This document is intended for general informational purposes only. Official interpretations or determinations are based upon the actual State legislation which may result from this bill.

FPPA
Fire and Police Pension Association of Colorado

5290 DTC Parkway, Suite 100
Greenwood Village, Colorado 80111-2721
(303) 770-3772  toll free (800) 332-3772
fax (303) 771-7622

FPPAco.org

2-5-20
2020 Legislation Timeline

In June 2019 the FPPA Board reviewed recommendations from a member and employer task force and set the following legislative priorities for 2020.

On October 21, 2019 the Pension Review Commission was presented with the FPPA Board approved proposed legislation involving these FPPA Plans:

- **Statewide Death & Disability Plan**
- **Old Hire Plans**
- **Statewide Defined Benefit Plan.**

In January 2020 after review by Legislative Council the proposed legislation was assigned **House Bill 20-1044** and introduced to the Legislature.

The bill will move through the Legislature with an anticipated date to the Governor of May 2020.

### STATEWIDE DEFINED BENEFIT PLAN

- Increase employer contribution rate by 4%
  - Increase by 0.5% of salary per year beginning in 2021, with a total rate of 12% in 2028
  - Ensures long term full funding of the plan
  - Reduces probability of statutory plan rollbacks
  - Increase likelihood of COLAs in the long term
  - Allows the FPPA Board to offset employer reentry contributions towards the increase
  - Allows the FPPA Board to implement additional equal member and employer contribution increases agreed upon through a member and employer election
- Separate Retirement Accounts (SRA)
  - Convert SRA accounts to defined contribution accounts
  - Significant allocations to these accounts have not been made for almost two decades
- Rule of 80 beginning at age 50
  - Allows plan members whose age and years of service equal 80 to elect a normal retirement benefit with an unreduced benefit.
  - Cost of benefit to be paid by an increase of the employer contribution rate by 1%, to be implemented in 2029 and 2030, after the previous 4% increase. 0.5% each year over 2 years
  - If passed this piece of legislation will be effective 1/1/2021.

Learn more about this legislation and its status.

**ForwardWithFPPA.org**

Visit the FPPA dedicated legislative website

**Leg.Colorado.gov/Bills/HB20-1044**

Visit the Colorado General Assembly website

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**2020 Legislation Summary of House Bill 20-1044**

### STATEWIDE DEATH & DISABILITY PLAN

- Increase contribution rate to 3.0% in 2021
- Allow FPPA Board to adjust rate by 0.2% annually

### OLD HIRE PLANS

Grant FPPA Board authority to set the contribution policy based on:

- Stabilization of the annual required contribution
- Maintaining funded ratio
- Reduce or eliminate contribution over time
- Statutory requirements do not work well as plans wind down

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