FDNY Retirement

Pre-Retirement Checklist · 2026

A step-by-step checklist for your FDNY tier and Final Average Salary, what twenty years actually pays after Chapter 692, the Variable Supplements Fund and who does not receive it, the September 11, 2026 WTC Notice deadline, and the 457(b) rule a rollover quietly removes. Every item ties to a primary source.

1. Know Your Tier: the date is July 1, 2009

- [ ] Confirm your **tier** with the Fire Pension Fund. Appointed **before July 1, 2009** = **Tier 2**; on or after that date = **Tier 3**. If you have read an article using an April 2012 date, it was describing a different rule set. Tier drives every number below. *(NYC Fire Department Pension Fund)*
- [ ] **EMS is a different plan entirely.** FDNY EMTs and paramedics are in **NYCERS**, not the Fire Department Pension Fund, under a 25-year plan that pays a flat 50% at 25 years. If you are on the EMS side, none of the figures on this page describe your benefit. *(NYCERS / FDNY)*

2. What Twenty Years Actually Pays

- [ ] Both tiers now pay **50% of Final Average Salary at 20 years** for a service retirement. Tier 3 only reached that figure on **December 19, 2025**, when **Chapter 692 of the Laws of 2025** raised it from 42%. *(Chapter 692, Laws of 2025)*
- [ ] Chapter 692 did **not** let Tier 3 members retire at twenty, they always could, and it did not restore anything, because Tier 3 never had 50% at twenty before. What changed is the amount, not the door. *(Chapter 692, Laws of 2025)*
- [ ] Past twenty years the tiers diverge sharply. **Tier 2 is not capped**: each year beyond 20 adds **1/60 of your total earnings after the twentieth anniversary**, which works out to about **1.67% of FAS a year** only when that pay tracks your FAS, reaching about **67% at 30 years** on that approximation. **Tier 3 is capped at 50%**. A twenty-fifth year adds nothing to the percentage. Know which curve you are on before you pick a date. *(RSSL Article 14 / FDNY)*
- [ ] **Tier 3 only:** the pension is reduced at **age 62 by half of your primary Social Security benefit** under **RSSL §511**, whether or not you have started collecting. Build your plan around the reduced figure, not the gross one. *(RSSL §511)*

3. Final Average Salary: the number the percentage runs on

- [ ] **Tier 3:** FAS is the average of your **highest three consecutive years**, and the anti-spiking test compares each year against the **average of the previous two years**, excluding anything over ten percent. Chapter 56 of the Laws of 2024 restored the three-year basis for Tier 3 members separating on or after April 1, 2024. *(RSSL §512(a))*
- [ ] **Overtime counts.** The statutory overtime ceiling that people assume applies is written for members of the **state** retirement system, not the New York City Fire Department Pension Fund. Overtime is pensionable here, limited only by the anti-spiking test above. *(RSSL §501(24))*
- [ ] ■ The **UFA plan booklet is dated July 2022** and still describes the older five-year rules, including a “prior four years” anti-spiking comparator. It predates both 2024 and 2025 changes. Work from the current statute, and confirm your own figure with the Fund. *(UFA FDNY Pension Manual (Jul 2022))*

4. The Variable Supplements Fund: $12,000, and who does not get it

- [ ] A **service retirement with 20 or more years** brings the Firefighters' Variable Supplements Fund: a **fixed $12,000 a year** on top of the pension. It is not a percentage and it does not grow with your salary. It has been $12,000 since 2007-08. *(NYC Admin Code §13-383)*
- [ ] **Vested and deferred retirees do not receive it. Disability retirees do not receive it either.** A member retiring on the World Trade Center presumption at 75% of FAS receives **$0** in VSF. Roughly a third of FDNY retirees actually collect it. *(NYC Admin Code §13-383)*
- [ ] Before **age 62**, any cost-of-living increase you receive **reduces the VSF dollar for dollar**. From 62 onward both are paid in full. If you are comparing retirement types, this is part of what moves. *(NYC Admin Code §13-383)*

