



# THE PENSION PRESS

VOLUME 7 NUMBER 1

A Newsletter Published for the Active & Retired Members of the New York Police Pension Fund

## Pension Protection Act: Retirees May Deduct the Cost of Benefits

*In 2006, Congress passed the Pension Protection Act (“PPA”), which contains many provisions that affect members of the New York City Police Pension Fund. Among those provisions is the ability to exclude up to \$3,000 from the amount of income distributions reported to the Internal Revenue Service (“IRS”) for payment of premiums for accident or health insurance or long-term care insurance.*

- Distributions used to pay premiums for a spouse and dependent children are also excludable.
- This exclusion can be made if the amount paid for the premium would have otherwise been included in your income and is deducted directly from your pension check.
- **What this means for retired NYPD officers is that the cost of the City’s optional benefit rider may be excluded from the total amount of your pension reported annually.**
- The maximum amount allowed by the PPA to be excluded is \$3,000; however the amount excluded may not exceed the actual amount paid.
- To claim this benefit, you must reduce the taxable benefit on line 16B of the 1040 by the amount of the exclusion and write “PSO” on the line for “public safety officer.”
- The exclusion will not be reported on 1099 forms issued by the City, so any retiree who claims the benefit has a responsibility to report it to the IRS.
- Accordingly, pensioners who retired on ADR (accidental disability retirement) are not eligible for this exclusion because at this time their pension is not taxed.

This information is provided as a courtesy to PPF members and is based on the Fund’s current understanding of the law, but does not constitute tax advice and should not replace the advice of a qualified tax professional. Please do not call the Pension Fund for tax advice

**Note:** Retirees should save their Quarterly Statement (for those with electronic deposit) or their monthly pension check stub, in order to document their premium deductions for any health insurance or long term care insurance, as required proof for the IRS, if asked.

No other documentation will be provided by the Pension Fund.

*\*Acknowledgement to NCPERS for their effort and research on the 2006 PPA bill*

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## **New Taxability Rules : Accidental Disability Retirements**

Effective January 1, 2009, The New York Police Pension Fund must report certain monies that are considered taxable as they relate to Accident Disability Pensions. This is as a result of an agreement that the City of New York has entered into with the Internal Revenue Service. Below is a synopsis of the areas affected by this agreement:

### FOR ALL MEMBERS AT RETIREMENT

10% of contributions in a member's account that must remain by law, will be subject to tax. If you decide to leave in additional funds, these funds will also be taxed. The fund recommends, in Accidental Disability cases, that the member withdraw all but your required 10%.

### FOR MEMBERS WITH MORE THAN 20 YEARS OF SERVICE

In addition to the above, the full 1/60th value and the Increased Take Home Pay (ITHP) value you accumulate beyond 20 years of service will be subject to tax.

Members will be required to fill out W-4 forms during retirement processing to have deductions made from their pensions. Members may wish to check with their tax preparers for minimum taxable reporting requirements.

## **Tax Withholding Reminder**

Since your Police Pension Fund benefits including Variable Supplement Fund payment are subject to federal taxation (excludes Accidental Disability members retired before 1/1/2009), don't forget to periodically review your tax withholding election. If your tax withholding is not adequate, you may have to pay estimated taxes during the year or a tax penalty at year end.

If you would like to start, change or stop federal tax withholding, contact our Pension Payroll Department 212-693-6888 or visit our website [www.nyc.gov/nycppf](http://www.nyc.gov/nycppf) and download form # 120 "Federal Income Tax Withholding Form". As a reminder a blank W-4 form is mailed to all retirees with their June 30th Quarterly Pension Statement.

## **Tax Time**

Yes, it's tax time again and just a reminder that the retirees 1099's were mailed to our members the last week in January. If you did not received a 1099, please contact the Police Pension Fund @ (212) 693-5100 or via e-mail to [mbrusco@nycppf.org](mailto:mbrusco@nycppf.org).

## Pistol License Inquiry Response Form :“Good Guy Letter”

As of September 16th 2008, the NYC Police Department, Employee Management Division has assumed the responsibility of issuing Pistol License Inquiring Response Forms (PD Form 643-155), commonly known as a “Good Guy Letter,” to retiring or previously retired uniformed members of service.

