

**Colorado State Statutes mandate participating employers and covered employees contribute to FPPA. This section describes the contribution requirements and the reporting processes for the retirement plans, the Statewide Death & Disability Plan and IRS 457(b) Deferred Compensation Plan administered by FPPA.**

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**A. Contributions at a Glance**

<b>SWDB</b>				
<b>Statewide Defined Benefit Plan Member Contribution Rate Implementation Schedule</b>				
	<b>Effective January 1 of Year</b>	<b>Mandatory Member Contribution Rate</b>	<b>Mandatory Employer Contribution Rate</b>	<b>Total Combined Member and Employer Contribution Rate</b>
	2022	12.00%	9.00%	21.00%
	2023	12.00%	9.50%	21.50%
	2024	12.00%	10.00%	22.00%
	2025	12.00%	10.50%	22.50%
	2026	12.00%	11.00%	23.00%
	2027	12.00%	11.50%	23.50%
	2028	12.00%	12.00%	24.00%
	2029	12.00%	12.50%	24.50%
	2030	12.00%	13.00%	25.00%

  

<b>SWDB - Reentry</b>				
<b>Statewide Defined Benefit Plan Reentry Members</b>				
<p>For departments who re-entered the SWDB Plan - contribution rates for Reentry members* and employers were negotiated locally and submitted by resolution to FPPA.</p> <p>The 0.5% per year increase in the Member contribution rate (as determined by the Member Contribution Election of 2014) is fully implemented in 2022. Legislation effective January 1, 2021 instituted a 5% Employer contribution increase over a 10 year period at 0.5% per year</p> <p><i>*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. If you have questions on who this change applies to, please contact the FPPA Contribution Specialist assigned to your account.</i></p>				

  

		<b>Total Mandatory Contribution Rate</b>	<b>Mandatory Employer Contribution Rate</b>	<b>Mandatory Member Contribution Rate</b>
<b>SWH-DB&amp;MP</b>	<b>Statewide Hybrid Plan - Defined Benefit and Money Purchase Component</b> (Contribution rates for individual departments may be higher than the required 16 percent.)	<b>16%</b>	<b>8% Minimum</b>	<b>8% Minimum</b>
<b>SWH-MP Only</b>	<b>Statewide Hybrid Plan - Money Purchase Component Only</b> (Contribution rates for individual departments may be higher than the required 16 percent.)	<b>16%</b>	<b>8% Minimum</b>	<b>8% Minimum</b>
<b>SWMP</b>	<b>Statewide Money Purchase Plan</b>	<b>16%</b>	<b>8% Minimum</b>	<b>8% Minimum</b>

chart continues

SWDB-SS		Statewide Defined Benefit Plan - Supplemental Social Security Component Member and Employer Contribution Rate Implementation Schedule		
	Effective January 1 of Year	Mandatory Member Contribution Rate	Mandatory Employer Contribution Rate	Total Combined Member & Employer Contribution Rate
	2022	6.00%	4.50%	10.50%
	2023	6.00%	4.75%	10.75%
	2024	6.00%	5.00%	11.00%
	2025	6.00%	5.25%	11.25%
	2026	6.00%	5.50%	11.50%
	2027	6.00%	5.75%	11.75%
	2028	6.00%	6.00%	12.00%
	2029	6.00%	6.25%	12.25%
	2030	6.00%	6.50%	12.50%
			<b>Total Mandatory Contribution Rate</b>	<b>Mandatory Employer Contribution Rate</b>
<b>SWD&amp;D-SS</b>	<b>Statewide Death &amp; Disability Plan for Members of Affiliated Social Security Employers</b>		<b>3.2%</b> <i>Effective 1/1/22 - 12/31/22</i>	<i>Varies by employer</i>
<b>CoSprgs Police</b>	<b>Colorado Springs New Hire Pension Plan – Police Component</b>  (Colorado Springs New Hire Pension Plan contribution rates may vary based on the funding status and are reviewed and adjusted annually.)			<b>\$11,083,307</b> <i>Effective 1/1/22</i>  <b>8%</b>
<b>CoSprgs Fire</b>	<b>Colorado Springs New Hire Pension Plan – Fire Component</b>  (Colorado Springs New Hire Pension Plan contribution rates may vary based on the funding status and are reviewed and adjusted annually.)			<b>\$5,695,924</b> <i>Effective 1/1/22</i>  <b>10%</b>
<b>SWD&amp;D</b>	<b>Statewide Death &amp; Disability Plan</b>		<b>3.2%</b> <i>Effective 1/1/22 - 12/31/22</i>  <b>Total Mandatory Contribution Rate</b>	<b>Contribution Rate Varies by Employer</b>  (It is a local decision as to whether the contribution is paid by the member, the employer or split between the member and the employer. Contribution rates may vary and are reviewed and can be adjusted each year)
	<b>FPPA ‘Multi-Employer’ 457 Deferred Compensation Plan</b>	There are no mandatory contribution rates. The maximum annual contribution limits change. For current annual contribution limits, please refer to the FPPA website		

