

SIRMIUM CAPITAL · SAMPLE, ILLUSTRATIVE ONLY

Your Financial Plan

Prepared for Sample Officer · October 6, 2026

Sample plan for an illustrative NYPD police officer. Not a real person or client. The household is invented. Its Fund-statement figures come from our model of the Tier 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/nypd/.

SAMPLE PLAN FOR AN ILLUSTRATIVE NYPD POLICE OFFICER.
NOT A REAL PERSON OR CLIENT.

Sirmium
CAPITAL

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THE ANSWER ON ONE PAGE

In your first full year your pension pays about \$7,250 a month after federal tax, against \$6,000 of spending

You told us on your intake form that you spend about \$6,000 a month, and this plan uses that figure. Your pension and your Variable Supplements Fund payment come to about \$7,250 a month in 2027, your first full year. That is take-home after federal income tax; New York State and New York City don't tax either one. It leaves about \$13,000 a year more than you spend, before any pay from the security job and before you touch the 457.

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 53 the pension no longer covers \$6,000 a month on its own, and by about 74 it buys half of what it buys in 2027. That's why the security job, the 457 and the Annuity Savings Fund decision matter more to you than the pension itself.

This plan assumes you work in security from retirement until 62 and earn \$45,000 a year, the low end of the \$45,000 to \$60,000 you gave on your form. It also shows no job, and \$60,000 a year, the high end.

On or about December 15 the Fund pays about \$25,000: \$1,000 of first-year VSF for December, plus a banked VSF of about \$24,000 that only the Fund can confirm.

99+ of 100

the odds your money lasts to 95 at \$6,000 a month, on this plan's footing of 10% a year before our 1% fee, with the security job to 62. At \$7,200 a month it is 90 of 100. With no job it is 93 at \$6,000 and 12 at \$7,200.

