shortage. PPF will inform members of any change in the required amount.

Example: A member appointed on January 9, 1996 at age 24 (7.30% required rate) purchased three years of uniformed service (January 1, 1991 to December 31, 1993), which changes the membership date to January 1, 1991. As the member was 19 years old on January 1, 1991, the new required contribution rate becomes 8.20%. Because the member was contributing at a lower rate before the buyback occurred, the member now has a shortage.

4. **Contract settlement:** Receiving back pay from a contract settlement can also create a shortage. At the time a member receives back pay, member contributions are deposited into the ASF account. However, the ASF account did not earn the interest on these contributions while the contract was being settled. Since interest earned on contributions is part of a member's required amount, a shortage may occur.

Effects of a Shortage

If a member has a shortage that has not been repaid prior to retirement, the pension will be reduced by the actuarial value of the shortage. When a member has a pension shortage, the member is given the opportunity to pay back the shortage before retirement. Shortages may be caused in any number of ways, as described above.

Example: A 45-year-old member retires for Service with a \$50,000 shortage. To create the actuarial value of this shortage, it is multiplied by the age-driven actuarial factor (per thousand dollars of shortage) of \$81.78, resulting in a pension reduction of \$4,088 per year.

Reducing a Shortage

Members can reduce or eliminate a shortage in any of the following ways:

1. **Waive ITHP:** By waiving ITHP, the member agrees to contribute 100% of the required rate; contributions assumed by the City still remain in effect when a member waives ITHP. City ITHP does not appear on your pay stub, but City ITHP plays a major role in funding your pension. Waiving ITHP can help decrease a shortage and may even result in an account excess.
2. **Choose 50% Additional:** Choosing 50% Additional has similar benefits to waiving ITHP, but 50% Additional contributions are made from after-tax income rather than pre-tax income. Reducing a shortage by choosing 50% Additional may result in ASF funds that can be withdrawn tax-free at retirement.
3. **Lump Sum Contribution:** A member may also eliminate a shortage by making a lump sum payment. The Fund will only accept a lump sum payment of \$500 or more. This may be done at any time either in person or by mail. The member must request a shortage evaluation at the time of the payment and submit a personal check to the Membership Services Unit payable to the New York City Police Pension Fund. This payment is then credited to the member's ASF account. **Note:** Members may only make lump sum contributions if a shortage exists in the ASF account.

Effect of the Final Withdrawal

At retirement, a member may take a final withdrawal (sometimes called a "final loan"). Members may withdraw up to 90% of their required amount, as well as some or all of their excess, if applicable. Taking a final withdrawal has the same effect as creating a shortage; therefore the member's pension will be reduced for the life of the pension. Having an outstanding loan balance at the time of retirement may also have the effect of creating a shortage.

Retirement

Applicants for Service Retirement should call the Retirement Processing Unit for an appointment three to four weeks before filing for retirement. Filing for retirement must be done in person at least ten days prior to the start of terminal leave and at least 30 days prior to the retirement date. Members are authorized to take an administrative tour for retirement processing.

A member appearing at PPF for retirement must be in possession of his or her shield and identification card.

Pension checks are mailed to a member's mailing addresses on file with the Fund unless a member requests otherwise. Members may have pension payments directly deposited to any bank upon the submission of an Electronic Funds Transfer (EFT) Form. It is the member's responsibility to keep address information current with the Fund, even after retirement.

Procedures for all members applying for retirement

Property Receipt—Discontinuance of Service (PD 520-013)

This form must be completed and signed by the Commanding Officer of the member's permanent command, or an officer at least a rank above the member within the command, and delivered by the member to Retirement Processing.

The field, "Next Scheduled Tour After Leaves, Except Terminal Leave" must be filled out on this form. The date in this field is the starting date of terminal leave. It is the responsibility of the member to return Department property to the appropriate locations.

Firearms

Members who are New York City residents and wish to obtain a New York City Pistol License must visit www.licensing.nypdonline.org. The Application should be submitted four weeks prior to the member's obtaining a retired ID card for processing, otherwise the member may be subject to vouchering firearms until the permit is processed. Questions regarding the Handgun License Application should be directed to the License Division.

Members who are not New York City residents may need to provide a copy of the Property Clerk Invoice (PD 521-141) for all firearms listed on the NYPD Force Record Card if an HR218 card is not obtained. Please contact your resident county for further instructions regarding their process.

