

# FPPA PensionCHECK

*A review of your retirement benefits.*

*Fall 2011*

**NOW  
OPEN!**

## **FPPA Member Account Portal**

*Secure Access  
to Your  
Pension Benefit  
Information!*

**FPPA** is very pleased to announce that a Member Account Portal (MAP) is now open and ready for secure access to your pension benefit information.

### **Active Members Now Have The Ability To:**

- View your personal profile, account balances, and beneficiary designations,
- Generate retirement benefit estimates,
- Print member statements,
- Estimate the cost of a service credit purchase.

### **Retired Members Now Have The Ability To:**

- View your personal profile,
- Print information about your monthly benefit payments,
- Print 1099R statements,
- Use the tax withholding calculator to estimate how changing your withholding will impact your monthly payment.

### **What You'll Need To Get Started:**

- A modern computer with an internet connection,
- Microsoft Internet Explorer 7 or greater,
- Adobe Reader 9,
- A monitor capable of 1024 x 768 resolution,
- A valid email address you have already provided to FPPA.

### **Try It Out Today!**

- Visit [FPPAco.org](http://FPPAco.org).



- Click the "Member Account Portal" blue button at the top left of the main website page.



- Once on the "MAP" page, click on the large square "MAP" button.

- If this is your first time on MAP – select the link "Register for MAP" under the blue "Submit" button.
- You'll be asked to provide your name as it is reported to your employer (e.g. Bob or Robert). You'll also be asked to provide the email address you have given to FPPA. If you have not provided a valid email address to FPPA yet or need to change one you have already provided – please contact FPPA at the phone numbers below.

If you have any questions or experience problems signing into MAP please call FPPA at (303) 770-3772 in the Denver Metro area or (800) 332-2772 toll free nationwide. **FPPA**

## From The Desk Of Dan Slack

FPPA CEO



**A**t least every five years the FPPA Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of FPPA's past experience and expectations of the future.

The assumption changes will be effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions will also impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions will be effective for benefit purposes will be October 1, 2012.

The main actuarial factor changes were:

- Reduce the normal investment return assumption from 8.00% to 7.50%
- Reduce the inflation assumption from 3.50% to 3.00%
- Reduce the productivity component of the salary scale assumption from 1.25% to 1.00%
- Reduce the payroll growth rate assumption from 4.25% to 3.50%
- Revise the post-retirement mortality tables to reflect increased longevity

A number of other actuarial factors had modest changes as well. The full actuarial experience study can be reviewed by accessing [FPPAco.org](http://FPPAco.org) and clicking on this same article title under "What's New".

These new actuarial assumptions position FPPA very conservatively as it proceeds forward. As always, the assumptions will be reviewed against actual experience each year and gains or losses recognized in accordance with Governmental Accounting Standards Board standards and our actuarial methods and policies. **FPPA**

## FPPA Defined Benefit System

See  
Plan Chart  
on Page 4

**T**he FPPA Defined Benefit System makes it possible for members of a money purchase plan to migrate to a Defined Benefit Plan. The system has been in existence for over seven years and to date, 21 departments have entered members into the system.

We are pleased to announce that the following departments have become the most recent to complete the process.

- |                                 |                                       |
|---------------------------------|---------------------------------------|
| • Aurora Fire Department        | • Security Fire Protection District   |
| • Buena Vista Police Department | • West Metro Fire Protection District |
| • Fountain Fire Department      |                                       |

If your department wishes to arrange an informational meeting to discuss the features of the FPPA Defined Benefit System and the process for entering, please contact the Communications Department at FPPA.

For additional information on the pension plans available under the FPPA Defined Benefit System, visit [FPPAco.org](http://FPPAco.org). Click on the blue button in the left column for "Benefits". There you may view or download several brochures explaining the FPPA plans available. **FPPA**

## Audit Reports & Actuarial Valuations

Now Available  
on the Web

**P**er the requirements in the Colorado Revised Statutes, FPPA annually provides Employers with copies of the audit and actuarial reports for the FPPA Defined Benefit System and/or Statewide Death & Disability Plan. These reports are now available to you on our website at [FPPAco.org](http://FPPAco.org). You will find these reports by clicking the *Employers* blue button on the first page of the website.

