

FPPA PensionCHECK

A review of your retirement benefits.

Spring 2005

Statewide Election Now Underway!

For Members of
The Statewide
Defined Benefit Plan

The Statewide Money
Purchase Plan

and the
Newly Created

Statewide
Hybrid Plan

FPPA is currently conducting an election for all active Members in:

- the Statewide Defined Benefit (SWDB) Plan,
- the Statewide Money Purchase (SWMP) Plan,
- and the Statewide Hybrid Plan (SWH) Plan.

Who Votes

Members in all three plans will vote on the Creation of the Statewide Health Care Defined Benefit (SW Health Care) Plan. (Employers will not vote on this election item.)

Who Does Not Vote

Active and retired old hire Members of local pension plans and Members of local money purchase plans are unaffected by the election and will not participate. Additionally, retired Members already receiving benefits under the SWDB Plan do not vote, as their benefits will not change regardless of the outcome of this election.

Complete details will be furnished during the election to each member, but this article will give you an idea of what to expect at election time.

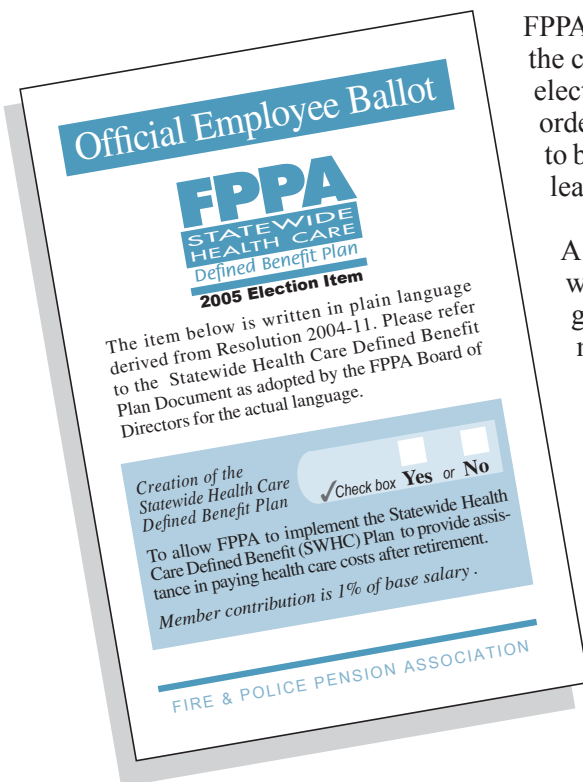
FPPA will be submitting to active plan members an election item involving the creation of the **Statewide Health Care Defined Benefit Plan**. The election is being held to determine whether the plan will be adopted. In order for the creation of the Statewide Health Care Defined Benefit Plan to become effective, it must be approved by an affirmative vote of at least 65% of **all eligible active plan Members**.

A sample ballot is shown on the left, so you can see in a general way what the item will be. At election time all active members will be given complete information on the election item, or you may read more about the election on our web site at www.FPPAco.org.

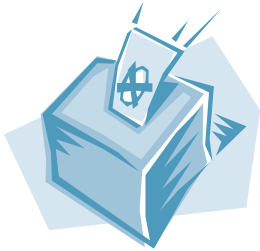
A plain language summary will be accompanied by the FPPA Board Resolution authorizing the Board to develop, maintain and amend a Statewide Health Care Defined Benefit Plan. We encourage you to visit the FPPA web site at www.FPPAco.org to obtain a copy of the Statewide Health Care Defined Benefit Plan Document and review specifics of the plan. The creation of the Statewide Health Care Defined Benefit Plan will require a member contribution of 1% of base salary. At this time, the target effective date of the plan implementation will be January 1, 2006.

sample ballot
for the election

continued on next page



Continued From
Page One



The member election will commence on February 10, 2005 and will conclude on March 12, 2005.

When you receive the official election materials, please read the explanation of the plan and decide if and how the proposed change may apply to your specific situation, and how the plan would be of value to you. Then decide how you want to vote.

All members are encouraged to exercise their right to vote on this item!