All members seeking to obtain this form, will be directed by the Retirement Counseling Unit to either the Police Department’s Employee Management Division, 1 Police Plaza, 5th Floor 646-610-8256 for issuance of this form or the Police Department’s License Division 1 Police Plaza, Room 110A, New York, NY 10038, (646) 610-5560.

## IRS Normal Retirement Age Regulation

Recently, information disseminated by law enforcement line organizations about raising the service retirement age to 50 for public safety employees has resulted in the fund receiving numerous inquiries. Please be advised that the regulation affecting this matter has been amended to give public pension plans an extension of time to comply with the regulation. That deadline is now January 1, 2011. Additionally, PPF members should be aware that this issue is a high priority for various public safety employee unions. National organizations such as NAPO and other powerful lobbying groups such as the US Conference of Mayors , International Association of Firefighters, the American Federation of Teachers , AFSCME and many others, are focusing on this issue and have obtained the aforementioned time extension. These organizations will continue those efforts to get this regulation amended for public pension plans and PPF will advise our members about this issue as soon as more information become available . Please visit our website for future updates.

If you are already retired, this issue will not affect you.

**\*The Police Pension Fund’s legal counsel has tentatively concurred that “ these regulations WILL NOT affect the ability of members to retire after completing the required years of service....” These IRS regulations address what is called in -service distributions, which are NOT allowed within the Police Pension Fund for any affected member.**

## Is your Beneficiary Information Current?

Upon membership to the Police Pension Fund, you have designated a beneficiary(ies). Please ensure your beneficiary(ies) information is current . As members have changes in social condition (married, separated, divorced, etc.), this beneficiary designation should be updated. Changing your designated beneficiary with the Police Pension Fund does not change your beneficiary with your line organization and likewise changing your beneficiary with your line organization does not change your beneficiary with the Police Pension Fund.

If you are changing your beneficiary(ies) with the Police Pension Fund, you must also contact your line organization to change your beneficiary at the address and telephone numbers listed below:

- Patrolmen's Benevolent Association  
40 Fulton Street, 2nd Floor  
New York, NY 10038  
(212) 349-7560
- Detective's Endowments Association  
26 Thomas Street  
New York, NY 10007  
(212) 587-1000
- Sergeant's Benevolent Association  
35 Worth Street, 1st & 2nd Floor  
New York, NY 10013  
(212) 431-6555
- Lieutenants' Benevolent Association  
233 Broadway, 18<sup>th</sup> Floor  
New York, NY 10279  
(212) 964-7500

## Is your Beneficiary Information Current?:Continued

- Captains' Endowment Association  
233 Broadway, 18<sup>th</sup> Floor  
New York, NY 10279  
(212) 964-7500
- Superior Officers Council  
233 Broadway, 18<sup>th</sup> Floor  
New York, NY 10279  
(212) 964-7500

If you are changing your beneficiary(ies) with your line organization, remember you must also change your beneficiary(ies) with the Police Pension Fund. Please take the time to insure that this critical information is kept current.

Contact the Police Pension Fund @ 212-693-5100 or visit the NYC Police Pension Fund website to get a change of address or designation of beneficiary form.



### WORLD TRADE CENTER DISABILITY APPLICATION DEADLINE EXTENDED: SEPTEMBER 11, 2010

Chapter 489 of the Laws of 2008 amends Chapter 495 of the Laws of 2007 (World Trade Center Disability Law) by extending the deadline to file a Notice of Participation to September 11, 2010 (from June 14, 2009). Chapter 489/2008 continues to create a presumptive eligibility for accident disability retirement for certain qualifying conditions if such disability occurred as a result of participation in the World Trade Center Rescue, Recovery or Cleanup Operations. All active members, or those members who retired after 9/11/01, are eligible to apply for benefits or reclassification of benefits under the law. Please do not let this deadline pass you by. Submit a WTC Disability Application to the Police Pension Fund at 233 Broadway, 25<sup>th</sup> Floor NY, NY 10279. For information about the 2008 legislation and to download an application go to [www.nyc.gov/nycppf](http://www.nyc.gov/nycppf).