The FPPA Audit Report is posted to the *Employer* page every year in May. The actuarial reports are posted in July. **FPPA**

The FPPA Board of Directors did not propose legislative changes during the 2011 session. The following bill, while not proposed by the FPPA Board, may be of interest to FPPA members.

#### Senate Bill 11-221 | Reduced Payments to State Assisted Old Hire Plans

This bill was introduced by the Joint Budget Committee. After having been passed and signed by the Governor into law, this bill reduced payments to state assisted old hire plans for the fiscal years 2011-12 and 2012-13, and extended the completion of payments by an additional four years. The amount of the reductions was added to payments scheduled in 2018-19. **FPPA**

During the July 2011 Board meeting the Board elected **Kirk Miller** as Board Chair. Kirk has been on the FPPA Board of Directors since 2005. He is currently a Detective with the Denver Police Department and fills the position on the Board requiring that a Board member be an active police officer. At the same Board meeting **Cliff Stanton** was elected as the FPPA Board Vice Chair. Cliff represents the state's financial and business community with experience in investments. He is the Chief Investment Officer for Prima Capital Holding Inc., of Denver. Cliff has been on the FPPA Board of Directors since 2009.

The Governor re-appointed the following three Board members for 2010-2014 terms; **Jack Blumenthal** (Principal, Causey Demgen & Moore, Inc.), **Monica Cortez-Sangster** (Director of Human Resources, Colorado Department of Personnel & Administration), and **Susan Eaton** (Human Resources Director, City of Englewood).

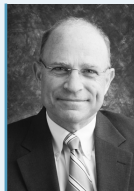
The FPPA Board of Directors conducts its regular meetings at our FPPA Greenwood Village offices. A current schedule of Board meetings can be accessed on our web site at [FPPAco.org](http://FPPAco.org) by clicking the Board of Directors link on the side of the page. There you will also find more information about the Board as well as minutes from previous Board meetings. **FPPA**



*Kirk  
Miller,  
Chair*



*Cliff  
Stanton,  
Vice Chair*



*Jack  
Blumenthal*



*Todd  
Bower*



*Monica  
Cortez-  
Sangster*



*Susan  
Eaton*



*Lyle  
Hesalroad*



*Leo  
Johnson*



*Tim  
Nash*

Along with increased numbers of FPPA members retiring, costs associated with retirement benefit deposit advices sent to retirees on a monthly basis have skyrocketed. Partnering with our print vendors and the US Post Office, FPPA makes every effort to reduce these costs wherever possible. In the article on the front page announcing FPPA's Member Account Portal (MAP) – it is reported that retirees will now have 24/7 access to account information on-line in a safe and secure environment. Specifically retirees may view every deposit made to their direct deposit accounts. It is our intent that by making this information available to our members we may decrease the demand for printed and mailed deposit advices to all retirees.

You may have already learned that Social Security will no longer provide paper advices after March 2013. FPPA hopes to follow that lead by phasing out the printing and mailing of monthly deposit advices beginning in 2012. We will, however, continue to mail a deposit advice to notify a member in the event of a change in their net benefit. Members will be notified when this project will begin. **FPPA**

## Legislative News



## FPPA Board of Directors

2011 - 2012

## Changes to Deposit Advice Mailings

## Annual Rates Announced

**B**ased on the results of recent annual actuarial valuations of FPPA Plans, the Board of Directors approved the following SRA, Contribution Rates and Benefit Adjustments.

