



FPPA PensionCheck^{17b}

A semi-annual review of your pension fund.

Five Colorado Departments Will Complete Partial Entry Process, Rejoin FPPA in 2017

FPPA is proud to announce that by the end of 2017, five fire and police departments from four Colorado cities will have completed the Partial Entry process to enter the FPPA Defined Benefit System. Thornton Fire and Police Departments, Westminster Police, Edgewater Police, and Dillon Police Departments either have or will soon officially join FPPA.



In order to successfully join FPPA, departments must complete a lengthy process called Partial Entry. This procedure allows members of departments not affiliated with FPPA's Defined Benefit System to elect whether to stay in their current local plan or join the FPPA system. Additionally, the department agrees to enroll all future new hires in an FPPA plan selected by the employer.

The Partial Entry process lasts approximately nine months, depending on a variety of factors, and requires a great deal of effort by and cooperation between FPPA, the department and their employer. FPPA greatly appreciates the hard work by these incoming departments and employers to help complete the process.

For fire and police departments interested in learning more about Partial Entry into the FPPA Defined Benefit System, please visit JoinFPPA.org. ■ ■

Open Enrollment Is Coming: FPPA Offers Group Insurance Plans

For many FPPA retirees, it can be difficult to find quality, affordable insurance options. As open enrollment for many individual insurers approaches, we wanted to offer a reminder of the group plans available to all FPPA retirees. FPPA offers several plans for health, dental, and vision coverage. Upon enrolling in any of these plans, your premiums will be with-



Continued on page 3.




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. 

The Fire & Police Members' Benefit Investment Fund

Financial Statements for the fiscal year ended December 31, 2016.

Statement of Fiduciary Net Position*

Assets

Cash and Short Term Investments	\$225,582,807
Total Investments	4,161,655,684
Other Assets	25,115,122
TOTAL ASSETS	\$4,412,353,613

Liabilities

TOTAL LIABILITIES	(103,557,799)
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Fiduciary Net Position Restricted for Pension Benefits	\$4,308,795,814
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Statement of Changes in Fiduciary Net Position

From Investment Activities

Change in Fiduciary Net Position from Investment Activities	\$223,281,041
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From Participant Activities

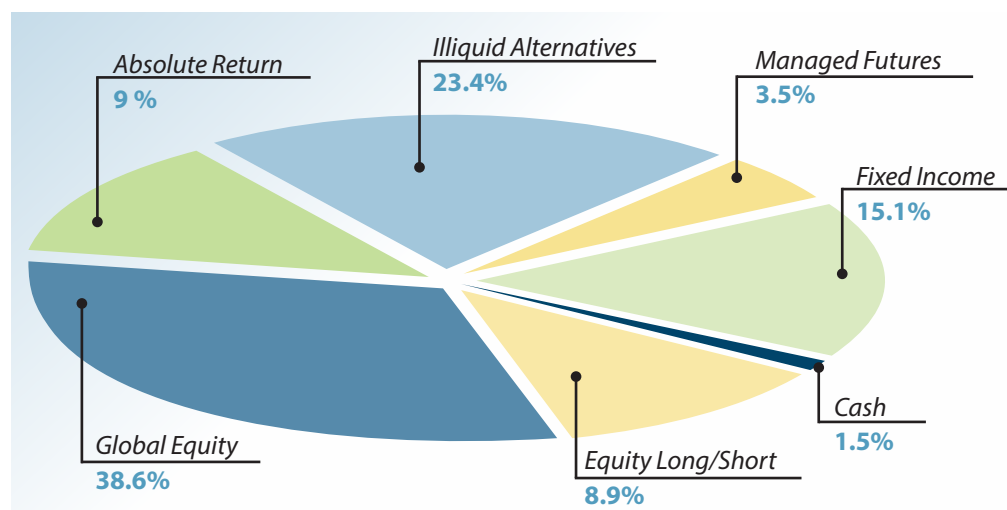
Funds Invested by Members & Employers	182,552,254
Funds Withdrawn by Members & Employers	(277,656,480)
Administrative and Other Expenses	(8,759,882)
Net Increase in Fiduciary Net Position	\$119,416,933

Fiduciary Net Position

Beginning of Year, as Restated	\$4,189,378,881
End of Year	\$4,308,795,814

*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, 2016.





