

SIRMIUM CAPITAL · SAMPLE, ILLUSTRATIVE ONLY

Your Financial Plan

Prepared for Sample Firefighter · October 9, 2026

Sample plan for an illustrative FDNY firefighter. Not a real person or client. The household is invented. Its Fund-statement figures come from our model of the Tier 1 and 2 rules, and every other figure from the same model we use for a real member's plan. Members can ask for their own at sirmiumcapital.com/fdny/.

SAMPLE PLAN FOR AN ILLUSTRATIVE FDNY FIREFIGHTER.
NOT A REAL PERSON OR CLIENT.

Sirmium
CAPITAL

CONTENTS

What is in this plan

I	The answer on one page	2
	What it comes to	
2	Terms of the Engagement	4
	What this covers, and what it does not	
3	Step 1	5
	Understanding your circumstances	
4	Step 2	6
	Identifying and selecting goals	
5	Step 3 · current	8
	Analyzing your current course of action	
6	Step 3 · alternatives	8
	Potential alternative courses of action	
7	Steps 4 and 5	10
	Developing and presenting the recommendations	
8	Step 6	14
	Implementing the recommendations	
9	Step 7	15
	Monitoring progress and updating	
10	Information still required	16
	What we still need, and where this is thinnest	
II	Assumptions and sources	17
	The basis for every figure in this document	

THE ANSWER ON ONE PAGE

In your first full year your pension and VSF pay about \$7,464 a month after federal tax, against \$7,000 of spending

You told us on your intake form that your household spends about \$7,000 a month, and this plan uses that figure. You retire in June 2027 with 20 years. In 2028, your first full year, your pension and your Variable Supplements Fund payment come to about \$7,464 a month. That is take-home after federal income tax; New York State and New York City don't tax either one. Your \$7,000 of spending comes to about \$7,426 a month in 2028 prices, so the pension covers it in that year with little to spare. With your spouse's pay the household takes home about \$11,362 a month.

Your pension check stays almost the same for life while prices rise about 3% a year, the inflation this plan assumes. You retire at 45, so the cost-of-living increase starts at 55, applies only to the first \$18,000, and until 62 each increase comes back out of your VSF. From about 47 the pension no longer covers \$7,000 a month on its own, and by about 74 it buys half of what it buys in 2028. Your spouse's pay closes the gap until your spouse turns 62, when you are 64. After that the 457 and what you save in the meantime carry the difference until Social Security starts. With the placeholders for yours from 67 and your spouse's from your spouse's 67, your pension, VSF and Social Security cover \$7,000 again from about 69 until about 79.

The decision with the most money in it is the \$165,333.41 of excess contributions in your account: take it as a yearly annuity on top of your pension, or roll it to an IRA. The Fund prices the annuity. At \$7,000 a month, the rollover comes out ahead if the Fund's quote is below about \$14,800 a year, and the annuity if it is above.

99+ of 100

the odds your money lasts to 95 at \$7,000 a month, on this plan's footing of 10% a year before our 1% fee, with your spouse working to 62. At \$8,400 a month it is 91 of 100. If your spouse stops five years early it is 99+ at \$7,000 and 73 at \$8,400.

