



# FPPA PensionCheck<sup>16</sup>

*An annual review of your pension fund.*

## Member Survey

At FPPA, we're passionate about providing excellent support to our members. In order to do so, we rely on our members to provide feedback on their FPPA member experience. Thus, in February 2016, we sent our members a detailed survey in the hopes of reaching four distinct goals:

1. Evaluate member satisfaction both with their own retirement plans and with FPPA's service
2. Assess the effectiveness of different FPPA communication methods such as our annual newsletter and the Member Access Portal
3. Determine whether FPPA should be engaging members using any additional communication channels, including social media
4. Gauge member perception of the value of their FPPA membership including their confidence and trust in FPPA

**Believe their membership with FPPA is valuable:**

**92%** Retired Members

**85%** Active Members

**Confidence in FPPA as their pension provider:**

**91%** Retired Members

**77%** Active Members

The survey response was tremendous. Among active and retired fire and police officers, 10% of members responded, which is well above industry average. Among volunteers, old hires and survivors of active members we saw an outstanding 17% response rate.

After tallying the results, we're happy to report that FPPA members are confident and optimistic about their financial future. Among retired fire and police, 68% of

respondents indicated that they felt financially secure in their retirement, and 77% said FPPA provided a strong foundation for retirement (this included respondents from statewide and old hire plans).

Across all respondent groups, over 81% of members believe they have a good understanding of how their FPPA-administered plan works, and over 74% indicated that they knew who to contact if they had questions about their plan. When asked to rate

FPPA's quality of service on a 1-5 scale (5 being the highest), members gave us an average rating of 4.26.

In general, FPPA members are satisfied with the level of communication and information access they receive from the organization. In particular, members were quite happy with FPPA's website (79% satisfaction rate), Member Access Portal (82%) and newsletter (71%). Interestingly, among users who did not find these tools useful,




## Annual Report Highlights

The Fire & Police Members' Benefit Investment Fund (the Fund) includes the assets of the following plans:

- Statewide Defined Benefit Plan,
- Statewide Hybrid Plan,
- Colorado Springs New Hire Pension Plan,
- Statewide Death & Disability Plan,
- certain Local "Old Hire", and
- Volunteer Fire pension plans.

The Statement of Fiduciary Net Position (top right) is a snapshot of account balances and reflects the Funds net assets available to pay future pension benefits.

The Statement of Changes in Fiduciary Net Position (middle right) reflect the activities of the Fund that occurred during the year and the impact of those activities as additions to or deductions from the Fund.

A complete copy of the Comprehensive Annual Financial Report may be found at [FPPAco.org](http://FPPAco.org). 

## The Fire & Police Members' Benefit Investment Fund Financial Statements for the fiscal year ended December 31, 2015.

### Statement of Fiduciary Net Position\*

#### Assets

Cash and Short Term Investments	\$ 112,320,839
Total Investments	4,453,623,623
Other Assets	97,712,360
<b>TOTAL ASSETS</b>	<b>\$ 4,663,656,822</b>

#### Liabilities

<b>TOTAL LIABILITIES</b>	<b>\$ 115,833,541</b>
<b>Fiduciary Net Position Restricted for Pension Benefits</b>	<b>\$ 4,547,823,281</b>

### Statement of Changes in Fiduciary Net Position

#### From Investment Activities

Change in Fiduciary Net Position from Investment Activities	\$ 72,378,714
---	---------------