WHAT YOU SPEND

\$6,000 a month

your intake form

WHAT YOU TAKE HOME

\$7,250 a monthpension and VSF after federal tax,
2027

YOUR 457

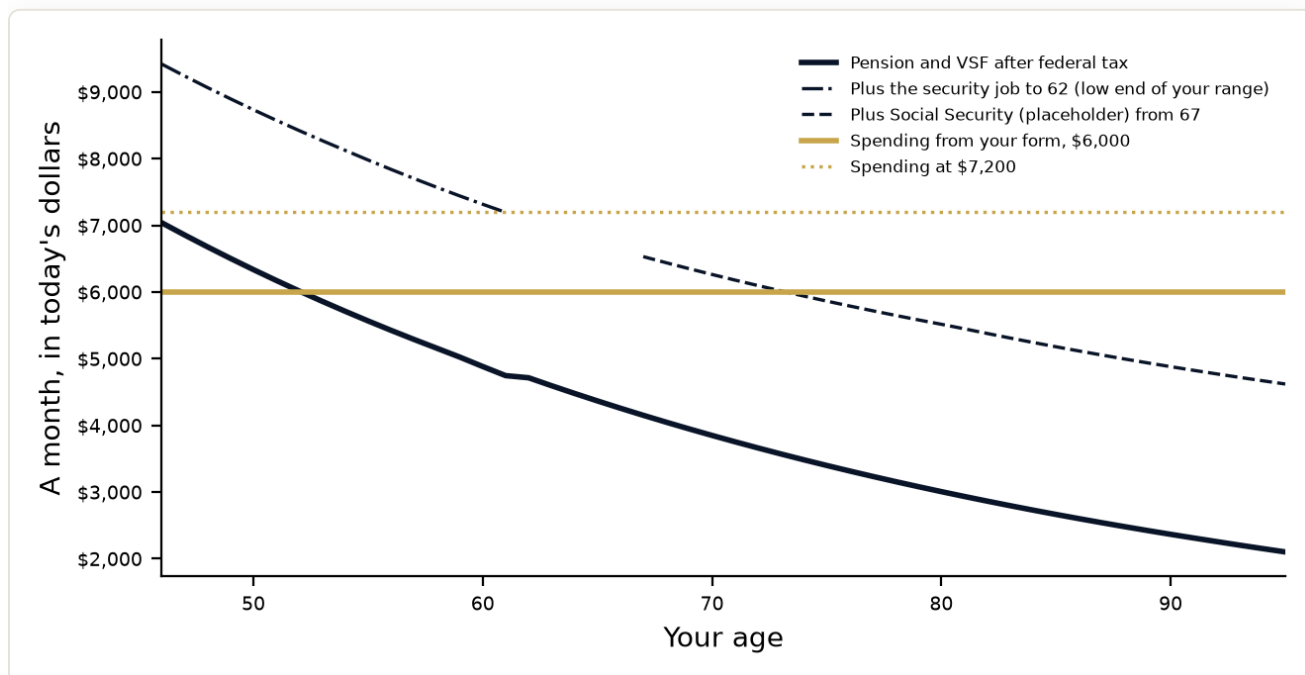
\$185,000

no loan

DECEMBER 15

About \$25,000

VSF, the Fund to confirm



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 \$6,000 a month the pension alone covers you until about 52, and with the security job until 61. From 67 the Social Security placeholder of \$2,800 a month covers you again until about 73. At \$7,200 a month the pension alone falls short from your first full year. The job line is the low end of the pay you gave us. 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: your monthly pension with a refund of your excess contributions only.
2. From you: whether the security job is lined up before you file.

TERMS OF THE ENGAGEMENT

Scope of Engagement, and its limitations

You asked for a written plan after using our NYPD calculator. You're filing for a service retirement on November 30, 2026, you plan to work in security until 62, and you asked for a plan before your papers go in. You sent your intake form, your Fund statement, and your 457, PBA Annuity Fund 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 leave the Annuity Savings Fund in the pension or take the excess out	Choosing specific funds, accounts or products, which is William Harrison's call
What to do with the 457, the banked VSF and the union annuity	Filing anything with the Police Pension Fund or the Deferred Compensation Plan
How to protect your child if you die early, and who your beneficiaries are	Drafting a trust or a will, which is an estate attorney's work

The period of the Engagement, and your responsibilities

This plan runs from today until you retire or tell us the plan needs to change. A few 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 Police Pension Fund for the figures in section 10 when you put your papers in
- Tell us if the security job, 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 officer is invented, so the lines marked sample Fund statement come from our model of the Tier 2 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, leaving the Annuity Savings Fund in	\$87,871.98 a year	Sample Fund statement
Pension, taking the full final withdrawal	\$64,562.23 a year	Sample Fund statement
Final withdrawal available	\$285,030.00	Sample Fund statement: 90% of the required amount plus all of the excess (Tier 2 SPD p.14)
Annuity Savings Fund balance	\$294,435.11	Sample Fund statement
Required amount	\$94,003.42	Sample Fund statement
Excess over the required amount	\$200,431.69	Our arithmetic from the two lines above
Cost of a withdrawal	\$81.78 a year of pension for each \$1,000	Tier 2 SPD p.13, the Fund's factor for a member retiring at 45
Service	22 years at November 30, 2026; eligible since December 1, 2024	Appointed December 1, 2004, at 23
Final average salary	\$132,000, your final 12 months	Higher than your final 36 months (\$128,000) or best three calendar years (\$124,000), so it decides (Tier 2 SPD p.16; Chapter 312 of 2026)
Variable Supplements Fund	\$12,000 a year from December 2027	NYC Admin Code 13-271
December 15, 2026 payment	About \$25,000: \$1,000 of first-year VSF plus banked VSF of about \$24,000	NYC Admin Code 13-271(a)(9) and (e); Tier 2 SPD pp.19-20. The Fund to confirm
457(b) balance	\$185,000, no loan	Your 457 statement
PBA Annuity Fund	\$31,000	Your PBA Annuity Fund statement
Savings	\$12,000 in a bank account	Your intake form
529 plan for your child	\$24,000	Your 529 statement
Spending	About \$6,000 a month	Your intake form; we take it to include your rent
Security job	\$45,000 a year until 62, the low end of your range	Your form said \$45,000 to \$60,000; the job isn't lined up yet

Qualitative information

You're single, and you have one child, aged 12. Leaving money to your child matters to you. You waived ITHP from your sixth year, so you paid the full 7.50% rate into the Annuity Savings Fund in place of 2.50%; that's where your excess comes from (Tier 2 SPD pp.8-9). Your 457 is in the Plan's Equity Index Fund. Your Fund beneficiary form names your child, with no custodian named, and your 457 names your child directly.