WHAT YOU SPEND

\$7,000 a month

your intake form

PENSION AND VSF

\$7,464 a month

after federal tax, 2028

YOUR 457

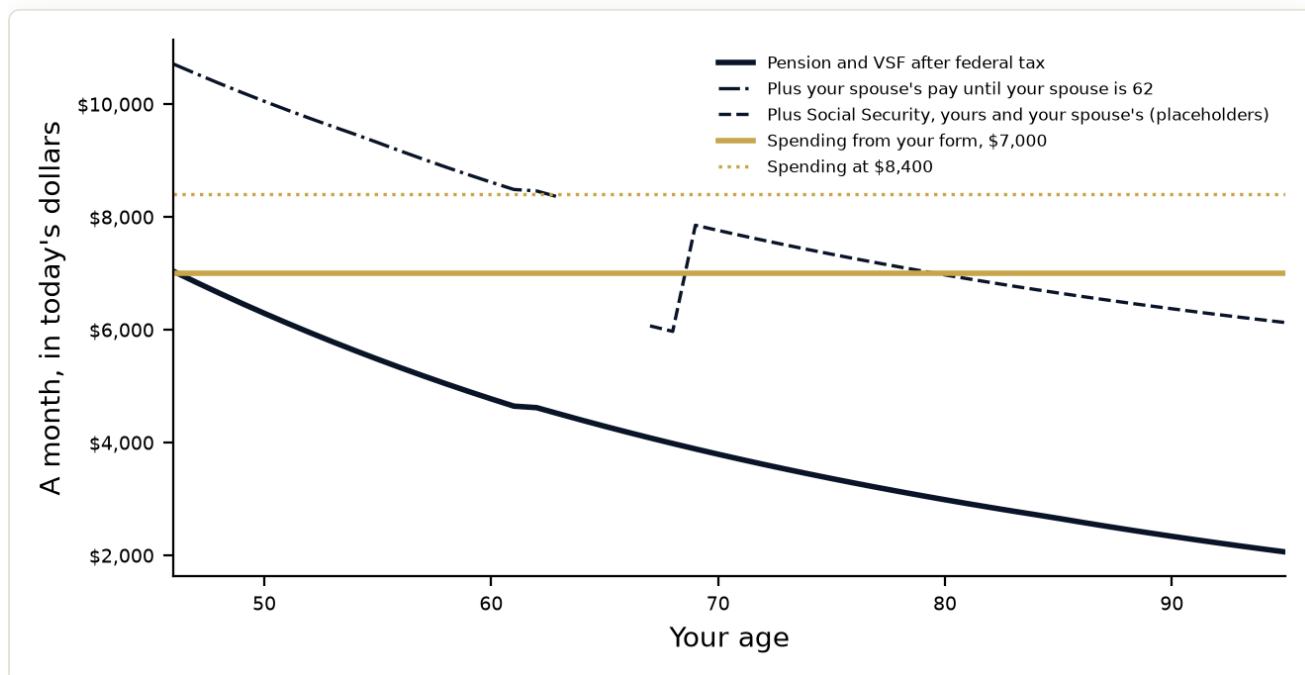
\$214,000

no loan

EXCESS CONTRIBUTIONS

\$165,333.41

sample Fund statement



What you take home against what you spend, in today's dollars. The pension line falls because prices rise and the check barely does. At \$7,000 a month the pension alone covers you in 2028 and falls short from about 47. With your spouse's pay it covers you until 63. Your own Social Security placeholder from 67 doesn't close the gap on its own; with your spouse's added from your spouse's 67, when you are 69, it covers you again until 79. Your investments are left out of this chart.

The odds count how often your money lasted across two thousand market histories. Every assumption behind them is listed at the back.

This is a snapshot of one day's assumptions. Return estimates are revised every year, tax and pension rules change, and so does your life. Have it re-run once a year, so you are not acting in year three on numbers built in year one. Step 7 sets out what that involves.

The two answers that decide the most

1. From the Fund: the yearly annuity it would pay for your excess contributions.
2. From the Fund: what Option 2 and Option 3 cost against the Maximum Retirement Allowance.

TERMS OF THE ENGAGEMENT

Scope of Engagement, and its limitations

You asked for a written plan after using our FDNY calculator. You plan to file for a service retirement in June 2027, when you reach 20 years, and you asked for a plan before your papers go in. You sent your intake form, your Fund statement, and your 457 and 529 statements.

Within the Scope of Engagement	Outside the Scope of Engagement
What your pension and Variable Supplements Fund payment pay, and how they are taxed	Preparing or reviewing any tax return, which is a CPA's work
Whether to take your excess contributions as an annuity or roll them to an IRA	Choosing specific funds, accounts or products, which is William Harrison's call
What to do with the 457, and whether to stay to 25 years	Filing anything with the Fire Pension Fund or the Deferred Compensation Plan
How to protect your spouse and child if you die early, and who your beneficiaries are	Your UFA annuity account, whose payout rules aren't published

The period of the Engagement, and your responsibilities

This plan runs from today until you retire or tell us the plan needs to change. Two Fund figures are still open, so expect it to move. You don't have an estate attorney or a CPA today, and parts of this plan touch both; we can refer you to one of each.

- Ask the Fire Pension Fund for the figures in section 10 before you file
- Tell us if your retirement date, your spouse's work, your spending or who you want your money to go to changes

How we are compensated

Nothing is charged for this plan. If you want ongoing work on the back of it, the cost goes in writing before anything starts.

STEP 1 · UNDERSTANDING YOUR CIRCUMSTANCES

Your personal and financial circumstances

In a member's plan every figure below comes from that member's own statements. This firefighter is invented, so the lines marked sample Fund statement come from our model of the Tier 1 and 2 contribution rules, run on an invented pay history, and they hang together the way a real statement does. The other balances are invented and rounded.

What we looked at	Figure	Source
Pension at 20 years	\$71,000.00 a year	Half your final salary (FDNY Pension Manual, Tier I and II chapter)
Final salary	\$142,000, your final 12 months	Higher than your best three consecutive years (\$139,000), so it decides (RSSL 443(a) and (h))
Accumulated deductions	\$281,508.03	Sample Fund statement
Minimum required contribution	\$116,174.62	Sample Fund statement, fixed at your 20th anniversary
Excess contributions	\$165,333.41	Our arithmetic from the two lines above
Service	20 years in June 2027	Appointed June 2007, at 25; Tier 2
Variable Supplements Fund	\$12,000 a year from December 2028	NYC Admin Code 13-385
December 15, 2027 payment	\$6,000 of first-year VSF, for July to December	NYC Admin Code 13-385(a)(12)
457(b) balance	\$214,000, no loan	Your 457 statement
Savings and the 529	\$30,000 in a bank account; \$30,000 in a 529 for your child	Your intake form and 529 statement
Spending	About \$7,000 a month	Your intake form; we take it to include the mortgage
Your spouse's pay	\$62,000 a year until your spouse is 62	Your intake form

Qualitative information

You're married, and you have one child, aged 10. Your spouse is two years younger than you. You waived ITHP from your sixth year, so you paid the full 7.5% rate in place of 2.5%; that's where your excess comes from. You joined in June 2007, before July 1, 2009, so you're a Tier 2 member. The Tier 3 changes of 2025 and 2026, Chapter 692's 50% at 20 years and the escalation date in Part ZZ of Chapter 58, apply only to members who joined on or after July 1, 2009. Your FDNY pay is covered by Social Security, so you have a benefit of your own as well as your spouse's. As a Tier 2 member your pension isn't reduced for it at 62; that reduction is a Tier 3 rule. Your 457 is in the Plan's Equity Index Fund and names your spouse. Your Fund beneficiary form, filed when you joined, still names a sibling.

