



Mail completed form to:
30-30 47th Avenue, 10th Fl
Long Island City, NY 11101



**Application for Loan Against Additional Member Contributions (AMCs)
Tier 1 and Tier 2 Members (Restricted to only those Programs named below)**

This application is for Tier 1 and Tier 2 members who wish to apply for a loan against their AMCs. In order for NYCERS to process your loan request, this form must be filled out in its entirety, notarized, and you must be enrolled in one of the Retirement Programs listed below. Before applying for a loan, be sure you understand the **TERMS** under which a loan is issued (see **TERMS** pages). **NOTE: If the address you provide on this form is different from your address in our system, the new address will become your official address in our records.** Should you have any questions regarding this application, please contact our Call Center at 347-643-3000.

You may complete this application only if you are a participant in one of the following NYCERS Retirement Programs:

- Tier 1 Dispatcher Members 25-Year Retirement Program (Chapter 576/Laws of 2000)
- Tier 1 EMT Members 25-Year Retirement Program (Chapter 577/Laws of 2000)
- Tier 2 Age-55 Improved Benefit Retirement Program (Chapter 96/Laws of 1995)
- Tier 2 MTA Bridges and Tunnels (formerly TBTA) 20-Year and Age 50 Improved Benefit Retirement Program (Chapter 472/Laws of 1995)
- Tier 2 Dispatcher Members 25-Year Improved Benefit Retirement Program (Chapter 576/Laws of 2000)
- Tier 2 EMT Members 25-Year Improved Benefit Retirement Program (Chapter 577/Laws of 2000)
- Tier 2 Special Officers 25-Year Improved Benefit Retirement Program (Chapter 582/Laws of 2001)
- Tier 2 Automotive Members 25-Year and Age 50 Improved Benefit Retirement Program (Chapter 414/Laws of 2002)
- Tier 2 Police Communications Technicians 25-Year Improved Benefit Retirement Program (Chapter 682/Laws of 2003)

Member Number	Last 4 Digits of SSN	Home Phone Number ()	Work Phone Number ()
First Name	M.I.	Last Name	
Address		Apt. Number	
City		State	Zip Code
Department			

Special Note:

Loan repayments may only be made directly to the retirement system with a personal check or money order. Cash will not be accepted. The retirement system cannot accept payments through payroll deduction for this particular type of loan. The payroll systems of the City and other Participating Employers are not equipped to handle this additional loan payment.

A member may only make direct payments at a rate not less than 2% of his or her salary. Payments must be sufficient to repay the amount borrowed with interest and insurance premiums within a five-year period. The requirement to repay the loan within five years may cause the repayment amount to be higher than requested.

Sign this form and have it notarized, Page 2



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Member Number	Last 4 Digits of SSN

Select one option only under Loan Requested and Repayment Schedule

Failure to select an option will result in the loan being processed as if a maximum loan amount had been requested with a minimum repayment amount. Selecting more than one option in any section may result in the loan not being processed. In all cases, the total new outstanding loan can never be greater than the maximum allowed by law, and the requirement to repay the loan within five years may cause the repayment amount to be higher than the amount requested.

Fill in the appropriate box or fill in the amounts

Loan Requested

Maximum **or** Amount \$

Repayment Schedule

Minimum **or** Amount per Month \$ **or** Number of Payments

I do hereby make application for a loan, subject to the **TERMS** allowed by law and the rules of NYCERS. I have read and I understand the **TERMS** governing this loan.

Signature of Member	Date

This form must be acknowledged before a Notary Public or Commissioner of Deeds

State of _____ County of _____ On this ____ day of _____ 20____, personally appeared before me the above named, _____, to me known, and known to me to be the individual described in and who executed the foregoing instrument, and he or she acknowledged to me that he or she executed the same, and that the statements contained therein are true.

