A step-by-step checklist for your NYPD pension tier and Final Average Salary, the Death Gamble decision, pension buy-back, your 457(b) penalty-free window, the Variable Supplements Fund, and Social Security timing built for NYPD officers and detectives. Every item ties to a primary source.

1. Know Your Pension Tier

- [ ] Confirm your **tier** on your NYC Police Pension Fund statement. Roughly: appointed before **July 1, 2009** = **Tier 2**; on/after **July 1, 2009** = **Tier 3** (Revised / "Tier 6" rules for 2012+, Enhanced for 2017+). Tier drives your entire pension math. *(NYC Police Pension Fund)*
- [ ] Tier 2 service retirement pays **50% of Final Average Salary at 20 years** (1/40 of FAS per year), with added credit for service beyond 20. Pull your own plan documents. This is the single biggest number in your retirement. *(NYCPPF Tier 2 SPD)*
- [ ] Tier 3 pays a flat **50% of FAS at 20 years** under Chapter 55, Laws of 2025 (Part SS); service beyond 20 years buys escalation eligibility, not a higher base percentage. **Escalation is tied to the 25-year mark, not 20.** RSSL §510 allows no escalation where the pension begins more than three years before that mark, so a pension collected at 20 years carries none and none arrives later; the only route to it is deferring collection until what would have been 25 years, which means no pension payments, no VSF and no City retiree health coverage during those years. **Every Tier 3 benefit, including the full normal-service pension, is reduced by the RSSL §511 Social Security offset** (about half your primary Social Security benefit) starting at **age 62**, whether or not you have started collecting Social Security. Don't assume your number matches a Tier 2 friend's. Request an official estimate from the Fund. *(NYCPPF Tier 3 SPD; RSSL §510)*

2. The Death Gamble: Stay vs. Retire

- [ ] Know how it works for **Tier 2**: once you reach **20 years**, NYCPPF treats you as **presumed service-retired the day before death**, so your family can receive the service-retirement value rather than the smaller ordinary death benefit an earlier death would pay. **Tier 3 works differently** (the ordinary death benefit is generally 3× salary plus your contributions; the presumed-retirement mechanic does not currently apply), so confirm how your tier's death benefit works with the Fund. Model both outcomes in dollars. *(NYCPPF Tier 2 / Tier 3 SPDs)*
- [ ] Quantify **one more year**: how much additional lifetime pension each extra year buys, against what your family receives if something happens on the job. The math is usually clearer than the emotion suggests. *(NYC Police Pension Fund)*

3. Pension Buy-Back / Prior-Service Credit

- [ ] If you had prior eligible NYC or public service before NYPD, file to **purchase or transfer that credit**, because it raises your years of service and your pension for life, often for far less than the lifetime income it produces. *(NYC Police Pension Fund)*
- [ ] **Military service** can be buyable too (up to 3 years under NY RSSL §1000, plus USERRA rights). Start early, since transfers and buy-backs carry **deadlines** (e.g., prior NYC service generally within one year of leaving that job). *(NYCPPF SPD / RSSL §1000)*

4. Final Average Salary (FAS)

- ☐ Pin down your **FAS rule**: Tier 2 members appointed on/after **July 1, 2000** use the **final 12 months**; Tier 3 uses a **3-year (36-month) average** with a 10% anti-spiking cap. Know which years count. *(NYC Police Pension Fund)*
- ☐ Understand how **overtime** is treated and capped in your FAS, since it can raise or distort the figure. Confirm the rules with the Fund rather than assuming. *(NYC Police Pension Fund)*
- ☐ **Longevity pay is not automatically pensionable, and how much of it counts steps up with your service.** After 20 years, longevity is pensionable only at the **5- and 10-year levels**; after **25 years**, full longevity is pensionable. If your FAS is the final 12 months, **ask the Fund whether that step applies only to pay earned after your 25-year mark or attaches once you have 25 years**. The booklet does not settle it, the answer can change your pension for life, and it can change the right retirement date. Ask before you file. *(NYCPPF Tier 2 SPD p.17)*
- ☐ Check what is **excluded** before trusting a figure built from your gross pay: **uniform allowance**, **Fair Labor Standards Act payments** and **excluded longevity** are not pensionable earnings. An FLSA payout at separation does not raise your FAS. *(NYCPPF Tier 2 SPD p.17)*

5. The Variable Supplements Fund (VSF)

- ☐ If you take a **service retirement with 20+ years** (not a disability or vested retirement), confirm your **Police Officers' Variable Supplements Fund** benefit, a separate **$12,000/yr** payment on top of your pension, fixed at that amount since 2007. *(NYCPPF SPD)*
- ☐ Confirm your own eligibility before you count on it. Disability and vested retirees generally do not receive the VSF. *(NYCPPF SPD)*

6. Your 457(b): Don't Roll It Too Soon

- ☐ Know the rule that makes the NYC **457(b)** special: after you **separate from service**, withdrawals are **not subject to the 10% early-withdrawal penalty at any age**, even before 59½. A 401(k) or IRA does not work this way. *(IRS Topic 558)*
- ☐ If you roll the 457(b) into an IRA at retirement, you **forfeit that penalty-free early access** until 59½. Many officers who retire in their 40s should keep it as bridge income first, then roll what remains. *(IRS / NYC Deferred Comp)*
- ☐ Max your 2026 contributions while working: **$24,500** base; **+$8,000** catch-up at 50+; at ages **60–63** the catch-up is **$11,250 instead of** the $8,000 (they don't stack). *(IRS Notice 2025-67)*

7. Social Security Timing

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

8. Taxes in Retirement

- [ ] Good news: **New York fully exempts** your NYC Police Pension Fund pension and VSF from state and city income tax, with **no $20,000 cap**. The exemption follows New York, not you, if you move out of state. *(NYS Tax / Comptroller)*
- [ ] Your pension and 457(b) withdrawals are **federally taxable**. At 59½+, NY also lets you exclude the first **$20,000** of 457(b) (deferred comp) withdrawals. Model the federal hit before large withdrawals or Roth conversions. *(IRS / NYS Tax)*

9. The Roth Conversion Window

- [ ] Between retiring and your **RMD age (73, phasing to 75)**, your taxable income may dip, opening a window to convert pre-tax 457(b)/IRA dollars to Roth at a lower bracket. Model the tax first; it isn't automatically right. *(IRS / SECURE 2.0)*

10. Beneficiaries & Death Benefits

- [ ] Update your **NYCPPF 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. *(NYC Police Pension Fund)*

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

Grounded in the NYC Police Pension Fund Tier 2 & Tier 3 Summary Plan Descriptions (Oct 2024), the NYC Deferred Compensation Plan, IRS, SSA, and the NY Department of Taxation & Finance (2026 figures).