

Colorado State Statutes mandate participating employers and covered employees contribute to FPPA. This section describes the contribution requirements and the reporting processes for the retirement plans, the Statewide Death & Disability Plan and the 457(b) Deferred Compensation Plan administered by FPPA.

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A. Contributions at a Glance - Updated 10/22/15

SWDB

Statewide Defined Benefit Plan

Member Contribution Rate Implementation Schedule

<i>Effective January 1 of Year</i>	<i>Mandatory Member Contribution Rate</i>	<i>Mandatory Employer Contribution Rate</i>	<i>Total Combined Member and Employer Contribution Rate</i>
2015	8.5%	8.0%	16.5%
2016	9.0%	8.0%	17.0%
2017	9.5%	8.0%	17.5%
2018	10.0%	8.0%	18.0%
2019	10.5%	8.0%	18.5%
2020	11.0%	8.0%	19.0%
2021	11.5%	8.0%	19.5%
2022	12.0%	8.0%	20.0%

SWDB - Re-Entry

Statewide Defined Benefit Plan Re-Entry Members

At the time a department re-entered the SWDB Plan - contribution rates for Re-Entry members* and employers were negotiated locally and submitted by resolution to FPPA.

The ½% per year increase in the contribution rate (as determined by the Member Contribution Election of 2014) is attributed only to the Member.

**Re-entry rates apply only to those members of a re-entry department who were active in the plan at the time the re-entry took place and who elected to participate in the Statewide Defined Benefit Plan. If you have questions on who this change applies to, please contact the FPPA Contribution Specialist assigned to your account.*

		<i>Total Mandatory Contribution Rate</i>	<i>Mandatory Employer Contribution Rate</i>	<i>Mandatory Member Contribution Rate</i>
SWH-DB&MP	Statewide Hybrid Plan - Defined Benefit and Money Purchase Component (Contribution rates for individual departments may be higher than the required 16 percent.)	16%	8% <i>Minimum</i>	8% <i>Minimum</i>
SWH-MP Only	Statewide Hybrid Plan - Money Purchase Component Only (Contribution rates for individual departments may be higher than the required 16 percent.)	16%	8% <i>Minimum</i>	8% <i>Minimum</i>
SWMP	Statewide Money Purchase Plan	16%	8%	8%

chart continues

SWDB-SS
**Statewide Defined Benefit Plan - Supplemental to Social Security
Member Contribution Rate Implementation Schedule**

<i>Effective January 1 of Year</i>	<i>Mandatory Member Contribution Rate</i>	<i>Mandatory Employer Contribution Rate</i>	<i>Total Combined Member and Employer Contribution Rate</i>
2015	4.25%	4.0%	8.25%
2016	4.50%	4.0%	8.50%
2017	4.75%	4.0%	8.75%
2018	5.00%	4.0%	9.00%
2019	5.25%	4.0%	9.25%
2020	5.50%	4.0%	9.50%
2021	5.75%	4.0%	9.75%
2022	6.00%	4.0%	10.00%

SWD&D-SS
**Supplemental Social Security
Statewide Death & Disability Plan**
**Total
Mandatory
Contribution
Rate**
2.7%
*Effective
1/1/17 -
12/31/18*
**Mandatory
Employer
Contribution
Rate**
*Varies by
employer*
**Mandatory
Member
Contribution
Rate**
*Varies by
employer*
CoSprgs Police
**Colorado Springs New Hire Pension Plan –
Police Component**

(Colorado Springs New Hire Pension Plan contribution rates may vary based on the funding status and are reviewed and adjusted annually.)

\$10,368,391
*Effective 1/1/17
- 12/31/17*
8%
CoSprgs Fire
**Colorado Springs New Hire Pension Plan –
Fire Component**

(Colorado Springs New Hire Pension Plan contribution rates may vary based on the funding status and are reviewed and adjusted annually.)

