

FPPA Pension CHECK

A review of your retirement benefits.

Fall 2013

To Our Members

Thank You!

We at FPPA are always proud to serve you, all of the police officers and firefighters who tirelessly serve the citizens of Colorado 24/7 in all types of circumstances. As we look back over the last several months, Colorado has been particularly hard hit first with the fires and now the “100 year flood”. Your work on these incidents, and the others, too many to mention, has not gone unnoticed. Thank you for protecting our families, friends, neighbors and communities!

We appreciate what you do!



From The Desk of Dan Slack

FPPA CEO



Life at FPPA continues to be very busy for all of the staff. As I will discuss in more detail, we are responding to mandates imposed on us from outside the organization and at the same time we are working to be proactive in fulfilling our mission statement:

The Fire & Police Pension Association of Colorado is committed to our members. We will prudently invest their retirement funds, administer benefits fairly, and provide superior, cost-effective service.

The FPPA staff strives to make sure that this mission statement is not just a nice saying, but is a statement that guides what we do and how we do it. The statement is discussed and emphasized with every employee that joins the organization and it is regularly reviewed and re-affirmed by the board of directors.

The Governmental Accounting Standards Board (GASB) has implemented Standards 67 and 68, which significantly revise the financial reporting for public sector pension plans and affiliated employers. The stated goal is to increase transparency and comparability in pension-related financial statements. Unfortunately, in the process the new standards separate the former linkage between financial statement reporting and pension plan funding.

With its annual financial report for fiscal year 2014, FPPA will implement new GASB standard 67. Employers affiliated with FPPA will implement new GASB standard 68 for their fiscal year 2015. Why does this matter? Because prior to this change, employers who paid the actuarially required contribution showed no pension liability on their balance sheet. After this change,

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Upcoming Election

For Members of the Statewide Defined Benefit Plan

By now, you are probably aware that if you are an active member of the Statewide Defined Benefit (SWDB) Plan you will have an opportunity to vote on your member contribution rate, specifically to increase the rate by ½% per year over an 8 year period for a total increase of 4%. This proposal was recommended to the FPPA Board by a task force of active police officers and firefighters from across the state following several educational sessions with FPPA staff and professional consultants studying the long-term stability of the Statewide Defined Benefit Plan. The task force studied various issues related to the benefit structure and long-term stability of the SWDB Plan before coming up with this proposal.

If passed by at least 65% of the voting active members in the plan and over 50% of the voting employers, the implementation will begin in 2015 and be fully implemented in 2022. This phased-in approach was thoughtfully chosen to make this change financially manageable for you, the member of the plan, while addressing the long-term objectives of keeping the plan financially secure and able to pay meaningful benefit adjustment increases to current and future retirees.

A common question we have been hearing is: “Why is additional funding important if the plan is 97.9% funded (as of January 1, 2013)?” In short, the additional funding is needed to restore the surplus that was depleted as a result of the market decline in 2008. It is the surplus funding

FPPA Statewide Defined Benefit Plan

Member Contributions



Election

that is used 1) to protect you from experiencing future benefit reductions and 2) to pay future and current retirees meaningful benefit

adjustment increases – also commonly called COLAs or cost of living adjustments. Maintaining your plan’s benefit structure and having pension payments that increase throughout your retirement years are both critical to your long-term financial security.

The FPPA Board has accepted the recommendation of the task force and has adopted a resolution in support of this proposal. The resolution may be found on the FPPA Election Central website.

We urge you to give this proposal serious consideration.