### Stabilization Reserve Account - SRA

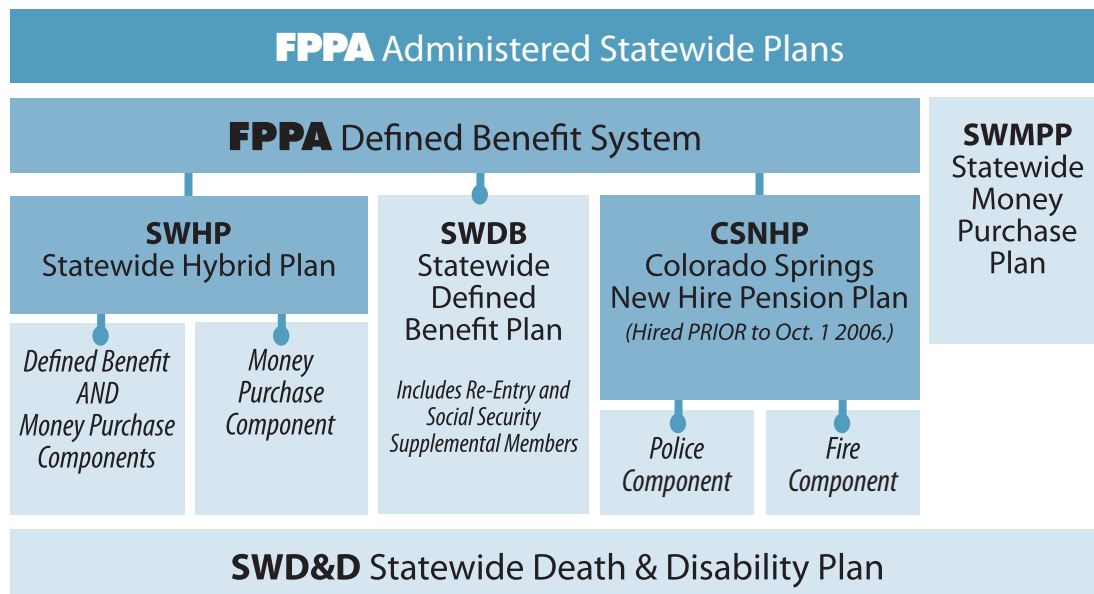
#### SRA Allocation Rates

##### For the FPPA Defined Benefit System

An SRA allocation may be made yearly depending on whether contributions payable to a plan within the FPPA Defined Benefit System (with the exception of the Statewide Hybrid Plan - see paragraph below) exceed the cost of funding the plan's defined benefits. Any excess may be allocated from employer contributions to an SRA account in each member's name. A member's SRA account only vests and becomes available to the member upon retirement. This account is in addition to a normal, vested, early or deferred retirement pension. For more information on SRA accounts, please refer to FPPA's website or call FPPA.

The SRA rate for the **Statewide Defined Benefit Plan** is **0%**. This SRA contribution rate went into effect July 1, 2011. The Board concluded that the entire required 16% combined contribution rate from members and employers should be allocated to the actuarial account in order to ensure appropriate funding of the Plan's defined benefits and to provide funding for future benefit adjustments.

The SRA rate for **Re-Entry Members** (those members of a money purchase plan who re-entered the Statewide Defined Benefit System) is **3.74%**. This SRA contribution rate went into effect July 1, 2011. The required 20% combined contribution rate from members and employers in this tier fully funded this plan with a total surplus of 3.74% (3.74% for this group + 0% base SRA).



The SRA rate for the **Social Security Supplemental Plan** is **0%**. This SRA contribution rate went into effect July 1, 2011. The Board concluded that the entire required 8% combined contribution rate from members and employers should be allocated to the actuarial account in order to ensure appropriate funding of the Plan's defined benefits and to provide funding for future benefit adjustments.

The Colorado Springs New Hire Pension Plan became a part of the FPPA Defined Benefit System on October 1, 2006. The SRA rate for members of the **Colorado Springs New Hire Pension Plan - Fire & Police Components** is **0%**. This SRA contribution rate is effective January 1, 2012. The Board concluded that the entire required contribution rate from members and employers should be allocated to the actuarial account in order to ensure appropriate funding of the Plan's defined benefits.

##### For the Statewide Hybrid Plan

Excess contributions, if any, to the Statewide Hybrid Plan are made to the member's money purchase component account and therefore no SRA is awarded.

## Contribution Rates

### Statewide Death & Disability Plan

In 2010 the **Statewide Death & Disability Plan contribution rate** was set at 2.6% and is effective from January 1, 2011 through December 31, 2012. According to Colorado Revised Statute (C.R.S., 31-31-811(4)) contributions may be increased or decreased by 0.1% every two years as determined by the FPPA Board following an actuarial review.

### The Statewide Defined Benefit System

**Statewide Defined Benefit Plan** - This plan remains set at **16% combined contribution rate** - members (8%) and employers (8%).

**Re-entry Members to the Statewide Defined Benefit Plan** - The contribution rate for members of a money purchase plan who re-entered the Statewide Defined Benefit System is set at **20% combined contribution rate** from members and employers. A Member's contribution may not be less than 8% with the actual split of contributions to be determined by the employer in conjunction with its members.

**FPPA Social Security Supplemental Retirement Plan** - The Social Security Supplemental Retirement Plan remains set at 8% combined contribution rate from members (4%) and employers (4%).