Health Insurance Information

Members, and in some cases their beneficiaries, may be eligible for health benefits from the City of New York. A member needs at least 10 years of credited service to be eligible for health benefits upon retirement. Health benefits are only available to a person actually collecting a pension.

For example, a member who vests with 10 years of service and does not collect a retirement allowance until what would have been the member's 20th anniversary is not eligible for health benefits until the Fund begins to disburse the retirement allowance.

Members should contact Employee Health Benefits at the NYC Office of Labor Relations at 40 Rector Street, New York, NY 10006 or (212) 306-7390 for further information regarding health benefits.

For health insurance purposes, the following information must be provided when a member appears at the Fund to retire:

- ✓ GHI, HIP or other health plan card;
- ✓ Spouse's date of birth and Social Security Number;
- ✓ Date of marriage;
- ✓ Dates of birth and Social Security Numbers of dependent children;
- ✓ If spouse is employed and has health insurance, bring pertinent information (name of employer, health plan, and policy number).

Retirement Processing

During the retirement process at PPF, members are provided information on health insurance, pension survivor options, employment restrictions, withholding tax, and other important retirement issues. The member's retirement date will be set, and estimates for both final pension and pre-finalization pension will be provided.

Estimate of Final Pension

An applicant for retirement will receive a pension estimate after meeting with a retirement processor—this is only an estimate. Any additional overtime, night differential and worked vacation earned between the estimated retirement date and the actual retirement date will be included at finalization. Any difference in monthly average earnings between the retirement processing date and the finalization date will be disbursed as a retroactive payment.

Terminal Leave

Members are entitled to take all accrued time and terminal leave after the last day on active duty, or request a lump sum payment for such time. All accrued time must be used prior to the start of terminal leave. During terminal leave, members remain on the active payroll.

Application Withdrawal

A member being processed for Vested or Service Retirement may withdraw the retirement application while it is still pending by appearing at PPF in person at least one business day prior to the scheduled retirement date. Any terminal or annual leave used prior to withdrawal of the retirement application may not be restored; however, unused terminal leave may be used toward a future retirement. A member must work 30 days after withdrawing an application for retirement to be eligible for annual leave in the next calendar year.

Final Average Salary

- **Members appointed before July 1, 2000**—Final average salary is the greater of pensionable earnings in one of the following periods:
 - Final 12 months immediately preceding the retirement date; or
 - Average of the final 36 months immediately preceding the retirement date; or
 - Average of the best three consecutive calendar years.
- **Members appointed on or after July 1, 2000**—Final average salary is defined as pensionable earnings in the final 12 months of service.

Pensionable Earnings

Pensionable earnings are made up of salary, overtime, night shift differential, worked vacation and allowable longevity. If the final 12 months immediately preceding the retirement date are used to calculate final average salary, pensionable earnings may not exceed 120% of the previous 12 months' pensionable earnings. If the average of the final 36 months immediately preceding the retirement date or average of the best three consecutive calendar years is used to calculate the final average salary, no single year's pensionable earnings may exceed 120% of the average of the two previous years' pensionable earnings.

A member's uniform allowance, Fair Labor Standards Act (FLSA) payments and excluded longevity are not pensionable earnings. After 20 years of service, longevity is pensionable only at the 5- and 10-year levels. After 25 years of service, full longevity is pensionable.

Vested Retirement

A member "vests" after five years of uniformed service and becomes eligible for pension benefits. The member may apply for Vested Retirement at any point between "vesting" and eligibility for Service Retirement. The application for Vested Retirement must be filed at the Police Pension Fund at least 30 days before discontinuance of active police service.

A Vested Retirement Pension starts on the earliest date the member would have been able to retire for Service. Vested retirees are not entitled to terminal leave before separation from service, Variable Supplements Fund payments or the Reserve for Increased Take-Home Pay.

Note: New York State service may not be counted for vesting purposes until after the completion of five years of New York City uniformed service.

