



FIRE AND POLICE PENSION ASSOCIATION (“FPPA”) 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, MULTI-EMPLOYER 457 DEFERRED COMPENSATION PLAN, AND COLORADO SPRINGS NEW HIRE PENSION PLAN FIRE AND POLICE COMPONENTS

On **September 30, 2021**, the **Fire and Police Pension Association (“FPPA”)** held a public rule-making hearing to consider amendments to the Rules & Regulations and amendments to plan documents, which include certain new rules, amendments and the repeal of certain rules. Subsequent to the issuance of the Notice of Rulemaking, certain proposed rules amendments were revised, in part, in order to comply with applicable state and federal law. Specifically, FPPA Rules 102.02.01, 102.02.02 regarding exempt Department Chiefs and Statewide Hybrid Plan Rule 3.07 were amended to clarify what exemptions are permitted by Department Chiefs under the cash or deferred arrangement rules of the Internal Revenue Code. The language of the revised proposed rule amendments was announced at the public rule-making hearing on September 30, 2021. Pursuant to FPPA Rule 702.02, the revised proposed rule amendments for FPPA Rules 102.02.01 and 102.02.02, and Statewide Hybrid Plan Rule 3.07 were available to the public beginning October 1, 2021 on the FPPA website or by contacting the FPPA legal department. Public comments made in writing were accepted on the revised rules through October 8, 2021. No comments were received and the revised rules are deemed adopted.

A description of the subjects and issues involved in the adopted amendments to 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**, and the **Statewide Money Purchase (SWMP) Plan Document** are as follows:

- Amending the rules and plan documents to clarify that within 60 days after permanent appointment, a Department Chief who is not a current Member of the Statewide Defined Benefit Plan may be exempted from participating in the FPPA Defined Benefit System, including the Statewide Defined Benefit Plan – Social Security Supplemental Component, and that an exempt Department Chief may elect coverage under the Statewide Money Purchase Plan, a Local Money Purchase Plan or an employer-sponsored 457 Deferred Compensation Plan in lieu of the Statewide Defined Benefit Plan (“SWDB Plan”)
 - Amending the rules and plan documents to clarify that a Member may not reinstate service credit earned from an Employer that disaffiliated with the SWDB Plan, but may purchase that service credit at the full cost at the time of purchase
 - Amending the rules to clarify that if a Member has elected either Option 1 or Option 4, and has designated a new non-spouse beneficiary, the number of years between the Member’s age at retirement and age 70 is subtracted from the age difference between the Member and the non-spouse beneficiary, and that if this difference is greater than 10 years, the non-spouse beneficiary’s benefit is reduced in accordance with the table in Treas. Reg. § 1.401(a)(9)-6, Q & A-2(c), as may be amended.
 - Amending rules to add the names of the accounts that were formerly referred to as the reentry portion of a Member’s account balance before the enactment of HB20-1044, and where those accounts reside
 - Amending rules and plan documents to clarify that unclaimed accounts or interests shall be reinstated if a successor or beneficiary is later identified and claims the account or interest
 - Amending the rules and plan documents to clarify that when a Member who has previously participated in DROP and returns to work with the same Employer, adjustments shall be made to recoup any overpayments of benefits made during the reemployment period
 - Amending rules to include additional criteria for establishing a common law marriage in Colorado in accordance with January 2021 Colorado Supreme Court opinion
 - Amending the rules to allow for written determinations, disclosures, notices, hearing officer recommendations, and requests for evidentiary hearings to be provided by means other than U.S. Mail, including electronic transmission
 - Amending the rules to clarify that if a Member is employed or reemployed either full-time or part-time in a position directly involved with the provision of police or fire protection in which the Member is capable of meeting the physical requirements of the position, the disability benefit provided to the Member may be discontinued after a review by the DDRC
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- Amending the rules and plan documents throughout to substitute gender neutral pronouns for gender specific pronouns, or remove pronouns and substitute articles or nouns, and modify sentences so that subjects agree with predicates
 - Amending the rules and plan documents to comply with recent amendments and to update references to the Internal Revenue Code, Treasury Regulations, and federal legislation
 - Amending the SWH Rules and SWH Plan Document to clarify the process for changing mandatory contribution rates
 - Amending the SWMP Plan document to repeal the vesting schedule

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

- Amending rules to clarify that unclaimed accounts or interests shall be reinstated if a successor or beneficiary is later identified and claims the account or interest
- Amending the rules to include additional criteria for establishing a common law marriage in Colorado in accordance with January 2021 Colorado Supreme Court opinion
- Amending the rules to clarify references to the Normal payment option in calculating an alternate payee's portion of a Member retirement benefit
- Amending the rules throughout to substitute gender neutral pronouns for gender specific pronouns, or remove pronouns and substitute articles or nouns, and modify sentences so that subjects agree with predicates
- Amending the rules to clarify that pursuant to HB20-1044, 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 plan documents to clarify when a death benefit to a non-spouse beneficiary must commence under the provisions of the Internal Revenue Code
- Amending the rules and plan documents to comply with recent amendments and to update references to the Internal Revenue Code, Treasury Regulations, and federal legislation

A description of the subjects and issues involved in the amendments to the **FPPA Multi-Employer Deferred Compensation Plan** are as follows:

- Amending the plan document throughout to substitute gender neutral pronouns for gender specific pronouns, or remove pronouns and substitute articles or nouns, and modify sentences so that subjects agree with predicates
- Amending the plan document to provide that FPPA or its designated Administrator shall determine whether a domestic relations order meets the qualification criteria under the Internal Revenue Code
- Amending the plan document to include requested information as additional information to be provided to a Plan Participant
- Amending the plan document to clarify when a Deferral amount is included in the gross income of a Participant
- Amending the plan document to comply with recent amendments and to update references to the Internal Revenue Code, Treasury Regulations, and federal legislation

At the hearing, all interested individuals were given an opportunity to present arguments and evidence concerning the proposed rule changes. The Board adopted Resolutions 2021-06, 2021-07, 2021-08, 2021-09, 2021-10, and 2021-11, which included the proposed changes and the Statements of Basis, Purpose and Statutory Authority for all rule and plan document changes. Current versions of all FPPA rules 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 1(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 Mike Sutherland, Benefits Counsel.

Dated at Greenwood Village, Colorado, this 21st day of October 2021.