**Colorado Springs New Hire Pension Plan Tier - Police & Fire** - Effective January 1, 2012, the **Police Component contribution rate is 28.544%** (20.544% employer + 8% member), and the **Fire Component contribution rate is 25.542%** (15.542% employer + 10% member).

### Statewide Hybrid Plan

#### Defined Benefit & Money Purchase Components

**Defined Benefit Contribution Rate:** Effective July 1, 2011 through December 31, 2011 the contribution rate is set at 11.3%. Effective January 1, 2012 through June 30, 2012 the rate will be set at 12.9% due to the implementation of new actuarial assumptions. Each department in the Statewide Hybrid Plan establishes a total contribution rate. **Money Purchase Component:** After the 11.3% is allocated to the Defined Benefit Component, the remainder of the total contribution rate is then directed to the Money Purchase Component.

**Money Purchase Component (ONLY)** - The contribution rate for this component remains at 16% with the member and employer rates established by the employer's resolution.

### The Statewide Money Purchase Plan

The **Statewide Money Purchase Plan** mandatory combined **contribution rate remains set at 16%** (8% member and 8% employer).

## Benefit Adjustments

**Benefit Adjustment Defined:** Colorado Revised Statutes provide that benefit adjustments to statewide plans administered by FPPA are to be determined by the FPPA Board of Directors each year (with the exception of Colorado Springs - see page 7). In the past this adjustment has been referred to as a cost of living adjustment or COLA. While cost of living percentages from economic indicators, such as the Social Security Administration, are considered by the FPPA Board for setting this adjustment - there are other equally important factors which cannot be defined as cost of living. More importantly when making the determination of a benefit adjustment the FPPA Board must determine the amount of benefit increase the plans can sustain to ensure appropriate funding of the plans. All of these factors go into the annual Board decision to establish a benefit adjustment.

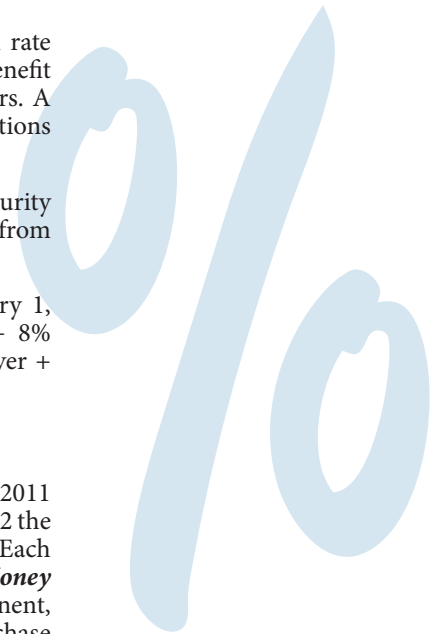
### Statewide Death & Disability Plan

#### Totally Disabled Members and their Beneficiaries

Under the Statewide Death & Disability Plan, totally disabled members and their beneficiaries are granted a fixed **3.0% benefit adjustment** each year on October 1.

*continued on page 7*

## Annual Rates Announced





# Comprehensive Annual Financial Report Highlights

For the Fiscal  
Year Ended  
December 31, 2010



## Statement of Plan Net Assets\*

### Assets

Cash and Short Term Investments	\$ 254,627,676
Total Investments	3,444,368,739
Total Receivables	102,028,870
Properties and Equipment at Cost, Net of Accumulated Depreciation	6,449,109
Other Assets	162,760
<b>TOTAL ASSETS</b>	<b>\$ 3,807,637,154</b>

### Liabilities

Payables, Pending Trades & Accrued Expenses	423,217,902
<b>TOTAL LIABILITIES</b>	<b>\$ 423,217,902</b>
Net Assets Held in Trust for Pension Benefits/ Fund Balance Reserved for Withdrawals	<b>\$ 3,384,419,252</b>

## Statement of Changes in Net Assets

### From Investment Activities

Change in Net Assets Derived from Investment Activities	\$ 402,703,434
---	----------------

