
SIRMIUM CAPITAL · FOR FDNY RETIREES

The FDNY Retirement Blueprint

Pension, 457(b), and the 15 years before Social Security

Five decisions move the most money.
Each one has a free calculator that shows
you your own number — and where a
number stops being enough.

FOR FDNY RETIREES

Why this is harder than it looks

A friend on the job once told me he had his whole retirement figured out: “Twenty and out, collect the pension, done.” Then he sat down with the actual numbers and found six different decisions he’d never thought about, each one worth real money.

FDNY retirement is its own animal. You can put in your papers in your forties, which means the pension, the VSF, and the 457(b) have to carry you through fifteen-plus years before Social Security even starts — a long bridge to build on guesses. This Blueprint walks the five decisions that move the most money. For each one, it names the trap, points you to the tab in our free calculator where you see your *own* number, and shows you where a number stops being enough.

DECISION 1

The 457(b): leave it or roll it?

The problem. The day you separate, your governmental 457(b) gains a quiet superpower: you can pull from it with no 10% early-withdrawal penalty, at any age. An IRA can’t say that — money you roll out generally gets locked behind 59½ or it costs you 10% to touch. So the easy “just roll everything to an IRA” move can quietly tax the very years some people lean on the cash most. The flip side is just as real: the plan’s expense ratio versus a lower-cost IRA, compounded over twenty or thirty years, can add up to a number that surprises people. Which side matters more depends entirely on whether the money gets touched before 59½.

Open the 457(b) Rollover vs Hold tab. Put in your age, separation age, balance, whether you expect to tap any early, and the two expense ratios. It shows your **penalty-free access window** in years, the **max 10% penalty an IRA would charge**, your **457(b) value vs IRA value** over your horizon, and the **fee difference if you roll** — in future dollars, on the whole balance.

Why a number isn’t a plan. The calculator shows the window and the fee drag side by side. It can’t tell you which matters more for your cash-flow plan, or how a partial roll might capture both. Sequencing that is the conversation.

Disclosure: if you became a client and rolled assets to us, Sirmium could earn a fee on them. We’d rather you weigh this with that on the table.

DECISION 2

Your retirement paycheck — pension, VSF, 457, and the bridge years

The problem. Your gross pension is not your paycheck. After federal tax, a 457 draw, the Variable Supplement Fund, and — depending on where you live — state tax, the real monthly number lands somewhere people don’t always picture. Two things trip people up. First, the VSF: up to **\$12,000 a year** for 20-plus-year service retirees on a QPP pension, reduced by a COLA offset until age 62 — and disability and vested retirees don’t get it. Second, inflation: your NYC pension COLA only covers half of CPI (1% floor, 3% cap), and only on the first \$18,000 of your allowance, starting at 62. The rest of your check doesn’t grow. Over thirty years, that’s the difference between comfortable and tight.

Open the Retirement Paycheck tab. Enter your filing status, tier, gross pension, the VSF, your 457 balance and draw rate, your Social Security estimate, state, and an inflation assumption. It breaks out **pension, VSF, and 457(b) withdrawal** annually, subtracts a **rough federal and state tax estimate**, and gives you a **pre-Social-Security monthly net** and the number **once Social Security starts** — then shows what today’s stack is worth in 10, 20, and 30 years, color-coded by what’s inflation-protected and what isn’t.

One note for Tier 3 members: as of Chapter 692 of 2025, a 20-year service retirement pays 50% of final average salary, up from 42% (previously 50% required 22 years). A Tier 3 pension still carries a Social Security offset at age 62 equal to 50% of your primary Social Security benefit (RSSL §511), which changes the bridge math. A repeal bill (S6289) has been introduced but is not law, so plan around the rule as it stands today.

Why a number isn't a plan. Seeing the bridge years is the easy part. Deciding how hard to lean on the 457 before Social Security, when to claim, and how to defend the un-protected slice from inflation — that's planning. Bring this one to the 15-minute call.

