

Statewide Defined Benefit Plan



The Statewide Defined Benefit Plan covers all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978.

As of August 5, 2003, this plan may also cover full-time clerical staff and other personnel employed by a Fire Protection District, Fire Authority, or a County Improvement District.

Basic Plan Structure

Members covered by the Statewide Defined Benefit Plan may receive a monthly lifetime benefit upon meeting the eligibility requirements for retirement.

The following types of retirement are available under the Statewide Defined Benefit Plan: normal, early, vested or deferred. A member may be eligible for any of these types of retirement only if the member is covered by the Statewide Defined Benefit Plan and has met the eligibility requirements to qualify for retirement. If a member terminates service before retirement benefit eligibility, the member may qualify for a refund of contributions.

Eligibility Requirements

If an employer covers its members under the Statewide Defined Benefit Plan, participation begins as of date of hire assuming contributions are properly remitted to FPPA.

Statewide Defined Benefit Plan

Normal Retirement

Requirements

25 years of service and age 55

Calculation

A 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. The benefit is based on the average of the highest 3 years' base salary*. The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retires on or after July 1. The chart below shows the estimated percentage factor used to calculate the retirement benefit at each age and for each year of service.

Payment

Retirement and Separate Retirement Account (SRA) benefits, if any, are payable immediately once the Retirement Application is approved by FPPA. The member may choose to defer receipt of SRA benefits until as late as April 1st of the calendar year following the year in which the member turns age 70½. See page 9 for more SRA information.

Years of Service	Age at Retirement										
	50	51	52	53	54	55	56	57	58	59	60+
5	6.43	7.01	7.65	8.36	9.14	10.00	10.00	10.00	10.00	10.00	10.00
6	7.72	8.42	9.19	10.03	10.97	12.00	12.00	12.00	12.00	12.00	12.00
7	9.01	9.82	10.72	11.70	12.79	14.00	14.00	14.00	14.00	14.00	14.00
8	10.29	11.22	12.25	13.38	14.62	16.00	16.00	16.00	16.00	16.00	16.00
9	11.58	12.63	13.78	15.05	16.45	18.00	18.00	18.00	18.00	18.00	18.00
10	12.87	14.03	15.31	16.72	18.28	20.00	20.00	20.00	20.00	20.00	20.00
11	14.48	15.78	17.22	18.81	20.56	22.50	22.50	22.50	22.50	22.50	22.50
12	16.09	17.54	19.14	20.90	22.85	25.00	25.00	25.00	25.00	25.00	25.00
13	17.69	19.29	21.05	22.99	25.13	27.50	27.50	27.50	27.50	27.50	27.50
14	19.30	21.04	22.96	25.08	27.42	30.00	30.00	30.00	30.00	30.00	30.00
15	20.91	22.80	24.88	27.17	29.70	32.50	32.50	32.50	32.50	32.50	32.50
16	22.52	24.55	26.79	29.26	31.99	35.00	35.00	35.00	35.00	35.00	35.00
17	24.13	26.31	28.70	31.35	34.27	37.50	37.50	37.50	37.50	37.50	37.50
18	25.74	28.06	30.62	33.44	36.55	40.00	40.00	40.00	40.00	40.00	40.00
19	27.34	29.81	32.53	35.53	38.84	42.50	42.50	42.50	42.50	42.50	42.50
20	28.95	31.57	34.45	37.62	41.12	45.00	45.00	45.00	45.00	45.00	45.00
21	30.56	33.32	36.36	39.71	43.41	47.50	47.50	47.50	47.50	47.50	47.50
22	32.17	35.07	38.27	41.80	45.69	50.00	50.00	50.00	50.00	50.00	50.00
23	33.78	36.83	40.19	43.89	47.98	52.50	52.50	52.50	52.50	52.50	52.50
24	35.39	38.58	42.10	45.98	50.26	55.00	55.00	55.00	55.00	55.00	55.00
25	37.00	40.34	44.01	48.07	52.55	57.50	57.50	57.50	57.50	57.50	57.50
26	38.60	42.09	45.93	50.16	54.83	60.00	60.00	60.00	60.00	60.00	60.00
27	40.21	43.84	47.84	52.25	57.12	62.50	62.50	62.50	62.50	62.50	62.50
28	41.82	45.60	49.75	54.34	59.40	65.00	65.00	65.00	65.00	65.00	65.00
29	43.43	47.35	51.67	56.43	61.69	67.50	67.50	67.50	67.50	67.50	67.50
30	45.04	49.10	53.58	58.52	63.97	70.00	70.00	70.00	70.00	70.00	70.00
31	46.65	50.86	55.50	60.61	66.25	72.50	72.50	72.50	72.50	72.50	72.50
32	48.26	52.61	57.41	62.70	68.54	75.00	75.00	75.00	75.00	75.00	75.00
33	49.86	54.37	59.32	64.79	70.82	77.50	77.50	77.50	77.50	77.50	77.50
34	51.47	56.12	61.24	66.88	73.11	80.00	80.00	80.00	80.00	80.00	80.00
35	53.08	57.87	63.15	68.97	75.39	82.50	82.50	82.50	82.50	82.50	82.50
36	54.69	59.63	65.06	71.06	77.68	85.00	85.00	85.00	85.00	85.00	85.00
37	56.30	61.38	66.98	73.15	79.96	87.50	87.50	87.50	87.50	87.50	87.50
38	57.91	63.13	68.89	75.24	82.25	90.00	90.00	90.00	90.00	90.00	90.00
39	59.52	64.89	70.80	77.33	84.53	92.50	92.50	92.50	92.50	92.50	92.50
40	61.12	66.64	72.72	79.42	86.82	95.00	95.00	95.00	95.00	95.00	95.00
41	62.73	68.40	74.63	81.51	89.10	97.50	97.50	97.50	97.50	97.50	97.50
42	64.34	70.15	76.55	83.60	91.39	100.00	100.00	100.00	100.00	100.00	100.00