Gaps in the information

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

- The Fund's figures for your banked VSF and for your pension with a refund of only your excess contributions.
- Whether the security job is lined up, and what it pays. This plan assumes \$45,000 a year until 62, the low end of your range.
- Your Social Security statement. This plan uses a placeholder until it arrives.

What these gaps let you ask

OPEN ITEM 1. A QUESTION FOR YOU

Is a security job at about \$45,000 a year until 62 lined up, and how many hours a week?

Recommendation 5 turns on it. This plan assumes the low end of your range; no job and \$60,000 are shown beside it.

Your pension pays more than you spend in 2027. The money you can invest is the 457, the union annuity, the banked VSF and, if you take the refund, the \$200,431.69 Annuity Savings Fund excess.

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:

Footing	The mix	A year, after our fee	Volatility	Odds to 95 at \$6,000	Odds to 95 at \$7,200
This plan: 10% before our fee, security job to 62	100% stocks	9.0%	16.47%	99+ of 100	90 of 100
The same, with no job	100% stocks	9.0%	16.47%	93 of 100	12 of 100
The same, with the job at \$60,000 to 62	100% stocks	9.0%	16.47%	99+ of 100	95 of 100
If Social Security never pays you (security job)	100% stocks	9.0%	16.47%	91 of 100	62 of 100
J.P. Morgan 60/40, security job	60/40	5.2%	10.61%	99+ of 100	44 of 100
J.P. Morgan 75/25, security job	75/25	5.4%	12.76%	99 of 100	49 of 100
J.P. Morgan 100% stocks, security job	100% stocks	5.6%	16.47%	97 of 100	52 of 100

Goal	What it needs	Where it stands
Retire this November	Income at least equal to spending	Met at \$6,000 a month with the security job
Work in security until 62	A job lined up, at the low end of your range or better	Not lined up yet
Leave money to your child	Assets that pass to your child, and a custodian while your child is under 18	No custodian named at the Fund today
Help with college	The 529, and a plan for the rest	\$24,000 in the 529; college starts in about six years

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
Security job	\$45,000 a year until 62, the low end of the \$45,000 to \$60,000 on your form. No job, and \$60,000, are shown too
Social Security	\$2,800 a month in today's dollars from 67, a placeholder
Federal tax	2026 single-filer brackets, IRS Rev. Proc. 2025-32
Plan horizon	Age 95

Where selecting one goal affects another

Leaving money to your child and having the most income for life pull against each other in one place: the Annuity Savings Fund. Money you leave in it becomes part of your pension. On the Maximum Retirement Allowance the pension stops when you die and nothing more is paid to anyone, so that money can't pass to your child. A survivor option such as Option 4: Lump Sum, which pays beneficiaries you can change, or Option 6: Ten Year Certain can leave part of it to your child instead, for a smaller check for life that only the Fund can price (recommendation 4). Money you take out lowers your pension for life, but it sits in an IRA in your name, and whatever is left of it when you die goes to the people you name on that account.

None of your goals fails at \$6,000 a month with the security job. The job is the assumption that moves the most: with no job the odds your money lasts to 95 are 93 of 100 at \$6,000 and 12 of 100 at \$7,200. The fourth row shows this plan if Social Security never pays you anything: 91 of 100 at \$6,000 and 62 of 100 at \$7,200. 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

Do you want this plan to count on Social Security, and do you expect it to be there for you?

The plan shows both views. If you do, your statement from ssa.gov/myaccount replaces our \$2,800 placeholder.

OPEN ITEM 3. A QUESTION FOR YOU

Does your child live with you more than half the year, and do you pay more than half the cost of your home?

If so, you may be able to file as head of household, which would lower your federal tax by at least about \$1,800 a year. A CPA should confirm it.

STEP 3 · ANALYZING YOUR CURRENT COURSE OF ACTION

Your current course, and what it produces

If you change nothing: you retire on November 30 on the Maximum Retirement Allowance with the Annuity Savings Fund left in, your 457 stays at the Deferred Compensation Plan in the Equity Index Fund, and the December payments arrive as cash.