Learn More About How This Election Impacts You

- **Run a personalized projection.** Go to www.FPPAElectionCentral.org and use the calculator to run your personal projection. See how this proposal is projected to impact you both while you are working and when you retire! The calculation is quick and easy and the results will show you the projected impact to your paycheck and your future pension check.
- **Attend a meeting.** FPPA staff are currently conducting on-site meetings at various police and fire departments across the state. The scheduling is on-going and these meetings will continue until the election takes place in April 2014. Regional meetings will also be held; the schedule of regional meetings will be available on the FPPA Election Central website when finalized.
- **Watch your mail and email.** Some information about the proposal and the election will be sent to you by US mail while some will be sent by e-mail. Keep your home address up to date with your employer; that is the address that is transmitted to FPPA each payroll cycle. Your email may be updated directly with FPPA – just send a message to generalbenefits@fppaco.org. Please include your name and department in the email.
- **Join in the conversation.** Let us know your thoughts on this and other retirement planning issues. Go to www.FPPAElectionCentral.org and click on “Let’s Talk About It”.

Prepare For The Vote

Watch your home mail. The election will be held during the month of April 2014. The election information including your ballot and voting instructions will be mailed to your home address. An employer election will follow the member election. **FPPA**

employers must show the calculated pension liability on their balance, similar to the way in which a homeowner would show a mortgage liability on his or her list of liabilities.

However, just as the total mortgage owed on a home is not due in at one time, neither is payment for any pension liability. Instead, just like a monthly mortgage payment, the employer will pay either a statutorily determined rate, or an amount calculated by the actuary to be sufficient to amortize the pension cost over the appropriate time period. An employer can make the full payment that is actuarially required and still must show a pension liability (or surplus if that's the case) on its balance sheet.

Although the goal of GASB was to provide clarity to pension finance, I am afraid that the result may be confusion instead. Employers, employees, and taxpayers will need to understand two different sets of numbers – one for the “books”, the financial statements – and one for the “budget”, the amount that needs to be paid. Those numbers will not be the same.

These new financial reporting requirements have been imposed on FPPA and on employers by GASB. We are nevertheless seeking to be proactive regarding these changes. We are actively seeking opportunities to educate employers, auditors, and other interested parties about the upcoming GASB changes. Among other outreach efforts, FPPA and Colorado PERA will be jointly educating auditors at an upcoming meeting of the Colorado CPA Society.

Another area where FPPA is striving to be proactive is the election on member contributions in the Statewide Defined Benefit Plan. The cushion which had been built up over the years to provide ad hoc benefit adjustments, also known as cost of living adjustments or COLAs, was depleted by the financial recession that occurred in 2008. Believing that retirement security for members of the plan is paramount, the board of directors of FPPA convened a task force of members to consider an appropriate solution for the membership. After months of study, the task force recommended to the board that it hold a member election to increase the member contributions by 1/2% a year for 8 years. The board endorsed this recommendation and is supporting a “yes” vote during this election, which is expected to take place in April 2014.

In all of its efforts the board and the staff of FPPA are committed to the membership and seek to be good stewards of the funds entrusted to us. [FPPA](#)

Per the requirements in the Colorado Revised Statutes, FPPA annually provides Employers with copies of the audit, annual and actuarial reports for the FPPA Defined Benefit System and/or Statewide Death & Disability Plan. These reports are available to you on our website at 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 followed by the Comprehensive Annual Financial Report (CAFR) posted to both the *Employer* page and *Publications* page in July. Actuarial reports are also posted in July each year. [FPPA](#)

On September 26, 2013, 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 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 Michael Sutherland, FPPA Benefits Counsel. [FPPA](#)

From The Desk of Dan Slack

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Audit, Annual & Actuarial Reports