Normal Retirement
 Early Retirement
 Vested Retirement

Notes Final calculations are made based on the total years and months of service earned. Chart may not reflect the payout option selected by the member.

*Base Salary is defined in FPPA Rule 101.05. The FPPA Rules & Regulations may be viewed at FPPAco.org.

Statewide Defined Benefit Plan

Vested Retirement

Requirements

5 years of service - payable at age 55

Calculation

A 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. The benefit is based on the average of the highest 3 years' base salary*. The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retires on or after July 1.

Payment

Retirement benefits are payable at age 55. Providing a member is vested, the Separate Retirement Account (SRA), if any, is available following a member's separation of service and once the Retirement Application is approved by FPPA. The member may choose to defer receipt of SRA benefits until as late as April 1st of the calendar year following the year in which the member turns age 70½. See page 9 for more SRA information.

Early Retirement

Requirements

30 years of service OR age 50

Calculation

A 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. The benefit is based on the average of the highest 3 years' base salary*. The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retired on or after July 1.

The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the early receipt of the benefit.

Payment

The reduced retirement benefit and the Separate Retirement Account (SRA) benefits, if any, are payable immediately once the Retirement Application is approved by FPPA. However, you may choose to defer receipt of SRA benefits until as late as April 1st of the calendar year following the year in which the member turns age 70½. See page 9 for more SRA information.

*Base Salary

Base Salary generally includes base rate of pay plus longevity and shift differential if applicable.

The complete definition of Base Salary may be found in FPPA Rule 101.05. The FPPA Rules & Regulations may be viewed at FPPAco.org

Statewide Defined Benefit Plan

Deferred Retirement (Applies to a Normal or Vested Retirement)

Payment

Members who qualify for a Normal or Vested Retirement, may defer the receipt of their Defined Benefit Pension to as late as age 65 and receive the actuarial equivalent of the benefit. The Separate Retirement Account (SRA), if any, is available immediately upon separation of service and once the Retirement Application has been approved by FPPA. However, a member may choose to defer receipt of SRA benefits until as late as April 1st of the calendar year following the year in which the member turns age 70 1/2. See page 9 for more information.

The percentage in the chart below is applied to the member's defined benefit amount, not the member's HAS.