Item	What happens
Pension and VSF, 2027	\$99,872 gross, \$86,995 after federal tax
What that buys at 55	\$66,795 a year in today's dollars
What that buys at 62	\$56,566 a year in today's dollars
What that buys at 75	\$40,784 a year in today's dollars
What that buys at 85	\$31,971 a year in today's dollars
What that buys at 95	\$25,222 a year in today's dollars
If you die after your pension is finalized	Your pension stops; your 457 goes to your child

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 or the Annuity Savings Fund passes to your child
The 457 has no early-withdrawal penalty at any age after you leave	A cash cushion of \$12,000, about two months of spending

Your current course pays your bills at \$6,000 a month while the security job lasts, but it leaves no custodian named for your child at the Fund and two 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, the same security job and the same return path, and measured what your child receives after tax, in today's dollars.

1. Take the full final withdrawal

Withdraw \$285,030.00 and roll it to an IRA. Your pension drops to \$64,562.23.

Material advantages	Material disadvantages
The money can be inherited	\$23,310 a year less pension for life
It can be converted to Roth over time	Breaks even only at a steady 7.8% to 10.4% a year before our fee

Effect on your goals: At \$6,000 a month and 10% a year before our fee, if you die at 85 your child receives about \$248,000 more with the investment account's taxes at 0.5% a year, our estimate, about \$523,000 more at 1% and about \$72,000 less at 0%. Across random markets averaging 10% it comes out ahead in 44 to 74 of 100; in the tenth of paths where it does worst, it trails keeping the pension by \$277,000 to \$861,000.

Basis for selection: Not chosen. The refund of excess in recommendation 5 takes the money you paid in above the required amount with a smaller pension cut and a smaller downside.

2. Roll part of the 457 to a managed IRA

Move \$120,000 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: It does not break even at any steady return up to 20% a year. Averaging 10%, it comes out ahead in none of 1,500 random markets; in the tenth of paths where it does worst, it trails keeping the money in the 457 by about \$1,000,000. 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 4. 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 two months of cash
Nothing to file beyond your retirement papers	No custodian named for your child at the Fund

Effect on your goals: Meets the income goal while the security job lasts. The Fund can't pay a child under 18 directly, and no custodian is named today. After your pension is finalized, nothing from the pension passes on.

Basis for selection: Not chosen, because of the missing custodian and the thin cash cushion.

Of the alternatives, only taking money out of the Annuity Savings Fund can leave your child more. At \$6,000 a month with the security job and 10% a year before our fee it does when taxes on your investment account cost about 0.5% of it a year or more. It doesn't at 0%, at \$7,200 a month, or with no job.

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 child and cost little or nothing. The fifth, the Annuity Savings Fund, waits on two answers. The last two place the rest of your money.

#	What	When	Do this first
1	Build your cash cushion to about \$36,000	Your first six to twelve months of retirement.	Nothing
2	Name a custodian for your child before you retire	Now, before you retire.	Nothing
3	Price term life insurance for your child	Before you retire, while you are working and insurable at today's rates.	Nothing
4	Choose the pension option on purpose	At finalization. Option selection is generally irrevocable.	3. Price term life insurance
5	Request a refund of your excess contributions, if the security job is lined up and the Fund's quote comes back in line	Decided before you file; a refund request is made by the time of retirement.	The security job, and the Fund's quote for a refund of the excess only
6	Roll the banked VSF and the union annuity into an IRA	December 15 for the VSF; after your retirement date for the annuity.	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 \$36,000

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 \$12,000. Fill the rest from the part of your income you don't spend: about \$3,500 a month in 2027 with the security job, and about \$1,100 without it.

Basis for the recommendation. Your \$12,000 covers about two months. A car repair, a tax bill or a gap before the security job starts has nowhere else to come from except the 457.

Assumptions and estimates. Spending of \$6,000 a month. At \$7,200 the part you don't spend falls to about \$2,300 a month with the job and nothing without it. **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 to twelve months of retirement. Nothing needs to happen first.

Our arithmetic: six months at \$6,000. The monthly figures come from the plan's model.

