In Fall 2019, FPPA introduced proposed legislation for the 2020 Colorado legislative session. The legislation—pursued at the direction of the board based on Task Force recommendations—is aimed at shoring up FPPA’s statewide plans and improving benefits for current and future members.

The Statewide Plans Task Force
In summer 2018, the FPPA Board of Directors created a Statewide Plans Task Force with the expressed purpose of studying the statewide plans managed by FPPA. This includes the Statewide Defined Benefit Plan (SWDB), the Statewide Death & Disability Plan (SWD&D) and the Statewide Hybrid Plan (SWH). The Task Force was comprised of 16 total members representing the FPPA Board, employers, fire departments, police departments, and other stakeholders.

Throughout the process, the Task Force was also asked to evaluate the findings of their study and provide recommendations to the Board regarding the future of the statewide plans. Any recommendations made by the Task Force would be non-binding and up to the Board to use at their own discretion.

Statewide Plans Task Force Recommendations
Over the course of several months, the Task Force convened 11 times to discuss the various issues of the statewide plans. Equally important in these talks was how to ultimately resolve those issues; e.g. what changes to FPPA rules and regulations (and underlying state legislation) would need to be made for the benefits to be provided without hindering the strength or viability of the plans themselves?

The Task Force ultimately made several recommendations to the Board regarding the statewide plans. These recommendations included contribution increases in the SWDB and SWD&D plans, and proposed benefit enhancements in the SWDB plan. No recommendations were made for the SWH plan.

FPPA Proposes New Legislation Based Upon Statewide Plans Task Force Recommendations

continued on page 3
**The Fire & Police Members’ Benefit Investment Fund**

**Financial Statements for the fiscal year ended December 31, 2018.**

**Statement of Fiduciary Net Position***

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Short Term Investments</td>
<td>$241,966,609</td>
</tr>
<tr>
<td>Total Investments</td>
<td>4,697,879,429</td>
</tr>
<tr>
<td>Other Assets</td>
<td>90,531,082</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$5,030,377,120</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>($120,457,768)</td>
</tr>
<tr>
<td><strong>Fiduciary Net Position Restricted for Member Benefits</strong></td>
<td>$4,909,919,352</td>
</tr>
</tbody>
</table>

**Statement of Changes in Fiduciary Net Position**

**From Investment Activities**

- Change in Fiduciary Net Position from Investment Activities: ($147,513)

**From Participant Activities**

- Funds Invested by Members & Employers: 294,327,860
- Funds Withdrawn by Members & Employers: (307,579,278)
- Administrative and Other Expenses: (16,342,715)

**Net Increase in Fiduciary Net Position**

- ($29,741,646)

**Fiduciary Net Position**

- Beginning of Year: $4,939,660,998
- End of Year: $4,909,919,352

*The Statement of Fiduciary Net Position certifies the financial condition of FPPA’s Members’ Benefit Investment Fund is based on the official report audited by Eide Bailly LLP.