Deferred Retirement Actuarial Equivalence Factors
Age at Benefit Commencement

	55	56	57	58	59	60	61	62	63	64	65
55	100.00%	109.54%	120.13%	131.91%	145.02%	159.64%	175.99%	194.30%	214.85%	237.98%	264.07%
56		100.00%	109.67%	120.41%	132.38%	145.73%	160.66%	177.37%	196.14%	217.25%	241.07%
57			100.00%	109.80%	120.71%	132.89%	146.49%	161.74%	178.85%	198.10%	219.81%
58				100.00%	109.94%	121.03%	133.42%	147.30%	162.89%	180.42%	200.20%
59					100.00%	110.09%	121.36%	133.99%	148.16%	164.11%	182.10%
60						100.00%	110.24%	121.71%	134.59%	149.08%	165.42%
61							100.00%	110.41%	122.09%	135.23%	150.05%
62								100.00%	110.58%	122.48%	135.91%
63									100.00%	110.77%	122.91%
64										100.00%	110.96%
65											100.00%

Example

If a member's Normal or Vested retirement benefit was equal to \$1,000.00 per month if paid at age 55; and he/she elected to defer receipt of that benefit until age 60; the deferred benefit amount would be \$1,596.40 per month, payable at age 60. ($\$1,000.00 \times 159.64\% = \$1,596.40$)

The chart above is for illustrative purposes only and shows some of the factors used to calculate a deferred retirement. There is a separate factor for each age, specific to both the year and the month. Tables may be revised periodically. If you select a deferred retirement, your benefit will be determined by the exact tables and factors in effect at the time you begin to receive your benefit.

Statewide Defined Benefit Plan

Payment Options

All Statewide Defined Benefit Plan retirement benefits are calculated using the average of the highest 3 years' base salary. A member does not elect the payment options until shortly before the benefit is paid to ensure that the beneficiary and payment option factors are accurate.

Normal Option

The retiree receives a full, unreduced pension benefit for their life. No monthly benefits are paid to a beneficiary following the retiree's death. However, if at the time of the member's death, they have not recouped in pension payments the amount of the member contributions (including all funds paid in to purchase service credit), the remaining funds plus 5% as interest would be paid to the member's beneficiary or estate as a lump sum.

Option 1 100% Survivor Benefits

Under Option 1, a reduced normal, deferred, early or vested retirement pension will be paid from the effective date of the retiree's retirement or later in the case of a deferred retirement. The reduced pension will continue for the life of the retiree. Upon the death of the retiree, the same reduced pension will be paid to the retiree's designated beneficiary for life.

If a member elects a non-spouse beneficiary who is significantly younger than the member, certain restrictions may prohibit the election of this payment option or may require an additional calculation to be made in order to comply with US Treasury Regulations. Please contact FPPA for more information.

The table below* can be used to estimate the benefit amount anticipated if Option 1 is elected.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.842	0.831	0.819	0.807	0.794	0.781	0.768	0.754	0.740	0.726	0.711
	46	0.846	0.835	0.823	0.811	0.799	0.786	0.772	0.759	0.745	0.730	0.716
	47	0.850	0.839	0.828	0.816	0.803	0.790	0.777	0.764	0.750	0.735	0.721
	48	0.855	0.844	0.832	0.820	0.808	0.795	0.782	0.769	0.755	0.740	0.726
	49	0.859	0.848	0.837	0.825	0.813	0.800	0.787	0.774	0.760	0.746	0.731
	50	0.864	0.853	0.842	0.830	0.818	0.806	0.793	0.779	0.766	0.751	0.737
	51	0.869	0.858	0.847	0.835	0.823	0.811	0.798	0.785	0.771	0.757	0.742
	52	0.873	0.863	0.852	0.841	0.829	0.817	0.804	0.791	0.777	0.763	0.748
	53	0.878	0.868	0.857	0.846	0.834	0.822	0.810	0.797	0.783	0.769	0.754
	54	0.883	0.873	0.862	0.851	0.840	0.828	0.816	0.803	0.789	0.775	0.761
	55	0.888	0.878	0.868	0.857	0.846	0.834	0.822	0.809	0.796	0.782	0.767
	56	0.893	0.883	0.873	0.862	0.851	0.840	0.828	0.815	0.802	0.788	0.774
	57	0.897	0.888	0.878	0.868	0.857	0.846	0.834	0.822	0.809	0.795	0.781
	58	0.902	0.893	0.884	0.874	0.863	0.852	0.840	0.828	0.815	0.802	0.788
	59	0.907	0.898	0.889	0.879	0.869	0.858	0.847	0.835	0.822	0.809	0.795
	60	0.911	0.903	0.894	0.885	0.875	0.864	0.853	0.841	0.829	0.816	0.803
	61	0.916	0.908	0.899	0.890	0.880	0.870	0.859	0.848	0.836	0.823	0.810
62	0.921	0.913	0.904	0.896	0.886	0.876	0.866	0.855	0.843	0.831	0.818	
63	0.925	0.917	0.909	0.901	0.892	0.882	0.872	0.861	0.850	0.838	0.825	
64	0.929	0.922	0.914	0.906	0.897	0.888	0.878	0.868	0.857	0.845	0.833	
65	0.933	0.927	0.919	0.911	0.903	0.894	0.885	0.875	0.864	0.853	0.840	