Gaps in the information

Three things we don't have yet, each of which moves a number in this plan:

- The Fund's figure for the yearly annuity it would pay for your excess contributions.
- The Fund's prices for the survivor options against the Maximum Retirement Allowance.
- Your own and your spouse's Social Security statements. This plan uses placeholders until they arrive.

What these gaps let you ask

OPEN ITEM 1. A QUESTION FOR YOU

What do your own and your spouse's Social Security statements show at 67?

They replace the two \$2,200 placeholders; ssa.gov/myaccount has both.

Your pension and VSF about match your spending in 2028, and your spouse's pay is what you save from. The money you can invest is the 457 and, if you roll it over, the \$165,333.41 of excess contributions.

STEP 2 · IDENTIFYING AND SELECTING GOALS

Your goals, and the assumptions behind them

In the order you gave them to us on your intake form:

Footnote	The mix	A year, after our fee	Volatility	Odds to 95 at \$7,000	Odds to 95 at \$8,400
This plan: 10% before our fee, your spouse working to 62	100% stocks	9.0%	16.47%	99+ of 100	91 of 100
The same, with your spouse stopping at 57	100% stocks	9.0%	16.47%	99+ of 100	73 of 100
If Social Security never pays either of you	100% stocks	9.0%	16.47%	86 of 100	51 of 100
J.P. Morgan 60/40, spouse working to 62	60/40	5.2%	10.61%	99+ of 100	52 of 100
J.P. Morgan 75/25, spouse working to 62	75/25	5.4%	12.76%	99+ of 100	55 of 100
J.P. Morgan 100% stocks, spouse working to 62	100% stocks	5.6%	16.47%	99+ of 100	56 of 100

Goal	What it needs	Where it stands
Retire at 20 years, in June 2027	Household income at least equal to spending	Met at \$7,000 a month while your spouse works
Protect your spouse if you die first	A survivor option, insurance, or both	The Maximum leaves nothing to your spouse
Help with college	The 529, and a plan for the rest	\$30,000 in the 529; college starts in about eight years
Leave something to your child	Assets that pass on	The 457 and what you save

The assumptions and estimates these rest on

Every figure in this document rests on the assumptions below. They are estimates chosen by us and not forecasts, and if one of them misses, the numbers move with it. That is why they sit on this page rather than in small print at the back.

Assumption	Value
Inflation	3% a year
Return footing	10% a year before our 1% fee, so 9% after it, with all-stock swings. Every comparison also shows its break-even return and random markets
Your spouse's pay	\$62,000 a year until your spouse is 62. Stopping five years early is shown too

Assumption	Value
Social Security	Your own benefit from 67 and your spouse's from your spouse's 67, \$2,200 a month each in today's dollars, placeholders
Federal tax	2026 married-filing-jointly brackets, IRS Rev. Proc. 2025-32
Plan horizon	Age 95

Where selecting one goal affects another

Protecting your spouse and having the most income for life pull against each other in two places. The first is the pension option. On the Maximum Retirement Allowance the pension stops when you die and there are no survivor benefits. Option 2: Joint and 100% Survivor and Option 3: Joint and 50% Survivor keep part of it going to your spouse, for a smaller check for life that only the Fund can price (recommendation 4). The second is the excess. Taken as an annuity it becomes part of your pension and follows the option you choose. Rolled to an IRA it lowers what you're paid for life, but whatever is left of it when you die goes to the people you name on that account.

None of your goals fails at \$7,000 a month with your spouse working to 62. Social Security moves the result the most: the third row shows this plan if it never pays either of you anything, 86 of 100 at \$7,000 and 51 of 100 at \$8,400, which is why your two statements matter. Your spouse's working years come next: if your spouse stops at 57 the odds your money lasts to 95 are 99+ of 100 at \$7,000 and 73 of 100 at \$8,400. The last three rows use J.P. Morgan's lower long-term return estimates.

Where the answer is most sensitive

OPEN ITEM 2. A QUESTION FOR YOU

Does your spouse plan to work until 62, and could that change if you retire first?

The odds move with it. This plan assumes 62 and shows stopping five years early beside it.

OPEN ITEM 3. A QUESTION FOR YOU

How much of college do you want to cover beyond the \$30,000 in the 529?

College comes before you turn 59 and a half, so it sets how much of the 457 to keep within reach.

STEP 3 · ANALYZING YOUR CURRENT COURSE OF ACTION

Your current course, and what it produces

If you go ahead as your form describes: you retire in June 2027 with 20 years on the Maximum Retirement Allowance and take your excess as an annuity, and your 457 stays at the Deferred Compensation Plan in the Equity Index Fund.

Item	What happens
Pension and VSF, 2028	\$96,521 gross, \$89,564 after federal tax
Of which the excess annuity, at our assumed rate	\$13,521 a year
What pension and VSF buy at 55	\$65,721 a year in today's dollars
What they buy at 62	\$55,429 a year in today's dollars
What they buy at 75	\$40,345 a year in today's dollars
What they buy at 95	\$24,729 a year in today's dollars
If you die first	Your pension stops; your 457 goes to your spouse

Material advantages	Material disadvantages
The highest pension the Fund offers, for life	As prices rise, the pension buys about half as much by about 74
No market risk on the pension	Nothing from the pension passes to your spouse
The 457 has no early-withdrawal penalty at any age after you leave	A cash cushion of \$30,000, about four months of spending

Your current course pays your bills at \$7,000 a month while your spouse works, but it leaves your spouse with no pension if you die first and about four months of cash for an emergency.