#### From Participant Activities

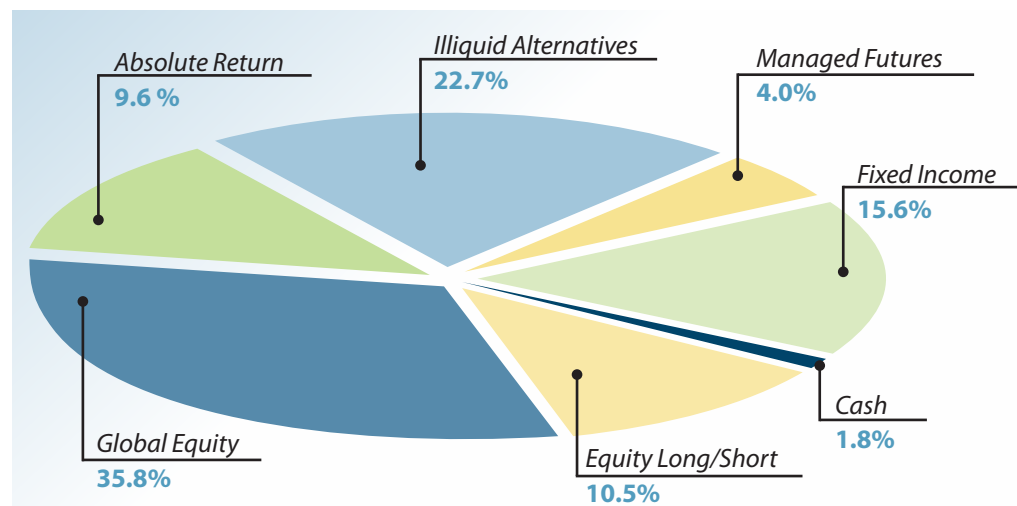
Funds Invested by Members & Employers	249,166,095
Funds Withdrawn by Members & Employers	(330,440,101)
Administrative and Other Expenses	(8,224,794)
<b>Net Increase in Fiduciary Net Position</b>	<b>\$ (17,120,086)</b>

#### Fiduciary Net Position

Beginning of Year, as Restated	\$ 4,564,943,367
End of Year	\$ 4,547,823,281

\*The Statement of Fiduciary Net Position which certifies the financial condition of FPPA's benefit fund is based on the official report audited by Clifton Larson Allen LLP.

### Investment Asset Allocation as of December 31, 2015.





## FPPA Board of Directors

2016 - 2017



**Pamela Feely**  
Chair  
Member since 2011



**Nick Nuanes**  
Vice Chair  
Member since 2013



**Jack Blumenthal**  
Member since 2009



**David Bomberger**  
Member since 2013



**Todd Bower**  
Member since 2001



**Manuel Esquibel**  
Member since 2013



**Sue Morgan**  
Member since 2015



**Guy Torres**  
Member since 2016



**Tyson Worrell**  
Member since 2012

By state statute, the management of the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund is the responsibility of the Board of Directors of the Fire and Police Pension Association of Colorado. The nine members shown on this page have been appointed by the Governor to serve the members of FPPA.

An annual schedule, agenda and minutes of Board meetings may be found on [FPPAco.org](http://FPPAco.org). ■■

*Continued from front page.*

the most common reason was "I didn't know that tool existed."

On the topic of existing and future communication channels, we found that members overwhelmingly prefer communication via email or traditional mail, or direct contact in-person or over the phone. Users were split over whether FPPA should maintain a presence on social media, with many indicating that they did not have an opinion either way.

Finally, our members overwhelmingly expressed confidence and trust in FPPA's programs. For example, 91% of retired members and 77% of active members said they were confident in FPPA as their pension provider. Likewise, 92% of retired members and 85% of active members indicated that they felt their membership with FPPA is valuable.

Overall, while we were pleased with the survey results, our staff recognizes that there is still much work to be done. Over the next year, we will continue to strive towards improving our communication process and providing exceptional service to our members. Thank you to all who completed the survey. ■■

## Member Survey

Continued

## Annual Rates by Plan Announced

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

### Glossary of Plan Annual Rates

**Separate Retirement Account (SRA)** is a feature limited to defined benefit plans. In a given year, if more money is paid into a plan than it costs for that plan to be fully funded, then the extra money may be added to an SRA in the member's name.

**Contribution rates** are the percentage of a member's salary that are contributed to the plan by both the member and their employer. The total rate and how it is split between member and employer is decided by the rules of each plan.