\$5,132,890
*Effective 1/1/17
- 12/31/17*
10%
chart continues

SWD&D	Statewide Death & Disability Plan	2.7% <i>Effective 1/1/17 - 12/31/18</i> Total Mandatory Contribu- tion Rate	Contribution Rate Varies by Employer (It is a local decision as to whether the contribution is paid by the member, the employer or split between the member and the employer. Contribution rates may vary and are reviewed and adjusted every 2 years)
	FPPA 457(b) Deferred Compensation Plan		There are no mandatory contribution rates.,The maximum annual contribution limits change. For current annual contribution limits, please refer to the FPPA website

B. Retirement Plan Contributions

SWDB

1. Statewide Defined Benefit Plan (SWDB)

The total combined member/employer contribution rate is 16 percent of the member's base salary. The current mandatory split is 8 percent member and 8 percent employer. Effective January 1, 2015 the mandatory member contribution rate will increase at 1/2% per year over 8 years.

One exception applies, for departments who entered the FPPA Defined Benefit System after January 1, 2004.

- For members who were active in a local money purchase plan or the SWMP Plan prior to and at the time of a department's entry into the FPPA Defined Benefit System, there is a higher contribution rate. The total member and employer contribution rate is 20 percent of base salary for these members who selected the SWDB. The employer and the members must each contribute at least 8 percent of base salary. However, the split of the additional contribution due may vary by department. Effective January 1, 2015 the mandatory member contribution rate will increase at 1/2% per year over 8 years.
- For members hired after a department's entry into the FPPA Defined Benefit System, the contribution rate is 16 percent of base salary (8 percent member, 8 percent employer).

PLEASE NOTE

Legislation was passed in 2010 allowing the FPPA Board to increase the member contribution rate for the Statewide Defined Benefit Plan if certain requirements are met. Refer to C.R.S. 31.31.408 (1.5) (a)

SWH-DB&MP

2. Statewide Hybrid Plan – Defined Benefit & Money Purchase Component (SWH – DB and MP)

The minimum combined member/employer contribution rate is 16 percent of the member's base salary (8 percent member and 8 percent employer). The allocation of contributions between the Defined Benefit Component and the Money Purchase Component is determined annually by the FPPA Board.

Some departments have voted to increase the minimum mandatory contributions above 16 percent. Increased mandatory contributions are pre-tax. Any active member and employer may make voluntary contributions to the plan by payroll deduction. These voluntary contributions are post-tax.

SWH-MP Only

3. Statewide Hybrid Plan – Money Purchase Component Only (SWH – MP)

The minimum combined member/employer contribution rate is 16 percent of the member's base salary (8 percent member and 8 percent employer).

Some departments have voted to increase the minimum mandatory contributions above 16 percent. Increased mandatory contributions are pre-tax. Any active member and employer may make voluntary contributions to the plan by payroll deduction. These voluntary contributions are post-tax.

SWMP

4. Statewide Money Purchase Plan (SWMP)

The minimum combined member/employer contribution rate is 16 percent of the member's base salary (8 percent member and 8 percent employer).

Some departments have voted to increase the minimum mandatory contributions above 16 percent. Increased mandatory contributions are pre-tax. Any active member and employer may make voluntary contributions to the plan by payroll deduction. These voluntary contributions are post-tax.

SWDB-SS

5. Supplemental Social Security Retirement Plan (SWDB – SS)

The total combined member and employer contribution rate for members of the SWDB - SS is 8 percent of base salary. The 8 percent is split - 4 percent member contribution and 4 percent employer contribution. Effective January 1, 2015 the member contribution rate will increase at 1/4% per year over 8 years.

CoSprgs Police

6. Colorado Springs New Hire Pension Plan – Police Pension Plan (CSNHPP – Police)

Members contribute 8 percent of the base salary. The employer shall make contributions in an amount sufficient to fund the plan in an actuarially sound manner. Employer contributions shall not be less than the member contributions.

Rule 3.02.b of the Colorado Springs New Hire Pension Plan Rules and Regulations states:

The Board shall have the authority to establish the funding rate as it determines to be appropriate to eliminate or reduce any current or anticipated underfunding of the Fund. The Board may consider actuarial reports and any other information in establishing the funding rate. In the Resolution, the Employer shall specify how much of the required rate of contribution is to be paid by the Employer and how much shall be made by the Member.