STEP 3 · POTENTIAL ALTERNATIVE COURSES OF ACTION

The alternatives analyzed, and their material advantages and disadvantages

We compared each alternative on the same household, the same spending and the same return path. The first one changes your retirement date, so it is measured in pension; the others are measured in what your family has after tax, in today's dollars.

PENSION AT 20 \$71,000 June 2027, before annuities	PENSION AT 25 About \$98,000 June 2032, before annuities	BANKED VSF AT 25 About \$60,000 the Fund to confirm	YEARS TO CATCH UP About 13 on pension alone
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1. Stay to 25 years

Work five more years and retire in June 2032, at 50. Your final salary rises, 1/60 of your earnings after your 20th anniversary is added, and at 25 years 5% of the firefighter's top-step base pay of \$109,352 is added to the salary your pension is figured on.

Material advantages	Material disadvantages
A pension of about \$98,000 a year in place of \$71,000, before annuities	Five years of pension not collected, about \$355,000 before the banked VSF
A banked VSF of about \$60,000 on or about the December 15 after you retire	Five more years on the job; the cost-of-living increase starts at 60

Effect on your goals: The higher pension makes up the pension you don't collect in about 13 years of retirement, by about 63, before counting the pay you earn in the meantime. The 5% addition alone raises the pension by about \$2,734 a year. The ITHP you'd build after 20 and a larger excess would add annuities only the Fund can price, so these figures leave them out.

Basis for selection: Not chosen, because you told us you want to retire at 20. If that changes, ask the Fund for an estimate at 25 years and we'll rerun the plan.

OPEN ITEM 4. ASK THE FUND

What would my pension be if I retired with 25 years, including the ITHP annuity and the longevity addition?

It prices the stay-to-25 alternative, which this plan shows before the annuities.

2. Roll part of the 457 to a managed IRA

Move \$140,000 of the 457 to an IRA we manage and convert some of it to Roth each year.

Material advantages	Material disadvantages
Roth conversions in your lower-tax years	A 1% fee against about 0.12% at the Deferred Compensation Plan
One manager across your accounts	IRA money carries a 10% penalty before 59 and a half; the 457 doesn't after you leave

Effect on your goals: At a steady return it does not break even up to 20% a year, and averaging 10% it comes out ahead in none of 1,500 random markets. The 457 already costs about 0.12% a year and pays out with no penalty after you leave, at any age.

Basis for selection: Not chosen. We look at it again as you get closer to 59 and a half.

OPEN ITEM 5. ASK THE DEFERRED COMPENSATION PLAN

Can I convert 457 money to Roth inside the Plan?

If so, you get the conversion benefit without moving the money or paying our fee.

3. Leave everything as it is

The current course on the previous page.

Material advantages	Material disadvantages
Highest lifetime pension	About four months of cash
Nothing to file beyond your retirement papers	Nothing from the pension for your spouse

Effect on your goals: Meets the income goal while your spouse works. If you die first, your spouse keeps the 457 and your spouse's own pay and Social Security, and the pension stops.

Basis for selection: Not chosen, because of the survivor gap and the thin cash cushion.

Staying to 25 raises the pension by about \$27,000 a year, and the higher pension makes up the five years you don't collect in about 13 years. Of the money choices, only the excess is close: which way it goes turns on the Fund's annuity quote.

STEPS 4 AND 5 · DEVELOPING AND PRESENTING THE RECOMMENDATIONS

The Financial Planning Recommendations, in priority order

Seven recommendations. The first four protect you and your family and cost little or nothing. The fifth, the excess, waits on the Fund's quote. The last two are the paperwork date and where the 457 stays.

#	What	When	Do this first
1	Build your cash cushion to about \$42,000	Your first six months of retirement.	Nothing
2	Check who is named on every account before you retire	Now, before you retire.	Nothing
3	Price term life insurance for your spouse	Before you retire, while you are working and insurable at today's rates.	Nothing
4	Choose the pension option on purpose	During the retirement process, before your first full pension check.	3. Price term life insurance
5	Take the excess as an annuity or roll it over, by the Fund's quote	Decided during the retirement process, before you retire.	The Fund's annuity quote for the excess
6	File Form FPF 175 on time	By about March 2027.	Nothing
7	Leave the 457 at the Deferred Compensation Plan	At separation, by doing nothing; reviewed as you get closer to 59 and a half.	Nothing

1. Build your cash cushion to about \$42,000

Hold about six months of spending in a high-yield savings account, where it earns interest and you can reach it any day. You have \$30,000. Fill the rest from the part of your household income you don't spend, about \$3,900 a month in 2028 while your spouse works.

Basis for the recommendation. Your \$30,000 covers about four months. A car repair, a tax bill or a gap in your spouse's work has nowhere else to come from except the 457.

Assumptions and estimates. Spending of \$7,000 a month. At \$8,400 the part you don't spend falls to about \$2,500 a month. **Anticipated material effects.** Slows the first months of investing; keeps you from selling the 457 in a bad market. **Timing and priority.** Your first six months of retirement. Nothing needs to happen first.

Our arithmetic: six months at \$7,000. The monthly figures come from the plan's model.

2. Check who is named on every account before you retire

Confirm your spouse is named for the Fund's death benefit and Life Insurance Fund benefit, and on your 457, with your child as the next in line. A share for a child under 18 needs a trust or a custodian, which an estate attorney sets up. Where to change each one is in the table below.

