

# NYCERS

RETIREMENT AND BENEFITS

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

MAIL ONLY:  
335 ADAMS STREET,  
SUITE 2300  
BROOKLYN, NY 11201-3724

CUSTOMER SERVICE CENTER:  
340 JAY STREET,  
MEZZANINE LEVEL  
BROOKLYN, NY 11201-3724

TEL: (347) 643-3000  
EXECUTIVE DIRECTOR: DIANE D'ALESSANDRO

FOR OFFICE USE ONLY

CLOCK-IN-DATE

## Loan Application

### Tier 3 and Tier 4 Members

This application is for Tier 3 and Tier 4 members who wish to apply for a NYCERS' pension loan. This application contains a fact sheet which is only a brief explanation of the requirements and obligations associated with a NYCERS' pension loan. Complete details are available on NYCERS' Tier 3 and 4 Loan Brochure (#911) which you can obtain from our website or from any NYCERS' representative. There is a \$40 service fee for processing each loan; this fee is automatically deducted from the loan check. Should you have any questions, please contact our Call Center at 347-643-3000.

Membership Number \_\_\_\_\_ Last 4 Digits of Social Security # \_\_\_\_\_

First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_

Last Name \_\_\_\_\_

Address \_\_\_\_\_ Apt. Number \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Daytime Phone Number (\_\_\_\_) \_\_\_\_\_ Email Address \_\_\_\_\_

Read and complete questions 1-6. Please print neatly and clearly. Please only fill in one option within each question. Selecting more than one option will result in the loan not being processed.

<p><b>1. How much do you want to borrow? (check A or B)</b></p> <p>A. <input type="checkbox"/> The maximum available <u>or</u></p> <p>B. <input type="checkbox"/> This amount \$ _____</p>	<p><b>2. How will you repay the loan? (check A, B or C)</b></p> <p>A. <input type="checkbox"/> The minimum possible <u>or</u></p> <p>B. <input type="checkbox"/> This amount per pay period \$ _____ <u>or</u></p> <p>C. <input type="checkbox"/> # of payments <input type="text"/> <input type="text"/> <input type="text"/> (See Repayment Schedule on last page.)</p>
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The following questions must be answered by checking Yes or No.

<p><b>3. Do you want to Direct Deposit your Loan Check?</b></p> <p><input type="checkbox"/> Yes (If yes see pg. 3) <input type="checkbox"/> No</p>	<p><b>4. Are you taking this loan at or near retirement?</b></p> <p><input type="checkbox"/> Yes (If yes see Fact Sheet on pg. 2) <input type="checkbox"/> No</p>
<p><b>5. Do you have an outstanding loan from your NYC Deferred Comp 457 and/or 401K account?</b></p> <p><input type="checkbox"/> Yes (If yes see Fact Sheet on pg. 3) <input type="checkbox"/> No</p>	<p><b>6. Did you read and understand the fact sheet and all the rules about taking a NYCERS' loan?</b></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

My signature below indicates that I understand and agree to the terms governing a NYCERS' loan. My signature also authorizes NYCERS to release pension loan information to the NYC Deferred Compensation Plan if I apply for a loan from either my 457 or 401k account(s).

Signature of Member \_\_\_\_\_ Date   /  /    
M M D D Y Y Y Y

**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 \_\_\_\_\_

If you have an official seal, affix it.

Membership Number

Last 4 Digits of Social Security #

## Fact Sheet

### When can I borrow?

You are eligible to take out a loan once every 12 months if you meet the basic requirements, which are: one year of membership, minimum of \$1,334 in your NYCERS account, you are in active service and not retired, not in default on a current loan, and have not taken a loan within the past 12 months.

### How much can I borrow?

Your Basic Member Contributions are held in your Member Contribution Accumulation Fund (MCAF) account and if you are required to contribute Additional Member Contributions, they are held in your Retirement Reserve Fund (RRF) account. The amount you can borrow is based on your contributions (plus interest) in your NYCERS account(s), less any outstanding loan balance. A loan cannot exceed 75% of your NYCERS account(s).