For Employers

FPPA Rules & Regulations

Annual Public Hearing

Annual Rates Announced

Based 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

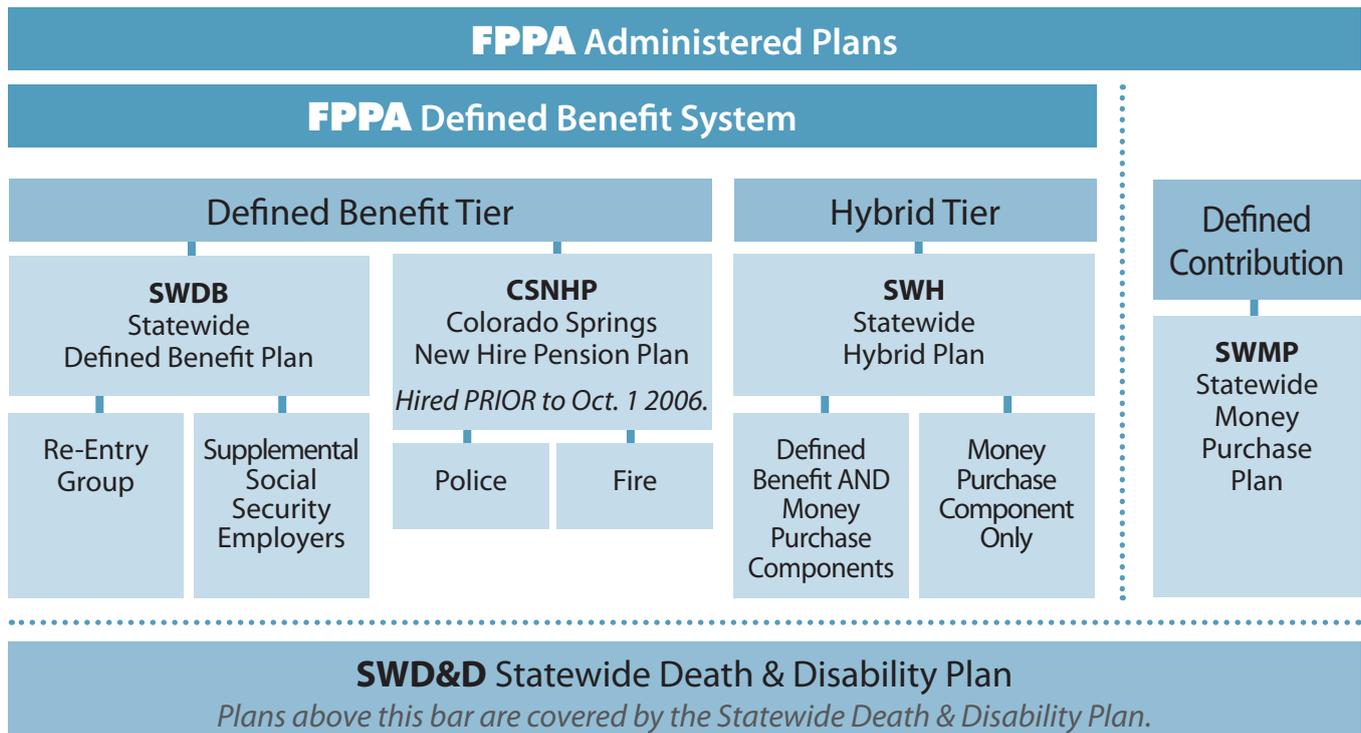
For the FPPA Defined Benefit System

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. The SRA is available for distribution upon approval for a normal, vested, early or deferred retirement. This account is in addition to a 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, 2013. 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 3.50%.** This SRA contribution rate went into effect July 1, 2013. The required 20% combined contribution rate from members and employers in this tier fully funded this plan with a total surplus of 3.50% (3.50% for this group + 0% base SRA).

The SRA rate for Social Security Supplemental Retirement Members to the Statewide Defined Benefit Plan is 0%. The SRA contribution rate went into effect July 1, 2013. 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.



Annual Rates Announced

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 currently **0%**.

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. Based on the 2012 actuarial results the FPPA Board of Directors agreed to continue the 2.6% contribution rate effective through December 31, 2014. 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.

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, 2013, the **Police Component member contribution rate is 8.0%** of base salary and the employer remits the remainder of the \$10,605,836 annual required contribution. The **Fire Component member contribution rate is 10.0%** of base salary and the employer remits the remainder of the \$4,685,823 annual required contribution. Effective January 1, 2014, the Police Component member contribution rate is 8.0% of base salary and the employer remits the remainder of the \$10,136,178 annual required contribution. The Fire Component member contribution rate is 10.0% of base salary and the employer remits the remainder of the \$4,627,045 annual required contribution.