### From Participant Activities

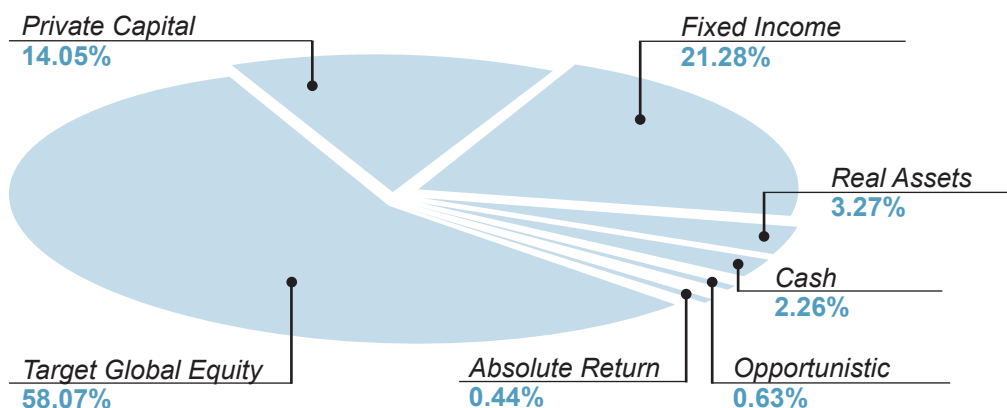
Funds Invested by Members & Employers	172,896,112
Funds Withdrawn by Members & Employers	(254,142,172)
Administrative Expenses	(6,501,353)
<b>Net Increase in Plan Assets</b>	<b>\$ 314,956,021</b>

### Net Assets

Beginning of Year	\$ 3,069,463,231
End of Year	<b>\$ 3,384,419,252</b>

\*The Statement of Plan Net Assets which certifies the financial condition of FPPA's benefit fund at the close of 2010 for all plans administered by FPPA is based on the official audit report on the fund prepared by Clifton Gunderson LLP.

## Asset Allocation As Of December 31, 2010



**2010  
Annual  
Report  
Available**

The statements on this page are highlights taken from the FPPA Comprehensive Annual Financial Report for the year ended 2010.

To view or print a copy of the FPPA Comprehensive Annual Financial Report, visit our web site at [FPPAco.org](http://FPPAco.org) and click on *Publications*. Or to request a printed copy of the report, call FPPA at (303) 770-3772 in the Denver Metro area or toll free (800)332-3772 nationwide. **FPPA**

## Statewide Death & Disability Plan - continued

### Occupationally Disabled Members and their Beneficiaries and Survivors of Active Duty Members

Occupationally disabled members and their beneficiaries and survivors of active duty members are granted a benefit adjustment at the discretion of the FPPA Board of Directors. The Board decided that occupationally disabled members their beneficiaries and survivors of active duty members will receive a **0.5% increase in October 2011**. Those who retired on or before October 1, 2010 will have their benefit adjusted by this percentage in their October retirement payment. The decision was based on the amount of benefit increase the plan could sustain based on the 2.6% contributions to the plan.

## The Statewide Defined Benefit System

**Statewide Defined Benefit Plan** - The Board decided to grant a **1.34% benefit adjustment** to the retirees and beneficiaries of the Statewide Defined Benefit Plan for October 2011. Those who retired on or before October 1, 2010 will have their benefit adjusted by this percentage in their October retirement payment. The decision was based on the amount of benefit increase the plan could sustain based on the 16% contributions to the plan.

**Statewide Hybrid Plan - Defined Benefit Component** - A **3.0% benefit adjustment** was granted for all retirees and beneficiaries of the Statewide Hybrid Plan - Defined Benefit Component who were retired on or before October 1, 2010. The decision was based on the amount of benefit increase the plan could sustain based on the 11.3% contributions to the plan. The benefit will be adjusted in the October 2011 retirement payment.

**Colorado Springs New Hire Pension Plan** - Effective October 1, 2011 the following cost-of-living adjustments will be granted for certain retirees of the Colorado Springs New Hire Pension Plans: Fire Component = 2.0% and Police Component = 2.5%. The FPPA Board of Directors do not establish benefit adjustments for either Colorado Springs New Hire Pension Plans. For both components of the Colorado Springs New Hire Plan cost-of-living adjustments are directed by their plan documents and are linked to the consumer price index (CPI-W) from the previous year. The CPI-W for 2010 was 2.1%.

On September 22, 2011, FPPA held a public rule-making hearing to consider adoption of proposed amendments to Rules & Regulations, which includes new rules, amendments and the repeal of certain other rules. While many of the changes are clerical and technical in nature, some of the proposed amendments may affect the membership.