## B. Retirement Plan Contributions

### SWDB

#### 1. Statewide Defined Benefit Plan (SWDB)

The total combined member/employer contribution rate follows the chart above. The mandatory member contribution rate increased at 0.5% per year until 2022 for a total of a 12 percent member contribution. Beginning in 2021, the employer contribution increased at 0.5% per year and will continue until 2030 for a total of a 13% employer contribution.

**One exception applies, for departments who entered the FPPA Defined Benefit System after January 1, 2004.**

- a. For members who were active in a local money purchase plan or the SWMP Plan prior to and at the time of a department's reentry into the FPPA Defined Benefit System, there is an additional continuing rate of contribution set between 0.2% - 4% to the SWDB plan as determined by the reentry resolution. The minimum mandatory employer and member contribution rates follow the chart above and increased 0.5% per year until 2022 for member and will increase 0.5% per year until 2030 for employer. The member contributions may contain an after-tax component as detailed in the reentry resolution that includes the impact of increased member contributions through 2022. The split of the additional contribution due may vary by department.
- b. For members hired after a department's entry into the FPPA Defined Benefit System, the contribution rate for members and employers follows the chart above.

#### PLEASE NOTE

Legislation was passed in 2010 allowing the FPPA Board to increase the member contribution rate for the Statewide Defined Benefit Plan if certain requirements were met. Refer to C.R.S. 31.31.408 (1.5) (a)

Legislation was passed in 2020 allowing the FPPA Board to increase the employer contribution rate for the Statewide Defined Benefit Plan if certain requirements were met. Refer to C.R.S 31.31.402 (a) (b)

### SWH-DB&MP

#### 2. Statewide Hybrid Plan – Defined Benefit & Money Purchase Component (SWH – DB and MP)

The minimum combined member/employer contribution rate is 16 percent of the member's pensionable earnings (8 percent member and 8 percent employer). The allocation of contributions between the Defined Benefit Component and the Money Purchase Component is determined annually by the FPPA Board.

Some departments have voted to increase the minimum mandatory contributions above 16 percent. Increased mandatory contributions are pre-tax. Any active member and employer may make voluntary contributions to the plan by payroll deduction. These voluntary contributions are post-tax.

### SWH-MP Only

#### 3. Statewide Hybrid Plan – Money Purchase Component Only (SWH – MP)

The minimum combined member/employer contribution rate is 16 percent of the member's pensionable earnings (8 percent member and 8 percent employer).

Some departments have voted to increase the minimum mandatory contributions above 16 percent. Increased mandatory contributions are pre-tax. Any active member and employer may make voluntary contributions to the plan by payroll deduction. These voluntary contributions are post-tax.

### SWMP

#### 4. Statewide Money Purchase Plan (SWMP)

The minimum combined member/employer contribution rate is 16 percent of the member's pensionable earnings (8 percent member and 8 percent employer).

Some departments have voted and submitted a resolution to increase the minimum mandatory contributions above 16 percent. Increased mandatory contributions are pre-tax. Any active member and employer may make voluntary contributions to the plan by payroll deduction. These voluntary contributions are post-tax.

**SWDB-SS**

**5. Statewide Defined Benefit Plan - Supplemental Social Security Component (SWDB – SS Component)**

The total combined member/employer contribution rate follows the chart above. The mandatory member contribution rate increased at 0.25% per year until 2022 for a total of a 6% member contribution. The employer contribution rate increased at 0.25% per year beginning in 2021 and will continue through 2030 for a total of a 6.5% employer contribution.

**CoSprgs Police**

**6. Colorado Springs New Hire Pension Plan – Police Pension Plan (CSNHPP – Police)**

Members contribute 8% of the pensionable earnings. The employer shall make contributions in an amount sufficient to fund the plan in an actuarially sound manner. Employer contributions shall not be less than the member contributions.

