



FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (“FPPA”) **FALL 2020**

NOTICE OF PLAN DOCUMENT AMENDMENTS AND AMENDMENTS TO RULES AND REGULATIONS OF THE STATEWIDE DEFINED BENEFIT PLAN, STATEWIDE DEATH AND DISABILITY PLAN, STATEWIDE HYBRID PLAN, STATEWIDE MONEY PURCHASE PLAN AND MULTI-EMPLOYER 457 DEFERRED COMPENSATION PLAN BY THE FIRE AND POLICE PENSION ASSOCIATION

On October 15, 2020, the Fire and Police Pension Association (“FPPA”) held a public rule-making hearing to consider amendments to the Statewide Defined Benefit Plan Document, amendment of Rules & Regulations, and amendments to plan documents, which include certain new rules, amendments and the repeal of certain rules.

A description of the subjects and issues involved in the adopted amendments to the **Statewide Defined Benefit Plan Document**, the **FPPA Rules and Regulations** for the **Statewide Defined Benefit (SWDB) Plan**, the **Statewide Death & Disability (SWD&D) Plan**, the **Statewide Hybrid (SWH) Rules and Plan Document**, the **Statewide Money Purchase (SWMP) Plan Document**, and the **FPPA Multi-Employer 457 Deferred Compensation Plan** are as follows:

Amendments regarding:

- Adding and amending rules to define “Department Chief” to mean the senior command officer of any fire or police department of any employer, by whatever title known, including but not limited to chief, administrator, director, sheriff or marshal, and clarifying references to Department Chief throughout the rules and plan documents
- Amending rules to clarify the definition of “Designated Beneficiary” to comply with the definition under federal law
- Adding rules to define “Employer” to mean any municipality or sheriff’s office offering police or fire protection service and any special district, fire authority, or county improvement district offering fire protection service
- Adding rules to define “Employer Statewide Defined Benefit Excess Contribution Account” to mean Employer contributions in excess of required contributions, to clarify that the accounts reside in the Statewide Hybrid Plan – Money Purchase Component, and to amend references to “accounts” to include this account, where necessary
- Adding rules to define “Member Statewide Defined Benefit Plan Excess Contribution Account” to mean the amount of member pre-tax or post-tax contributions in excess of the required member contributions, to clarify that the account may have sub-accounts for member pre-tax and post-tax excess contributions, to clarify that the accounts reside within the Statewide Hybrid Plan - Money Purchase Component, and to amend references to “accounts” to include this account, where necessary
- Adding a rule to define “New Hire Benefits Account” as referenced in § 31-31-402(5)(a), C.R.S., as amended, to mean the account into which contributions made shall be deposited for the benefits provided by the Statewide Defined Benefit Plan and from which the expenses of administering the plan are paid
- Amending rules to clarify the meaning of “Normal Retirement”, “normal option”, “normal payment option”, “payment option” and “survivor option”
- Adding rules to define “Self-Directed Plans Committee” to mean a committee designated by the FPPA Board to review, evaluate and monitor the self-directed assets in FPPA Plans, and to describe its responsibilities and structure as referred to throughout rules and plan documents
- Amending rules and plan documents and adding rules to comply with the recently enacted federal law, Setting Every Community Up for Retirement Enhancement Act (“SECURE Act”)
- Amending rules and plan documents to clarify when a Department Chief may be exempted from participating in the FPPA Defined Benefit System, how member and employer contributions for exempt Department Chiefs are returned to Employers, how exempt Department Chiefs may elect a vested pension under the FPPA Defined Benefit System before electing to be covered by any alternate plan, and when an exempt Department Chief may be covered under the Statewide Death and Disability Plan
- Amending rules and plan documents and adding rules to comply with recently enacted statutory amendments in HB20-1044 concerning modifications to the pension plans administered by the Fire and Police Pension Association,



including annual contributions to old hire police officers' and firefighters' pension funds; employer and member contributions to the Statewide Defined Benefit Plan, when the FPPA Board may increase contribution rates and reassess continuing rates of contribution, the combined age and service for eligibility for an unreduced normal retirement pension benefit, eligibility for a vested pension benefit; modifications to the function of and allocation of funds in the stabilization reserve account; the establishment of separate retirement accounts in the nature of a defined contribution account subject to self-direction, how earnings and losses are allocated to the separate retirement accounts; how and when Members are eligible for distributions, participation, and coverage; the administration of domestic relations orders; and contribution rates and funding in the Statewide Death and Disability Plan