Example of Option 1 - The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years' base salary is \$50,000.00 per year.
- **\$50,000.00 X 57.5% = \$28,750.00 annually;**
- **\$28,750.00 X .878 = \$25,242.50 or \$2,103.54 monthly**

* The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

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Option 2 50% Survivor Benefits

Under Option 2, a reduced normal, deferred, early or vested retirement pension will be paid from the effective date of the retiree's retirement or later in the case of a deferred retirement. The reduced pension will continue for the life of the retiree. Upon the death of the retiree, one-half of the same reduced pension will be paid to the retiree's designated beneficiary for life.

The table below* can be used to estimate the benefit amount anticipated if Option 2 is elected.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.914	0.907	0.900	0.893	0.885	0.877	0.869	0.860	0.851	0.841	0.831
	46	0.917	0.910	0.903	0.896	0.888	0.880	0.872	0.863	0.854	0.844	0.834
	47	0.919	0.913	0.906	0.898	0.891	0.883	0.875	0.866	0.857	0.847	0.838
	48	0.922	0.915	0.909	0.901	0.894	0.886	0.878	0.869	0.860	0.851	0.841
	49	0.924	0.918	0.911	0.904	0.897	0.889	0.881	0.873	0.864	0.854	0.845
	50	0.927	0.921	0.914	0.907	0.900	0.892	0.884	0.876	0.867	0.858	0.848
	51	0.930	0.924	0.917	0.910	0.903	0.896	0.888	0.879	0.871	0.862	0.852
	52	0.932	0.926	0.920	0.913	0.906	0.899	0.891	0.883	0.874	0.865	0.856
	53	0.935	0.929	0.923	0.917	0.910	0.902	0.895	0.887	0.878	0.869	0.860
	54	0.938	0.932	0.926	0.920	0.913	0.906	0.898	0.890	0.882	0.873	0.864
	55	0.941	0.935	0.929	0.923	0.916	0.909	0.902	0.894	0.886	0.877	0.868
	56	0.943	0.938	0.932	0.926	0.920	0.913	0.906	0.898	0.890	0.882	0.873
	57	0.946	0.941	0.935	0.929	0.923	0.916	0.909	0.902	0.894	0.886	0.877
	58	0.949	0.944	0.938	0.933	0.926	0.920	0.913	0.906	0.898	0.890	0.882
	59	0.951	0.946	0.941	0.936	0.930	0.924	0.917	0.910	0.902	0.894	0.886
	60	0.954	0.949	0.944	0.939	0.933	0.927	0.921	0.914	0.907	0.899	0.891
	61	0.956	0.952	0.947	0.942	0.936	0.931	0.924	0.918	0.911	0.903	0.895
62	0.959	0.954	0.950	0.945	0.940	0.934	0.928	0.922	0.915	0.907	0.900	
63	0.961	0.957	0.953	0.948	0.943	0.937	0.932	0.925	0.919	0.912	0.904	
64	0.963	0.959	0.955	0.951	0.946	0.941	0.935	0.929	0.923	0.916	0.909	
65	0.966	0.962	0.958	0.954	0.949	0.944	0.939	0.933	0.927	0.920	0.913	

Example of Option 2

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years' base salary is \$50,000.00 per year.

- **\$50,000.00 X 57.5% = \$28,750.00 annually;**
- **\$28,750.00 X .935 = \$26,881.25 or \$2,240.10 monthly**

* The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

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Option 3 50% Last Survivor Benefits

Under Option 3, a reduced normal, deferred, early or vested retirement pension will be shared by the retiree and their named beneficiary. Upon the death of either the retiree or the designated beneficiary, one-half of the same reduced pension will be paid to the survivor for life.