Basis for the recommendation. The Fund's Tier I and II chapter says beneficiaries are named when you join and can be changed at any time by filing the form with the Fund. Your 457 passes by its own beneficiary form, which overrides a will. Your form named a sibling for the Fund, from before you married.

What it covers	Where it's named	Where to change it
The death benefit while you're still in service, and the Life Insurance Fund benefit	The Fund's beneficiary forms, filed when you joined	The Fire Pension Fund. You can change them at any time by filing the Fund's form
Your 457	The Plan's Change Form, section 7, notarized	nyc.gov/deferredcomp; email it to NEWYRK@VOYAPLANS.com or fax it to 844-299-2362. Questions: (212) 306-7760
A share for your child while your child is under 18	A trust or a custodian named in your will	An estate attorney; we can refer you to one

Assumptions and estimates. That your spouse comes first and your child next, as you told us. Who you name is your choice. **Anticipated material effects.** No cost beyond a notary for the 457 form. A trust or will has an attorney's fee. **Timing and priority.** Now, before you retire. Nothing needs to happen first.

FDNY Pension Manual, Tier I and II chapter, Beneficiary Designation; NYC Deferred Compensation Plan Change Form, July 2025, section 7; FACTS_fdney FDNY-DEATHBEN-02.

3. Price term life insurance for your spouse

Get quotes for about \$500,000 of 20-year term life insurance, with your spouse as the beneficiary.

Basis for the recommendation. If you die in the first twenty years, the Maximum stops and leaves your spouse nothing from the pension. Published 2026 rates for a non-smoker of 45 run about \$37 to \$90 a month for \$500,000 over 20 years, depending on health and on whether you're a man or a woman.

Assumptions and estimates. Your real price depends on underwriting. **Anticipated material effects.** About \$450 to \$1,100 a year. It covers you until you're 65. **Timing and priority.** Before you retire, while you are working and insurable at today's rates. Nothing needs to happen first.

If you live past the term, the premiums buy nothing back.

MoneyGeek, 20-Year Term Life Insurance Rates, updated September 2026 (nonsmokers, average health: \$69 a month for a woman and \$90 for a man of 45); Amica, rate samples, March 2026 (Preferred Platinum: \$37.36 and \$46.27).

4. Choose the pension option on purpose

Ask the Fund to price Option 2: Joint and 100% Survivor and Option 3: Joint and 50% Survivor, each with and without the pop-up, against the Maximum Retirement Allowance, and weigh them against the term insurance quotes.

Basis for the recommendation. The Maximum is the largest benefit, and it stops when you die. Option 2 pays your spouse all of your reduced pension for life and Option 3 half of it; with the pop-up, your pension goes back to the Maximum if your spouse dies first, at an extra cost. Whichever option you choose, your spouse can keep City health coverage for life after your death by electing it within a year, at 102% of the group rate, because the City stops paying for your spouse's coverage when you die.

Assumptions and estimates. The reduction depends on the option and on your ages, and the Fund doesn't publish its factors, so this plan shows no price for any option. The Fund's Tier I and II chapter doesn't state an election deadline. It does say that once you receive your first full pension check, the option can't be changed. Confirm your own window with the Fund. **Anticipated material effects.** Each option lowers your pension for life by an amount only the Fund can quote. **Timing and priority.** During the retirement process, before your first full pension check. Do this first: 3. Price term life insurance. The insurance quotes are what you weigh the Fund's option costs against. If term insurance is cheap, the Maximum plus insurance can leave your spouse more than an option. If it's expensive, an option may be better.

OPEN ITEM 6. ASK THE FUND

What do Option 2 and Option 3, with and without the pop-up, cost me against the Maximum Retirement Allowance?

Compare them with the term insurance quotes in recommendation 3.

FDNY Pension Manual, Tier I and II chapter, Options; FACTS_fdney FDNY-OPT-01 and FDNY-HEALTH-SURV-01 (NYC Admin Code 12-126).

5. Take the excess as an annuity or roll it over, by the Fund's quote

Your excess contributions are money you paid in above the minimum the Fund requires: \$165,333.41, your \$281,508.03 of accumulated deductions less the \$116,174.62 minimum. At retirement you choose a lump sum or an additional annuity. Ask the Fund for the annuity. If it quotes less than about \$14,800 a year (about \$89.43 for each \$1,000), take the lump sum as a direct rollover to an IRA. If it quotes more, take the annuity.

Basis for the recommendation. Taking the annuity gives you a bigger check, about \$900 a month more after tax in 2028, so more of your income goes unspent. You'd invest that part in an ordinary investment account, and taxes on that account cost something each year. We estimate about 0.5% of it a year for an all-stock index fund held by a New York resident, which puts the break-even annuity at about \$14,800. The table shows the comparison at 0%, 0.5% and 1%, with this plan's assumed annuity of \$13,521 a year. At \$7,000 a month and 10% a year before our fee, if you die at 85 your family receives about \$129,000 less with the rollover with those taxes at 0% a year, about \$100,000 more at 0.5% and about \$296,000 more at 1%.