Statewide Hybrid Plan

Defined Benefit & Money Purchase Components

Defined Benefit Contribution Rate:

Effective July 1, 2013 the contribution rate is set at 12.6%. Each department in the Statewide Hybrid Plan establishes a total contribution rate.

Money Purchase Component:

After the 12.6% 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.

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Comprehensive Annual Financial Report Highlights

For the Fiscal Year Ended December 31, 2012



Statement of Plan Net Assets*

Assets

Cash and Short Term Investments	\$ 156,692,335
Total Investments	3,738,368,307
Total Receivables	69,772,898
Properties and Equipment at Cost, Net of Accumulated Depreciation	5,621,880
Other Assets	179,074
TOTAL ASSETS	\$ 3,970,634,494

Liabilities

Payables, Pending Trades & Accrued Expenses	239,268,591
TOTAL LIABILITIES	\$ 239,268,591

*Net Assets Held in Trust for Pension Benefits/
Fund Balance Reserved for Withdrawals*

\$ 3,731,365,903

Statement of Changes in Net Assets

From Investment Activities

Change in Net Assets Derived from Investment Activities	\$ 393,619,896
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From Participant Activities

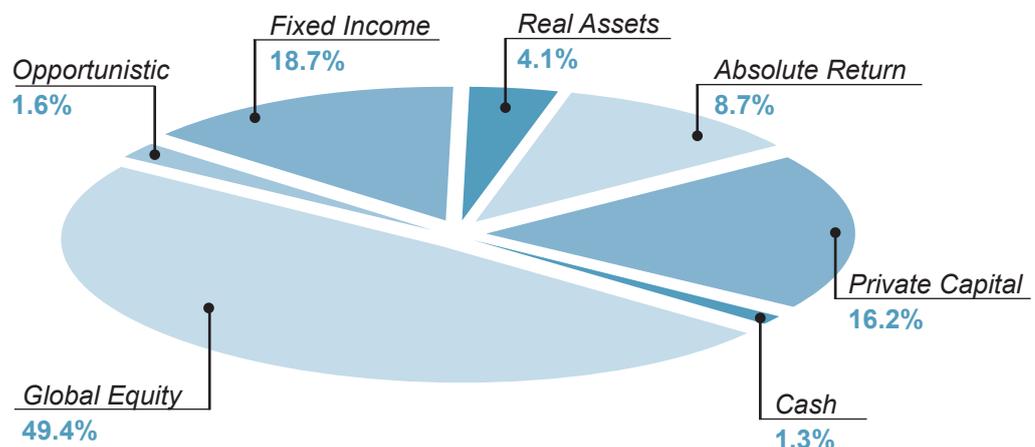
Funds Invested by Members & Employers	215,784,718
Funds Withdrawn by Members & Employers	(280,457,997)
Administrative Expenses	(8,307,066)
Net Increase in Plan Assets	\$ 320,639,551

Net Assets

Beginning of Year	\$ 3,410,726,352
End of Year	\$ 3,731,365,903

*The Statement of Plan Assets which certifies the financial condition of FPPA's benefit fund at the close of 2012 for all plans administered by FPPA is based on the official report on the fund audited by Clifton Larson Allen LLP.

Asset Allocation As Of December 31, 2012



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.

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 **0.7% benefit adjustment in October 2013**. Those who retired on or before October 1, 2012 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 **0.48% benefit adjustment** to the retirees and beneficiaries of the Statewide Defined Benefit Plan for October 2013. Those who retired on or before October 1, 2012 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 **2.95% 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, 2012. The decision was based on the amount of benefit increase the plan could sustain based on the 13.0% contributions to the plan and keeping the plan 100% funded. The benefit will be adjusted in the October 2013 retirement payment.