This is an important election because the plan will only be implemented if 65% of eligible members in all of the Statewide Plans vote in favor of adopting the plan. So, talk amongst yourselves, talk to other departments, and help spread the word to encourage your fellow firefighters & police officers to vote!



The following is a brief timeline of the election. Specific dates of when materials are due back to FPPA appear in the packets that have been mailed or distributed to all Employers.

2005 Statewide Health Care Defined Benefit Plan Election Timeline

<p>February 10 March 12</p>	<p>Voting materials mailed or picked up by Employers. Member election commences any time following receipt of materials and concludes on 30th day after postmark.</p>
<p>April</p>	<p>Employers certify and deliver election results to FPPA. FPPA Board certifies results of the Statewide Health Care Plan election and mails certification to Employers.</p>
<p>August</p>	<p>Employers submit governing bodies decisions whether or not to participate. <i>(If less than the majority of members from that department vote in favor.)</i> Final approval by FPPA Board.</p>
<p>January 1, 2006</p>	<p>Effective date of The Statewide Health Care Defined Benefit Plan (if passed).</p>

In the past, FPPA was required to provide all retirees with a Form 1099-R no later than January 31 of each year for tax purposes. Going forward, there is a new IRS mandate in place which no longer requires FPPA to provide a Form 1099-R to retirees having a taxable gross amount of zero (0), and have no taxes withheld from their account during the year.

If a retiree has a taxable gross amount greater than zero, or has chosen to have taxes withheld from their account during the year, they will continue to receive a Form 1099-R from FPPA. [FPPA](#)

New legislation [Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004] requires State and local government employers to provide a statement to employees hired January 1, 2005 or later for a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

Form SSA-1945 is the document that employers must use to meet the requirements of the law. The form explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset Provision can affect any possible Social Security benefit entitlement as a spouse or an ex-spouse.

A copy of the SSA-1945 is available on FPPA's website at www.FPPAco.org. If you have any questions about the form or the requirements for processing the form, please contact Charles Duran, FPPA Membership Accounting Supervisor, at (303) 770-3772 in the Denver metro area or (800) 322-3772 toll free statewide. [FPPA](#)

The following individuals 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 below, please have them contact FPPA immediately so that we might process their refund. [FPPA](#)

Member Name	Separated Service From
Richard A. Hartman	Haxtun Supplemental Police
Randolph S. Herrera	Aguilar Police
Shawn M. Holmes	Platteville Police
Darren L. Owen	Aguilar Police
John W. Padgett	Platteville Police
Craig T. Weaver	Woodmoor Monument Fire
Michael D. Mizer	Colorado Springs Police
Kevin D. Sproul	Cunningham Fire
Michael D. Valdez	Granada Police
Gary J. Vaughn	Colorado Springs Fire
John C. Castro	Wray Police
Robert D. Fleepup	Colorado Springs Fire
Scott C. Opie	Red White & Blue Fire
Vance A. Silvia	Castle Rock Fire
Patrick J. Starr	Denver Police

1099-R Forms

Not All Retirees May Continue To Receive An IRS 1099-R Form

SSA-1945 Form

For Employers of Members in the Statewide Defined Benefit Plan, Statewide Money Purchase Plan, or Statewide Hybrid Plan

Member Search

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



Optional Retiree Insurance Benefit Programs

The Gemini Group

The Gemini Group serves as FPPA's benefits consultant. The various benefits described below have been arranged through Gemini. You may call them at any time for information and advice at the phone numbers listed below. They can also assist you in the application process.

By identifying yourself as a member of FPPA, you will be directed to someone at Gemini familiar with the following line up of the programs offered.

AFLAC Supplemental Benefits

We have all seen the duck on TV representing the American Family Life Assurance Company of Columbus (AFLAC). Traditional insurance pays the health provider, the doctor, or hospital. AFLAC pays benefits directly to you. These benefits can be used to help reduce the financial impact of deductibles, co-pays, and other out-of-pocket expenses while recuperating from an accident or illness.

You may either call The Gemini Group direct or to join in a virtual telephone conference, with a personal AFLAC associate, and learn about all the programs and their costs, please send an email to: sheila_bailey@us.aflac.com or call 720-887-6232 and leave your name and phone number.