**Investment Asset Allocation as of December 31, 2018.**

- **Global Equity**: 35.1%
- **Fixed Income**: 15.1%
- **Cash**: 1.5%
- **Equity Long/Short**: 8.5%
- **Private Markets**: 27.3%
- **Managed Futures**: 3.9%
By state statute, the management of the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Directed Investment Fund is the responsibility of the Board of Directors of the Fire & Police Pension Association of Colorado. Here are the nine members appointed by the Governor to serve the FPPA members.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Affiliations</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Bomberger</td>
<td>CFA, Board Chair, Chief Investment Officer, Pinnacol Assurance</td>
</tr>
<tr>
<td></td>
<td>Member since 2013</td>
</tr>
<tr>
<td>Karen Frame</td>
<td>CFA, Former Chief Compliance Officer, CenturyLink, Investment Management</td>
</tr>
<tr>
<td></td>
<td>Member since 2018</td>
</tr>
<tr>
<td>Sue Morgan</td>
<td>CCP, Human Resources Manager, Town of Castle Rock, Member since 2015</td>
</tr>
<tr>
<td>Tyson Worrell</td>
<td>Board Vice Chair, Detective, Denver Police Department, Member since 2012</td>
</tr>
<tr>
<td>Mike Feeley</td>
<td>Treasurer, West Metro Fire Rescue, Board of Directors, Member since 2019</td>
</tr>
<tr>
<td>Tammy Hitchens</td>
<td>CPA, CFO, Finance Director, City of Westminster, Member since 2017</td>
</tr>
<tr>
<td>Jason Mantas</td>
<td>CPA, MBA, Captain, Poudre Fire Authority, Member since 2019</td>
</tr>
<tr>
<td>Patrick Phelan</td>
<td>Retired (DROP), Police Commander, Denver Police Department, Member since 2019</td>
</tr>
<tr>
<td>Guy Torres</td>
<td>CIMA®, AIF®, MBA, Managing Director, Pacific Income Advisers, Inc., Member since 2016</td>
</tr>
</tbody>
</table>

The FPPA Board of Directors meetings are held at our Greenwood Village offices located just south of Denver in the Denver Tech Center (DTC). An annual schedule, agenda and minutes of Board meetings may be found on FPPAco.org.

**Proposed 2020 legislation**

Based upon the Task Force recommendations, the FPPA Board directed staff to introduce legislation that would take the following action:

**Statewide Defined Benefit Plan - Proposed Legislation**

- 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
  - Increases 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

- Convert Separate Retirement Accounts (SRAs) to defined contribution accounts
  - Significant allocations to these accounts have not been made for almost two decades
  - Gives members control of these accounts and greater confidence in their financial future

- Rule of 80 beginning at age 50
  - Allows plan members whose age and years of service equal 80 to elect a normal retirement benefit
  - Cost of benefit to be paid by an increase of the employer contribution rate by 1%, at a rate of 0.5% per year over 2 years

**Statewide Death & Disability Plan - Proposed Legislation**

- Increase contribution rate to 3.0% in 2021 (currently 2.8%)
- Allow FPPA Board to adjust rate by 0.2% annually
- One-time $58 million cash infusion from the state in 2021
  - To fund shortfall attributable to members hired before January 1, 1997
  - State had the responsibility to fund all benefits for members hired prior to January 1, 1997
  - Actuarial experience shows previous state funding was inadequate to fund the liability

**Old Hire Plans - Proposed Legislation**

- 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

A draft bill containing these proposals was introduced to the Pension Review Commission on October 21, 2019. It passed unamended through committee and will be introduced in the full house in January.

More information regarding this proposed legislation — to be released over the next several weeks — will be linked from our website, FPPAco.org
Based on the results of recent annual actuarial valuations of FPPA Plans, the Board of Directors approved the following SRA allocation, contribution rates and benefit adjustments.

**Glossary of Plan Annual Rates**

**Separate Retirement Account (SRA)** is a feature limited to defined benefit plans. In a given year, if more money is paid into a plan than it costs for that plan to be fully funded, then the extra money may be added to an SRA in the member’s name.

**Contribution Rates** are the percentage of a member’s salary that are contributed to the plan by both the member and their employer. The total rate and how it is split between member and employer is decided by the rules of each plan.

**Benefit Adjustments** (also referred to as Cost of Living Adjustments or COLAs) are percentage increases to existing retirement benefits to counteract the effects of economic inflation. They are determined by the FPPA Board of Directors. The likelihood of a benefit adjustment is based on the amount of benefit increase the plan could sustain based on contributions to the plan and keeping the plan 100% funded. Within the Statewide plans, those who retire on or before October 1 will have their benefit adjustment take effect in the next October retirement payment.