**Benefit Adjustments** (sometimes referred to as Cost of Living Adjustments or COLAs) are percentage increases to existing retirement benefits to counteract the effects of economic inflation. They are determined by the FPPA Board of Directors. Within the Statewide plans, those who retired on or before October 1, 2015, had their benefit adjustment take effect in their October retirement payment.

For more information about any of these plans or annual rates please refer to [FPPAco.org](http://FPPAco.org).

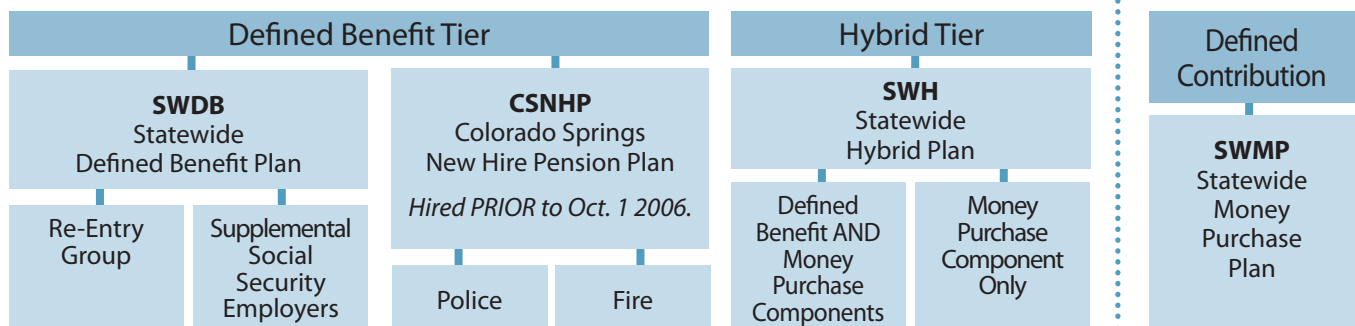
		SRA Allocation	Contribution Rate	Benefit Adjustment
<b>Statewide Defined Benefit Plan</b>  <b>SWDB</b>  (See plan chart on the next page.)		0% effective 7/1/16.  The required 16.5% combined member and employer contributions fully fund this plan.	17% (9% member / 8% employer) effective 1/1/2016.	0.56% to retirees and beneficiaries effective 10/1/2016.
	Reentry Group	3.7% effective 7/1/2016.  The required 21% combined member and employer contributions fully fund this plan.	21% combined member and employer contribution rate with the split determined by each employer effective 1/1/2016.	
	Supplemental Social Security Group	0% effective 7/1/16.	8.5% (4.5% member / 4% employer) effective 1/1/2016.	
<b>Statewide Death &amp; Disability Plan</b>  <b>SWD&amp;D</b>  (See plan chart on the next page.)			2.6% effective through 2/31/2016  increased to 2.7% effective 1/1/17 - 12/31/18 as determined by the FPPA Board following actuarial review.	Totally disabled members & their beneficiaries receive a fixed 3% annually.  Occupationally disabled members, their beneficiaries & survivors of active duty members receive 0.3% effective 10/1/2016.



		SRA Allocation	Contribution Rate	Benefit Adjustment
<b>Statewide Hybrid Plan</b>  <b>SWH</b>  (See plan chart below.)			Each department in the Statewide Hybrid Plan establishes their total contribution rate.	
	Defined Benefit & Money Purchase Components	No SRA is granted as any excess defined benefit contributions are made to the member's money purchase component.	DB Component: 13.5% effective 7/1/16  MP Component: After the DB Component % is allocated the remainder of the total contribution is made to the MP component.	DB Component: 2.98% to retirees and beneficiaries effective 10/1/2016.
	Money Purchase Component Only	N/A	16% member and employer combined contribution rate with split determined by employer resolution.	
<b>Statewide Money Purchase Plan</b>  <b>SWMP</b>		N/A	16% minimum (8% member / 8% employer)	N/A
<b>Colorado Springs New Hire Pension Plan</b>  <b>CSNHP</b>  (See plan chart below.)	Fire Component	0%	10% member / employer pays the remainder of the following annual required contribution; • effective 1/1/2016 - \$4,522,810 • effective 1/1/2017 - \$5,132,890	0% effective 10/1/2016.
	Police Component	0%	8% member / employer pays the remainder of the following annual required contribution; • effective 1/1/2016 - \$9,645,675 • effective 1/1/2017 - \$10,368,391	0% effective 10/1/2016.