Colorado Springs New Hire Pension Plan

Effective October 1, 2013 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 2012 was 2.1%. **FPPA**

Annual Rates Announced

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Election Central Web Site Updates

FPPAElectionCentral.org

Information for Members of the Statewide Defined Benefit Plan

In 2014 FPPA will present to the Statewide Defined Benefit Plan membership an opportunity to vote on increasing their Member Contributions. (See page 2 for more information about this upcoming election.) We've created a dedicated web site for the election for the most current information and have recently added many more opportunities to learn how this election may impact you and your future retirement.

Once on the Election Central web site you will find;

FPPA Member Election Video

Featuring testimonials from members just like you.

On-line Election Calculator

To help you quickly calculate how this election may impact your future.

On-line Election Calculator Instructional Video

This video will help you enter your data quickly and securely into the on-line calculator and understand the results completely.

Election Publications Including

Election Overview

This summary gets to the heart of the discussion in a quick 2-page overview.

FPPA Election Brochure

This brochure provides even more information and is presented in an easy to read format.

White Paper

Drill down into the election with this 26-page White Paper. Learn how the proposal came about - the studies behind the proposal - and more importantly, what this election may mean to you. [FPPA](#)



FPPA Statewide Defined Benefit Plan Member Contributions Election

Election Regional Meetings Scheduled

Meetings for Members of the Statewide Defined Benefit Plan

Between now and the Statewide Defined Benefit Plan Member Contributions Election in April 2014 FPPA will be conducting several regional meetings throughout the state to provide an opportunity to learn more about the upcoming election. (See page 2 for more information about the election.) FPPA representatives will be available to meet with members to answer specific questions about how their vote will impact their future retirement. Additional meetings throughout the state will be announced on the FPPA Election Central web site at www.FPPAElectionCentral.org. These meetings are open to all Statewide Defined Benefit Plan Members and their families.

If you are planning to attend please either;

- call FPPA at (800) 332-3772 toll free statewide or
- email us at GeneralBenefits@FPPAco.org.

Be sure to mention what city and at what time you will be joining us.

We look forward to seeing you in November! [FPPA](#)

Tuesday, November 12th

Pueblo Courtyard Marriott
110 W. 1st Street, Pueblo, 81003
2 p.m. & 6 p.m.

Wednesday, November 13th

Antler's Hilton
4 S. Cascade Ave., Colorado Springs, 80903
9 a.m. & 1 p.m.

FPPA Board of Directors

2013 - 2014

During the August 2013 board meeting the FPPA Board of Directors elected **Sue Eaton** as Board Chair. Sue has been on the board since 2009 and is the Human Resources Director with the City of Englewood. She fills the position on the board to represent Colorado municipal employers. At the same board meeting **Todd Bower** was chosen as FPPA Board Vice Chair. Todd fills the position on the board to represent full-time Colorado paid firefighters. He is currently a Deputy Chief with Denver Fire and has been an FPPA Board member since 2001.

Joining Sue Eaton and Todd Bower as current FPPA Board members are; **Jack Blumenthal** (Principal, Causey Demgen & Moore P.C.), **David L. Bomberger, CFA** (Chief Investment Officer, Pinnacol Assurance), **Manuel A. Esquibel** (City Manager, City of Brighton), **Pamela M. Feely** (President, District IV - West Metro Fire Rescue Board of Directors), **Nick Nuanes** (Retired Chief, Denver Fire), **Clifford W. Stanton** (Chief Research Officer & Portfolio Strategist, Investnet | Prima), and **Tyson Worrell** (Detective, Denver Police).



*Sue Eaton,
Chair*



*Todd Bower,
Vice Chair*



Jack Blumenthal



David Bomberger



Manuel A. Esquibel



Pamela M. Feely

Photo not available at time of publication.

Nick Nuanes



Cliff Stanton



Tyson Worrell

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 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](#)

FPPA is fortunate to be under the stewardship of dedicated board of directors both past and present. While the article above acknowledges the current FPPA Board of Directors there are several board members, FPPA staff would like to thank for their past service and contribution to the police officers and firefighters of Colorado.

