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. **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)*

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 — not just 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) — 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** — 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 — 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 — it can raise or distort the figure. Confirm the rules with the Fund rather than assuming. *(NYC Police Pension Fund)*

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 — 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).