The table below* can be used to estimate the benefit amount anticipated if Option 3 is elected at retirement.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.928	0.921	0.913	0.905	0.896	0.887	0.878	0.868	0.859	0.848	0.838
	46	0.933	0.925	0.917	0.909	0.900	0.891	0.882	0.872	0.863	0.852	0.842
	47	0.937	0.929	0.921	0.913	0.904	0.895	0.886	0.877	0.867	0.857	0.846
	48	0.941	0.934	0.926	0.918	0.909	0.900	0.891	0.881	0.871	0.861	0.850
	49	0.946	0.939	0.931	0.922	0.914	0.905	0.896	0.886	0.876	0.866	0.855
	50	0.951	0.944	0.936	0.927	0.919	0.910	0.901	0.891	0.881	0.871	0.860
	51	0.957	0.949	0.941	0.933	0.924	0.915	0.906	0.896	0.887	0.876	0.866
	52	0.962	0.955	0.947	0.938	0.930	0.921	0.912	0.902	0.892	0.882	0.871
	53	0.968	0.961	0.953	0.944	0.936	0.927	0.918	0.908	0.898	0.888	0.877
	54	0.975	0.967	0.959	0.951	0.942	0.933	0.924	0.914	0.904	0.894	0.883
	55	0.982	0.974	0.966	0.957	0.949	0.940	0.931	0.921	0.911	0.901	0.890
	56	0.989	0.981	0.973	0.965	0.956	0.947	0.938	0.928	0.918	0.908	0.897
57	0.996	0.988	0.980	0.972	0.963	0.954	0.945	0.935	0.925	0.915	0.904	
58	1.004	0.996	0.988	0.980	0.971	0.962	0.953	0.943	0.933	0.923	0.912	
59	1.012	1.004	0.996	0.988	0.979	0.970	0.961	0.951	0.941	0.931	0.920	
60	1.020	1.012	1.004	0.996	0.987	0.978	0.969	0.959	0.949	0.939	0.928	
61	1.029	1.021	1.013	1.005	0.996	0.987	0.978	0.968	0.958	0.948	0.937	
62	1.038	1.030	1.022	1.014	1.005	0.996	0.987	0.977	0.967	0.957	0.946	
63	1.047	1.039	1.031	1.023	1.014	1.005	0.996	0.986	0.976	0.966	0.955	
64	1.057	1.049	1.041	1.033	1.024	1.015	1.006	0.996	0.986	0.976	0.965	
65	1.067	1.059	1.051	1.043	1.034	1.025	1.016	1.006	0.996	0.986	0.975	

Example of Option 3

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years' base salary is \$50,000.00 per year.

- $\$50,000.00 \times 57.5\% = \$28,750.00$ annually;
- $\$28,750.00 \times .968 = \$27,830$ or $\$2,319.17$ monthly

* The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

Statewide Defined Benefit Plan

Option 4 100% Survivor Benefits with the “Pop-Up” Provision

Under Option 4, a reduced normal, deferred, early or vested retirement pension will be paid from the effective date of the retiree’s retirement or later in the case of a deferred retirement. The reduced pension will continue for the life of the retiree. Upon the death of the retiree, the same reduced pension will be paid to the retiree’s designated beneficiary for life. However, if the designated beneficiary dies before the retiree, the reduced pension benefit “pops-up” or reverts to the Normal Option effective with the first day of the month following the date of the death of the beneficiary.

If a member elects a non-spouse beneficiary who is significantly younger than the member, certain restrictions may prohibit the election of this payment option or may require an additional calculation to be made in order to comply with US Treasury Regulations. Please contact FPPA for more information.