A Vested Retirement pension benefit is as follows:

$$\begin{aligned} &1/40 \times \text{final average salary} \times \text{years of uniformed service} \\ &\quad \text{plus} \\ &75\% \times 1/60\text{th} \times \text{last five-year average earnings} \\ &\quad \times \text{years (to the day) of all prior non-uniform service} \\ &\quad \text{plus} \\ &\text{Annuity value of ASF in excess of the required amount} \\ &\quad \text{less} \\ &\text{Annuity value of ASF balance shortage} \end{aligned}$$

Health benefits note: Health benefits stop on the vested separation date, but vested retirees become eligible to receive health benefits beginning on their 20th anniversary. However, the credited service required in order to receive health benefits varies by appointment date.

Service Retirement

Members are eligible for Service Retirement upon completion of 20 years of Allowable Police Service. The application for Service Retirement must be filed at the Police Pension Fund at least 30 days before discontinuance of active police service.

A Service Retirement pension benefit is as follows:

50% of final average salary
plus
1/60th of total earnings after the 20th anniversary
plus
75% x 1/60th x average earnings for the last five years x
number of years (to the day) of all prior non-uniform service
plus
Annuity value of City ITHP contributions after the 20th anniversary
plus
Annuity value of ASF in excess of the required amount
less
Annuity value of ASF shortage

Termination

Pursuant to Chapter 514 of the Laws of 2011, if a member is dismissed from the NYPD, for any reason other than a felony conviction, and the member has at least 20 years of Allowable Police Service, the member will be deemed to have retired as of the date of his dismissal and will suffer no loss of rights or benefits from the PPF. If a member is convicted of a felony, the member may forfeit any right to a retirement benefit. This law applies only to members who are terminated after September 23, 2011.

Variable Supplements Fund

Members who **retire for Service** are eligible to receive an annual statutorily defined Variable Supplements Fund (VSF) payment in addition to regular pension payments. The VSF is prorated based upon the number of full months of retirement in the retirement year. The annual VSF benefit for 2011 and every year thereafter is \$12,000. **Only members who retire for Service Retirement are eligible for VSF benefits.**

VSF DROP (Deferred Retirement Option Plan)

In addition to the annual VSF benefit discussed above, members who continue on active duty beyond the 20th anniversary, and ultimately retire for Service, may be entitled to the VSF DROP (Deferred Retirement Option Plan), also known as the “Banked Variable.” The VSF DROP was designed to retain experienced members of the NYPD by guaranteeing a lump sum payment upon retirement for each year the member remains in active service beyond the member’s twentieth police anniversary. Accrued VSF DROP funds are eligible for rollover, subject to IRS regulations.

The VSF DROP is not payable to members who die in active service or retire for a disability.

VSF Payment Schedule

VSF payments and VSF DROP payments will be made or credited on or about December 15th of the retirement year (for members who retire prior to December 1). Members who retire in the month of December are not eligible for a prorated VSF for the month; however, if the member is eligible for the VSF DROP, it will not be paid until December of the following year.

Disability Retirement

An application for Ordinary or Accident Disability may be made by a member who is incapacitated from performing the duties of a police officer.

A disability application may be filed by the member or a legally authorized person acting on the member’s behalf; or by a committee or conservator duly appointed by a court of competent jurisdiction; or by the Police Commissioner.

Applications for ODR and ADR are made at the Medical Division, 1 Lefrak City Plaza, 59-17 Junction Boulevard, Corona, New York, 11368. Applicants will be notified of the time to appear before the Medical Board for examination.

After the examination, the Medical Board will report to the NYCPPF Board of Trustees with a recommendation for approval or disapproval of the disability application. After the Board of Trustees meeting, members are informed of the decision and other necessary information.

If a member has 20 years or more of allowable police service, the application for Ordinary Disability Retirement may be withdrawn and the member may retire for Service, provided the Police Pension Fund Board of Trustees has not made a final disability determination. The application withdrawal request must be sent in writing to the Executive Director of the Police Pension Fund. This request also requires the approval of the Chairman of the Police Pension Fund Board of Trustees.

Note: Under either Ordinary Disability or Accident Disability Retirement, a member may choose either the Maximum Retirement Allowance or a pension option to provide for a beneficiary upon the death of the member.

Ordinary Disability Retirement (ODR)

Members are eligible to apply for an Ordinary Disability Pension regardless of age or years of uniformed service. To be granted an Ordinary Disability Retirement, a member must be found to be physically or mentally unable to perform regular job duties by the Medical Board. If the Medical Board finds the member to be disabled, the Police Pension Fund Board of Trustees then makes the final determination for or against Ordinary Disability Retirement.