CoSprgs Fire

7. Colorado Springs New Hire Pension Plan – Fire Pension Plan (CSNHPP – Fire)

Members shall contribute at least 8 percent and not more than 10 percent of base salary. The employer shall make contributions in an amount sufficient to fund the plan in an actuarially sound manner. Employer contributions shall not be less than the member contributions.

Rule 3.02.b of the Colorado Springs New Hire Pension Plan Rules and Regulations states:

The Board shall have the authority to establish the funding rate as it determines to be appropriate to eliminate or reduce any current or anticipated underfunding of the Fund. The Board may consider actuarial reports and any other information in establishing the funding rate. In the Resolution, the Employer shall specify how much of the required rate of contribution is to be paid by the Employer and how much shall be made by the Member.

SWD&D**C. Statewide Death & Disability Plan Contributions (SWD&D)**

For a member hired by his/her current employer prior to January 1, 1997, contributions to the SWD&D Plan were funded by the State of Colorado. No contributions are made to FPPA for these members.

For a member hired by his/her current employer on or after January 1, 1997, who is eligible for coverage under the SWD&D Plan, the contribution rate for January 1, 2017 – December 31, 2018 is 2.7 percent of base salary.

If a member originally hired prior to January 1, 1997, quits and then rehires after that date, contributions must now be made for the SWD&D Plan for that member.

The FPPA Board may adjust the contribution rate every two years by one tenth of one percent (or .01) based on a biennial actuarial valuation.

It is a local decision as to whether the contribution is paid by the member, the employer or split between the member and the employer. If the employer pays the contribution, it is submitted post-tax. If the member pays any portion, it may be submitted pre-tax or post-tax.

Rule 101.14 of the FPPA Rules and Regulations defines salary as:

Salary, for the purpose of calculating the contribution to the Statewide Death & Disability Plan required by Section 31-31-811 (4), Colorado Revised Statutes, as amended, means base salary as defined in Rule 101.05, except that for Members who are not enrolled in the Statewide Defined Benefit Plan or the Statewide Money Purchase Plan, salary shall include Member contributions to any alternative retirement plan which are “picked up” by the employer.

SWD&D Plan contributions must be submitted on a member’s base salary. If a member takes a leave of absence, D&D contributions must be submitted on the full base salary prior to the leave, or the employer may elect not to continue coverage.

For a member that works with two employers concurrently and is covered by the SWD&D Plan by both employers:

Rule 408.04 of the FPPA Rules and Regulations states:

Contributions are required on all employment that qualifies for participation in the SWD&D plan, including situations where a member works for two employers concurrently. However, if a member becomes ineligible for coverage based on employment with one employer, the member is ineligible for coverage under the other employer.

No SWD&D Plan contributions are made to FPPA for members eligible for normal retirement benefits under the following plans:

- The Statewide Defined Benefit Plan
- The Statewide Hybrid Plan - Defined Benefit and Money Purchase Component
- The Colorado Springs New Hire Pension Plan – Police and Fire Components
- The Supplemental Social Security Plan
- An old hire defined benefit pension plan, or
- Members who have reached age 55 with 25 years of accumulated service and are participants under the Statewide Money Purchase Plan, the Statewide Hybrid Plan - Money Purchase Component Only, or under a local money purchase plan.

D. Reinstatement of Employment Following a Temporary Occupational Disability

If a temporary occupational disability ceases to exist and the member is restored to active service with the member's employer, a transfer of funds will be made from the SWD&D Plan to the member's retirement plan. The amount transferred up to 16 percent of the monthly base salary that the member was being paid at the time of disability retirement, multiplied by the number of months the member received temporary occupational disability benefits.

E. FPPA 457(b) Deferred Compensation Plan (457 DC)

This is a supplemental, voluntary retirement savings plan offered to public employees. Employers or employees, through salary reductions, can contribute up to the maximum limits. There are no mandatory contribution rates. The maximum annual limits change. For current annual contribution limits, please refer to the FPPA website.

Also, see Section 10 of the Employer Guide, FPPA 457(b) Deferred Compensation Plan for more detailed information on the plan.

F. Reporting Contributions

There are two ways for employers to report contributions to FPPA:

1. Via a file transmitted into the secure employer portal found on the FPPA website. This method is preferred by FPPA and strongly recommended for employers with 50 or more members.
2. To update member data directly within the secure employer portal.

