PENSION LOAN APPLICATION

233 Broadway—19th Floor, New York, New York 10279

Name Printed (First - M.I. - Last)	Rank	Command	Tax Registry No.
Home Address Printed (Number and Street)		Social Security Number (Last 4 Digits Only)→	
City, State, Zip Code		Phone No.	

NOTES:

1. **Read reverse side of application for instructions.**
2. **Read following information prior to making your selection below.**

FEDERAL TAX LAW PROVIDES THAT WHERE TAXABLE CONTRIBUTIONS AND INTEREST ARE BORROWED AND:

1. The total outstanding loan is greater than $50,000
   or,
2. The term of repayment exceeds 5 (five) years
   or,
3. For members with less than 10 years, the total outstanding loan exceeds the greater of 50% of the accumulated contributions plus interest earned to date or $10,000,
   Then the loan is a taxable distribution. The amount of the distribution which is taxable is the amount of interest and taxable contributions borrowed.

   In addition to being taxable at the members normal tax rate, a member under 59½ years of age who is not retiring in the year the loan is taken will incur an additional 10% penalty on such distributions. Retiring members under age 50 will incur said 10% penalty.

   If no taxable funds are borrowed, the loan will not be considered a taxable distribution (choice 3 below – column one, TAX-FREE AMOUNT) and is not subject to repayment within 5 years.

AT RETIREMENT:

If any of the interest or taxable contributions borrowed are outstanding, they will be taxed.

SELECT ONE OPTION FROM EACH OF THE CATEGORIES BELOW

Failure to select an option from each category or selecting more than one option per category will result in this application being returned to you unprocessed.

EITHER CHECK THE APPROPRIATE BOXES OR FILL IN THE AMOUNTS

LOAN REQUESTED

1. MAXIMUM (90%) ☐
2. AMOUNT $ _____
3. TAX-FREE AMOUNT ☐
4. 50% OF ANNUITY FUND ☐
5. COMBINED PRINCIPAL UP TO $10,000 ☐
   (including Pension Fund and Deferred Comp Loans)
6. COMBINED PRINCIPAL UP TO $50,000 ☐
   (including Pension Fund and Deferred Comp Loans)

REPAYMENT SCHEDULE

1. MINIMUM REPAYMENT ☐
2. AMOUNT PER PAYROLL $ _____
3. **REPAY IN 5 YRS** ☐
4. NUMBER OF PAYMENTS (130 payments is 5 years) _____

WITHHOLDING TAX

1. DO NOT WITHHOLD ☐
2. WITHHOLD AT 10% ☐

DEFERRED COMPENSATION LOAN

1. I DO HAVE AN OUTSTANDING DCP LOAN ☐
2. I DO NOT HAVE AN OUTSTANDING DCP LOAN ☐

Applicant's Signature

County of _____ State of _____

On this day personally appeared before me the said _____ to me known and known to me to be the individual described herein and who executed the foregoing instrument, and he (or she) duly acknowledged to me that he (or she) executed the same.

Sworn to before me

This _____ day of _____ 20 _____

_____
Notary Public

I acknowledge that I have been informed that this loan is a taxable distribution. _____ **(Init)** **Officer notified by telephone** _____ **(Init)**

I acknowledge that if I have an outstanding loan with Deferred Compensation and the outstanding balance combined with the Police Pension Fund loan exceeds $50,000, it will be treated as a taxable distribution subject to Federal taxes and penalties. _____ **(Init)** **Officer notified by telephone** _____ **(Init)**

INSTRUCTIONS: READ BEFORE COMPLETING APPLICATION ON REVERSE SIDE. FAILURE TO COMPLY WILL CAUSE YOUR APPLICATION TO BE RETURNED UNPROCESSED.

1. Application should be COMPLETELY FILLED OUT, SIGNED and NOTARIZED. Tax Registry No. is on your Identification Card.

2. Member must have three continuous years of service to be eligible for loans.

3. No more than two loans are allowable within any twelve months, unless previously paid in full.

4. The maximum allowable loan, including any outstanding loan, cannot exceed 90% of your accumulated contributions plus interest earned to date.

5. Funds borrowed for the purchase of a primary residence and certain other circumstances may be tax exempt. Consult your tax advisor.

6. Where the amount of loan requested by member is greater than permitted by instruction 4 above, the amount of loan will be the maximum permitted.

7. Loans are in multiples of $10.00, with a minimum of $100.00.

8. Subject to these regulations and the provisions of Section 13-239 of the Administrative Code, repayments will be deducted from salary checks in an amount approximating that specified by the member, but in no event less than 2% of the bi-weekly gross check. Repayment must be made before 63rd birthday. Payments may not exceed 10% of the biweekly gross without written authorization from the member.

9. If there is a prior loan outstanding, the current loan will have a separate repayment schedule unless the consolidated loan will be repaid in full by the original repayment schedule date.

10. Qualified members may borrow up to $50,000 maximum <u>including Pension Fund and Deferred Comp</u> loans. Amounts in excess of $50,000 will be considered taxable distributions and are subject to Federal taxes and penalties. An IRS form 1099 R will be mailed to the IRS with a copy to the member.

11. Checks can be mailed only to the member at the address indicated in full. **C/O and command addresses are not allowed.**

12. Loan applications should be submitted by mail to the Police Pension Fund, Loan Section, 233 Broadway, 19th Floor, New York, N.Y. 10279, excepting that members applying for loans prior to retirement should apply in person.

13. Members must appear in person at the Pension Fund if they desire to repay loans prior to their termination.

14. When your loan application is accepted and processed you will be notified by Department Mail at your Command.

15. For loans at retirement, rollover of taxable funds within 60 days of date of loan precludes tax liability.

16. Loans in effect for:
    Less than 30 days are Uninsured
    30 to 59 days are 25% insured
    60 to 89 days are 50% insured
    90 or more days are 100% insured
    MAXIMUM INSURANCE $25,000.00

17. Members who have received taxable loans should notify the Pension Fund if they have moved prior to the receipt of the 1099R.