DECISION 3

The Roth conversion window — the quiet years before RMDs

The problem. There's often a stretch between the day the paychecks stop and the day Required Minimum Distributions force money out at 73 (75 if you were born in 1960 or later) — a low-income window. In those years you can move pre-tax 457 or IRA money into a Roth and pay tax at a low bracket now, instead of letting it compound into a larger RMD and a bigger tax bill later. The catch is the ceiling. Convert too little and the window goes to waste. Convert too much and it overflows the bracket, or trips the IRMAA Medicare surcharge — which in 2026 starts at \$109,000 of income for a single filer, \$218,000 married. The art is filling the bracket without spilling over.

Open the *Roth Conversion Window* tab. Enter your filing status, age, expected taxable income, the pre-tax balance you'd consider converting, the bracket you want to fill, and when RMDs begin. It shows your **window length** in low-income years, the **room in your target bracket this year**, your **annual conversion headroom** (the lowest of the ceilings, so you don't overflow), **what's holding the headroom**, and the **rough federal tax on one full-headroom year**.

Why a number isn't a plan. A single year's headroom is one move. A conversion *strategy* is a multi-year sequence, threaded against your pension income, your Social Security timing, the \$20,000 NY exclusion (available at 59½+), and those IRMAA cliffs. That sequencing is what we map in the 15-minute call.

DECISION 4

Pension at 20 vs waiting — what the date locks in

The problem. "Twenty and out" is a real choice now. Chapter 692 of 2025 raised the Tier 3 pension at 20 years from 42% to 50% of final average salary, the same 50%-at-20 Tier 2 has long had. Tier 3 members could always retire at 20; what changed is the amount. The date you pick still matters, though: a Tier 3 pension is capped at 50% of the base, but the inflation escalation on your allowance phases in as you approach 25 years of service, so leaving at exactly 20 and staying toward 25 lock in very different lifetime checks. A friend who left at exactly 20 and one who waited to full escalation are looking at two very different checks for the rest of their lives. Neither is wrong. But you should see the curve before you sign, not after.

Open the *Pension at 20 vs 25* tab. Enter your membership date, tier (or let it auto-detect), your Final Average Salary, and a candidate retirement date. It shows your **estimated annual service pension** on that date, your **tier from your date**, your **service on this date**, your **pension as a percentage of FAS** under current law, the **inflation escalation locked in**, and your **full-escalation date**. Move the date and watch the number move.

Why a number isn't a plan. The calculator shows you the curve. It can't weigh your health, your second-career plans, your spouse's situation, or whether the extra years are worth what they cost you in life. That's a human conversation, and it's the one worth having before the papers go in.

DECISION 5

The 9/11 / WTC swing — and the September 11, 2026 deadline

Read this first. Eligibility here is medical and procedural. I can't tell you whether you qualify — nobody outside the medical and Fund process can. What this section can do is show you the size of what's at stake and the date that governs it.

The problem. This one carries a hard date. If a member's condition is tied to World Trade Center exposure and gets a medically approved Accidental Disability reclassification, the pension can move to 75% of FAS — and in New York, that WTC pension is exempt from NY and NYC tax (federal treatment depends on your retirement year). The monthly swing can be significant. But there's a gate before any of it: the **Notice of Participation** has a filing deadline of **September 11**,

2026. Miss it and the door can close, regardless of medical facts.

Open the 9/11 WTC Swing tab. Enter your FAS, current or projected pension, retirement type, the VSF, your retirement year, and whether you've filed a Notice of Participation. It shows your **current annual stack**, the **WTC Accidental Disability rate** at 75% of FAS, the **VSF on the disability side**, the **annual swing if approved**, the **New York / NYC tax treatment** (Exempt), and the **federal treatment for your retirement year**.