Contributions to plans administered by FPPA are due ten days following the date of payment of salary to the member. Employers must submit the required contributions and the contribution detail in order to process the deposit.

Payments are subject to a late interest charge if not submitted when due. The late interest charge is calculated at a daily rate of one-half of one percent per month on the delinquent amount. (C.R.S., 31-31-402 (4)).

For more information on reporting contributions, please refer to the Employers section on FPPA's website or call FPPA at (303) 770-3772 or (800) 332-3772.

G. Options for Payment of Contributions to FPPA

1. **ACH Debit Transactions:** This is the best option for payment of contributions. This allows FPPA to initiate an ACH Debit Transaction which will transfer funds, for payment of contributions, from the employer's bank account to FPPA's account.

To use ACH Debit Transactions, contact FPPA's Contributions Team to receive an Electronic Funds Transfer Authorization Agreement. Once this agreement form is completed and returned to FPPA, ACH Debit Transactions can begin. Upon receipt of your report, FPPA will activate the ACH Debit Transaction for the amount that is reported by the employer, and the money will be taken out of the employer's bank account.

2. **Wire Transfer of Funds:** An alternative method of payment is wiring funds. This method requires that the employer contact their bank when the employer is ready to initiate a transfer of funds, for payment of contributions, to FPPA. Contact FPPA's Contributions Team to receive FPPA bank routing information.

The difference between a Wire Transfer of Funds and an ACH Debit Transaction is that the employer initiates a Wire Transfer of Funds, whereas FPPA initiates ACH Debit Transactions.

H. Taxability of Member Contributions

Mandatory member contributions to FPPA are tax-deferred for both state and federal income tax purposes. The employer should deduct the mandatory member contribution from the member's base salary and then calculate state and federal tax on the net.

When preparing the W-2 for the member, the amount reported as "Total Wages, Tips and Other Compensation" should be the gross pay less the FPPA deductions and less any other tax-deferred deductions the member may have for the year.

Departments in the Statewide Money Purchase Plan or the Statewide Hybrid Plan may have voted to increase the mandatory contributions; if so, all member mandatory contributions are also submitted pre-tax. Any voluntary contributions are submitted after-tax.

Members making elective deferrals to the **Traditional FPPA 457 Plan** are on a pre-tax basis.

Members making elective deferrals to the **FPPA 457 Roth Option** are on an after-tax basis.

I. Base Salary Definitions

SWDB

SWMP

SWDB-SS

1. **For the following plans:**

- **Statewide Defined Benefit Plan (SWDB)**
- **Statewide Money Purchase Plan (SWMP), and the**
- **Supplemental Social Security Retirement Plan (SWDB – SS)**

Base Salary pulled from the FPPA Rules and Regulations.

Chapter 1 – Definitions and Member Status

Rule 101 – Definitions / .05 Base Salary (a)

- (a) Base salary means

- **the total base rate of pay including Member Contributions** to the Statewide Defined Benefit Plan or Statewide Money Purchase Plan which are "picked up" by the employer, and shall also include:
- **longevity pay,**
- **sick leave pay** taken in the normal course of employment,
- **vacation leave pay** taken in the normal course of employment,
- **shift differential,**
- and **mandatory overtime** that is part of the Member's fixed, periodic compensation.
- **Accumulated vacation leave pay** will also be included if a Member completes his/ her service requirement for purposes of Normal retirement while exhausting accumulated vacation leave.

Base salary shall not include

- **overtime pay** (except as noted above),
- **step-up pay**
or **other pay for temporarily acting in a higher rank**,
(A Member is deemed to be temporarily acting in a higher rank if the appointment to the rank is anticipated to last less than six months.)
- **uniform allowances**,
- **accumulated sick leave pay**,
- **accumulated vacation leave pay** (except as noted as noted above)
- and **other forms of extra pay** (including Member Contributions which are paid by the employer and not deducted from the Member's salary).

In the event an employer has established or does establish a Deferred Compensation Plan, **the amount of the Member's salary that is deferred shall be included in the Member's base salary.**

Any amounts voluntarily contributed to an Internal Revenue Code Section 125 "Cafeteria Plan" shall be included in the Member's base salary.