2. Name a custodian for your child before you retire

Name an adult custodian for your child with the Police Pension Fund on Form 62, and a successor custodian, and choose whether your child gets what's left at 18 or 21. Check that the PBA and the Deferred Compensation Plan name the people you want; a change at the Fund doesn't change them. The forms are in the table below.

Basis for the recommendation. Your Fund form names your child, who is 12, and no custodian. The Fund's Beneficiary Fact Sheet says New York law does not permit it to pay a death benefit directly to a minor child; it pays a custodian you appoint. The Fund's booklet says the death benefit covers a service retiree only while the pension awaits finalization. After that, on the Maximum Retirement Allowance, nothing is paid at your death.

What it covers	The form	Where to get it and send it
A custodian for your child at the Police Pension Fund	Form 62, which names an adult custodian under the New York Uniform Transfers to Minors Act, a successor custodian, and whether your child gets what's left at 18 or 21	nyc.gov/nycppf. Upload it on webCOPS, or mail it notarized to the Fund, Membership Services, 233 Broadway, 25th floor, New York, NY 10279. Questions: (212) 693-5850
Who is named at the Fund	Form 60, if you change who is named	The same

What it covers	The form	Where to get it and send it
Your 457	The Plan's Change Form, section 7, notarized. The form says to name a minor child as "A Person"	nyc.gov/deferredcomp; email it to NEWYRK@VOYAPLANS.com or fax it to 844-299-2362. Questions: (212) 306-7760
Your PBA Annuity Fund and the PBA's own records	Ask the PBA for its form	PBA, 212-349-7560, the number the Fund's booklet gives

Assumptions and estimates. That leaving money to your child is what you want, as you told us. Who you name is your choice. If you want a trust in place of a custodian, an estate attorney sets it up, and we can refer you to one. **Anticipated material effects.** No cost beyond a notary, unless you upload it on webCOPS. The custodian manages your child's share until the age you choose. **Timing and priority.** Now, before you retire. Nothing needs to happen first.

NYC Police Pension Fund, Beneficiary Fact Sheet, Tiers 2 and 3 (FS1), questions 6, 8 and 9; Tier 2 SPD, June 2026, p.29 (Death Gamble Benefit); NYC Deferred Compensation Plan Change Form, July 2025, section 7; FACTS_nypd NYPD-DEATH-01.

3. Price term life insurance for your child

Get quotes for about \$500,000 of 20-year term life insurance, with your child (through the custodian or a trust) as the beneficiary.

Basis for the recommendation. If you die in the first twenty years, the maximum pension stops and leaves nothing behind. 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 your child is 32. **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 4: Lump Sum and Option 6: Ten Year Certain against the Maximum Retirement Allowance before you finalize.

Basis for the recommendation. The Maximum stops when you die. Option 4: Lump Sum pays a set amount to the people you name, and you can change them at any time; Option 6: Ten Year Certain pays to the tenth anniversary of your retirement if you die before it.

Assumptions and estimates. The Fund quotes each option's cost before finalization, and you have 30 days to choose. Until then it pays about 95% of the estimated pension.

Anticipated material effects. Each option lowers your pension for life by an amount only the Fund can quote. **Timing and priority.** At finalization. Option selection is generally irrevocable. Do this first: 3. Price term life insurance. The insurance quotes are what you weigh the Fund's option costs against. If term insurance for your child is cheap, the Maximum Retirement Allowance plus insurance can leave your child more than an option. If it's expensive, an option may be better.

OPEN ITEM 5. ASK THE FUND

What do Option 4: Lump Sum and Option 6: Ten Year Certain cost me against the Maximum Retirement Allowance?

The Fund quotes them before finalization. Compare them with the term insurance quotes.

Tier 2 SPD, June 2026, pp.23-25 (Pension Options; Pre-finalization Pension).