Why a number isn't a plan. Eligibility is medical and procedural, not a calculator output — so this is the one above all others where you want a real conversation, well before that September deadline. My family is a 9/11 family, and it's a big part of why I spend almost all my time working with retired FDNY rather than the general public. If this might be you, don't sit on it — book the 15 minutes and let's look before that September deadline.

Also worth knowing — PSLF for Fire & EMS. Public-service work can count toward Public Service Loan Forgiveness, and many Fire and EMS members carry student debt — sometimes their kids' too. There's no calculator tab for this one. If you've got federal student loans and a public-service work history, it's worth ten minutes to check whether your payments have been counting — start at [StudentAid.gov](https://studentaid.gov), and put it on the list for your 15-minute call.

NEXT

Read it. Run it. Then let's read it together.

The Blueprint names the five decisions. The calculator shows you *your* numbers — free, no strings, run it as many times as you like. But a number is not a plan. A penalty-free window, a bridge-year shortfall, a conversion ceiling, an escalation date, a WTC deadline — each only becomes a plan when it's read in the context of everything else you've got going on, and sequenced in the right order. That last step is a short conversation to start.

Bring these three numbers and 15 minutes is plenty:

1. Your **457(b) / NYCDGP balance**
2. Your **pension tier and monthly estimate** from the Fund
3. Any **other accounts** — IRA, 401(k), a spouse's plan

Step 1 — Run your numbers: the FDNY calculator. When you run it, you'll see a button right under your results to book the same 15 minutes with our CIO, William Harrison.

Step 2 — Or skip straight to the call: book a free 15-min call. Fifteen minutes, your numbers, straight answers — no follow-up unless you ask. If the 9/11 / WTC piece is even a maybe for you, book before the September 11, 2026 Notice deadline so there's time to act.

Eslyn Hernandez Jr. — Vice President, Head of Marketing, Sirmium Capital. The planning conversation is led by our registered adviser. Ask us about referrals — if this was useful, the friend you came up with might want the same look.

SOURCES

Sources & disclaimer

Figures current as of 2026; refresh annually. Primary sources: NYC Fire Pension Fund / Office of the Actuary; NY Retirement and Social Security Law (RSSL) Article 14, including Chapter 692 of 2025 (the 50%-at-20 service pension) and RSSL §511 (Tier 3 Social Security offset); NYC Administrative Code §13-383 (Variable Supplement Fund); IRS §72(t) and Rev. Proc. 2025-32; CMS (2026 IRMAA thresholds); the Social Security Fairness Act (signed January 2025, benefits payable after December 2023); and StudentAid.gov (PSLF). VSF is up to \$12,000/yr for 20-plus-year service (QPP) retirees, reduced by a COLA offset until age 62; disability and vested retirees do not receive it. NYC pension COLA = 50% of CPI, 1% floor / 3% cap, on the first \$18,000 of the allowance, from age 62. RMD age is 73 (75 for those born 1960 or later). The Tier 3 offset repeal (S6289) is pending, not law. Two dates govern hard outcomes and should be confirmed against primary sources before you act: the WTC Notice of Participation filing deadline (September 11, 2026; confirm with the NYC Fire Pension Fund) and the Social Security Fairness Act dates (confirm with SSA).

This is an educational illustration, not advice or a guarantee. Every figure here and in the calculator is hypothetical and general. It is not a recommendation, not a projection of your actual benefits, and not tax or investment advice. Your real numbers depend on your record with the NYC Fire Pension Fund, your Deferred Comp plan, your tax situation, and law that can change. Confirm everything with the Fund, your Deferred Comp plan administrator, and your own CPA or tax adviser before acting. Sirmium Capital, LLC is a registered investment adviser; registration does not imply a certain level of skill or training. If you become a client and roll assets to us, Sirmium may earn fees on those assets. Eslyn Hernandez Jr. is Vice President, Head of Marketing — he markets the firm and does not provide investment advice; planning is led by the firm's registered adviser.