Vision Service Plan (VSP)

Effective April 1, 2004, VSP decreased their monthly insurance premium rates through March 31, 2006. They have also created a new plan that allows the frame frequency to not be affected by the purchase of contact lenses, and have begun using retail allowances when describing the in-network frame allowance.

Fortis Group Dental Plan

The Fortis Dental Plan continues to get excellent reviews from members! The plan offers true freedom of choice, you may go to any dentist you want, nationwide. There are two plans to choose from, and there is a PPO network of dentists available to save even more out of pocket expenses.

New!

Pharmacy Card

The ABACUS Series Rx program is designed to educate you on the use of generic and other low cost name drugs. Their website: www.Rxpharmacycard.com will help you find drugs in the same therapeutic class as a drug you may currently be taking. Most of all, this Plan is designed to save you money on your prescription drug costs.

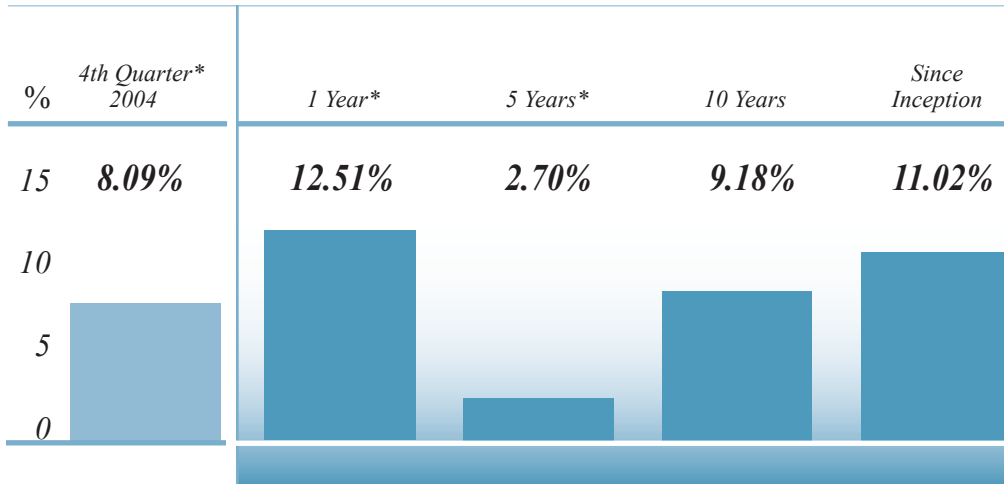
- No Claim Forms
- No Age Limit
- No Waiting Period
- No Deductible
- OVER 42,000 Pharmacies available

Group Plans

The Gemini Group offers several options for retirees seeking insurance solutions with either individual or group plans. Premiums for all group plans may be paid by a monthly payroll deduction from your FPPA retirement check.

To contact **The Gemini Group** call (303)893-0300 in the Denver Metro area or toll free (888)795-0300 nationwide, for an analysis of your needs, the options available to you, and on-line quotes.

You may also visit FPPA's web site at www.FPPAco.org to download a copy of the *Optional Retiree Insurance Benefit Programs Brochure*. Just click on the sidebar, Retiree Insurance. Once there click on the direct link to the Gemini Group to be connected directly to their web site. **FPPA**



FPPA Investment Returns

As of
December 31, 2004
Total Assets Were
\$2.62 Billion.

* For trailing 5 years, returns are gross of all fees; longer periods are net of private asset fees.

Many active members of
The Statewide Defined Benefit Plan, and The Statewide Hybrid Plan
found a note on their Annual Contribution Statement
requesting that they contact FPPA to designate a beneficiary.
The following information will help further explain this request.

FPPA Membership Form

Statewide Defined Benefit Plan Statewide Hybrid Plan

INSTRUCTIONS - When filling out this form, please type or print legibly in ink. When the form is complete, return it to FPPA at the address above. You may want to keep a copy for your records. Check one box below.

NEW MEMBER - Complete the entire form.
 CHANGES ONLY - Complete Part A below and any other information you wish to change.
 CHANGES ONLY - Complete Part A below and any other information you wish to change.

REMINDER - You and your witness must sign and date the back of this form for it to become effective.