Nick Nuanes
Chair
Member since 2013



David L. Bomberger
Vice Chair
Member since 2013



Todd Bower
Member since 2001



Pamela Feely
Member since 2011



Tammy Hitchens
Member since 2017



Sue Morgan
Member since 2015



Guy Torres
Member since 2016



Shawn Turner
Member since 2017



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. ■■



FPPA Board of Directors

2017

Continued from front page.

held from your monthly FPPA pension benefit. Please note that your monthly benefit must be high enough to fully cover the amount of insurance premiums withheld. While the plans offered do not necessarily cover all FPPA retirees—for example, health plans are available to Medicare-age individuals only, while dental and vision plans are open to all ages—these options might be helpful for members who are struggling to find coverage or looking for a more cost-effective option.

FPPA retirees may also be eligible for an additional benefit: a Pension Protection Act tax exclusion. Retirees who have their premiums deducted from their monthly pension benefit may be eligible for a \$3,000 annual tax exclusion.

For more information regarding FPPA's insurance offerings or the Pension Protection Act tax benefits, visit fppaco.org/retiree-insurance.html, or call the Retiree Payroll team at (303) 770-3772, extension 6200. ■■

Retiree Group Insurance

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.

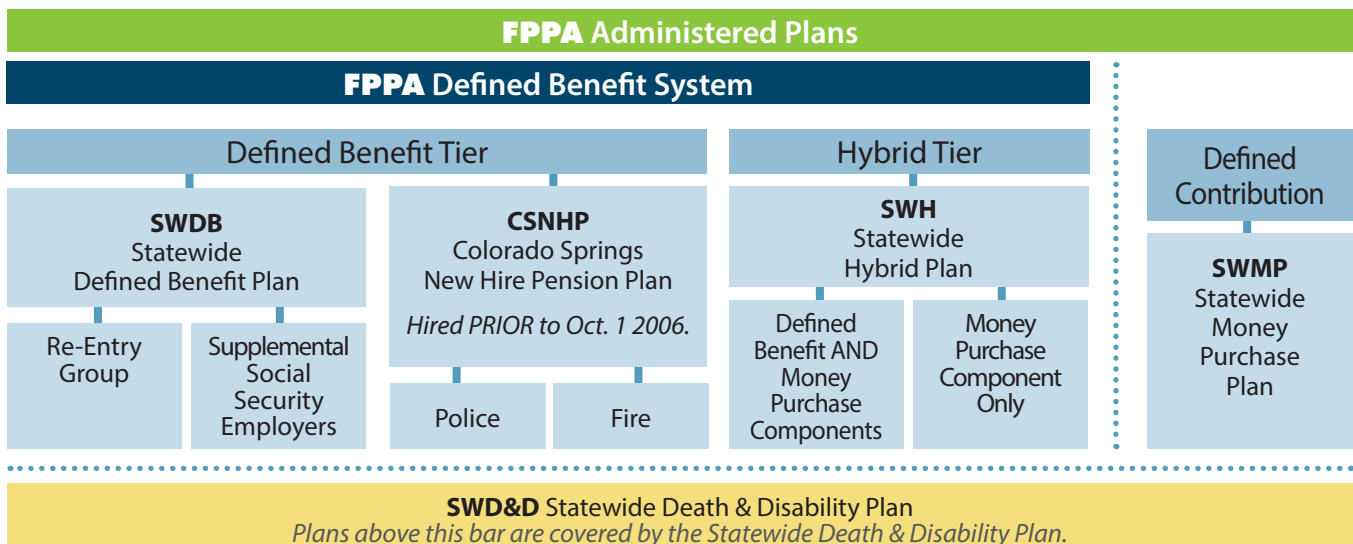
Benefit Adjustments (sometimes referred to as Cost of Living Adjustments or COLAs) are percentage increases to existing retirement benefits to counteract the effects of economic inflation. They are determined by the FPPA Board of Directors. Within the Statewide plans, those who retired on or before October 1, 2016, 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.