### FPPA Administered Plans

#### FPPA Defined Benefit System



#### SWD&D Statewide Death & Disability Plan

Plans above this bar are covered by the Statewide Death & Disability Plan.

## GFOA Award

For the 2015 FPPA  
Comprehensive Annual  
Financial Report

The 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, 2015. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This marks the 22nd consecutive year FPPA has been given this award.

To view or print a copy of the FPPA Comprehensive Annual Financial Report, visit [FPPAco.org/annual-reports.html](http://FPPAco.org/annual-reports.html)



## FPPA Receives Rocky Mountain Performance Excellence High Plains Award

It started as a challenge. In June 2014, the FPPA Board of Directors approached our executive team with a simple question: How are you fulfilling your mission statement? In essence, the Board was looking for our staff to demonstrate how we were providing exceptional service to our members as effectively and efficiently as possible.

In accepting the Board's challenge, FPPA's executive team enlisted the help of a performance-tracking organization: Rocky Mountain Performance Excellence.

Rocky Mountain Performance Excellence (RMPEX) is a nonprofit corporation that helps companies to improve performance and gain perspective. Modeled after the famous Baldrige criteria for Performance Excellence, RMPEX serves organizations through an assessment and feedback process,

and also honors high-performing companies with regional and national awards.

By entering the RMPEX program, we entered into a lengthy, revealing organizational review process, including:

### FPPA MISSION STATEMENT

*The Fire & Police Pension Association of Colorado is committed to our members. We will prudently invest their retirement funds, administer benefits impartially, and efficiently provide high quality service.*

- Self-analysis: answering questions like how do we know our process is effective?
- Developing an RMPEX framework: we enlisted the help of a performance consultant to help define our processes
- Assembling a robust organizational profile: summarizing an entire organization into a five-page document is tough!

Completing this application process enabled us to make some immediate improvements. We revised our mission statement and core values to focus directly onto our members. We also clearly defined FPPA's vision statement and core competencies; items we already had in practice, but had never officially documented. Just by completing these tasks, we've greatly improved our organization and defined our path forward.

After reviewing our application and in-house examination, RMPEX decided to honor FPPA with the High Plains Award, the first of four distinctions given by the organization (Generally, the awards are won in sequence). Yet while the award itself looks nice on our Board Room wall, what has been most valuable is RMPEX's organizational feedback. Based on our award application, RMPEX provided actionable feedback items that have helped us to lay a framework for future success, not just for winning more awards, but also for improving our company to better serve you, our members.


FPPA is a mission-, vision- and values-driven organization. Going through this process has allowed us to better define who we are, and boosted our ability to provide exceptional service to our members. It has also inspired us to continue improving, as we're happy to announce that we have recently applied for a higher-tier RMPEX honor, the Timberline Award. Now, over a year after the journey began, it's clear that this simple Board of Directors challenge has become a focal point of everything we do.



## Colorado State Legislation

Certain FPPA administered plans have a provision for plan changes or enhancements to be made through the passage of State Legislation. Such legislative efforts are first drafted by staff then presented to the State Legislative Council Committee called the Police Officers' and Firefighters' Pension Reform Commission (PRC). Bills with favorable approval from the PRC are then introduced to the Colorado General Assembly for a vote. The Assembly is generally in session from January to May of each year. The progress of bills drafted by FPPA and sponsored by the PRC may be followed at [www.colorado.gov/lcs/](http://www.colorado.gov/lcs/). (Once on that web page you will find the PRC listed under "Committees" as an "Interim Committee".)