## Deferred Compensation: Retirement Information Q&A

The following are a few common questions asked by our members pertaining to the New York City Deferred Compensation Plan.

**Q: Don't know when you will need to start taking distributions from your Deferred Compensation Plan account?**

A: No Problem. There are no distribution election requirements upon severance from City service. You can make distribution requests at any time by submitting a Distribution Form. Please allow thirty days for processing.

**Q: Are you eligible to purchase permissive service credits in your pension system using DCP funds?**

A: You may use your 457 assets as a source of funding for the purchase of permissive service credits through a trustee-to-trustee transfer.

**Q: Weren't able to max out your contributions in previous years but wish you could make them up now?**

A: Use the Plan's Deferral Acceleration for Retirement (DAR) provision to "catch-up" on contributions for years in which you were otherwise eligible to participate in the Plan, but did not contribute the maximum amount you would have been permitted to contribute. Please refer to the NYCDGP website [www.nyc.gov/olr/deferred/dcp/home.com](http://www.nyc.gov/olr/deferred/dcp/home.com) for rules and restrictions.

**Q: Don't know what to do with your final pension payment/loan?**

A: You can establish a 401(k) Special Rollover Account and roll your pension payment/loan into this account and take advantage of the Plan's low cost institutionally priced funds, while consolidating your assets in one place.

**Q: Wondering how to manage your 457 and 401(k) account after retirement?**

A: The 401(k) can accept rollovers from your IRAs. You can continue to make account transfers among the Plan's many investment options. The new time-based pre-arranged portfolios take the guess work out of investing; select a pre-arranged portfolio which matches the year closest to the year you plan on withdrawing funds.

**Q: Considering rolling your 457 Plan assets into an IRA?**

A: 457 assets withdrawn from the Plan prior to age 59½ are not subject to early withdrawal penalties. 457 Plan assets rolled into an IRA become subject to early withdrawal penalties if withdrawn before the age of 59½.

**Q: Want to learn more about your distribution options?**

A: Attend a Deferred Compensation Plan Retirement Planning Seminar at the Plan's Administrative Office. Register online at [www.nyc.gov/deferredcomp](http://www.nyc.gov/deferredcomp) or call 212-306-7699. ■



## POLICE PENSION FUND

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**The Pension Press**  
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**We're on the Web!**

[www.nyc.gov/nycppf](http://www.nyc.gov/nycppf)



**PENSION SEMINAR**

Patrick J. Lynch  
President

Edward D. Mullins  
President

**Everything you wanted to know about your pension and were afraid to ask**

All questions concerning retirement will be answered

**PLAN YOUR FUTURE BASED ON FACTS NOT RUMORS.**

**Presented by: Joe Maccone**

*Former Commanding Officer of the Pension Section*



**ANTUN'S**  
96-43 Springfield Blvd., Queens Village, NY  
**Tuesday, May 19, 2009 - 6:00 PM**  
(Doors open at 5:00 pm)

To ensure seating, please call the PBA office, 212-298-9248 or 9249 or you can email us at: [mdecaro@nycpba.org](mailto:mdecaro@nycpba.org) or [eyoungkin@nycpba.org](mailto:eyoungkin@nycpba.org). We will need the following information: Name, rank, command, home phone and whether or not your spouse will be attending.

**PBA & SBA MEMBERS FREE**  
**\$25.00 FOR MEMBERS OF OTHER RANKS — PAYABLE AT THE DOOR**

**PLEASE POST ON ALL BULLETIN BOARDS**

## Annual Statement Update

The 2008 Annual Statement was distributed to the Police Pension Fund's active member's commands in February 2009. The Police Pension Fund has designated Marie Elena Brusco (212) 693-6058 the contact person for any questions our members may have regarding their annual statement and for those members that have not received them may also contact Mrs. Brusco for a duplicate copy.

## Do We Have Your Current Address?

It is crucial that the Police Pension Fund and the NYPD have your current address on file if you are retired or active. Throughout the year we send our active and retired members important information. If you move and fail to notify the PPF or NYPD it could delay the delivery of this information. **Retirees**, please contact the Police Pension Fund @212 -693-5100 or visit our website to get a change of address form. **Active** members a "Change of Social Status" form is required to be updated with your current command.