The ODR benefit is calculated differently depending on a member's length of credited service.

Member with less than ten years of credited service:

Pension equal to $33 \frac{1}{3}\%$ of final average salary
plus
An annuity based on ASF balance in excess of required amount
less
Annuity value of any shortage

Member with ten or more years of credited service:

Pension equal to 50% of final average salary
plus
An annuity based on ASF balance in excess of required amount
less
Annuity value of any shortage

Member with twenty or more years of credited service:

Pension equal to $(\text{years of all credited service}) / 40 \times \text{final average salary}$
plus
An annuity based on ASF balance in excess of required amount
less
Annuity value of any shortage

Accident Disability Retirement (ADR)

Members are eligible to apply for an Accident Disability Pension regardless of age or years of uniformed service. In order to be granted Accident Disability Retirement, the Medical Board must find the member to be physically or mentally unable to perform police duties as the result of an accident sustained in the line of duty. If the member is found to be disabled in this way,

the Police Pension Fund Board of Trustees then makes the final determination regarding ADR. An ADR pension becomes effective after the last day a member is on the active NYPD payroll.

An ADR pension benefit is as follows:

75% of final average salary
plus
1/60th of total earnings after the 20th anniversary
plus
Annuity value of ITHP Reserve Account
plus
Annuity value of ASF account balance

World Trade Center Disability Law

Active and retired Police Pension Fund members who participated as active member in the World Trade Center rescue, recovery, and clean-up operations may receive an Accident Disability Pension if found to be disabled as a result of such participation. A Notice of Participation must be filed by September 11, 2026 to preserve eligibility for applying.

2009 Taxability Change

Pension benefits are non-taxable for members who retired on ADR before January 1, 2009.

Members who retired on ADR on or after January 1, 2009 are subject to taxation on the following portions of the Accident Disability Pension:

- ✓ The portion of the pension that is attributable to member contributions under IRC § 414 (h) and accumulated interest on all member contributions; and
- ✓ ITHP attributable to years after 20 years of service; and
- ✓ The additional 1/60th benefit for years after 20 years of service.

All other pensions (Service, Ordinary Disability & Vested) are subject to the Internal Revenue Code, but are exempt from New York City, New York State and Social Security taxes.

Members are required to ensure that federal income taxes are withheld from their pensions. The tax laws of all states are different and subject to change; when relocating after retirement, the Fund recommends researching the state's tax laws, or consulting a tax professional.

Cost of Living Adjustments (COLA)

A retiree becomes eligible for Cost of Living Adjustments (COLA) at age 62 if retired for at least five years, or at age 55 if retired for at least ten years, and all disability retirees are eligible for COLA after being retired for five years. The COLA amount is calculated at $\frac{1}{2}$ the Federal Consumer Price Index (CPI), with the minimum amount being 1% and the maximum being 3%.

Spouses collecting a benefit under a joint and survivor option may also be eligible to receive COLA; however, the beneficiary receives 50% of the amount that the member/retiree would have received.

The COLA amount is applied to the first \$18,000 of the retirement allowance, or to the full retirement allowance if less than \$18,000. COLA payments to Service retirees are subtracted from their VSF payments until attainment of age 62, after which point the retiree will receive both the full COLA and full VSF payments.

Pension Options

Through a pension option, a member may elect to receive a smaller retirement allowance while alive in order to provide a benefit for a beneficiary upon the member's death. **A member may elect one at the time of finalization.** Each option has a cost, determined by the member's age and the beneficiary's age at the time of the member's retirement. Option selection is generally irrevocable.

Members will be presented with the estimated cost prior to finalization. A member will be required to choose the option within 30 days of being informed of option costs or the maximum retirement allowance will be granted.

- **Maximum Retirement Allowance:** The Maximum Retirement Allowance is the highest pension to which a member is entitled by law. Under the Maximum Retirement Allowance, the pension ceases upon the member's death, and no further pension payments may be made to any survivors.
- **Option Two: 100% Joint and Survivor:** Upon the member's death, the designated beneficiary receives 100% of the member's total monthly benefit for the rest of his or her life. Only one beneficiary may be named and may not be changed. If the beneficiary predeceases the member, pension payments continue at the reduced rate unchanged; a new beneficiary may not be named and benefits cease upon the death of the member.
- **Option Three: 50% Joint and Survivor:** Upon the member's death, the designated beneficiary receives 50% of the total monthly benefit for the rest of his or her life upon the death of the member. Only one beneficiary may be named, and that beneficiary may not be changed. If the beneficiary predeceases the member, pension payments continue at the reduced rate unchanged; a new beneficiary may not be named and all benefits cease upon the death of the member.

