

**NEW YORK CITY
POLICE PENSION FUND**

From: Executive Director, Police Pension Fund
To: Members of Police Pension Fund, Article II
Subject: Increase Take Home Pay (ITHP) Waiver

1. The ITHP (Increased Take Home Pay) was first implemented back in 1963 as part of a contract negotiation with the City of New York and the Police Unions. At that time the city agreed to assume a portion of each members required contributions giving those members an increase in their take home pay or increased funds in the city portion of their annuity accounts.

2. Everyone who enters the N.Y.P.D. is assigned a contribution rate depending on their age at their date of membership. These rates can range from 4.30% to 8.65% (Please view the attached assigned rate chart at time of appointment to NYPD). Before ITHP a member was responsible for contributing their entire rate. With this ITHP a member's contributions are their assigned rate minus the amount the city assumes. For example if a person's assigned rate is 7.50% and the city is assuming 5.00% of this amount, the member will be paying 2.5% in pension contributions. This is the amount (plus interest) used when determining a members required after 20 years of service. If you go over this amount you have an excess which can increase your annual pension. If you fall short of this amount, either by taking loans or choosing not to pay pension contributions, you will have a shortage which will decrease your annual pension.

3. This brings us to the matter of what is the ITHP waiver and how does it affect the individual member. Choosing the waiver means that you agree to fulfill your own assigned contribution rate in addition to what the city may be contributing. This helps you in several ways. If you have taken pension loans during your career and/or dropped out of the pension (the portion you are responsible for, as explained in paragraph 2) you will have a shortage at the time of your 20th anniversary which will result in an annual pension reduction for life. This waiver can help decrease your shortage or even help you to meet your required depending on when you start. Also it may result in your having an excess (amount above required), which will result in extra monies added to your annual pension for life or a greater final loan, if you so choose.

4. The attached chart was designed to make it a little clearer on how ITHP works. Pay attention to the column labeled YOUR CONTRIBUTION as this is what we are trying to focus on.

5. For your information.

ASSIGNED RATE AT TIME OF APPOINTMENT TO NYPD

16	8.65%
17	8.55%
18	8.40%
19	8.20%
20	8.05%
21	7.85%
22	7.65%
23	7.50%
24	7.30%
25	7.15%
26	6.95%
27	6.80%
28	6.65%
29	6.45%
30	6.30%
31	6.15%
32	6.00%
33	5.85%
34	5.65%
35	5.50%
36	5.35%
37	5.20%
38	5.05%
39	4.90%
40	4.75%
41	4.60%
42	4.45%
43	4.30%

* Above rates are for members hired from 07/01/73 to present