5. Request a refund of your excess contributions, if the security job is lined up and the Fund's quote comes back in line

Your excess contributions are money you paid into the Annuity Savings Fund above what the Fund requires: \$200,431.69, your \$294,435.11 balance less the \$94,003.42 required amount. Leaving it in raises your pension by its actuarial value, which is part of the \$87,871.98 on your statement, so taking the refund gives that up and your pension is lower for life. Take the \$200,431.69 as a direct rollover to an IRA and leave the required amount in the pension, if two things hold: the security job is lined up before you file, and the Fund quotes a pension cut no larger than about \$16,391 a year. If either one doesn't hold, keep the whole Annuity Savings Fund in the pension.

Basis for the recommendation. Keeping it in gives you a bigger check, about \$1,000 a month more after tax in 2027, so more of your income goes unspent. You'd invest that unspent part, about \$3,500 a month in all with the security job, 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. At \$6,000 a month, 10% a year before our fee and that 0.5% estimate, if you die at 85 your child receives about \$217,000 more with the rollover; about \$427,000 more with those taxes at 1% a year and about \$23,000 less at 0%. The break-even return runs from 7.0% to 10.2% a year.

Yearly tax cost of the investment account	Spending a month	Rollover at a steady 10%	Break-even return	Rollover ahead in random markets	Tenth of paths where it does worst
0% a year	\$6,000	about \$23,000 less	10.2%	47 of 100	about \$554,000 less
0.5% a year	\$6,000	about \$217,000 more	8.4%	66 of 100	about \$282,000 less
1% a year	\$6,000	about \$427,000 more	7.0%	79 of 100	about \$131,000 less
0% a year	\$7,200	about \$239,000 less	11.3%	36 of 100	about \$813,000 less
0.5% a year	\$7,200	about \$127,000 less	10.6%	43 of 100	about \$675,000 less
1% a year	\$7,200	about \$48,000 less	10.2%	49 of 100	about \$527,000 less

Assumptions and estimates. The Fund does not quote a refund of excess on the statement. We assumed it costs the same \$81.78 a year per \$1,000 as the full withdrawal, which gives a pension of about \$71,481. The real figure is a question for the Fund. Taken as cash at 45 the refund would carry 20% withholding and the 10% penalty, because the booklet lowers the penalty age only to 50 for a member retiring for service; a direct rollover avoids both. Each figure in the table is the rollover against keeping the money in the pension: what your child receives after tax, in today's dollars, if you die at 85, with the security job to 62; random markets are 1,500 paths averaging 10% with all-stock swings. **Anticipated material effects.** Your pension falls by about \$16,391 a year for life. You hold an IRA your child can inherit and that can be converted to Roth across your lower-tax years. **Timing and priority.** Decided before you file; a refund request is made by the time of retirement. Do this first: The security job, and the Fund's quote for a refund of the excess only. Until both are in, this decision rests on our assumed pension of about \$71,481.

Why higher spending and no job favor keeping. With the refund your check is about \$16,391 a year smaller, so once the job ends you'd sell more of your investments to cover the gap. To age 85, in today's dollars, the sales come to about \$379,000 at \$6,000 a month, against about \$171,000 if you keep the whole Fund in; at \$7,200 a month they come to about \$1,022,000, against about \$499,000. Money you sell is refund money you spend instead of growing, so the more you spend, the more the bigger check for life is worth. At \$7,200 a month keeping comes out ahead at every tax level, by about \$48,000 to \$239,000. With no job, keeping comes out ahead at \$6,000 a month at every tax level, by about \$371,000 to \$398,000.

OPEN ITEM 6. ASK THE FUND

What is my monthly pension if I take a refund of only my excess contributions?

Recommendation 5 waits on it. This plan assumes about \$71,481 a year.

Tier 2 SPD, June 2026, pp.8-10 (ITHP waiver, refund of excess), p.13 (the factor at 45) and p.14 (effect of a withdrawal); FACTS_nypd NYPD-EXCESS-01.

6. Roll the banked VSF and the union annuity into an IRA

Elect a direct rollover of the banked VSF on or about December 15, and roll the \$31,000 PBA Annuity Fund balance once you have retired.

Basis for the recommendation. Both are pre-tax money. A direct rollover keeps it tax-deferred and avoids the 20% withholding.