		SRA Allocation	Contribution Rate	Benefit Adjustment
Statewide Defined Benefit Plan SWDB (See plan chart on the next page.)		0% effective 7/1/2017. The entire required 17.5% combined member and employer contributions are needed to appropriately fund this plan.	17.5% (9.5% member / 8% employer) effective 1/1/2017.	0.25% to retirees and beneficiaries effective 10/1/2017.
	Reentry Group	3.7% effective 7/1/2017.	21.5% combined member and employer contribution rate with the split determined by each employer effective 1/1/2017.	
	Supplemental Social Security Group	0% effective 7/1/2017.	8.75% (4.75% member / 4% employer) effective 1/1/2017.	
Statewide Death & Disability Plan SWD&D (See plan chart on the next page.)			2.7% effective 1/1/2017 - 12/31/2018	Totally disabled members & their beneficiaries receive a fixed 3% annual adjustment effective 10/1/2017.
				Occupationally disabled members, their beneficiaries & survivors of active duty members receive 0.29% effective 10/1/2017.

		SRA Allocation	Contribution Rate	Benefit Adjustment
Statewide Hybrid Plan SWH (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: 14.8% effective 7/1/2017. MP Component: After the DB Component % is allocated the remainder of the total contribution is made to the MP component.	DB Component: 2.71% to retirees and beneficiaries effective 10/1/2017.
	Money Purchase Component Only	N/A	16% member and employer combined contribution rate with split determined by employer resolution.	
Statewide Money Purchase Plan SWMP		N/A	16% minimum. (8% member / 8% employer)	N/A
Colorado Springs New Hire Pension Plan CSNHP (See plan chart below.)	Fire Component	0%	10% member / employer pays the remainder of the following annual required contribution effective 1/1/2017 - \$5,132,890.	1% effective 10/1/2017. *
	Police Component	0%	8% member / employer pays the remainder of the following annual required contribution effective 1/1/2017 - \$10,368,391.	1% effective 10/1/2017. *

* For both components - adjustments are directed by their plan documents and are linked to the CPI-W from the previous year.



GFOA Award

For the 2016 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, 2016. 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 23rd 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.



Employer Seminar

On Thursday, September 7, fire and police department representatives from across Colorado gathered for the 2017 FPPA Employer Summit. Nearly 100 employer representatives from over 60 departments attended the full-day event in Greenwood Village.

As the event began, the theme was announced as “Back to Basics”. The day would offer plenty of basic plan information and background details throughout the proceedings, in order to provide maximum benefit for employers who were relatively new to the FPPA system. For seasoned employers, this would also be an opportunity to review the basic points of FPPA membership that often are not covered at the Employer Summit.



To start the day, FPPA General Counsel Kevin Lindahl presented the State of FPPA, an overview of FPPA's current funding status, investment performance and enrollment numbers. FPPA was proud to announce that the Statewide Defined Benefit Plan, Statewide Hybrid Plan and Statewide Death and Disability Plan all remain over 100% funded as of December 31, 2016, and that last year FPPA saw a 2.5% increase in total number of retirees (congrats!).

The summit continued with updates from staff on various FPPA plans and processes, including changes to the Employer Portal and GASB reporting from Ahni Smith, Accounting Director. Additionally, FPPA Benefits Director Ben Colussy presented an overview of the Statewide Death & Disability Plan. Throughout the day, many FPPA staff from various departments were on hand to answer any questions from employers who were in attendance.

The 2017 Keynote address was delivered by Corey Ciocchetti, Associate Professor of Business Ethics and Legal Studies at the University of Denver. Corey's thoughtful and humorous presentation, entitled “Inspire Integrity: Chasing an Authentic Life,” encouraged attendees to look at their world through fresh eyes, and consider a new approach to work/life balance and tackling one's challenges. The address was met with rave reviews from employers and FPPA staff alike.

Slides for several of the event's presentations are available for download on the FPPA employer portal. Thank you to all who attended the 2017 Employer Summit.

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 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.