- **Option 4: Lump Sum:** Upon the member's death, the designated beneficiary, or beneficiaries, will receive a specific amount (lump sum), determined at the time of finalization. More than one beneficiary may be designated, and such beneficiaries can be changed at any time.
- **Option 4: Annuity:** Upon the member's death, the designated beneficiary receives a retirement allowance specified by the member payable for the life of the designated beneficiary. Only one beneficiary may be named, and that beneficiary may not be changed. If the beneficiary predeceases the member, pension payments continue at the reduced rate unchanged; a new beneficiary may not be named and all benefits cease upon the death of the member.
- **Option 4-2: 100% Joint and Survivor with "Pop-Up":** Upon the member's death, the designated beneficiary receives 100% of the member's total monthly benefit for the rest of his or her life. Only one beneficiary may be named and may not be changed. If the beneficiary predeceases the member, pension payments revert to the Maximum Retirement Allowance.
- **Option 4-3: 50% Joint and Survivor with "Pop-Up":** Upon the member's death, the designated beneficiary receives 50% of the member's total monthly benefit for the rest of his or her life. Only one beneficiary may be named and may not be changed. If the beneficiary predeceases the member, pension payments revert to the Maximum Retirement Allowance.
- **Option 4-4: Annuity with "Pop-Up":** Upon the member's death, the designated beneficiary receives a retirement allowance specified by the member payable for the life of the designated beneficiary. Only one beneficiary may be named, and that beneficiary may not be changed. If the beneficiary predeceases the member, pension payments revert to the Maximum Retirement Allowance.
- **Option 5: Five Year Certain:** If a member elects this option, the benefit is payable to the retiree for life; however, if the member dies within 5 years of retirement, the benefit is only payable to the designated beneficiary until the 5th anniversary of the member's retirement. For example, a member may elect this option and live for 15 years after retirement, upon the member's death the benefit would cease and not be payable to a beneficiary. Conversely, if a member died one year after retirement, under this option the benefit would be payable to the beneficiary for 4 more years.
- **Option 6: Ten Year Certain:** If a member elects this option, the benefit is payable to the retiree for life; however, if the member dies within 10 years of retirement, the benefit is only payable to the designated beneficiary until the 10th anniversary of the member's retirement. For example, a member may elect this option and live for 25 years after retirement, upon the member's death the benefit would cease and not be payable to a beneficiary. Conversely, if a member died 3 years after retirement, under this option the benefit would be payable to the beneficiary for 7 more years.

Pre-finalization Pension

After retirement, members will receive a monthly pension of approximately 95% of their estimated final pension. Full monthly pension payments will not be received until the benefit is certified by the Chief Actuary of the City of New York. Upon certification by the Actuary, a

pension is considered finalized. After finalization, members begin to receive full monthly pension payments. Any retroactive adjustments are included in the first full pension payment.

Note: Members considering choosing an option may wish to withhold more than 5% from the pre-finalization pension because choosing an option results in a pension lower than the Maximum Retirement Allowance because of the cost of the option.

Finalization Requirement

A pension cannot be finalized unless either the Maximum Retirement Allowance or a pension option is selected. The Fund will send three notices for option selection; if no response is received after the third notice, the Fund will finalize the pension at the Maximum Retirement Allowance. Finalization is generally irrevocable.

Reinstatement and Restoration of Membership

Before the 20th Anniversary

Return within five years and member contributions were not withdrawn

If member contributions have not been withdrawn and the member returns to service within five years of the separation date, membership with the Fund has not ceased. Accordingly, the prior service must be automatically credited to the member. The member's required contribution rate would continue to be based on the member's original tier and appointment date.

Return after five years or member contributions are withdrawn

To receive credit for the prior NYPD time if contributions have been withdrawn, or if you rejoin more than five years after separation, the member must purchase the prior service through a Chapter 646 or Chapter 552 buyback.