**Rule 3.02.b of the Colorado Springs New Hire Pension Plan Rules & Regulations states:**

The Board shall have the authority to establish the funding rate as it determines to be appropriate to eliminate or reduce any current or anticipated underfunding of the Fund. The Board may consider actuarial reports and any other information in establishing the funding rate. In the Resolution, the Employer shall specify how much of the required rate of contribution is to be paid by the Employer and how much shall be made by the Member.

**CoSprgs Fire**

**7. Colorado Springs New Hire Pension Plan – Fire Pension Plan (CSNHPP – Fire)**

Members shall contribute 10 percent of pensionable earnings. The employer shall make contributions in an amount sufficient to fund the plan in an actuarially sound manner. Employer contributions shall not be less than the member contributions.

**Rule 3.02.b of the Colorado Springs New Hire Pension Plan Rules and Regulations states:**

The Board shall have the authority to establish the funding rate as it determines to be appropriate to eliminate or reduce any current or anticipated underfunding of the Fund. The Board may consider actuarial reports and any other information in establishing the funding rate. In the Resolution, the Employer shall specify how much of the required rate of contribution is to be paid by the Employer and how much shall be made by the Member.

**SWD&D**

**C. Statewide Death & Disability Plan Contributions (SWD&D)**

**For a member hired by their current employer prior to January 1, 1997**, contributions to the SWD&D Plan were funded by the State of Colorado. No contributions are made to FPPA for these members.

**For a member hired by their current employer on or after January 1, 1997**, who is eligible for coverage under the SWD&D Plan, contributions are due at the rates published on the website and approved by the FPPA Board. The FPPA Board may adjust the contribution rate every year by two tenths of one percent (or .2) based on an annual actuarial valuation.

If a member originally hired prior to January 1, 1997, quits and then rehires after that date, contributions must now be made for the SWD&D Plan for that member.

It is a local decision as to whether the contribution is paid by the member, the employer or split between the member and the employer. If the employer pays the contribution, it is submitted pre-tax on behalf of the member. If the member pays any portion, it may be submitted pre-tax or post-tax.

**Rule 101.14 of the FPPA Rules and Regulations defines salary as:**

Salary, for the purpose of calculating the contribution to the Statewide Death & Disability Plan required by Section 31-31-811 (4), Colorado Revised Statutes, as amended, means base salary as defined in Rule 101.05, except that for Members who are not enrolled in the Statewide Defined Benefit Plan or the Statewide Money Purchase Plan, salary shall include Member contributions to any alternative retirement plan which are “picked up” by the employer. Contributions to the Statewide Death & Disability Plan, as required by C.R.S. 31-31-811(4), are made by Members or on behalf of Members.

SWD&D Plan contributions must be submitted on a member’s pensionable earnings. If a member takes a leave of absence, D&D contributions must be submitted on the full pensionable earnings prior to the leave, or the employer may elect not to continue coverage.

**For a member that works with two employers concurrently and is covered by the SWD&D Plan by both employers:**

**Rule 408.04 of the FPPA Rules and Regulations states:**

Contributions are required on all employment that qualifies for participation in the SWD&D plan, including situations where a member works for two employers concurrently. However, if a member becomes ineligible for coverage based on employment with one employer, the member is ineligible for coverage under the other employer.

**SWD&D Plan contributions paid to FPPA cease for members eligible for normal retirement benefits under the following plans:**

- The Statewide Defined Benefit Plan
- The Statewide Hybrid Plan - Defined Benefit and Money Purchase Component
- The Colorado Springs New Hire Pension Plan – Police and Fire Components
- The Supplemental Social Security Plan, or
- Members who have reached age 55 with 25 years of accumulated service and are participants under the Statewide Money Purchase Plan, the Statewide Hybrid Plan - Money Purchase Component Only, or under a local money purchase plan.

FPPA tracks member eligibility in SWD&D Plan and will contact the Employer when a member reaches eligibility for normal retirement and would no longer be required to contribute to the SWD&D Plan.

**D. Reinstatement of Employment Following a Temporary Occupational Disability**

If a temporary occupational disability ceases to exist and the member is restored to active service with the member’s employer, a transfer of funds will be made from the SWD&D Plan to the member’s retirement plan. The amount transferred up to 16 percent of the monthly pensionable earnings that the member was being paid at the time of disability retirement, multiplied by the number of months the member received temporary occupational disability benefits.

