New York City Police Pension Fund

"Serving the Finest"

Office Use Only

Pension Loan Application and Agreement

Demographics

Tax No.: _____

First Name: _____ Last Name:_____

Command: _____ Contact Number: _____

Instructions:

This form is for ACTIVE TIER 2 members only

- **This form is TWO PAGES. PLEASE READ AND SIGN BOTH PAGES.**
- Print all requested information and answer each section completely.
- Page two of this form must be notarized unless you appear in person, with photo ID, at the Fund.
- Loan checks will only be sent to the address on file; you must keep your address current with the NYPD.
- If you do not want to have your check mailed, you will need to pick it up in person at the Fund.
- After your loan is processed, you will receive a statement at your command via Departmental mail.

Loan Eligibility and Terms:

- Only two loans are permitted in any 12 month period, unless prior loans have been repaid or canceled.
- Loans must be at least $100. All loans must be in increments of $10.
- The maximum amount you may borrow cannot exceed 90% of your account. If the loan amount requested exceeds the maximum amount allowable by law, the Fund will issue the maximum available.
- If there are outstanding loans, this loan may have a different repayment schedule unless consolidated.
- Loan repayments are made bi-weekly and cannot be less than 2% or more than 10% of your gross salary.
- Lump sum payments can be made by certified check or money order to: NYC Police Pension Fund.
- Loans may not be redeposited once they are issued. You may repay the loan if you've changed your mind, but the balance will be considered for future loan taxability and a 1099-R will be issued, if applicable, even if the loan is repaid. IRS 1099-Rs will ONLY be sent to your legal address on file.
- All loans must be repaid prior to a member attaining age 63.
- You are still responsible to make payments if you are on a leave without pay (other than a military leave) or if, for whatever reason, loan payments cannot be deducted from your salary. Payments must then be made on a monthly basis via certified check or money order; interest will continue to accrue. Failure to make any payments in a 90 day period will result in the Fund defaulting your loan and issuing a 1099-R.

Loan Taxability:

- Your loan will be considered taxable and a 1099-R will be issued if the repayment period exceeds 5 years (130 payments) or the combined principal of this loan PLUS the balance in the last 12 months for BOTH Deferred Compensation Loans and any loans taken from the Fund exceeds $50,000.
- If you check "combined principal up to $50,000" on page 2, the Fund will issue you the maximum amount without triggering a taxable event.
- If you default on this agreement, or retire before repaying the loan in full, the Fund will issue a 1099-R for the remaining balance on the loan.
- An additional 10% tax will be charged by the IRS if you take a taxable loan and are not retiring and under age 59 1/2 or are retiring under age 50. The Fund will withhold this 10% upon your request.

Acknowledgement:

I have read the above instructions and understand that I will receive a 1099-R if my loan is taxable.

Signature: _____ Date:____/____/____

New York City Police Pension Fund

"Serving the Finest"

Office Use Only

Pension Loan Application and Agreement - Continued

Instructions:

- Only make one selection in each box below.
- Have your signature notarized below unless you appear in person, with photo ID, at the Fund.
- Your application will be rejected if not filled out completely or correctly.

Loan Amount:

- ☐ Specific amount: $_____
- ☐ 90% of account
- ☐ Combined principal up to $50,000
- ☐ Only tax-free contributions

Tax Withholding:

I would like 10% withheld in taxes:

☐ Yes ☐ No

Repayment Terms:

- ☐ Minimum Repayment
- ☐ Repay in five years
- ☐ Number of payments: _____
- ☐ Amount per paycheck:$_____

Deferred Compensation Loan:

In the last twelve months I had an outstanding loan with the NYC Deferred Compensation Plan

☐ Yes ☐ No

Acknowledgement:

I intend to borrow the above amount from the New York City Police Pension Fund in accordance with the terms of this loan agreement. I understand that if my loan is considered taxable I will receive a 1099-R for this tax year.

Print Name: _____ Tax #_____

Signature: _____ Date:____/____/____

State of_____, County of_____
On this___ day of _____, 20___ before me personally appeared _____ to me known and known to me to be the same person described herein and who executed the foregoing instrument, and (s)he duly acknowledged to me that (s)he executed the same.

Signature of Notary Public: _____

Affix notary seal or staff name and signature:

Office Use Only