- Amending rules on service credit and vesting to clarify when and under what circumstances service credit may be reinstated or purchased for FPPA plans, and whether money received for service credit purchased may be considered when making allocations to a Member Statewide Defined Benefit Plan Excess Contribution Account
- Amending rules to add SIMPLE IRA's as eligible retirement plans from which Members may roll funds into FPPA Plans
- Amending rules to clarify that an employer is required to make corresponding employer contributions for restored member contributions when a member has returned to work from an authorized military leave of absence
- Amending rules to clarify that the designation of a Member's spouse as a beneficiary remains in effect until revoked by the Member, notwithstanding a change in the Member's marital status, and that a member must direct FPPA to remove a spouse joint annuitant due to a change in marital status, notwithstanding provisions for revocation under the Colorado Probate Code
- Amending rules to provide that members who have an established account may transfer eligible retirement funds from a non-FPPA eligible retirement plan into their Fire and Police Members' Self-Directed Investment Fund account through a plan-to-plan transfer
- Amending rules to clarify when a member may elect a refund of member contributions, what pension benefits are forfeited when a member elects a refund of member contributions, and that a refund of member contributions is not available to a member if the member has elected a distribution from a member's separate retirement account
- Amending rules to clarify that a member who has qualified for a permanent occupational or total disability pension is 100% vested in the member's separate retirement account, and that in the event a member dies while on a military leave of absence, any remaining funds in a separate retirement account will be distributed to the member's designated beneficiary listed on the separate retirement account in the Fire and Police Members' Self-Directed Investment Fund
- Amending rules for the administration and vesting of members' separate retirement accounts, to provide for FPPA to transfer members' separate retirement accounts to the Fire and Police Members' Self-Directed Investment Fund on or after January 1, 2021, and to remove provisions requiring FPPA to distribute members' separate retirement accounts
- Amending rules to clarify that the employer must consent to the member's continued employment after the DROP period
- Amending rules to clarify that when a member who has retired from service within the FPPA Defined Benefit System, who has participated in DROP and who does not terminate service at the end of the DROP period and remains working for the same employer, and then returns to work, that the member's separate retirement account will remain in the Fire and Police Members' Self-Directed Investment Fund, and to clarify how separate retirement account allocations and continuing rate of contribution allocations are restored to the Statewide Defined Benefit Plan
- Amending rules to clarify that evidentiary hearings after an initial disability or staff determination are a new consideration of both questions of fact and issues of law, and a review by the FPPA Board is an appellate review
- Amending rules to clarify statutory references to payment option 3 for disability survivors' benefits
- Amending rules to clarify that when a member has reached eligibility for a normal retirement based upon age and service, with service aggregated from both the Statewide Hybrid Plan and the Statewide Defined Benefit Plan, the member will remain eligible for coverage under the Statewide Death and Disability Plan until reaching age 55 with 25 years of service in the defined benefit pension plan in which the member is enrolled at the time of reaching eligibility for a normal retirement