### Are there any fees?

The following fees will apply to your loan:

- There is a service fee of \$40 for processing each loan. This fee is automatically deducted from the loan check.
- Should you decide to change the repayment amount, there is a \$40.00 service fee for filing an application for change in Loan Repayment Schedule.
- If you leave the city payroll, there is a \$5.00 fee for each payment made through the direct payment system and there is a \$20.00 service fee for personal checks that are returned uncollected.

### How will I repay the loan?

You have three options to pay for a loan:

- Minimum Repayment Amount - this option allows you to pay back the loan by paying the minimum amount each pay period. The minimum amount is 2% of your Last Paycheck Gross Amount and the amount must be sufficient enough to repay the loan within 5 years.
- Amount Per Pay Period - this option allows you to specify a dollar amount you wish to be deducted each pay period. This amount must be at least 2% of your gross amount and must be sufficient to repay the loan within 5 years. In order to repay the loan in the required time period, it may be necessary to adjust the repayment to an amount higher than requested.
- Repay it in 1-5 years - this option allows you to specify the number of years to repay the loan.

### Can I change the amount of my repayment?

You may change the repayment amount once in any 12-month period, or you may renegotiate the loan by borrowing additional amounts (when eligible) and changing the repayment schedule.

### What is the interest rate?

Interest on a Tier 3 and Tier 4 loan is currently 7.3% (7% interest rate and a 0.3% mandatory payment for insurance). The insurance protects the repayment of your loan, in the event of your death, and will remain in force unless your loan goes into default (you make no loan payments for 90 days) or you are within 30 days of your loan being issued.

### Will my loan be taxable?

There are various rules and thresholds that determine whether your loan is taxable. We encourage you to speak to a NYCERS' Representative and read brochure # 911 to get a full understanding. NYCERS loans are not taxable on the NY State or local level, but may be subject to Federal taxes. Please note that under IRS regulations a loan from NYCERS or a loan from your NYC Deferred Compensation 457 and/or 401K account are considered to be loans from the same employer and are subject to all tax rules concerning loans.

### Can I take a loan before I retire?

Eligible members may take out a loan; however, all loans taken at or near retirement will be considered a retirement distribution. This type of loan will not be issued until after your retirement date as NYCERS completes a review of your account. It may take up to one month to complete the review and issue your loan check. Any outstanding loan at the time of retirement will reduce your pension for life unless you decide to pay it off in a lump sum.

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### Why should I consider EFT?

We recommend that our members have their loan checks directly deposited into their accounts because it's:

**SAFE** - eliminates the risk of your loan check being lost or stolen, **FAST** - no more waiting for the bank to clear your check, and **EASY** - no more waiting in line to deposit the check.

### Why do you ask if I have a NYC Deferred Compensation 457 and/or 401 K Loan?

Under IRS regulations a loan from NYCERS and a loan from your NYC Deferred Compensation 457 and/or 401 K account(s) are considered to be loans from the "same employer" and are subject to all tax rules concerning loans. It is important that you inform us if you have taken a loan from either, or both, account(s).

### Where can I get more information and apply for a loan?

We strongly recommend you visit NYCERS' Customer Service Center to apply for a loan so that our representatives can fully explain all that a NYCERS loan entails, such as: fees, payment, interest, consequences of non-payment, insurance and taxability.

**EFT Directions:** Read and complete the information in this section ONLY if you choose to have your loan check deposited directly into your account by Electronic Fund Transfer (EFT):

- Make sure you checked the box in Number 3 (Direct Deposit) on Page 1 of this application
- Attach one of your preprinted personal checks or preprinted savings deposit slips in the space provided below. If your bank no longer provides personal checks or preprinted savings deposit slips, attach a copy of the top portion of your Checking or Savings Account Bank Statement.
- If submitting a preprinted check or deposit slip write VOID (in large letters) across the face, as indicated in the sample below
- Do NOT sign the check that you are attaching to this page
- Write in your **Bank Name**, **Account Number**, the **Bank Routing Code** and select which account you want your funds directly deposited into under "Banking Information."