After the 20th Anniversary

If, after Service Retirement, a member rejoins the NYPD the pension stops and an active membership begins in the Police Pension Fund. The member will receive a new Tax ID number upon reinstatement. The member will receive a new required rate based on age at reinstatement and start pension contributions as any new PPF member would.

Note: If a member reinstates at age 39 and older, the member contribution rate will be negated by the ITHP unless ITHP is waived and/or the member participates in 50% Additional. The required rate for members 39 and older is less than the 5.0% the City assumes with ITHP.

A reinstated member must work at least five years after reinstatement before the new service and the prior service from the earlier retirement may be combined for purposes of retiring on a recalculated pension.

If a member qualifies for the full value of a recalculated pension, a member must first repay to the Police Pension Fund all pension funds received prior to reinstatement. Any prior pension amount not repaid at the time of the member's second retirement will be actuarially deducted from the recalculated pension.

If the member retires for a second time before completing five years of uniformed service after reinstatement, the pension will be the original pension, adjusted for additional 1/60th and ITHP values.

Retiree Employment Restrictions

NYCPPF retirees must comply with post-retirement earnings restrictions to ensure any portion of the retirement allowance is not jeopardized. All PPF retirees are subject to post-retirement limitations and reemployment restrictions. Violations of any of these laws and/or rules may jeopardize some or all of the retirement allowance.

Service and Vested Retirees Under 65

Section 211: Waiver Required

RSSL Section 211 enables New York State or any of its political subdivisions to hire non-disability retirees who possess certain qualifying skills; however, such an employer needs to obtain a Section 211 Waiver on behalf of the employee. It is the retiree's responsibility to ensure the employer obtains the 211 Waiver and it remains in force throughout the employment period. The NYS Civil Service Commission and the NYC Department of Citywide Administrative Services (DCAS) are among the entities empowered to grant a Section 211 Waiver.

Section 211(a) – Earnings Cap

If the position's salary or compensation is over \$35,000 and the position is with a former employer (City of New York, except the NYC Dept. of Ed.), the maximum salary or compensation the non-disability retiree may receive is calculated as follows:

Base: **Current salary* at retirement rank**

Less: **Pension**

Equals: **Maximum annual earnings**

**Salary is defined as base pay plus overtime, uniform allowance for rank at retirement and worked vacation.*

The Police Pension Fund will suspend the pension if the retiree earns more than the maximum annual earnings; this includes any VSF payment.

Section 211(b) – No Earnings Cap

If the position the non-disability retiree seeks is not with a former employer (a municipality in New York State other than NYC), the retiree may be hired with no earnings limitations. However, the employer must obtain a Section 211 Waiver on behalf of the employee.

Section 212: Earnings Cap

Under RSSL Section 212, a non-disability retiree under 65 years of age may be employed by New York State or any of its political subdivisions without prior approval of the New York State Civil Service Commission or DCAS. However, the employee's annual salary or compensation must be equal to, or less than, an amount determined by the New York State Legislature (currently \$35,000). A retired PPF member must notify the Executive Director of NYCPPF in writing if he intends to exercise this right, using the RSSL 212 Certification Form. If the retiree's earnings exceed the state-established limit, PPF will suspend, and if necessary recoup, the pension for that calendar year, including any VSF payment.

Retirees Age 65 and Over

In the calendar year in which a non-disability retiree attains age 65, and every year thereafter, the retiree has no restrictions on retirement earnings paid by New York State or any of its political subdivisions.

Public Benefit Corporations

Section 1117 of the New York City Charter does not apply to Public Benefit Corporations (PBCs), so all retirees may work for such corporations with no earnings limitations.

The following are some common PBCs, including but not limited to:

- | | |
|--|--|
| 👍 Metropolitan Transit Authority | 👍 NYC Health & Hospitals Corporation |
| 👍 NYC Housing Authority | 👍 NYC Economic Development Corporation |
| 👍 NYC Transit Authority | 👍 NY/NJ Port Authority |
| 👍 NYC Dormitory Authority | 👍 NYS Urban Development Corporation |
| 👍 NYC School Construction Authority | 👍 Waterfront Commission of NY Harbor |
| 👍 NYC Convention Operating Corporation | |

Safeguards

Before the 20th Anniversary

Before the 20th anniversary, Ordinary Disability or Accident Disability retirees are not governed by Section 1117 of the New York City Charter. Accordingly, such retirees may earn more than \$1,800.00 per year when employed by New York State or any of its political subdivisions or a public benefit corporation.