The table below* can be used to estimate the benefit amount anticipated if Option 4 is elected.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.837	0.826	0.814	0.802	0.789	0.777	0.763	0.750	0.736	0.722	0.707
	46	0.841	0.830	0.818	0.806	0.794	0.781	0.768	0.754	0.740	0.726	0.711
	47	0.845	0.834	0.822	0.810	0.798	0.785	0.772	0.758	0.745	0.730	0.716
	48	0.849	0.838	0.826	0.815	0.802	0.789	0.776	0.763	0.749	0.735	0.720
	49	0.853	0.842	0.831	0.819	0.807	0.794	0.781	0.768	0.754	0.740	0.725
	50	0.857	0.846	0.835	0.823	0.811	0.799	0.786	0.772	0.759	0.745	0.730
	51	0.861	0.851	0.839	0.828	0.816	0.803	0.791	0.777	0.764	0.750	0.735
	52	0.865	0.855	0.844	0.832	0.821	0.808	0.796	0.782	0.769	0.755	0.740
	53	0.870	0.859	0.848	0.837	0.825	0.813	0.801	0.788	0.774	0.760	0.746
	54	0.874	0.864	0.853	0.842	0.830	0.818	0.806	0.793	0.779	0.766	0.751
	55	0.878	0.868	0.858	0.847	0.835	0.823	0.811	0.798	0.785	0.771	0.757
	56	0.882	0.873	0.862	0.851	0.840	0.828	0.816	0.804	0.791	0.777	0.763
57	0.887	0.877	0.867	0.856	0.845	0.834	0.822	0.809	0.796	0.783	0.769	
58	0.891	0.881	0.871	0.861	0.850	0.839	0.827	0.815	0.802	0.789	0.775	
59	0.895	0.886	0.876	0.866	0.855	0.844	0.833	0.820	0.808	0.795	0.781	
60	0.899	0.890	0.881	0.871	0.860	0.849	0.838	0.826	0.814	0.801	0.787	
61	0.903	0.894	0.885	0.875	0.865	0.855	0.843	0.832	0.820	0.807	0.794	
62	0.907	0.898	0.890	0.880	0.870	0.860	0.849	0.838	0.826	0.813	0.800	
63	0.911	0.903	0.894	0.885	0.875	0.865	0.854	0.843	0.832	0.819	0.806	
64	0.915	0.907	0.898	0.889	0.880	0.870	0.860	0.849	0.838	0.826	0.813	
65	0.918	0.911	0.903	0.894	0.885	0.875	0.865	0.855	0.844	0.832	0.819	

Example of Option 4

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years’ base salary is \$50,000.00 per year.

- **\$50,000.00 X 57.5% = \$28,750.00 annually;**
- **\$28,750.00 X .870 = \$25,012.50 or \$2,084.38 monthly**

* The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

Statewide Defined Benefit Plan

Option 5 50% Survivor Benefits with the “Pop-Up” Provision

Under Option 5, a reduced normal, deferred, early or vested retirement pension will be paid from the effective date of the retiree’s retirement or later in the case of a deferred retirement. The reduced pension will continue for the life of the retiree. Upon the death of the retiree, one-half of the same reduced pension benefit will be paid to the retiree’s beneficiary for life. However, if the beneficiary dies before the retiree, the reduced pension benefit “pops-up” or reverts to the Normal Option effective with the first day of the month following the date of the death of the beneficiary.

The table below* can be used to estimate the benefit amount anticipated if Option 5 is elected at retirement.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.911	0.905	0.898	0.890	0.882	0.874	0.866	0.857	0.848	0.838	0.828
	46	0.914	0.907	0.900	0.893	0.885	0.877	0.869	0.860	0.851	0.841	0.831
	47	0.916	0.909	0.902	0.895	0.888	0.880	0.871	0.863	0.854	0.844	0.834
	48	0.918	0.912	0.905	0.898	0.890	0.882	0.874	0.866	0.857	0.847	0.837
	49	0.921	0.914	0.908	0.900	0.893	0.885	0.877	0.869	0.860	0.850	0.841
	50	0.923	0.917	0.910	0.903	0.896	0.888	0.880	0.872	0.863	0.854	0.844
	51	0.925	0.919	0.913	0.906	0.899	0.891	0.883	0.875	0.866	0.857	0.847
	52	0.928	0.922	0.915	0.909	0.901	0.894	0.886	0.878	0.869	0.860	0.851
	53	0.930	0.924	0.918	0.911	0.904	0.897	0.889	0.881	0.873	0.864	0.854
	54	0.933	0.927	0.921	0.914	0.907	0.900	0.892	0.884	0.876	0.867	0.858
	55	0.935	0.929	0.923	0.917	0.910	0.903	0.896	0.888	0.880	0.871	0.862
	56	0.937	0.932	0.926	0.920	0.913	0.906	0.899	0.891	0.883	0.874	0.865
	57	0.940	0.934	0.929	0.923	0.916	0.909	0.902	0.895	0.887	0.878	0.869
58	0.942	0.937	0.931	0.925	0.919	0.912	0.905	0.898	0.890	0.882	0.873	
59	0.944	0.939	0.934	0.928	0.922	0.915	0.909	0.901	0.894	0.886	0.877	
60	0.947	0.942	0.937	0.931	0.925	0.919	0.912	0.905	0.897	0.889	0.881	
61	0.949	0.944	0.939	0.934	0.928	0.922	0.915	0.908	0.901	0.893	0.885	
62	0.951	0.947	0.942	0.936	0.931	0.925	0.918	0.912	0.904	0.897	0.889	
63	0.953	0.949	0.944	0.939	0.933	0.928	0.922	0.915	0.908	0.901	0.893	
64	0.955	0.951	0.946	0.941	0.936	0.931	0.925	0.918	0.912	0.904	0.897	
65	0.957	0.953	0.949	0.944	0.939	0.934	0.928	0.922	0.915	0.908	0.901	

