



New York City Police Pension Fund

233 Broadway, 25th fl.
New York, NY 10279
212-693-5950
www.nyc.gov/nycppf

Office use only

Time and date

Pension Loan Application Tier 2 only

1) Member information: Command: _____ Rank: _____

Tax ID: _____ SSN (last 4 digits): _____ Contact phone: (____) _____

First name: _____ MI: ____ Last: _____

Home address: _____

City: _____ State: _____ Zip code: _____

2) Loan request: 1) Before you start, read all of page two (on back); 2) Select one box in each of sections A, B, C and D; 3) If you check box A2, B2 or B4, fill in dollar amount or number; 4) In section E, initial statements 1 and 2 where indicated if applicable. Important: ALL applicants must sign in section E. ▶ Applications with one or more errors will be returned to the member. ◀

A. Loan amount (check one)	B. Repayment schedule (check one)	C. Withholding tax (check one)
<input type="checkbox"/> 1. 90% of pension account <input type="checkbox"/> 2. Amount: \$ _____ <input type="checkbox"/> 3. Tax-free amount <input type="checkbox"/> 4. 50% of pension account* <input type="checkbox"/> 5. Combined principal to \$10,000* <input type="checkbox"/> 6. Combined principal to \$50,000* <small>* DCP loans plus PPF loans</small>	<input type="checkbox"/> 1. Minimum repayment <input type="checkbox"/> 2. Amount per paycheck: \$ _____ <input type="checkbox"/> 3. Repay in 5 years** <input type="checkbox"/> 4. Number of payments: _____ <small>** 5 years = 130 payments</small>	<input type="checkbox"/> 1. Do not withhold tax <input type="checkbox"/> 2. Withhold tax at 10% D. DCP loan status (check one) <input type="checkbox"/> 1. I have an outstanding DCP loan. <input type="checkbox"/> 2. I do not have an outstanding DCP loan.

E. Taxability acknowledgement (if applicable) and signature

1. PPF has informed me that the above loan involves a taxable distribution. Member initials: _____ MOS notified: (PPF initials) _____

2. PPF has informed me that, if my PPF loan principal combined with my outstanding DCP loan principal exceeds \$50,000, the new PPF loan may be considered a taxable distribution: _____

Member signature (all must sign): _____ Date: ____/____/____

3) Notarization: [Notarization is required if this form is mailed to the NYCPPF.]

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: _____

Commission expiration: ____/____/____ (mm / dd/ yyyy) [Please affix stamp or seal]

4) Loan limitations:

- a. Tier 2 members must have three continuous years of service to be eligible for loans.
- b. Only two loans are allowable in any twelve month period unless all loans are previously repaid.
- c. The maximum allowable loan amount, including any outstanding loan, cannot exceed 90% of your accumulated contributions plus interest earned to date. If the loan amount requested exceeds the maximum allowable, the loan amount granted will be the maximum.
- d. Qualified members may borrow up to \$50,000 maximum. ("Maximum" is defined as the member's NYCPPF loans plus his/her DCP loans.) An amount borrowed in excess of \$50,000 may be considered a taxable distribution subject to federal taxes and penalties. In such a case, PPF sends Form 1099-R to the IRS with a copy to the member.
- e. If a prior loan is outstanding, the current loan may have a separate repayment schedule unless the consolidated loan will be repaid in full by the originally scheduled repayment date.
- f. The biweekly repayment amount will be as close as possible to the member's request but not less than 2% of biweekly gross pay. The member must repay the loan in full before the 63rd birthday. Payments may not exceed 10% of the biweekly gross without written authorization.
- g. The minimum loan is \$100.00. Above that amount, loans are granted in \$10.00 increments.

5) Loan taxability:

- h. A pension loan is a taxable distribution when you borrow taxable contributions and interest and:
 1. The total outstanding combined loan [see 3(d) above] exceeds \$50,000; **or**
 2. The term of repayment exceeds five years; **or**
 3. For members with less than ten years' service: The loan exceeds **the greater of:**
 - a) 50% of accumulated contributions plus interest earned to date; **or**
 - b) \$10,000.
- i. A loan's taxable amount is made up of the interest and taxable contributions borrowed.
- j. Taxable loans are taxed at the member's normal rate. In addition, a member under age 59½ who is not retiring in the year the loan is taken will incur a 10% penalty on the taxable distribution. Similarly, retiring members under age 50 will incur the 10% penalty on the taxable distribution.
- k. If only tax-free funds are borrowed, the loan is not a taxable distribution, so it does not have to be fully repaid within five years.
 - l. At retirement, outstanding taxable contributions and interest borrowed will be taxed.

6) Loan procedures:

► ► Applications with any errors will be returned to the member. ◀ ◀

- m. When your loan application has been accepted and processed you will receive a statement by Department mail at your command.
- n. Loan checks are mailed to the member at the address provided on this form. We cannot send checks to a C/O address or to a command address.
- o. After it is notarized, the loan application can be mailed to: NYC Police Pension Fund, Loan Services, 233 Broadway, New York, NY 10279-2501.
- p. Any member who moves to a new residence after receiving a taxable loan should notify the NYCPPF immediately so IRS Form 1099-R can be mailed to the correct address.