However, New York City Administrative Code § 13-254 limits the earnings of pre-20th anniversary disability retirees. Maximum earnings are defined as follows:

Base: Current salary* at next highest rank (immediately above retirement rank)
Less: Pension portion of the retirement allowance
Equals: Maximum annual earnings

**Salary is defined as base pay plus overtime, uniform allowance for rank at retirement and worked vacation.*

The Police Pension Fund will suspend the pension portion of the retirement allowance if the retiree earns more than the maximum annual earnings. Note this may result in money being owed to the Fund retroactively.

After the 20th Anniversary

After the 20th anniversary, disability retirees are governed by Section 1117 of the New York City Charter. RSSL §§ 211 and 212 do not apply to disability retirees after the 20th anniversary as per RSSL § 210. Therefore, if a disability retiree becomes an employee of the State of NY or any of its political subdivisions after the 20th anniversary, PPF will suspend the pension. Disability retirees, however, may be employed by public benefit corporations and non-public organizations with no earnings limitations after the 20th anniversary.

Second Retirement System Membership

A retiree may not join another New York State retirement system as an active member while receiving a pension from the Police Pension Fund. If a retiree does so, the pension portion of the retirement allowance will be suspended; when active membership in the second retirement system ends, pension portion payments will resume.

Active Member Death Benefits

This section describes death benefits available to beneficiaries following the death of an active member. Whenever such a death occurs, the Police Pension Fund Death Benefits staff is available to meet upon request with the designated beneficiaries to explain all available benefits.

Payments for All Deaths

The following payments are made in the event of an active member's death, regardless of the cause of death:

- Refund of accumulated contributions, which includes loan insurance, if applicable;
- Payment of unpaid salary;
- Payment of worked vacation and lost time, if any

Ordinary Death Benefit (non-line-of-duty, under 20)

This death benefit will be paid provided the member was in service for 90 days or more at the time of death and the member was a salaried PPF member at the time of death.

If the deceased member had under 20 years of service, and the death was not in the line of duty, the beneficiary will receive a lump sum payment equal to three times the member's final years earnings, rounded up to the nearest \$1,000.

Death Gamble Benefit (non-line-of-duty, over 20)

The Death Gamble applies to active members with over 20 years of service and to members retired for Service awaiting finalization of their pension benefit. Under the Death Gamble, members are presumed to have taken Service Retirement the day before they died. The beneficiary of a Death Gamble may receive this benefit either as a lump sum payment of the member's pension reserve accounts or as an annuity for life.

Accidental Death Benefit

An application must be made to the Medical Board to determine whether a member's death was the result of an accident sustained in the line of duty. If the Police Pension Fund Board of Trustees ratifies an affirmative determination from the Medical Board, an Accidental Death Benefit is paid.

The Accidental Death Benefit consists of three parts:

1. A lump sum equal to the member's accumulated deductions and any insured loan amount paid to the designated beneficiary(ies), or the member's estate if no beneficiary.
2. A lump sum payment of the balance in the member's ITHP reserve account.
3. A New York City-paid pension based on 50% of the member's determined salary. This benefit is paid to the spouse; if there is no surviving spouse, or if the surviving spouse dies before any child of the member attains the age of 18 years, or is a full-time student before such child attains the age of 23 years, then the benefit is paid to such a child (or children) while remaining eligible. If the member has no surviving spouse or qualifying child, then the benefit is paid to a dependent father or mother for life.

Additionally, a Special Accidental Death benefit (SADB) may be payable. Eligible beneficiaries are dictated by statute, payable in the following hierarchy: a surviving spouse; or surviving children until age 18 years, or is a full-time student before such child attains the age of 23 years; or parents. If there is no spouse, eligible children, or parents, the benefit is not paid.

The benefit is calculated as follows:

A New York State-paid pension equal to the member's final year's salary,
less
the NYC-paid pension and any payable Social Security benefits

Vested Death Benefit

The Vested separation period begins on the date a member leaves police service after vesting and ends on the member's 20th anniversary. A Vested Death Benefit is available to beneficiaries of members who die during the Vested separation period.