**E. FPPA ‘Multi-Employer’ 457 Deferred Compensation Plan (457 DC)**

This is a supplemental, voluntary retirement savings plan offered to public employees. Employers or employees, through salary reductions, can contribute up to the maximum limits. There are no mandatory contribution rates. The maximum annual limits change. For current annual contribution limits, please refer to the FPPA website.

Also, see Section 10 of the Employer Guide, FPPA ‘Multi-Employer’ 457 Deferred Compensation Plan for more detailed information on the plan.

## F. Reporting Contributions

There are two ways for employers to report contributions to FPPA through the FPPA Employer Portal:

1. Via a file transmitted into the secure employer portal found on the FPPA website. This method is preferred by FPPA and strongly recommended for employers with 50 or more reporting lines.
2. To update member data manually within the secure employer portal.

Contributions to plans administered by FPPA are due ten days following the date of payment of salary to the member. Employers must submit the required contribution funding and the contribution report in order to be processed and received timely.

Payments are subject to a late interest charge if not submitted when due. The late interest charge is calculated at a daily rate of one-half of one percent per month on the delinquent amount. (C.R.S., 31-31-402 (4)).

For more information on reporting contributions, please refer to the Employers section on FPPA's website or call FPPA at (303) 770-3772 or (800) 332-3772.

## G. Options for Payment of Contributions to FPPA

1. **ACH Debit Transactions:** This is the best option for payment of contributions. This allows FPPA to initiate an ACH Debit Transaction which will transfer funds, for payment of contributions, from the employer's bank account to FPPA's account.

To use ACH Debit Transactions, contact FPPA's Contributions Team to receive an Electronic Funds Transfer Authorization Agreement. Once this agreement form is completed and returned to FPPA, ACH Debit Transactions can begin. Upon receipt of your report, FPPA will activate the ACH Debit Transaction for the amount that is reported by the employer, and the money will be taken out of the employer's bank account.

2. **Wire or ACH Credit Transfer of Funds:** An alternative method of payment is Wire or ACH Credit Transaction. This method requires that the employer contact their bank when the employer is ready to initiate a transfer of funds, for payment of contributions, to FPPA. Contact FPPA's Contributions Team to receive FPPA bank routing information.

The difference between a Wire or ACH Credit Transaction and an ACH Debit Transaction is that the employer initiates a Wire or ACH Credit Transaction at their bank, whereas FPPA initiates ACH Debit Transactions from the FPPA bank.

## H. Taxability of Member Contributions

Mandatory member contributions to FPPA are tax-deferred for both state and federal income tax purposes. The employer should deduct the mandatory member contribution from the member's pensionable earnings and then calculate state and federal tax on the net.

When preparing the W-2 for the member, the amount reported as "Total Wages, Tips and Other Compensation" should be the gross pay less the FPPA deductions and less any other tax-deferred deductions the member may have for the year.

Departments in the Statewide Money Purchase Plan or the Statewide Hybrid Plan may have voted to increase the mandatory contributions; if so, all member mandatory contributions are also submitted pre-tax. Any voluntary contributions are submitted after-tax.

Members making elective deferrals to the **Traditional FPPA 457 Plan** are on a pre-tax basis. Members making elective deferrals to the **FPPA 457 Roth Option** are on an after-tax basis.

For additional details on taxability of member contributions, refer to the IRS website (IRS.gov) and search for the instructions on preparing W-2 forms.



## I. Pensionable Earnings (Base Salary) Definitions

Pensionable Earnings (Base Salary) is defined in the FPPA Rules and Regulations and individual plan documents. These may be found in their entirety here - [FPPAco.org/governing.html](https://www.fppa.org/governing.html)

Other information and reference documents about Pensionable Earnings are maintained on the FPPA website and can be located here - [FPPAco.org/base-salary.html](https://www.fppa.org/base-salary.html)

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*This document is intended to be a plain language overview of FPPA administered plans and procedures. It should be used in conjunction with the applicable FPPA Rules and Regulations, plan documents and the Colorado Revised Statutes. Alone, this guide can only be considered a summary and not a comprehensive reference to retirement, disability and survivor benefits provided by FPPA. This plain language document is intended for informational purposes only. Official interpretations or determinations are based upon the applicable plan documents, the Colorado Revised Statutes, and FPPA Rules and Regulations that govern the plan.*