Assumptions and estimates. Banked VSF of about \$24,000, \$12,000 for each year past your 20th anniversary, which only the Fund can confirm. The \$1,000 of first-year VSF paid the same day is a yearly payment and can't be rolled over. The PBA fund's own rollover timing and form are not yet confirmed. We haven't compared returns here, because the annuity fund's return isn't on your statement; once we have it we'd run it the same way as recommendation 5, at 10% before our fee with the break-even and random markets. **Anticipated material effects.** Moves about \$55,000 into an IRA that can be converted to Roth over time, or about \$255,000 if you take the refund of excess as well. **Timing and priority.** December 15 for the VSF; after your retirement date for the annuity. Nothing needs to happen first.

IRA money carries a 10% penalty before 59 and a half, which is why your cash cushion comes first.

OPEN ITEM 7. ASK THE FUND

How much is my banked VSF, paid on or about December 15?

It sets the December money, about \$24,000 in this plan.

Tier 2 SPD, June 2026, p.20 (VSF DROP); NYC Admin Code 13-271(e); FACTS_nypd NYPD-VSF-02.

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 more than 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 \$120,000 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; the security job 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.

OPEN ITEM 8. A QUESTION FOR YOU

How much of college do you want to cover beyond the \$24,000 in the 529?

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

NYC Deferred Compensation Plan fees page (read October 6, 2026); FACTS_nypd NYPD-457-01 and NYPD-457-02 (IRC 72(t)).

Five of the seven are a form or a quote: the custodian, the term life quotes, the pension option, the refund request and the rollovers.

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
Ask the Fund for your banked VSF and a refund-of-excess pension quote	You	When you put your papers in
Name a custodian for your child on Form 62, and check the PBA and 457 names	You, before a notary or on webCOPS	Before you retire
Get term life quotes	You, through a licensed broker	Before you retire
Settle the security job, then decide on the refund of excess	You	Before you retire
Choose the pension option	You, at finalization	Within 30 days of the Fund's quote
Open the IRA and give the Fund the payee details for the rollover	You, with us	Before December 15
Direct rollover of the banked VSF	You, on the Fund's form	December 15
Roll the PBA Annuity Fund	You, with the PBA Annuity Fund	After your retirement date
Have your 2026 tax return prepared	You, with a CPA we can refer you to	By April 15, 2027

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 Annuity Savings Fund and the security job.

Before you act on any of this

OPEN ITEM 9. ASK THE PBA

When can I roll over my PBA Annuity Fund balance after I retire, and on what form?

It sets when the \$31,000 can move.

The refund of the excess is the one choice your retirement date closes: if no request is made by then, the excess stays in your pension for life (Tier 2 SPD p.10).

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 \$6,000 this plan assumes	Your tax return, which a CPA prepares
Whether the security job starts, and what it pays	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 last day and your retirement date
- The Fund's quotes for the banked VSF and the refund of excess
- When the security job starts and what it pays
- Any change in who you want your money to go to

The security job and the Fund's refund quote are the inputs to watch. At \$6,000 a month the odds your money lasts to 95 are 99+ of 100 with the job and 93 of 100 without it.

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. Whether the security job is lined up and the Fund's pension figure with a refund of the excess only decide recommendation 5; the rest refine the numbers.

From the Police Pension Fund

5. What do Option 4: Lump Sum and Option 6: Ten Year Certain cost me against the Maximum Retirement Allowance? The Fund quotes them before finalization. Compare them with the term insurance quotes.
6. What is my monthly pension if I take a refund of only my excess contributions? Recommendation 5 waits on it. This plan assumes about \$71,481 a year.
7. How much is my banked VSF, paid on or about December 15? It sets the December money, about \$24,000 in this plan.

From the Deferred Compensation Plan

4. 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 the PBA

9. When can I roll over my PBA Annuity Fund balance after I retire, and on what form? It sets when the \$31,000 can move.