FPPA Governing Documents

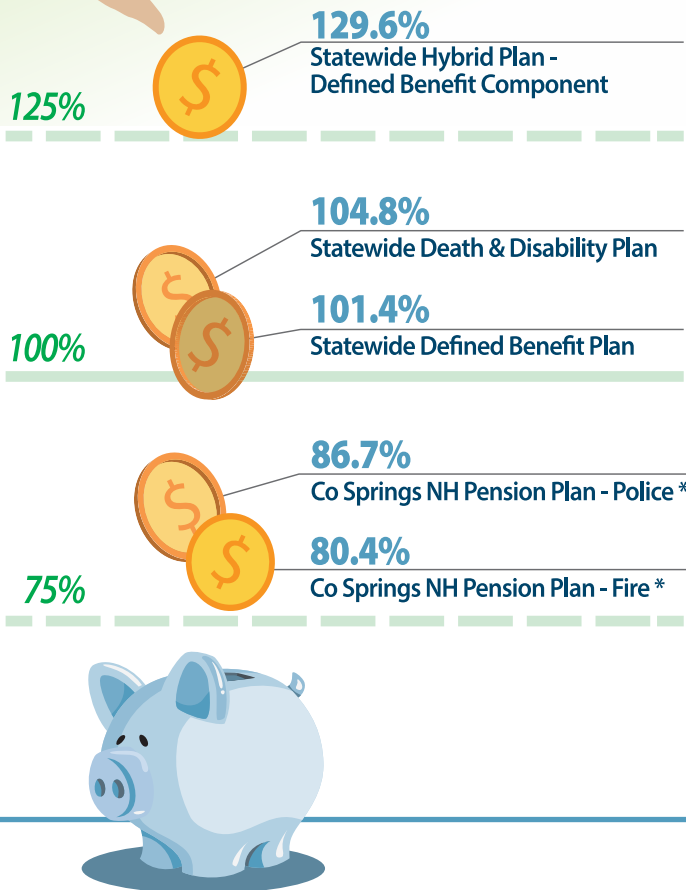
Funding Status of FPPA Plans

A pension plan's funding ratio is a measurement of its stability. This is represented as a percentage of the plan's accrued liabilities that are covered by its assets. The higher the percentage, the more stable the plan.

Because each plan administered by FPPA is separately funded there is no single funding ratio for all plans. Additionally, assets cannot be co-mingled to pay the benefit obligations of another plan. Therefore, the funding ratio of each individual plan should be considered separately.

This chart reflects the FPPA Plans funding ratios as of January 1, 2017. Refer to the chart on Page 5 to see all plans administered by FPPA.

* The Colorado Springs New Hire Pension Plan – Police Component and Fire Component were added to the Defined Benefit System January 1, 2006. Prior to that date the plans were managed by a local pension board and the City of Colorado Springs.



Per the requirements in the Colorado Revised Statutes, FPPA annually provides Employers with copies of the actuarial valuation reports for the FPPA Defined Benefit System and/or Statewide Death & Disability Plan. These reports were posted in July and are available on our website at FPPAco.org. You will find these reports by clicking the Employers green button on the first page of the website.

Employer Actuarial Valuation Reports

Now Available on the Web

FPPA PensionCheck

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... Include Award Letters, Direct Deposit, Tax Withholdings

This summer, the Fire & Police Pension Association of Colorado introduced new features within the Member Account Portal. The enhancements, which can be accessed at FPPAco.org, will offer retirees faster service and greater control over their FPPA accounts. These new features allow users to:

To access these features, visit the Member Account Portal (MAP) at FPPAco.org

- Download award letters: retirees needing to provide proof of income, e.g. as part of a loan or mortgage application, can now instantly generate a printable PDF with details about their FPPA benefit within the Member Account Portal.
- Update direct deposit information: retirees receiving a monthly benefit are now able to update or change their banking information for direct deposits.
- Change tax withholdings: retirees can now change their federal and Colorado state tax withholding in the MAP portal without having to complete a W-4P form. Changes made before the 10th of the month will be effective for the current month. With this new feature, however, it is not possible to withhold state taxes from states other than Colorado. 