Signature of Notary Public or Commissioner of Deeds _____
 Official Title _____
 Expiration Date of Commission _____

Sign this form and have it notarized, THIS PAGE



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TERMS OF LOAN

- (1) A member in one of the retirement programs listed on page 1 who is in active service and who has credit for at least one year of membership service is eligible to take out a loan. A member must be in pay status to be issued a loan.
- (2) A loan cannot exceed 75% of the *Additional Member Contributions* and interest last posted in the member's Retirement Reserve Fund (RRF) account. For participants in the Tier 2 25-Year Early Retirement Program (55/25) an outstanding loan cannot exceed 75% of the employee portion of the *Additional Member Contributions* and interest last posted in the member's RRF account.
- (3) The member's RRF account remains intact and continues to accrue interest on the full balance. The amount borrowed is from retirement system funds.
- (4) Only one loan may be issued in any 12-month period. There is no provision in law to allow any exceptions.
- (5) The minimum loan amount to be issued is \$1,000. If your borrowing capacity is not at least \$1,000, no loan may be issued to you.
- (6) By law, a \$40.00 service fee is charged upon the processing of each loan taken on or after July 1, 2020 which will be deducted from the loan check. In addition, there is a fee for personal checks that are returned uncollectible by the bank.
- (7) Once a loan has been properly issued, it may not be canceled.
- (8) A member may request, in writing, to repay the entire outstanding loan in a lump sum. The member will then be provided with a payoff letter specifying the amount due on a certain date.
- (9) The rate of interest payable on any loan shall be the rate in effect at the time the loan application is filed. Whenever there is a change in the interest rate, it shall be applicable to loans applied for or renegotiated after the date of such change.



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(10) CONSEQUENCES OF NON-PAYMENT

- (a) An outstanding loan balance at retirement will actuarially reduce a member's retirement benefit. Since interest continues to accrue up to the retirement date on an unpaid loan, an outstanding loan balance for a "vested" member may increase to such a large amount as to significantly decrease the retirement benefit otherwise payable.
 - (b) A loan on which no payments have been made for over 90 days is termed a *Non-Performing Loan*.
 - (c) If a member has a *Non-Performing Loan*, he or she forfeits all future entitlement to borrow from this system until the outstanding loan balance is fully repaid.
 - (d) A *Non-Performing Loan* may have adverse tax consequences. See the section below entitled Taxability.
 - (e) Insurance coverage is discontinued on a *Non-Performing Loan*. However, once a member starts making regular payments again, the loan will be considered to be insured, although it otherwise remains a *Non-Performing Loan*.
- (11) All loans, except *Non-Performing Loans*, are fully insured 30 days after being issued. The member is responsible for payment of all premiums. A *Non-Performing Loan* will not be covered by loan insurance. For the first 30 days of a renegotiated loan, the insurance coverage will continue on the outstanding balance of the previous loan. The cash amount of the new loan will be uninsured for the first 30 days. It is required that the loan insurance premium rate be reviewed by the retirement system at least once a year. Such premiums may change over the life of the loan. In addition, the terms or conditions of coverage may be modified, or the insurance coverage itself may be discontinued.

(12) TAXABILITY

With the exception of loans greater than \$50,000, current tax law does not consider a loan that is scheduled to be repaid within a five-year period to be a taxable distribution. If the loan is not repaid within five years, then the outstanding balance at the end of the five-year period may be considered a taxable distribution. In addition, if loan payments are not made for a 90-day period, the I.R.S. considers the loan to be a *Non-Performing Loan* and some part of the outstanding loan is deemed taxable. Subsequent loan payments will not negate the fact that a taxable distribution has been reported. Upon a member's obtaining a refund after resignation, the outstanding balance on a loan may be at least partially taxable. For retirees, the outstanding loan balance at retirement is taxable. Within three months after your retirement date, you will receive a letter advising you of the taxable amount so that you may roll it over to an IRA, if you desire. In addition to being taxable at the member's normal tax rate, a member under the age of 55 will incur an additional 10% penalty on such distribution. Members who are age 55 or older, when they retire or obtain a refund after resignation from City service, are not subject to the 10% penalty on such distribution. Members who are under the age of 59½ and have a taxable distribution will incur an additional 10% penalty on such distribution.