

**The FPPA Employer Guide is designed to acquaint employers with the benefits and services the Fire and Police Pension Association (FPPA) provides to active and retired public safety officers throughout Colorado. The guide is also a quick reference source for regulations and procedures that will allow you to better serve your employees.**

*This document is intended to be a plain language overview of FPPA administered plans and procedures. It should be used in conjunction with the applicable FPPA Rules and Regulations, plan documents and the Colorado Revised Statutes. Alone, this guide can only be considered a summary and not a comprehensive reference to retirement, disability and survivor benefits provided by FPPA. This plain language document is intended for informational purposes only. Official interpretations or determinations are based upon the applicable plan documents, the Colorado Revised Statutes, and FPPA Rules and Regulations that govern the plan.*

We at FPPA appreciate your attention and commitment to our operating policies and procedures and, more importantly, to the men and women who so faithfully serve your local communities. Should you have any questions or desire further information regarding FPPA, please do not hesitate to contact us.

**Fire and Police Pension Association of Colorado**

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Office Hours are from 8am to 4:30pm MST Monday - Friday.

## **FPPA Overview**

The Fire and Police Pension Association (FPPA) was established January 1, 1980. FPPA administers a statewide, multiple employer, public employee retirement system providing defined benefit and defined contribution retirement plan coverage and death and disability coverage for police officers and firefighters throughout the State of Colorado.

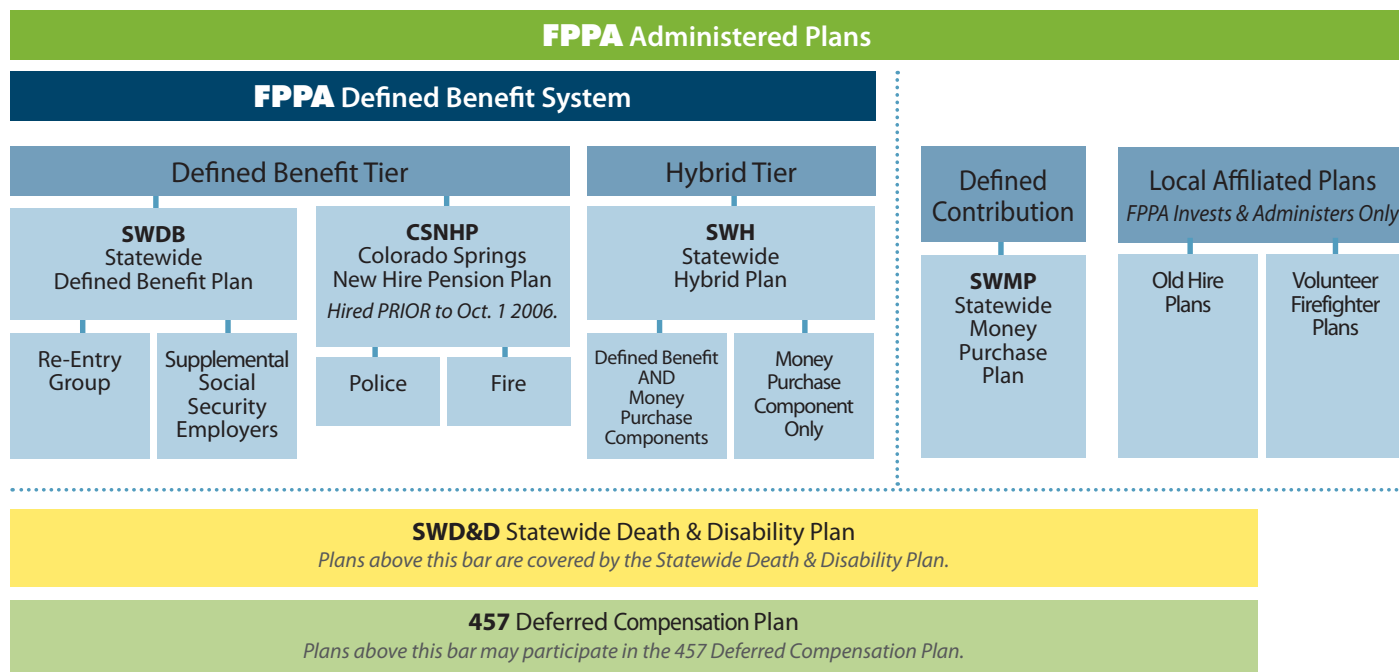
FPPA also provides certain administrative functions, including investment of assets, retiree payroll processing, actuarial services, tax reporting for affiliated old hire defined benefit plans (plans that covered employees hired before April 8, 1978) and affiliated volunteer fire defined benefit plans.