## FPPA Plan Rules & Regulations and FPPA Plan Documents

These documents provide even more detail for the administration of FPPA plans. Proposed amendments to both Rules & Regulations and the Plan Documents are considered each year during the August FPPA Board Meeting followed by discussion and adoption during the September meeting. Announcements for both meetings as well as the proposed & adopted amendments are posted at [FPPAco.org](http://FPPAco.org). 



## FPPA Governing Documents

On Wednesday, October 5, FPPA hosted employer representatives from across Colorado for our 5th annual FPPA Employer Summit. In total, 107 employers from throughout the Front Range and around the state were in attendance for the full-day seminar.

The event began with a look at the State of FPPA with Executive Director Dan Slack. Highlights included the announcement that the FPPA's Statewide Defined Benefit Plan, Statewide Hybrid Plan and Statewide Death and Disability plan all remain over 100% funded as of January 1, 2016.

Additional morning presentations—delivered by other members of the FPPA executive team—covered legislative updates, an overview of recent Member Account Portal enhancements, review of GASB employer reporting requirements and enhancements to the FPPA 457 Plan fund lineup and fee arrangement. Finally, the results of the Member Satisfaction survey were reviewed. (See related article.)

The seminar concluded with a keynote address by noted generational researcher Chuck Underwood. Mr. Underwood's presentation introduced attendees to the four generations of Americans currently in the workforce. More importantly, Mr. Underwood addressed the differences between generations and shared the most effective ways to communicate with each. This




## Employer Seminar

*"Employer update and keynote were wonderful."*

SUMMIT ATTENDEE VIA EXIT SURVEY

(jokingly) included a rousing discussion on how to actually get Millennials to arrive on time to meetings and how to get Boomers and Gen Xers to "let go of the reigns." No viable solution was determined.

If you have questions about the Member Access Portal, GASB reporting or any other general question related to the Summit, call the FPPA Field Education and Outreach team at (303) 770-3772 ext. 6450 or see your local FPPA contact. 

## **FPPA** PensionCheck

### *Articles in This Issue*

- 1 Member Survey
- 2 Annual Report Highlights
- 3 FPPA Board of Directors
- 4 Annual Rates by Plan Announced
- 6 GFOA Award
- 6 FPPA Receives Rocky Mountain  
Performance Excellence High Plains Award
- 7 FPPA Governing Documents
- 7 Employer Seminar
- 8 Upcoming Changes to FPPA Benefit Mailings
- 9 Retirement Estimate Calculator

## Upcoming Changes to FPPA Benefit Mailings



If you receive monthly retirement checks and payment details from FPPA by mail, the look of these mailed items will soon change. In the next few months, these checks and payment details will begin arriving in plain, standard-size envelopes with our return address, instead of the current perforated-edge envelopes. In addition, the information inside the envelope will be organized in a different way.

This is a planned change that will allow FPPA to operate in a more efficient way. An important note: this will not impact the timing of your monthly mail from FPPA. Mailed checks and payment details will continue to arrive at the same time each month.

Remember that you can always choose to view your payment details online through the Member Account Portal.

**Bottom line: Please continue to open and read all mail from FPPA. If you have any questions, please contact us.**

## Meet the Improved FPPA Retirement Estimate Calculator

Recently, we introduced a new version of FPPA's online Retirement Estimate Calculator. Our objective was to improve usability and streamline the process of calculating estimated pension benefits. Updates to the calculator include:

- New, step-by-step guide simplifies the entire estimate process
- New ability to calculate early, deferred, and vested retirements
- At-a-glance views of saved estimates are now more intuitive and easier to understand
- Improved performance on mobile devices

Check out the updated calculator within the Member Account Portal (MAP) at FPPAco.org.