The benefit varies with the member's length of allowable police service prior to Vested Separation:

- If the member had less than ten years of service upon vested separation and dies before the 20th anniversary, the beneficiary will receive only the remaining accumulated contributions.
- If the member had ten or more years of service upon vested separation and dies before the 20th anniversary, the beneficiary is entitled to one-half the Ordinary Death Benefit that would have been payable prior to retirement.

Beneficiaries

All members designate a beneficiary (or beneficiaries) for Death Benefits when joining the PPF; however, whenever a member's social condition changes (e.g., marriage, separation, divorce), the beneficiary designation should be updated.

Reviewing beneficiary designations regularly is well worth the time and effort; doing so protects both assets and heirs. Tax filing and open enrollment periods are recommended times to do this. Major life events, e.g., marriage, remarriage, divorce, birth, adoption and death, often create the need to update beneficiaries.

Checking Your Beneficiary

To obtain beneficiary information, please visit webCOPS. If you do not have webCOPS, inquiries can be mailed to PPF, attention: Membership Services Unit. Due to privacy concerns, telephone and e-mail requests are not permitted.

Changing Line Organization Beneficiaries

Whenever checking beneficiary information with PPF, remember to also contact the appropriate line organization at the address and number listed below to obtain beneficiary information in those records, as well:

Police Officers	Patrolmen's Benevolent Association (PBA)	212-349-7560
Sergeants	Sergeants' Benevolent Association (SBA)	212-431-6555
Detectives	Detectives' Endowment Association (DEA)	212-587-9120
Lieutenants	Lieutenants' Benevolent Association (LBA)	212-964-7500
Captains & above	Captains' Endowment Association (CEA)	212-964-7500

Changing Beneficiaries

You can change your beneficiary on webCOPS. If you do not have webCOPS, you can download Change of Beneficiary forms on PPF's website and mail them to PPF, attention: Membership Services Unit.

Changing Health Insurance Dependents

To change the dependents on active health insurance by mail or in person, please contact the NYPD Health Insurance Section, 1 Police Plaza, Room 1014, New York, New York 10038 or call 646-610-5122 for information.

To change dependents on retiree health benefits, contact the NYC Health Benefits Program to request the appropriate health benefits forms. This Program is located at 22 Cortland Street, 12th Floor, New York, NY 10007 and can be reached at 212-513-0470.

Changing Deferred Compensation Plan Beneficiaries

If enrolled in the NYC Deferred Compensation Plan, call 212-306-7760 for information about updating Plan Beneficiaries. Information is also available at www.nyc.gov/OLR.

Guide for Surviving Beneficiaries

There are few situations in life more stressful than the loss of a loved one; there are no words of comfort at such a difficult time. This section is designed to aid the survivors of PPF members by providing a checklist of who to contact upon the death of a PPF member or retiree, and the information that is required. There are four calls to make:

1. NYPD Operations Unit

- Survivors should call NYPD Operations at 646-610-5580, located at NYPD Headquarters, 1 Police Plaza, New York, New York 10038. Pall bearers may be requested at that time and are available for all five City boroughs, Long Island, Westchester, Rockland, Orange and Putnam counties.

2. NYC Police Pension Fund

- Please notify PPF in writing at 233 Broadway, 19th Floor, New York, NY 10279, attention: Death Benefits Unit or by telephone at 212-693-5619/5919. Please have the following information available at the time of the phone call: the first, middle and last name of the deceased; the date of death; Social Security Number of the deceased; name of the next of kin; and name, address and phone number of the executor or executrix of the estate, if applicable.
- The Fund will need copies of: the death certificate; paid funeral bill; marriage certificate, if applicable; and the beneficiary's Social Security card.

3. Member's line organization

- Contact the appropriate line organization below, and ask about a possible life insurance policy and whether any continuing optional benefits are available:

PBA	125 Broad St.	11th Floor	212-349-7560
DEA	26 Thomas St.		212-587-9120
SBA	35 Worth St.	First and second floor	212-431-6555
LBA	40 Peck Slip		212-964-7500
CEA	40 Peck Slip		212-964-7500

4. Health Benefits Program

- Contact the NYC Health Benefits Program to request the appropriate health benefits forms. This Program is located at 22 Cortland Street, 12th Floor, New York, NY 10007 and can be reached at 212-513-0470.