Yearly tax cost of the investment account	Spending a month	Rollover at a steady 10%	Annuity that breaks even	Break-even return	Rollover ahead in random markets	Tenth of paths where it does worst
0% a year	\$7,000	about \$129,000 less	\$12,100 a year	11.2%	37 of 100	about \$576,000 less

Yearly tax cost of the investment account	Spending a month	Rollover at a steady 10%	Annuity that breaks even	Break-even return	Rollover ahead in random markets	Tenth of paths where it does worst
0.5% a year	\$7,000	about \$100,000 more	\$14,800 a year	9.1%	58 of 100	about \$310,000 less
1% a year	\$7,000	about \$296,000 more	\$17,800 a year	7.5%	75 of 100	about \$132,000 less
0% a year	\$8,400	about \$377,000 less	\$9,400 a year	12.6%	24 of 100	about \$897,000 less
0.5% a year	\$8,400	about \$224,000 less	\$10,700 a year	11.3%	35 of 100	about \$668,000 less
1% a year	\$8,400	about \$101,000 less	\$12,100 a year	10.5%	44 of 100	about \$514,000 less

Assumptions and estimates. The Fund publishes no annuity factor. This plan assumes \$81.78 a year for each \$1,000, the figure the NYPD's Tier 2 booklet prints for a member retiring at 45, which gives \$13,521 a year; the Fund's actuary sets the real one. Taken as cash at 45 the lump sum would be taxed and could carry the 10% penalty, which the Fund's chapter flags for members under 50; a direct rollover defers both. A final loan is a separate choice that cuts the pension for life by an amount the Fund prices; this plan doesn't use one. The table compares what your family has after tax, in today's dollars, if you die at 85; random markets are 1,500 paths averaging 10% with all-stock swings.

Anticipated material effects. With the rollover your pension is about \$13,521 a year lower for life at the assumed rate, and you hold an IRA that can be converted to Roth across your lower-tax years and passes to the people you name. **Timing and priority.** Decided during the retirement process, before you retire. Do this first: The Fund's annuity quote for the excess. Until it's in, this decision rests on our assumed annuity of \$13,521 a year.

Why higher spending favors the annuity. With the rollover your check is smaller, so once your spouse stops working you sell more of your investments to cover the gap, and money you sell is rollover money you spend instead of growing. At \$8,400 a month the break-even annuity falls to between \$9,400 and \$12,100 a year, so at this plan's assumed annuity the annuity comes out ahead at every tax level.

OPEN ITEM 7. ASK THE FUND

What yearly annuity would you pay me for my excess contributions if I retire in June 2027?

Recommendation 5 turns on it. The break-even is about \$14,800 a year.

FDNY Pension Manual, Tier I and II chapter: Contributions Required, ITHP Waiver, Excess Contributions; FACTS_fdny FDNY-EXCESS-01 and FDNY-ITHP-01; NYPD Tier 2 SPD, June 2026, p.13, for the assumed factor only.

6. File Form FPF 175 on time

Submit your service retirement application, Form FPF 175, through the chain of command so the Fund's Retirement Counseling Unit has it at least 30 days before your retirement date and at least 10 days before your terminal leave begins. Terminal leave is normally one day for every four completed months of service, about 60 days at 20 years, and it starts after your last day on duty.

Basis for the recommendation. Your vacation and terminal leave come before your retirement date, so the form is due well before June. Counting back from June 2027, that puts it in about March.

Assumptions and estimates. A retirement date in June 2027 and the leave you've banked. Your own last day on duty depends on how much vacation you carry. **Anticipated material effects.** None beyond the paperwork. You stay on the payroll through your leave. **Timing and priority.** By about March 2027. Nothing needs to happen first.

OPEN ITEM 8. ASK THE FUND

On what date does my terminal leave begin if I retire in June 2027?

It sets the last day to file Form FPF 175.

FDNY Pension Manual, Tier I and II chapter, Retirement Process.

7. Leave the 457 at the Deferred Compensation Plan

Keep the 457 where it is after you separate, and invest the part of your income you don't spend separately. You can roll it to an IRA any time after you leave, so this choice stays open. Keep whatever you may need before 59 and a half in the 457,

college for your child included: withdrawals from it after you leave carry no 10% penalty, and IRA withdrawals before 59 and a half generally do. You have about fourteen years to cover before that age.

Basis for the recommendation. It costs about 0.12% a year in fees (\$20 a quarter, 0.04% of assets and the Equity Index Fund's 0.04%) and has no early-withdrawal penalty after you leave. Moving \$140,000 of it to a managed IRA does not break even at any steady return up to 20% a year, and it comes out ahead in none of 1,500 random markets averaging 10%.

Assumptions and estimates. 10% a year before fees; our 1% fee on managed money; your spouse working to 62; 1,500 random paths with all-stock swings. **Anticipated material effects.** Your 457 stays your penalty-free reserve until 59 and a half. **Timing and priority.** At separation, by doing nothing; reviewed as you get closer to 59 and a half. Nothing needs to happen first.

NYC Deferred Compensation Plan fees page (read October 6, 2026) and withdrawals page; FACTS_457 457-PENALTY-01, 457-PENALTY-03 and DCP-05; FACTS_fdny FDNY-457-PENALTY-01 and FDNY-457-ROLLOUT-72T.

Five of the seven are a form or a quote: the beneficiaries, the term life quotes, the pension option, the excess and Form FPF 175.

STEP 6 · IMPLEMENTING THE RECOMMENDATIONS

Implementation responsibilities, and the actions selected

Almost all of this is yours to do, on forms only a member can sign. We are not implementing anything yet and no account has been opened.