We would like to recognize the following board members along with the number of years they served the members of FPPA; **Tim Nash**, former Greeley Finance Director, (4 1/2 years), **Lyle Hesalroad**, retired Denver Police Captain (7 years), **Kirk Miller**, active Denver Police Officer (7 years), **Monica Cortez-Sangster**, HR Director, Colorado Dept. of Personnel & Administration (10 years) and **Leo Johnson**, Trustee, West Metro Fire District. (10 years). [FPPA](#)

We are pleased to welcome the Englewood Police Department into the FPPA Defined Benefit System effective May 2013. Englewood is the 24th department to completed this process since legislation was enacted to permit reentry in 2003.

We are also pleased that we continue to receive inquiries from other departments interested in joining the Defined Benefit System. While we are very interested in speaking to prospective member and employer groups, the FPPA Communications Team is focusing its resources over the next several months on serving our existing membership and educating them about the upcoming statewide election regarding the member contribution rate to the Statewide Defined Benefit Plan. (See related election article on page 2.) For this reason, we are unable to accept invitations to conduct meetings on joining the FPPA Defined Benefit System as this time. We expect to resume the reentry meetings and discussions in the 2014-15 time frame.

Information about the plans offered under the FPPA DB System can be found at www.FPPAco.org, then click on the blue button on the left column for "benefits". [FPPA](#)

Thank You!

FPPA Staff Thanks These Former Board Members for Their Service to FPPA

FPPA Defined Benefit System

Welcome Englewood Police Officers.

GASB Information

Regarding the recent changes to the reporting standards from the Governmental Accounting Standards Board (GASB)

Now Available On Our Web Site

FPPAco.org/GASB

The Governmental Accounting Standards Board (GASB) is an independent, private sector, not-for-profit organization that sets standards for financial accounting and reporting. GASB has approved the following two new statements that change accounting rules for local governments providing pension benefits.

Statement No. 67 - Financial Reporting for Pension Plans

(Amending GASB Statement No. 25), details proposed standards for the financial statements of plans such as FPPA that administer the benefits.

Statement No. 68 - Accounting and Financial Reporting for Pensions

(Amending GASB Statement No. 27), details proposed standards that would apply to state and local governments that provide pension benefits through plans such as those administered by FPPA. This proposed standard will significantly change the financial reporting requirements of the employers participating in the FPPA Statewide Defined Benefit Plan, Statewide Hybrid – Defined Benefit Component, as well as the affiliated employers with local “old hire” or volunteer fire pension plans.

According to GASB, the objective of the new statements is to improve financial reporting by state and local governmental pension plans. The new standards were designed



to increase transparency and comparability among accounting for pension plans, and do not address how a government should go about funding the plans.

These changes are complex and critically important to employers. To help with the understanding of Statements No. 67 & 68 and to provide the most up-to-date information for the implementation of these reporting standards we have added a dedicated GASB web page to our current web site at FPPAco.org. Once there employers will find: detailed descriptions of the statements, links to helpful web sites including GASB, as well as presentations that have been given during recent FPPA Employer Summits. This dedicated web page will also be updated with additional information as it becomes available. **FPPA**

GFOA Award Given to FPPA

For The 2012 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, 2012. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. 2012 marks the 19th 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.

To view or print a copy of the FPPA Comprehensive Annual Financial Report, visit our web site at 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**

2013 Legislative Session

Several bills were passed by the legislature and signed into law by the Governor that may be of interest to our members.

SB13-234 ■ This bill affects the Old Hire Plans that are receiving state assistance. The legislature completed its statutory obligation to fund old hire plans by making a final payment of over \$132,000,000 in May 2013. This payment was made earlier than required under current law and brings to a close three decades of state assistance to fund the unfunded liabilities of old hire fire and police plans.