Example of Option 5

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years’ base salary is \$50,000.00 per year.

- **\$50,000.00 X 57.5% = \$28,750.00 annually;**
- **\$28,750.00 X .930 = \$26,737.50 or \$2,228.13 monthly**

* The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

Separate Retirement Account (SRA)

Description

The SRA is made up of excess employer contributions that are not needed to fund the Statewide Defined Benefit Plan in a given year. Each year an actuarial study is conducted to determine the contribution rate necessary to fully fund the current and projected benefits. To the extent the contribution level is determined to be less than the required contribution rate (which is higher for the reentry group) the Board may, but is not required to, allocate any or all of the excess employer contribution for the coming year to the SRA. The SRA is invested in the FPPA Members' Benefit Investment Fund and subject to the earnings and losses of the fund until a member distributes or transfers the balance of his or her SRA upon retirement or entry into DROP.

Reentry SRA

It was previously mentioned that reentry members have a higher contribution rate. As a result their SRA has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Therefore, the reentry SRA could not be used if the SWDB Plan was actuarially unsound. The standard SRA would be used for that purpose. The reentry SRA would be used to correct any deficiencies in the cost of participation for the reentry members only.

Payments

The SRA is available for distribution upon approval for a normal, vested, early or deferred retirement. Payment options include a lump sum or a member may choose to convert all or a portion of their SRA to a "monthly lifetime benefit" which may include a survivor benefit and a benefit adjustment. The "conversion to a monthly benefit" option must be elected prior to any distribution from the Statewide Defined Benefit Plan.

Transfers

Alternatively, the SRA is available for transfer to the Fire and Police Members' Self-Directed Investment Fund at any time after retirement or entry into DROP. Transfers to the Self-Directed Investment Fund (FPPA SRA account) are irrevocable. Accounts within the FPPA Self Directed Investment Fund may be subject to certain fees. Distributions from this account are established with the record keeper for the fund (currently Fidelity Investments) and may include lump sum, periodic payments, a combination, or the purchase of a monthly life time benefit or an annuity.

Safeguards

The collective Separate Retirement Accounts attributable to the standard contribution rate make up the Stabilization Reserve Account. If the SWDB plan becomes actuarially unsound (not able to pay its accrued liabilities amortized over a 40 year period), the Board may use all or a portion of the active member balances in the Separate Retirement Accounts to fund the defined benefit plan. Funds could not be used from the reentry or the retired member's SRAs. For purposes of this provision a member participating in DROP is considered retired.

There are additional safeguards that can be engaged if the SWDB plan became actuarially unsound. Examples include, increasing the retirement age incrementally up to as high as age 60 or decreasing the future benefit accruals (i.e. reducing the 2.5% for service years after 10 years to 2.0% for future service accruals).

The plan is currently actuarially sound and no changes to the retirement age or benefits are anticipated at this time under current plan assumptions.

Factors that affect whether the plan is actuarially unsound include actual market returns, expected future rates of return, and actuarial assumptions. Such actuarial assumptions include mortality estimates and experience, salary improvements, and inflation.

Statewide Defined Benefit Plan

Deferred Retirement Option Plan (DROP)

Requirements

In order to enter DROP, the member must meet one of the following criteria:

- be eligible for normal retirement (at least 25 years of service **and** age 55); or
- be vested (5 - 24 years of service **and** age 55); or
- be eligible for early retirement (at least 30 years of service **or** age 50).