What happens	Who does it	By when
Check the beneficiaries at the Fund and on the 457	You, with a notary for the 457 form	Now
Get term life quotes	You, through a licensed broker	Before you retire
Ask the Fund for the excess annuity and the option prices	You	Before you file
File Form FPF 175	You, through the chain of command	About March 2027
Choose the excess annuity or the rollover, and the pension option	You, with the Fund	During the retirement process
Open the IRA and give the Fund the payee details, if you roll the excess	You, with us	Before you retire
Have your 2027 tax return prepared	You, with a CPA we can refer you to	By April 15, 2028

If you select an action other than the one recommended

If you decide on something else, tell us and we'll rerun it. The two choices that change the rest of the plan are the excess and your retirement date.

The pension option is the one choice that can't be undone: it is fixed once your first full pension check arrives.

Sirmium Capital LLC is a New York state-registered investment adviser. Which specific accounts and products are used is William Harrison's call.

STEP 7 · MONITORING PROGRESS AND UPDATING

Monitoring responsibilities, and what falls outside them

We are not monitoring anything yet. There is no agreement in place and no account with us.

Subject to monitoring	Not subject to monitoring
Your spending against the \$7,000 this plan assumes	Your tax return, which a CPA prepares
Your spouse's work and pay	The 529's investments, which stay with the 529 plan
Roth conversion room each year, once your income is known	Your health coverage and what it costs
The 457 against an IRA again, as you get closer to 59 and a half	Anything filed with the Fund, which only you can do

Monitoring intervals

No review is scheduled. The natural next point is when the Fund's quotes come back.

This plan has a shelf life

Every figure here rests on assumptions that were true the day it was written. Long-term return assumptions are revised each year. Tax brackets, contribution limits and pension rules change. So does your own life. A plan more than a year old describes a position you have already moved on from, and the further it drifts the less it is worth leaning on.

Have it re-run once a year. The number worth looking at is not the projection, it is the gap between what the plan assumed and what actually happened, and that gap only shows up if somebody checks it. Clients get that as a matter of course, because it is the part of this work that never finishes. If you are not working with us, do it with whoever you do work with, or ask us for a fresh one. What matters is that you are not acting in year three on numbers built in year one.

Changes you must report to us

A plan goes stale quietly. These are the things that change it enough that we would want to know within a few weeks rather than at the next review.

- Your retirement date and your last day on duty
- The Fund's quotes for the excess annuity and the options
- Any change in your spouse's work
- Any change in who you want your money to go to

Your two Social Security statements, the Fund's annuity quote and your spouse's working years are the inputs to watch. At \$7,000 a month the odds your money lasts to 95 are 99+ of 100 with your spouse working to 62 and 99+ of 100 if your spouse stops at 57; at \$8,400 they are 91 of 100 and 73 of 100. If neither Social Security benefit pays, they are 86 of 100 and 51 of 100.

INFORMATION STILL REQUIRED

Still open, and who answers each item

This plan is complete except for the items below, each marked with its number where it comes up in the plan. The Fund's annuity quote decides recommendation 5 and its option prices decide recommendation 4; the rest refine the numbers.

From the Fire Pension Fund

4. What would my pension be if I retired with 25 years, including the ITHP annuity and the longevity addition? It prices the stay-to-25 alternative, which this plan shows before the annuities.
6. What do Option 2 and Option 3, with and without the pop-up, cost me against the Maximum Retirement Allowance? Compare them with the term insurance quotes in recommendation 3.
7. What yearly annuity would you pay me for my excess contributions if I retire in June 2027? Recommendation 5 turns on it. The break-even is about \$14,800 a year.
8. On what date does my terminal leave begin if I retire in June 2027? It sets the last day to file Form FPF 175.

From the Deferred Compensation Plan

5. Can I convert 457 money to Roth inside the Plan? If so, you get the conversion benefit without moving the money or paying our fee.

From you

1. What do your own and your spouse's Social Security statements show at 67? They replace the two \$2,200 placeholders; ssa.gov/myaccount has both.
2. Does your spouse plan to work until 62, and could that change if you retire first? The odds move with it. This plan assumes 62 and shows stopping five years early beside it.
3. How much of college do you want to cover beyond the \$30,000 in the 529? College comes before you turn 59 and a half, so it sets how much of the 457 to keep within reach.

We go through these with you and William Harrison when we meet, and rerun the plan when the Fund's figures arrive.

ASSUMPTIONS, ESTIMATES AND SOURCES

The basis for every figure in this document

Nothing in this document should have to be taken on trust. Each figure traces to one of the lines below.