### BANKING INFORMATION

Deposit to my  Checking  Savings

Bank Name \_\_\_\_\_

Account # \_\_\_\_\_

Bank Routing Code \_\_\_\_\_

The diagram illustrates the correct placement of a check or deposit slip. On the left, a 'Checking Account' sample shows a check from John Smith, with a 'VOID' stamp across it. Arrows point from the check's header to the 'Name of Your Bank' field, from the MICR line to the 'Account Number' field, and from the routing number to the 'Bank Routing Code' field. On the right, a 'Savings Account' sample shows a deposit ticket from The Bank of New York, also marked 'VOID'. Arrows point from the ticket's header to the 'Name of Your Bank' field, from the MICR line to the 'Account Number' field, and from the routing number to the 'Bank Routing Code' field. A 'STAPLE HERE' label is positioned between the two samples.

### KEEP THIS COPY AS YOUR RECEIPT

The NYCERS date/time stamp in the upper right hand corner validates that we received your loan application.

**BELOW THIS LINE IS FOR NYCERS USE ONLY**

If this form has been certified at NYCERS' Customer Service Center, photocopy ID onto the space provided:



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## NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM TIERS 3 AND 4 LOAN RATES ON NEW LOANS ISSUED

INTEREST RATE  
LOAN INSURANCE

7.00%  
0.30%  

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7.30%

THE APPLICATION FEE OF \$40.00  
WILL BE DEDUCTED FROM THE  
LOAN CHECK.  
DO NOT SUBMIT WITH THE APPLICA-  
TION.

### APPROXIMATE REPAYMENT SCHEDULES FOR BI-WEEKLY PAYROLLS

FOR A MEMBER ON A WEEKLY PAYROLL, THE REPAYMENT AMOUNT WILL BE ABOUT HALF THAT OF A LOAN PAYABLE OVER THE SAME NUMBER OF YEARS.

Loan Amount	Years #Payments	5	4	3	2	1
		130	104	78	52	26
\$40,000		368	444	572	828	
\$39,000		358	433	557	807	
\$38,000		349	422	543	786	
\$37,000		340	411	529	766	
\$36,000		331	400	515	745	
\$35,000		322	389	500	724	
\$34,000		313	377	486	704	
\$33,000		303	366	472	683	
\$32,000		294	355	457	662	
\$31,000		285	344	443	642	
\$30,000		276	333	429	621	
\$29,000		267	322	415	600	
\$28,000		257	311	400	579	
\$27,000		248	300	386	559	
\$26,000		239	289	372	538	
\$25,000		230	278	357	517	998
\$24,000		221	266	343	497	958
\$23,000		211	255	329	476	919
\$22,000		202	244	314	455	879
\$21,000		193	233	300	435	839
\$20,000		184	222	286	414	799
\$19,000		175	211	272	393	759
\$18,000		165	200	257	373	719
\$17,000		156	189	243	352	679
\$16,000		147	178	229	331	639
\$15,000		138	167	214	310	599
\$14,000		129	155	200	290	559
\$13,000		119	144	186	269	519
\$12,000		110	133	172	248	479
\$11,000		101	122	157	228	439
\$10,000		92	111	143	207	399
\$9,000		83	100	129	186	359
\$8,000		74	89	114	166	319
\$7,000		64	78	100	145	280
\$6,000		55	67	86	124	240
\$5,000		46	56	71	103	200
\$4,000		37	44	57	83	160
\$3,000		28	33	43	62	120
\$2,000		18	22	29	41	80
\$1,000		9	11	14	21	40

IN ALL CASES, PAYMENTS MAY NOT BE LESS THAN 2% OF BASE SALARY.