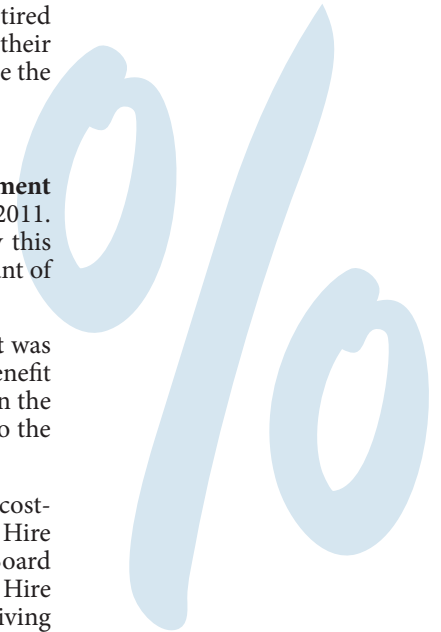
A complete set of current and proposed rules and regulations are available at [FPPAco.org](http://FPPAco.org) for viewing and/or downloading. A copy may be obtained by calling the FPPA office at (303) 770-3772 in the Denver Metro area or (800) 332-3772 toll free nationwide. Any questions concerning rules should be directed to Kevin Lindahl, FPPA General Counsel. **FPPA**

The individuals listed to the right have separated service from a Colorado fire or police department and are due a refund from FPPA. Unfortunately, we do not have their current addresses. If you are in contact with anyone listed here, please have them contact FPPA immediately so that we may process their refund. **FPPA**

Member Name	Separated Service From
Angelo R. Archuleta	Lake Dillon FPD
Chad M. Bollacker	Mountain View FPD
Beau D. Clowers	Lake Dillon FPD
Brandt H. Hagemeister	Denver Police
Steven P. Lund	Red White & Blue FPD
Andrea J. Ulrich	Gilcrest Police
Travis E. Starck	La Salle Police
David A. Gallardo	Lafayette Police
Lando J. Garcia	Ignacio Police
Wendy E. Kane	Lafayette Police
Mike P. Mulloy	Denver Fire
Christopher A. Rice	Fowler Police
Brian A. Tibbs	Firestone Police

## Annual Rates Announced

Continued from Page 5



## FPPA Rules & Regulations

Annual Public Hearing

## Member APB

We're Looking for These FPPA Members Who May Be Due a Refund

## Articles in This Issue

**1** NOW OPEN! FPPA Member Account Portal (MAP)

**2** From The Desk Of Dan Slack

FPPA Defined Benefit System Update

Audit Reports & Actuarial Valuations

**3** Legislative News

FPPA Board of Directors

Changes to Deposit Advices

**4** Annual Rates Announced

**6** Comprehensive Annual Financial Report Highlights

2010 Annual Report Available

**7** FPPA Rules & Regulations

Member APB

**8** FPPA Seminar

GFOA Award Given to FPPA

5290 DTC Parkway, Suite 100, Greenwood Village, CO 80111-2721

FPPAco.org

(303) **770-3772** in metro Denver, (800) 332-3772 toll free nationwide

(303) 771-7622 fax

PRESORTED  
STANDARD  
US POSTAGE  
**PAID**  
Denver, CO  
Permit #1442

## FPPA Seminar



## SOCIAL SECURITY

*Will it be there when you're ready to retire?  
If so, how much of your benefit can you expect?*

**J**oin us for this informative seminar all about Social Security and YOU! Our special presenter is Mike Baksa, from the Social Security Administration. Mike is one of our most popular presenters as he de-mystifies how Social Security may impact your retirement. Mr. Baksa will share his expertise and address questions you may have about Social Security benefits and what they mean to you. Visit our web site for full details at [FPPAco.org](http://FPPAco.org). **FPPA**

**Wednesday, November 2nd • 2:30 pm - 5 pm • RSVP by October 27, 2011**  
**South Metro Fire Administrations Facility**  
**9195 East Mineral Avenue, Centennial**

## GFOA Award Given To FPPA

*For The 2009  
Comprehensive  
Annual Financial  
Report*

**T**he Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to FPPA for its Comprehensive Annual Financial Report for the fiscal year ending December 31, 2009. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. 2009 marks the 16th consecutive year FPPA has been given this award.

In order to be awarded a Certificate of Achievement, a government unit must publish an efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. **FPPA**