PART A - GENERAL INFORMATION

Last Name _____ First Name _____ Middle Initial _____ Social Security # _____
 Male Female Marital Status: Single Married
 Address _____ City _____ State _____ Zip _____ Date of Birth _____/_____/_____
 (Area Code) Home Phone Number _____ Area Code _____ Work Phone _____ Email address _____
 Spouse's Name _____ Spouse's Date of Birth _____/_____/_____

PART B - HIRING EMPLOYER

Employer _____ Name of your new employer _____ town or distric _____
 Hire Date _____/_____/_____
 Gross Salary Per Month _____
 Rank/Position _____ Average number of hours per week _____
 Police Fire
 Full Time Full Time Clerical Part Time

PART C - BENEFICIARY DESIGNATION

This section is used only for benefits payable under the Statewide Defined Benefit (SWDB) Plan or the Statewide Hybrid (SWH) Plan-Defined Benefit Component for benefits payable upon death prior to retirement eligibility.

If this form is being submitted and indicates a change in Part C-Beneficiary Designation, the Member hereby elects to revoke any previous designated beneficiary and elects to make a designation as indicated.

In the future, you may revoke this form and designate a different beneficiary by completing and delivering to FPPA another Membership Form with the Beneficiary Designation section completed.

Designated Beneficiary of your SWDB or SWH Plan: _____ If you die while an active member and leave no surviving spouse or dependent children, the benefits will be paid to the designated beneficiary or to the estate of the member. If you die while an active member and leave no surviving spouse or dependent children, the benefits will be paid to the designated beneficiary or to the estate of the member.
 continued on back

New Form For Beneficiary Designation

For Members of

- The Statewide Defined Benefit Plan, and
- The Statewide Hybrid Plan

FPPA has created a new *Statewide Defined Benefit & Statewide Hybrid Plan Membership Form* which now includes Part C – Beneficiary Designation.

This will better serve Members of the Statewide Defined Benefit & Statewide Hybrid Plans in the following situations:

1. Any active member who dies and leaves no surviving spouse or dependent children who are eligible for benefits under the Statewide Death and Disability Plan.
2. Any inactive vested member who dies prior to distribution of benefits.
3. Any active member who is eligible for a Normal Retirement and not participating in DROP.

This form is available by calling the FPPA office at (800) 332-3772 or from the web site, www.FPPAco.org. If you have questions when completing this form, please contact the FPPA Benefits Division. **FPPA**

Tools & Resources From Fidelity®

For Members of

The 457 Deferred Compensation Plan

The Statewide Money Purchase Plan

The Statewide Hybrid Plan - Money Purchase Component

Local Money Purchase Plans Affiliated with FPPA

and The DROP Plan

You don't need to be invested with Fidelity Investments® in order to access and enjoy the advantages of the www.fidelity.com/atwork web site.

However the Fidelity NetBenefitsSM link from the "At Work" section of the website is reserved for those FPPA members who are in the plans listed above.

tools & resources are just a click away

www.fidelity.com/atwork and Fidelity NetBenefits® have a broad range of planning tools and learning resources to help you manage various aspects of your personal finances. It's easy, convenient, and makes planning and managing your retirement as simple as possible.

how do I learn about saving? *e-Learning* workshops offer education that's tailored to help you meet your retirement savings goals. These interactive workshops can help you: manage your retirement savings more effectively, plan your financial future, and make more informed retirement investing decisions.

how will saving affect my paycheck? Looking for some easy tools to help you evaluate how much you can save, explore the *Take Home Pay Calculator*. This will give you some insight into how a pre-tax contribution effects your pay check. There are several opportunities to maximize your contributions and those of your employer. The *Contribution Limit Calculators* determine how much you are allowed to save towards your retirement plan for a specific year.



how much should I invest?

The *Fidelity Contribution Calculator* illustrates how your investments may grow over time. Adjust your contributions and see how a change affects your overall retirement savings.

The *Tax-Deferred Investment Growth Calculator* provides useful scenarios to help you determine what you could accumulate in your workplace savings plan over time. Based on your own assumptions, including salary, contribution amount, rate of return, time period, and existing balance, you now can see how your investments can grow over time.

am I making smart investment decisions?