Starting January 1, 1995, FPPA began offering membership in the Statewide Money Purchase Plan (SWMP). Also in 1995, FPPA began offering participation in an IRC 457 Deferred Compensation Plan.

As of January 1, 2004, FPPA began offering membership in the Statewide Hybrid Plan (SWH), this plan offers a combination defined benefit and defined contribution plan (SWH - DB & MP) as well as a Money Purchase Only Component (SWH - MP).

Starting January 1, 2006, FPPA added the Colorado Springs New Hire Pension Plan (CSNHPP) to the FPPA Defined Benefit System. The plan has two components: Police Component and Fire Component. The plan is closed for new members as of October 1, 2006.

Below is a pictorial representation of the FPPA Defined Benefit System.



### The Members' Benefit Fund and Plan Information

The Fire and Police Members' Benefit Fund (the Common Fund) is established pursuant to Title 31, Article 31, Part 3 of the Colorado Revised Statutes, as amended. As trustee of the Common Fund, FPPA collects, invests, administers and disburses monies on behalf of firefighters and police officers throughout the State of Colorado for the following plans governed by the FPPA Board of Directors:

- **The Statewide Defined Benefit Plan (SWDB)**
- **The Statewide Hybrid Plan (SWH)**
- **The Colorado Springs New Hire Pension Plan (CSNHPP), consisting of two components, the Fire Component and the Police Component**
- **The Statewide Money Purchase Plan (SWMP)**
- **The Statewide Death and Disability Plan (SWD&D)**

And the following plans governed by their local pension board and their local plan document:

- **Affiliated local defined benefit pension plans** for firefighter and police employees in the State of Colorado hired before April 8, 1978 (old hires).
- **Affiliated volunteer firefighter defined benefit pension plans**

Each of the pension plans mentioned above has its assets pooled for investment purposes. All transactions that are specific to each plan (contributions, retirement benefit payments, refunds, etc.) are accounted for by plan.

Old hire defined benefit plans and volunteer plans, which have chosen to affiliate with FPPA for investment of assets and certain administrative functions, **are not governed by FPPA**. They are governed by their local pension board and local plan document. These affiliated plans have a

separate actuarial valuation performed every two years in the odd numbered years.

The SWDB Plan, the SWH Plan, the CSNHPP Plan, the SWMP Plan, and the SWD&D Plan are the only plans governed by the FPPA Board of Directors.

FPPA partners with Fidelity Investments to be the record keeper for the self-directed plans which include the SWMP, 457 Deferred Compensation Plan, Deferred Retirement Option Plan (DROP), the SRA (for those retirees who chose to self-direct the investment of the SRA) and the Money Purchase Component of the SWH Plan.

## **Brief History of FPPA**

For most of the 1900's, pension plans for Colorado police officers and firefighters were funded and administered by local governments and special districts. By the mid-1970's many local pension plans were in serious financial trouble, paying out far more in benefits than they were taking in through contributions and investment returns.

The Colorado Legislature addressed the growing crisis by dividing public safety officers into two groups—old hires and new hires—for retirement purposes. The dividing line between the two groups was the date April 8, 1978.