SWH-DB&MP

2. Statewide Hybrid Plan (SWH – DB and MP Plan and SWH – MP Plan)

Base Salary definition pulled from the Statewide Hybrid Plan Rules & Regulations

SWH-MP Only

Article 1 - Definitions and Rules of Construction

Rule 1.01. - Definitions / (f) Base Salary

(f) "Base Salary" means

- **the total base rate of pay, including Member contributions** to the Defined Benefit System that are "picked up" by the Employer.

The definition of Base Salary is subject to the following conditions:

- (1) The definition of Base Salary shall also include
 - **longevity pay**,
 - **sick leave pay** taken in the normal course of employment,
 - **vacation leave pay** taken in the normal course of employment,
 - **shift differential**, and
 - **mandatory overtime** that is part of the Member's fixed, periodic compensation.
- (2) **Accumulated vacation leave pay** shall also be included if a Member completes his or her service requirement for purposes of normal retirement while exhausting accumulated vacation leave.
- (3) Base salary shall not include
 - **overtime pay** (except as noted in (1) above),
 - **step-up pay or other pay for temporarily acting in a higher rank**,
(A Member is deemed to be temporarily acting in a higher rank if the appointment to the rank is anticipated to last less than six months.)
 - **uniform allowances**,
 - **accumulated sick leave pay**,
 - **accumulated vacation leave pay** (except as noted in (2) above),
 - and other **forms of extra pay** (including Member contributions which are paid by the Employer and not deducted from the Member's salary).

(4) In the event an Employer has established or does establish a deferred compensation plan in addition to the Defined Benefit System, **the amount of the Member's salary that is deferred shall be included in the Member's base salary.**

(4) **Any amounts voluntarily contributed to an Internal Revenue Code Section 125 "Cafeteria Plan" shall be included in the Member's Base Salary.**

CoSprgs Police

CoSprgs Fire

3. Colorado Springs New Hire Pension Plan (Fire & Police Components)

Salary definition pulled from the Colorado Springs New Hire Pension Plan Rules & Regulations. Article 1 – Definitions and Rules of Construction | Rule 1 .01. - Definitions / (mm) Salary

"Salary" is defined in Rule 1.01(mm) of the Colorado Springs Pension Plan Rules & Regulations as:

- **The total base rate of pay including Member Contributions** to the Statewide Defined Benefit Plan and the Statewide Money Purchase Plan which are "picked up" by the employer. The definition of Salary shall also include:
- **longevity pay,**
- **sick leave pay** taken in the normal course of employment,
- **vacation leave pay** taken in the normal course of employment,
- **third week pay,**
- and **mandatory overtime** (including Annual Pay in-lieu of Leave) that is part of the Member's fixed periodic compensation.
- **Accumulated vacation leave pay** shall also be included if a Member completes his/her service requirements for purposes of normal retirement while exhausting accumulated vacation leave.

Salary shall not include:

- **overtime pay** (except noted above),
- **performance pay,**
- and **other forms of extra pay** (including Member Contributions which are paid by the Employer and not deducted from the Member's salary).

In the event an Employer has established or does establish a deferred compensation plan, **the amount of the Member's salary that is deferred shall be included in the Member's salary.**

Any amounts voluntarily contributed to a Code Section 125 "Cafeteria Plan" shall be included in the Member's salary.

"Annual Pay in-lieu of Leave" means payment for a *portion of holiday leave in lieu of time off* for the Fire Department established in 1996 due to work schedule modification for firefighters on 24-hour schedules.

SWD&D

4. Statewide Death & Disability Plan (SWD&D)

Definition pulled from the FPPA Rules & Regulations.

Chapter 1 – Definitions and Member Status

Rule 101.14

Salary, for the purpose of calculating the contribution to the Statewide Death & Disability Plan required by Section 31-31-811 (4), Colorado Revised Statutes, as amended, means base salary as defined in Rule 101.05, except that for Members who are not enrolled in the Statewide Defined Benefit Plan or the Statewide Money Purchase Plan, salary shall include Member contributions to any alternative retirement plan which are “picked up” by the employer.

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.