From you

1. Is a security job at about \$45,000 a year until 62 lined up, and how many hours a week? Recommendation 5 turns on it. This plan assumes the low end of your range; no job and \$60,000 are shown beside it.
2. Do you want this plan to count on Social Security, and do you expect it to be there for you? The plan shows both views. If you do, your statement from ssa.gov/myaccount replaces our \$2,800 placeholder.
3. Does your child live with you more than half the year, and do you pay more than half the cost of your home? If so, you may be able to file as head of household, which would lower your federal tax by at least about \$1,800 a year. A CPA should confirm it.
8. How much of college do you want to cover beyond the \$24,000 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	\$87,871.98 a year	Sample Fund statement: half the final average salary (\$66,000), one sixtieth of pay after the 20th anniversary (\$4,333), the City's ITHP after 20 (\$1,148) and the excess (\$16,391), Tier 2 SPD p.19	The Fund's own estimate replaces it
How the sample statement was built	An invented pay history, about \$34,000 in the first year to \$132,000 in the last	Required rate 7.50% at age 23 (2.50% after the City's 5% ITHP, SPD p.8); ITHP waived from the sixth year; 8.25% interest (p.7); the required amount fixed at the 20th anniversary (p.7); the ITHP after 20 credited at the same rate (our assumption)	A real plan uses the member's own statement
Pension with a refund of excess	About \$71,481	Assumed at \$81.78 per \$1,000, the Fund's factor at 45 (SPD p.13)	The Fund's quote replaces it
Variable Supplements Fund	\$12,000 a year	NYC Admin Code 13-271; NY State and City exempt (NYPD-VSF-06)	Fixed by law; does not rise
Cost of living increase	Half of inflation, 1% to 3%, on the first \$18,000, from 55	Tier 2 SPD p.23 (at 55 after ten years retired); offset against the VSF until 62	Small either way
Federal tax	2026 single-filer brackets	IRS Rev. Proc. 2025-32	Head-of-household filing would lower it by at least about \$1,800 a year (NYPD-FED-02)
NY tax on 457 and IRA money	6% above a \$20,000 exclusion from 59 and a half	NY Tax Law; FACTS_nYPD NYPD-TAX-03	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% a year before our 1% 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
Security job	\$45,000 a year until 62	The low end of the \$45,000 to \$60,000 on your form. BLS wage survey, May 2025, New York metro area: security guards median \$21.15 an hour (\$43,980 a year), top tenth \$29.19 (\$60,720); supervisors of security workers, median \$28.79; private detectives and investigators, median \$28.44	No job and \$60,000 are shown in Step 2
Taxes on the job's pay	Federal brackets, 7.65% payroll tax, and 6% for New York State and City	Our estimate	A higher rate lowers the part you don't spend
Social Security	\$2,800 a month from 67, today's dollars	Placeholder; no statement yet	If it never pays you, the odds at \$7,200 fall to 62 of 100

Assumption or estimate	Value	Basis	If it moves
Your child's tax on inherited pre-tax money	27%	Our assumption	Higher brackets favor Roth money
Yearly tax cost of the investment account	0% to 1% a year; 1% in the odds	Our assumption; about 0.5% is our estimate for an all-stock index fund	At 0% keeping the Annuity Savings Fund comes out ahead; see recommendation 5
Age at death in the inheritance comparisons	85	Our assumption; the odds run to 95	Recommendation 5 states its figures at this age
457 fees	About 0.12% a year	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%
IRA money before 59 and a half	10% penalty on withdrawals	IRC 72(t); FACTS_nypd NYPD-457-02	The 457 carries none after you leave
December 15, 2026 payment	About \$25,000	Admin Code 13-271(a)(9) (December of 2026) and 13-271(e) (banked VSF); SPD p.20	The Fund's figure 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

- NYC Police Pension Fund, Tier 2 Summary Plan Description, June 2026: pp.7-10, 13-14, 16, 19-20, 23-25, 29.
- NYC Police Pension Fund, Beneficiary Fact Sheet, Tiers 2 and 3 (FS1).
- NYC Administrative Code 13-271 (Variable Supplements Fund), including (a)(9) and (e).
- Chapter 312 of the Laws of 2026 (S7808A), RSSL 443(i).
- IRS Rev. Proc. 2025-32 (2026 brackets and standard deductions); IRC 72(t).
- NYC Deferred Compensation Plan: fees page (read October 6, 2026); Change Form, July 2025.
- U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2025, New York-Newark-Jersey City metropolitan area.
- 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 NYPD police officer, who is not a real person or client. Its Fund-statement figures come from our model of the Tier 2

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 a placeholder until there is a statement, and the plan says so wherever it is 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.