Instead of terminating employment and receiving retirement benefits, a member could choose to participate in the DROP and continue employment for a maximum of five years. A written agreement between the member and the employer is required. While participating in the DROP, a member earns no additional service credit toward retirement. There are also no further contributions made to a member's SRA.

Calculation

During this period of time, the member's retirement benefits as well as employee contributions are paid into a DROP account. The member directs the investment of his/her DROP account in any of the investment options offered by FPPA. Currently FPPA offers a variety of investment options through Fidelity Investments (the record keeper).

Payment

At the end of the DROP period, the member ceases employment and receives the amount accumulated in the DROP account. Payments from the DROP account may be paid as periodic payments, a lump sum, or a member could choose to convert all or a portion of the DROP account to "a monthly lifetime benefit" which may include a survivor benefit and a benefit adjustment. The "conversion to a monthly benefit" option must be elected prior to the first distribution from the Statewide Defined Benefit Plan.

The member's DROP payments are in addition to the benefits paid from the Statewide Defined Benefit Plan and the SRA.

Benefit Adjustment (formerly referred to as COLA)

Benefit adjustments are not guaranteed and are determined annually by the FPPA Board of Directors based on the most recent actuarial study. The amount of the benefit adjustment can be 0% to 3%, or the greater of the Consumer Price Index (CPI) per year. Benefit adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1. Any benefit adjustment increases, when awarded, are effective October 1.

Plan Contribution Rates

Statewide Defined Benefit Plan - Member Contribution Rate Implementation Schedule

Effective January 1 of Year	Mandatory Member Contribution Rate	Mandatory Employer Contribution Rate	Total Combined Member and Employer Contribution Rate
2015	8.5%	8.0%	16.5%
2016	9.0%	8.0%	17.0%
2017	9.5%	8.0%	17.5%
2018	10.0%	8.0%	18.0%
2019	10.5%	8.0%	18.5%
2020	11.0%	8.0%	19.0%
2021	11.5%	8.0%	19.5%
2022	12.0%	8.0%	20.0%

Statewide Defined Benefit Plan Reentry Members

At the time a department reentered the SWDB Plan - contribution rates for Reentry members* and employers were negotiated locally and submitted by resolution to FPPA.

The 1/2% per year increase in the contribution rate (as determined by the Member Contribution Election of 2014) is attributed only to the Member.

*Reentry rates apply only to those members of a reentry department who were active in the plan at the time the reentry took place and who elected to participate in the Statewide Defined Benefit Plan.

Statewide Defined Benefit Plan

Beneficiary Election

Members may change beneficiaries any time prior to retirement by contacting FPPA. A named beneficiary may be eligible for certain limited benefits if a member dies prior to retirement depending on circumstances, as provided in the Colorado Revised Statutes and the FPPA Rules and Regulations. At retirement, members re-confirm their beneficiary election. If a member should die prior to normal retirement eligibility, benefits may be paid according to the provisions of the Statewide Death & Disability Plan.

Refunds

Non-Vested

If a member terminates employment and has less than 5 years of service credit, the member's contributions plus 5% as interest may be refunded. If a refund is chosen, SRA monies and all employer contributions are forfeited.

Vested

If a member terminates employment and has more than 5 years of service credit, the member's contributions plus 5% as interest may be refunded in lieu of electing a retirement benefit. If a refund is chosen, SRA monies and all employer contributions are forfeited.

Purchasing Service Credit

FPPA members having prior public employment with a non-FPPA employer, employment with a private employer or military service may be eligible to purchase service credit under the Statewide Defined Benefit Plan if certain conditions are met.

After one year with current department, eligible to purchase:

- Any public service time for which you are not eligible for a retirement benefit,
- Up to five years of military time for which you are not eligible for a retirement benefit, or for which you were not eligible to submit pension contributions under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

After five years of continuous service credit in the plan with the same employer, eligible to purchase:

- Up to five years of private employment for which you are not eligible for a retirement benefit.

Additional points:

- Once eligible, purchase(s) can be made throughout career but must be completed prior to retirement and/or entry into the DROP.
- The cost changes as you age and as your base salary changes.
- A calculator to estimate the cost may be found on the FPPA website FPPAco.org.
- Factors used to determine the cost of purchasing service credit may be revised periodically.



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This plain language document is intended for informational purposes only. Official interpretations or determinations are based upon the statutes and rules and regulations which govern this plan.