Fidelity PortfolioPlanner Portfolio Review® helps you analyze your current assets and create a diversified investment strategy. Adjust your investment plan according to your lifestyle.

will my money last? When entering retirement, your expenses and income will change. Learn more about your likely expenses and how your income will cover those expenses throughout retirement. *Retirement Income Planner*, in NetBenefitsSM, provides a very detailed plan including all income sources, detailed expenses, investment strategies, and withdrawal options. Understand what you will need to achieve the lifestyle you want in retirement.

As you plan for retirement, access to valuable information is essential. Go on line and experience the ease and convenience of NetBenefits at www.fidelity.com/atwork. It makes sense to see how it can help you today as you prepare for tomorrow. Or call a Fidelity Retirement Services Specialist Monday - Friday, 6:00 am to 10:00 pm Mountain Standard Time at (800) 343-0860. **FPPA**

Below are listed the 2005 Annual Contribution Limits for the FPPA 457 Deferred Compensation Plan as well as the Statewide Money Purchase Plan and local money purchase plans. **FPPA**

FPPA 457 Deferred Compensation Plan

Contribution Limits

Annual Contribution Limit	
Year	Limit
2005	\$14,000
2006	\$15,000

The limit will be indexed for inflation in \$500 increments after 2006.

Catch-up Contribution Limits for Members Age 50 and Older

Catch Up Contribution Limit	
Year	Limit
2005	\$4,000
2006	\$5,000

The limit will be indexed for inflation in \$500 increments after 2006.

As an alternative to the age 50 catch-up, a FPPA 457 plan participant is eligible to defer up to twice the contribution limit in effect for the 3 years preceding the employee's normal retirement age.

New Annual Contribution Limits

For Members of

The 457 Deferred Compensation Plan

The Statewide Money Purchase Plan

The Statewide Hybrid Plan - Money Purchase Component

and

A Local Money Purchase Plan



Statewide Money Purchase Plan, Statewide Hybrid Plan - Money Purchase Component and local money purchase plans

2005 Contribution Limits

The annual limit on total employee and employer contributions to a participant's money purchase plan account is the lesser of \$42,000 or 100% of compensation.

The limit will be indexed for inflation in \$1,000 increments after 2005.

Due to Senate Bill 04-198, the responsibilities of administering the State Matching Funds program for Volunteer Fire Department Pension Plans has shifted from FPPA to the Colorado Department of Local Affairs (DOLA). This means that the calculation and distribution process for these funds are now be handled by DOLA.

Questions regarding this process should be directed to:

Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203
(303) 866-2156

Or by visiting their web page specifically for:

Volunteer Firefighter Pension State Contribution and Statewide Accidental Death & Disability Insurance at www.dola.state.co.us/LGS/FA/VFP.htm **FPPA**

Volunteer Fire Pension Funds

Receiving Statewide Matching Funds

www.FPPAco.org

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

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

PRESORTED
FIRST-CLASS MAIL
US POSTAGE

PAID
Denver, CO
Permit #1442

return
service
requested

In This Issue

- 1 Statewide Election Now Underway!
- 3 1099-R Forms
- 3 SSA-1945 Form
- 3 Member Search
- 4 Optional Retiree Insurance Benefit Programs
- 5 FPPA Investment Returns
- 5 New Form For Beneficiary Designation
- 6 Tools & Resources From Fidelity
- 7 New Annual Contribution Limits
- 7 Volunteer Fire Pension Funds
- 8 Upcoming Seminar

Upcoming Seminar

Mark your calendar
for this event...

*it is one of our
most popular
seminars!*

Retirement: Who saw this coming?



FPPA Pre-Retirement Planning Seminar

Saturday • April 9th

Denver Police
Protective Association
Event Center

Registration and Continental Breakfast 8:30 - 9 am • Seminar 9 am - 3:45 pm
(There will be a no host lunch break from 11:15am - 12:30 pm.)

If you are within 10 years of retirement, this seminar is for you. From Social Security issues to financial and long-term care planning, you'll walk away with the most up-to-date retirement information available.

For more information about this seminar, call Rory Mammen at the phone numbers listed above, or log on to www.fppaco.org and click on the *Calendar* page. **FPPA**