5. The WTC Presumption and the September 11, 2026 deadline

- [ ] ■ **The Notice of Participation deadline is September 11, 2026.** Filing it preserves your ability to claim the World Trade Center presumption later. It applies to members still working **and** to those already retired, through reclassification, and once the Notice is filed there is no later deadline. *(NYC Admin Code §13-353.1)*
- [ ] The presumption pays an **Accidental Disability benefit of 75% of FAS**, versus the 50% service pension, but the VSF drops to $0. Model both before assuming which is larger for your household. *(NYC Admin Code §13-353.1)*
- [ ] The benefit is **exempt from New York State and City tax**; federal treatment is **partial** and depends on your retirement year for post-January 2009 retirements. This is a question for a qualified tax professional, not a rule of thumb. *(IRC §104(a)(1))*
- [ ] **Nobody can tell you that you qualify.** The FDNY Medical Board examines and recommends; the **Board of Trustees decides**. Treat any confident claim about your eligibility, from any source, as a reason to go straight to the Fund. *(NYC Fire Department Pension Fund)*

6. Your 457(b): the rule a rollover quietly removes

- [ ] After you **separate from service**, money in a governmental 457(b) is generally **not subject to the additional 10% federal tax on early distributions, at any age**. A 401(k) or an IRA does not work this way. *(IRS / NYC Deferred Comp)*
- [ ] If you roll the 457(b) into an IRA at retirement, that access generally **does not travel with the money**. It becomes IRA money, subject to the additional tax before 59½. Firefighters who retire in their forties are exactly who that rule was written for. *Our firm is paid in part on rolled assets, and we are telling you this anyway.* *(IRS / NYC Deferred Comp)*
- [ ] Max the years you are still working: **$24,500** base for 2026, **+$8,000** catch-up at 50 or older, and at ages **60 to 63** the catch-up is **$11,250 instead of** the $8,000. They do not stack. *(IRS Notice 2025-67)*

7. Prior Service and Military Buyback

- [ ] Prior eligible New York City or public service can often be **purchased or transferred**, raising your years of service and your pension for life. Transfers and buybacks carry **deadlines**, so start early rather than at papers-in. *(NYC Fire Department Pension Fund)*
- [ ] **Military service** may be purchasable under **RSSL §1000**. Eligibility is broader than most people are told. An honorable discharge is one route, and there are also paths for a veteran with a qualifying condition and for a discharged LGBT veteran under Executive Law §350 with any discharge better than bad-conduct or dishonorable. *(RSSL §1000 / Exec. Law §350)*

8. Social Security Timing

- ☐ If you will have a Social Security benefit, delaying past Full Retirement Age earns **delayed retirement credits of 8% a year** to age 70, a fixed statutory increase. Your pension can fund the wait. *(SSA.gov)*
- ☐ The old **WEP and GPO** reductions for public pensions were **repealed** by the Social Security Fairness Act, signed January 2025. If a benefit was ever reduced or blocked, check whether you are now owed more. *(SSA.gov)*

9. Taxes in Retirement

- ☐ **New York does not tax** your New York City Fire Department pension or the VSF, at the state or city level, with no cap. The exemption follows New York, not you, if you move. *(NYS Dept. of Taxation & Finance)*
- ☐ Your pension and 457(b) withdrawals are **federally taxable**. At 59½ and older New York also excludes the first **$20,000** of other retirement income. Model the federal side before any large withdrawal or Roth conversion, and take the specifics to a qualified tax professional. *(IRS / NYS Tax)*

10. Beneficiaries: the item people skip

- ☐ Update your **Fire Pension Fund beneficiary designation**, your 457(b) beneficiary, and any line-of-duty death-benefit forms. **These override your will.** Re-check after any marriage, divorce, or birth. It is the most common gap we find. *(NYC Fire Department Pension Fund)*

Questions about your situation? Talk to William Harrison, our Chief Investment Officer.

Grounded in the Retirement and Social Security Law (§§501, 511, 512, 1000), Chapter 692 of the Laws of 2025, Chapter 56 of the Laws of 2024, the NYC Administrative Code (§§13-353.1, 13-383), the NYC Deferred Compensation Plan, IRS, SSA, and the NY Department of Taxation & Finance (2026 figures). The UFA plan booklet dated July 2022 predates the 2024 and 2025 changes.