- Amending rules to clarify that an application for a change in status of a disability retiree must be completed within 90 days from the date FPPA first receives any part of the application packet, and that if the application is not completed within 90 days, or before the expiration of the five-year period for temporary occupational disability, FPPA will treat the application as having been withdrawn
- Amending rules to provide that members complete the Statewide Standard Health History Form without the involvement of employers
- Amending rules to clarify Social Security employer affiliations with FPPA plans, and to change references to the Revised Statewide Defined Benefit Social Security Supplemental Plan to Statewide Defined Benefit Plan - Social Security Supplemental Component
- Amending rules on employers affiliating with FPPA plans in the FPPA Defined Benefit System
- Amending rules to change references to the Legacy SWDB – SS Plan, to the Pre-2007 SWDB SS Plan
- Amending rules for the election of coverage under the Statewide Death and Disability Plan for employers who have members in established exempt money purchase plans
- Amending rules to clarify how the continuing rate of contribution is determined for employers electing coverage under the FPPA Defined Benefit System for members of a local money purchase plan, the Statewide Money Purchase Plan, or Social Security plans
- Adding rules to clarify that if an affiliating department has voted to disaffiliate from the Colorado Retirement Association (CRA), the affiliating department is not required to conduct an election to affiliate with FPPA plans
- Amending rules to clarify that any certified copy of a domestic relations order concerning the division of pension benefits administered by FPPA shall be submitted within 90 days of the later of the final order or entry of the permanent orders regarding the division of pension benefits administered by FPPA
- Amending rules requiring FPPA to transfer members' DROP assets of old hire plans on or after January 1, 2021, to the Fire and Police Members' Self-Directed Investment Fund; and removing the transfer requirements after the January 2021 transfer occurs
- Amending rules to clarify that FPPA's recordkeeper keeps the accounting records for members' self-directed accounts, and to clarify the FPPA Board's requirement to provide investment alternatives for members' self-directed accounts
- Repealing rules providing for administration of old hire DROP assets not subject to self-direction
- Amending the Statewide Hybrid Rules to add the definitions of Member Statewide Defined Benefit Plan Excess Contribution Account and Employer Statewide Defined Benefit Excess Contribution Account, and adding these accounts and related subaccounts to the definition of "Accounts" in the MP Component
- Amending the Statewide Hybrid Rules to include the Employer Statewide Defined Benefit Excess Contribution Account in the accounts included under the definition of "Forfeiture"
- Amending the Statewide Hybrid Plan employer affiliation rules to include eligible employers other than those who have established a local money purchase plan
- Amending the Statewide Hybrid Plan vesting rules and plan document for the MP Component to remove the provisions concerning the process of calculating an offset to disability retirement benefit, and to add statutory references
- Amending and repealing rules of the Statewide Hybrid Plan concerning domestic relations orders to be consistent with those rules in the FPPA Rules and Regulations
- Amending the Statewide Money Purchase Plan document to include how an offset of a Member's permanent occupational, total disability or survivor benefit is calculated using a member's account balance
- Amending the definition of "Plan" in plan documents, to mean the Plan as amended and restated from time to time
- Amending the plan documents adding sections to comply with recently enacted federal law, the Coronavirus Aid, Relief and Economic Security Act of 2020 ("CARES Act")



A description of the subjects and issues involved in the amendments to the **Colorado Springs New Hire Pension (CSNHPP) Plan Rules and Regulations** are as follows:

Amendments regarding:

- Amending rules to clarify the definition of “Designated Beneficiary” to comply with the definition under federal law
- Amending rules to add SIMPLE IRA’s as eligible retirement plans from which Members may roll funds into FPPA Plans
- Amending rules and adding rules to comply with the recently enacted federal law, Setting Every Community Up for Retirement Enhancement Act (“SECURE Act”)
- Amending rules to identify that a member’s DROP account resides in the Fire and Police Members’ Self-Directed Investment Fund
- Amending rules to clarify that on or after January 1, 2021, FPPA shall transfer the DROP assets of all Members of the Plan to the Fire and Police Members’ Self-Directed Investment Fund
- Amending the rules to clarify that partners in a civil union are not be entitled to the same rights as spouses for purposes of federal law.
- Amending rules concerning domestic relations orders to be consistent with those rules in the FPPA Rules and Regulations
- Adding rules to clarify when a Member’s unpaid account balance is transferred from the Fire and Police Member’s Investment Fund to the Fire and Police Member’s Self-Directed Investment Fund.

At the hearing, all interested individuals were given an opportunity to present arguments and evidence concerning the proposed rule changes. The Board adopted Resolutions 2020-04, 2020-05, 2020-06, 2020-07 and 2020-08, which included the proposed changes and the Statements of Basis, Purpose and Statutory Authority for all rule and plan document changes, and amendment of the Statewide Defined Benefit Plan Document. Current versions of all FPPA rules and Statewide Defined Benefit Plan Document are on file in the FPPA offices, as well as on the FPPA website at www.fppaco.org. If you would like a copy of the amended rules and plan documents, or the supporting statements, please contact the FPPA offices at telephone number (303) 770-3772 or (800) 332-3772. A red line copy showing the changes in the rules and regulations and plan documents is also available upon request.

Any questions concerning this rulemaking should be directed to **Kevin B. Lindahl, General Counsel, or Mike Sutherland, Benefits Counsel.**

Dated at Greenwood Village, Colorado, this 26th day of October 2020.