Assumption or estimate	Value	Basis	If it moves
Pension	\$71,000.00 a year	Half your final salary of \$142,000. At exactly 20 years there are no earnings after the 20th anniversary and no ITHP after 20, so those terms are zero (FDNY Pension Manual, Tier I and II chapter)	The Fund's own estimate replaces it
How the sample statement was built	Invented pay, \$52,000 to \$142,000	Pay rising from about \$52,000 in the first year to \$142,000 in the last. A 7.5% rate, 2.5% after the City's 5% ITHP, the manual's own example; ITHP waived from the sixth year; 8.25% interest; the minimum fixed at the 20th anniversary	A real plan uses the member's own statement
Excess annuity	About \$13,521 a year	Assumed at \$81.78 per \$1,000, the NYPD Tier 2 booklet's factor at 45; the Fire Pension Fund publishes none	The Fund's quote replaces it; recommendation 5 gives the break-even
Variable Supplements Fund	\$12,000 a year	NYC Admin Code 13-385; New York State and City don't tax it (Tax Law 612(c)(3)(i))	Fixed by law; does not rise
Cost-of-living increase	From 55	Half of inflation, 1% to 3%, on the first \$18,000. Fire Pension Funds FY2025 statements, Note 1 (at 55 after ten years retired); offset against the VSF until 62	Small either way
Tax on the pension	Federal only	New York State and City don't tax it (Tax Law 612(c)(3)(i)). If you leave New York, 4 U.S.C. 114 bars New York from taxing it; federal tax applies wherever you live	Another state's own rules would apply
Federal tax	Joint brackets	2026 married-filing-jointly brackets, IRS Rev. Proc. 2025-32	Indexed at 3% a year
NY tax on 457 and IRA money	6%	Above a \$20,000 exclusion from 59 and a half. NY Tax Law 612(c)(3-a); TSB-M-02(9)I	A New York City address would add city tax
Inflation	3% a year	Sirmium capital market assumptions	Higher inflation erodes the pension faster
Return footing	10% before our fee	16.47% volatility. Sirmium's planning assumption, the same for the odds and for every comparison; higher than the J.P. Morgan estimates in Step 2	Each comparison prints the return at which it breaks even
Your spouse's pay	\$62,000 a year	Your intake form; until your spouse is 62. Taxed at federal brackets, 7.65% payroll tax and 6% for New York State and City, our estimate	Stopping at 57 is shown in Step 2
Social Security	\$2,200 a month each	Placeholders for your own benefit from 67 and your spouse's from your spouse's 67, in today's dollars; no statements yet. FDNY pay is covered by Social Security, and a Tier 2 pension isn't reduced for it (RSSL 511 applies to Tier 3 only)	If neither pays, the odds at \$7,000 fall to 86 of 100
Tax still owed on pre-tax money passed on	27%	Our assumption	Higher brackets favor Roth money
Yearly tax cost of the investment account	0% to 1%	1% in the odds. Our assumption; about 0.5% is our estimate for an all-stock index fund	It moves the break-even annuity in recommendation 5
Age at death in the comparisons	85	Our assumption; the odds run to 95	Recommendation 5 states its figures at this age
457 fees	About 0.12%	NYC Deferred Compensation Plan fees page: \$20 a quarter, 0.04% of assets, Equity Index Fund 0.04%	Other funds in the Plan cost up to 0.10%

Assumption or estimate	Value	Basis	If it moves
IRA money before 59 and a half	10% penalty	On withdrawals. IRC 72(t); FACTS_457 DCP-05	The 457 carries none after you leave
Staying to 25 years	Pay up 3% a year	At 25, 5% of the firefighter's top-step base pay of \$109,352 (since August 1, 2024) is added to the salary the pension is figured on. Chapter 58 of 2026, Part AAA	The Fund's estimate at 25 replaces it
Advisory fee	1% a year	On money we manage. Sirmium ADV, first-responder rate	Applies only to money that moves to us

Sources

- FDNY Pension Manual, Tier I and Tier II chapter (Summary of Funds Benefits, fiscal year ended June 30, 2022, published by the UFA): Contributions Required, ITHP Waiver, Excess Contributions, Retirement Process, Service Retirement Allowance, Options, Beneficiary Designation.
- New York City Fire Pension Funds, Combining Financial Statements, fiscal year 2025, Note 1 (cost-of-living adjustments; VSF offset; Chapter 216 of 2002).
- NYC Administrative Code 13-385 (Firefighters' Variable Supplements Fund payments), including (a)(12) and (g); NYC Administrative Code 12-126 (surviving-spouse health coverage).
- RSSL 443(a) and (h); Chapter 540 of 2021. Chapter 58 of 2026, Part AAA (NYC Admin Code 15-110.1).
- NY Tax Law 612(c)(3)(i) and (3-a); TSB-M-02(9)I; 4 U.S.C. 114.
- IRS Rev. Proc. 2025-32 (2026 brackets and standard deductions); IRC 72(t); IRS Topic 558.
- NYC Deferred Compensation Plan: fees page (read October 6, 2026); withdrawals page; Change Form, July 2025.
- MoneyGeek, 20-Year Term Life Insurance Rates (updated September 2026); Amica, life insurance rate samples (March 2026).
- J.P. Morgan Long-Term Capital Market Assumptions, 2026, via sirmium_cma.py.

Sirmium Capital LLC is a New York state-registered investment adviser and is not registered with the SEC. Every figure in this document describes odds under a set of assumptions; a projection is not a promise and nobody can promise an investment outcome. Nothing here is an offer or a solicitation in any jurisdiction where we are not registered or exempt, and nothing here creates an advisory relationship; ongoing advisory services are provided only under a signed advisory agreement. Your accountant and your attorney are the right people for tax and legal questions, and their answers beat ours. Account and product decisions come from William Harrison. This document is a sample plan for an illustrative FDNY firefighter, who is not a real person or client. Its Fund-statement figures come from our model of the Tier 1 and 2

contribution rules applied to an invented pay history, and its other balances are invented. The odds in this document come from two thousand simulated market histories run against one spending plan. Their footing is 10% a year before our 1% fee, which is our planning assumption and is higher than the J.P. Morgan long-term estimates shown beside it in Step 2. Social Security is two placeholders, yours and your spouse's, until there are statements, and the plan says so wherever they are used. Every comparison of moving money to an account we manage also shows the return at which it breaks even and how it fares across random markets. These return assumptions are separate from, and independent of, how assets under management are actually invested. If money moves to an account we manage, we are paid on it. If it stays where it is, we are not.