Full-time police officers and paid firefighters hired before that date were designated as old hires and would retain the membership and the benefits of their local pension plans. The state agreed to assist in underwriting some of the unfunded liabilities of the old hire plans where assistance was needed.

Police officers and firefighters hired on or after April 8, 1978 were designated as new hires and are covered by the SWDB Plan administered by FPPA. Both old hires and new hires were enrolled in the SWD&D Plan.

Provisions within the law, however, allowed for old hire plans to affiliate with FPPA for investment purposes. The law also provided a time period for departments to set up financially sound alternative pension plans of their own, thus bypassing normal retirement coverage under the SWDB Plan for all their employees. During that time, many departments established locally administered money purchase plans.

In recent years, member and employer groups from departments with local money purchase plans approached FPPA requesting entry into the SWDB. In 2003, legislation was enacted to allow plans to enter the SWDB Plan, and for FPPA to establish a Statewide Hybrid Plan (SWH), which is a combination of a defined benefit and a money purchase plan. As of January 1, 2004, departments that offer local money purchase plans or the SWMP Plan may elect coverage under the FPPA Defined Benefit System, which includes the SWDB Plan and the newly established SWH Plan.

Many municipalities and special districts employ police officers and firefighters whose retirement and disability benefit procedures vary significantly within the same department. Likewise, FPPA has different administrative responsibilities and procedures relative to different pension plans based upon the services FPPA provides to those plans.

## **Additional Benefits and Services**

### **Employer Reporting Portal**

The FPPA Employer Portal is a secure, web-based contribution reporting system that the employer uses to report contributions to FPPA, manage membership, obtain forms and download FPPA provided reports. The system includes names and addresses of city/district personnel designated as key contacts. Please advise FPPA of any changes.

### **Member Account Portal (MAP)**

MAP provides active and retired members secure access to their pension benefit information. Through MAP, active members have the ability to view account balances, beneficiary designations, generate retirement benefit estimates, and print member statements.

Retired members have the ability to view and print information about monthly benefit payments, 1099R statements and use the tax-withholding calculator.

### **FPPA Educational Seminars**

***Employer Seminars*** - FPPA offers free educational seminars for employers. These seminars address a variety of timely topics relevant to the employer concerning FPPA plans and services. The seminars provide topics useful for those involved in Human Resources, Accounting and Benefits as they pertain to the FPPA plans.

***Member Seminars*** - FPPA offers free educational seminars to its members. These seminars provide information deemed useful in preparation for retirement, both financially and psychologically. Seminar topics typically include Pre-Retirement Planning, Wills and Estate Planning, Investment Workshops, Identity Theft, Social Security and other topics of interest to members. Many of these topics are also of interest to employers and retirees. Invitations are generally e-mailed to members and announcements are placed in FPPA's PensionCheck newsletter and on our website at [www.FPPAco.org](http://www.FPPAco.org).

### **On-Site Benefit Meetings**

FPPA staff visit fire and police departments on a regular basis to review retirement and death and disability benefits with members. Retirement projections may be calculated to illustrate the potential income generated by the individual's retirement plan and any supplemental programs (such as DROP and the 457 Deferred Compensation Plan) available to the member. We encourage employer representatives to attend these meeting when possible.

### **Optional Insurance Programs**

Information regarding retiree insurance programs is located in the Overview Section of the member section of this handbook.

### ***PensionCheck* Newsletter**

FPPA publishes the *PensionCheck* newsletter annually as a way to inform members of matters that might be of interest to them. Topics often range from plan updates to tips on retirement planning. Current and back issues of the *PensionCheck* are available on FPPA's website.

### **FPPA Website ([www.FPPAco.org](http://www.FPPAco.org))**

For the most up-to-date information about FPPA's plans and programs, please refer to the FPPA website. The site is not only a great source of information, it also provides a convenient way for employers to submit contributions, print updated forms and contact FPPA staff via e-mail. We are continuously updating and expanding this site with more information and features.