SB13-240 ■ This bill affects the Statewide Defined Benefit Plan. Amendments to the Plan are now effective upon approval by 65% of the members of the plan that participate in the election and by 50% of the employers that participate in the election.

SB13-80 ■ This bill affects the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. The legislation clarified that if an employer fails to enroll a police officer or firefighter in an FPPA plan, the plan shall not be liable for benefits.

SB13-011 ■ This bill affects all plans administered by FPPA. Colorado now permits persons to enter into civil unions. Persons entering into a civil union are treated as spouses for purposes of state law, including payment of benefits under pension plans and under the statewide death and disability plan. Specifically, civil union partners will be eligible for death benefits under the statewide death and disability plan. Federal law will affect how distributions are taxed under certain circumstances. The recent Supreme Court decision regarding DOMA and even more recent decisions by the IRS will also affect the taxation of benefits for persons entering into civil unions. FPPA will be releasing more information regarding these changes and their impacts. If you have an immediate concern, please contact FPPA or talk to your tax advisor.

2014 Proposed Legislation Summary

Legislation proposed by the FPPA Board to the Police Officers' and Firefighters' Pension Reform Commission for introduction in 2014:

Bill 1 ■ Concerning the administration and management of volunteer firefighter pension plans affiliated with FPPA

- Allows for direct distribution by DOLA of state assistance to volunteer firefighter pension plans to FPPA on behalf of FPPA affiliated plans.
- Enumerates the responsibilities of the FPPA and of the participating departments with regard to the administration and management of the volunteer firefighter pension plans affiliated with FPPA .

Bill 2 ■ Concerning Old Hire Pension Plans

- Modifies authority to purchase annuities to wind down an old hire plan.
- Repeals sections of the statute implementing state assistance to old hire plans.
- Ends level dollar employer contributions for state assisted plans which began in 1994. Beginning in 2015, requires that contributions be made in an amount determined as required by the plan's actuary.
- Clarifies that the amortization period for old hire plans not fully funded to not exceed the lesser of twenty years or the number of years equal to the average remaining life expectancy of the pension fund's members.
- Enumerates the responsibilities of the FPPA and of the participating departments with regard to the administration and management of the old hire pension plans affiliated with FPPA .

Study of the Volunteer Firefighter Pension System

FPPA is recommending that the Pension Reform Commission study the volunteer firefighter pension system in Colorado. **FPPA**

Legislative News



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FPPAco.org

(303) **770-3772** in metro Denver, (800) 332-3772 toll free nationwide
(303) 771-7622 fax

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Denver, CO
Permit #1442

Email or Regular Mail - You Get To Choose!

With this issue of the *Pension Check*, we emailed a link to view this newsletter on our website to Members who have provided us with their email address. Members can now also specify their preferred method for receiving all communications from FPPA.

Now 2 Ways To Let Us Know Your Mailing Preferences

1. Fill out a form - An *Email Address Form* may be found on our web site or request by phone to provide or change your email or regular address. On the form you may specify the delivery preferences of the “required” or “optional” correspondence from FPPA.

- **Required Communications** = Such as legislative notifications, the FPPA newsletter, and other important plan information that are deemed necessary and are considered required information. Certain required communications may be required to be sent by U.S. Mail. On the form you may select to receive “required” mail by;
 - Email (which is the default option if we have an email for you), or
 - Regular mail
- **Optional Communications** = Such as FPPA Seminar invitations, etc. and that are considered optional communication. On the form you may select to receive “optional” mail by;
 - Email (which is the default option if we have an email from you), or

- Regular mail, or
 - Opt out of any “optional” mailings all together.
- 2. The Member Account Portal (MAP)** Login to MAP and under your profile you can specify the communication delivery preferences as described above.

If you have not done so yet... sign up for MAP today!

Just a reminder, if you haven't already signed on to MAP yet - what are you waiting for? MAP is the fastest, secure access to your pension benefit information 24/7.

Active Members 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 have the ability to:

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

Try it out today! Visit FPPAco.org! **FPPA**