<table>
<thead>
<tr>
<th>Statewide Defined Benefit Plan</th>
<th>SRA Allocation</th>
<th>Contribution Rate</th>
<th>Benefit Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide Defined Benefit Plan</td>
<td>0% effective 7/1/2019 - 6/30/2020</td>
<td>The entire required 18.5% combined member and employer contributions are needed to appropriately fund this plan</td>
<td>18.5% (10.5% member / 8% employer) effective 1/1/2019 - 12/31/2019</td>
</tr>
<tr>
<td>Statewide Defined Benefit Plan - Reentry Group</td>
<td>3.7% effective 7/1/2018</td>
<td>22.5% combined member and employer contribution rate with the split determined by each employer effective 1/1/2019</td>
<td>For retirees and beneficiaries; 0.39% effective 10/1/2018 - 9/30/2019 and 0% effective 10/1/2019 - 9/30/2020</td>
</tr>
<tr>
<td>Statewide Defined Benefit Plan - Supplemental Social Security Component</td>
<td>0% effective 7/1/2019 - 6/30/2020</td>
<td>9.25% (5.25% member / 4% employer) effective 1/1/2019 - 12/31/2019</td>
<td>Totally disabled members &amp; their beneficiaries receive a fixed 3% annually on October 1</td>
</tr>
</tbody>
</table>

Statewide Death & Disability Plan

**SWD&D**

(See plan chart on the next page)
<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Defined Benefit Tier</th>
<th>Hybrid Tier</th>
<th>Benefit Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide Hybrid Plan</td>
<td>Defined Benefit &amp; Money Purchase Components</td>
<td>DB Component:</td>
<td>DB Component:</td>
</tr>
<tr>
<td>SWH</td>
<td>No SRA is granted as any excess defined benefit contributions are made to the member's money purchase component</td>
<td>13.8% effective 7/1/2019 - 6/30/2020</td>
<td>3% to retirees and beneficiaries effective 10/1/2018 - 9/30/2019 and 2.38% effective 10/1/2019 - 9/30/2020</td>
</tr>
<tr>
<td>(See plan chart below)</td>
<td>Money Purchase Component Only</td>
<td>MP Component:</td>
<td></td>
</tr>
<tr>
<td>Statewide Money Purchase Plan</td>
<td>N/A</td>
<td>After the DB Component % is allocated the remainder of the total contribution is made to the MP component</td>
<td></td>
</tr>
<tr>
<td>SWMP</td>
<td></td>
<td>DB Component:</td>
<td></td>
</tr>
<tr>
<td>Colorado Springs New Hire Pension Plan</td>
<td>Fire Component</td>
<td>16% minimum.</td>
<td></td>
</tr>
<tr>
<td>CSNHP</td>
<td>0%</td>
<td>(8% member / 8% employer)</td>
<td></td>
</tr>
<tr>
<td>(See plan chart below)</td>
<td>Police Component</td>
<td>10% member / employer pays the remainder of the following annual required contribution effective 1/1/2019 - $4,519,669</td>
<td>2.5% effective 10/1/2019 *</td>
</tr>
<tr>
<td>FPPA Administered Plans</td>
<td></td>
<td>8% member / employer pays the remainder of the following annual required contribution effective 1/1/2019 - $8,037,168</td>
<td>2.5% effective 10/1/2019 *</td>
</tr>
</tbody>
</table>

* For both components - adjustments are directed by their plan documents and are linked to the CPI-W from the previous year.
Recently, FPPA began sending annual contact information verification forms to all benefit recipients who are age 87 and older. If you receive such a letter, rest assured that it is, in fact, from FPPA and please complete and return it in a timely fashion.

The purpose of the form is to ensure that the recipient is still eligible for benefit payments, and to ensure that FPPA has updated contact information should we need to get in touch with you.

If you have questions about this, or any other communications you receive from FPPA, please contact us!

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<table>
<thead>
<tr>
<th>Plan</th>
<th>Contribution Limits For Each Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>457 Plan</td>
<td>For this plan, the annual limit on total employee &amp; employer contributions is equal to the lesser of 100% of compensation or $19,500.</td>
</tr>
<tr>
<td>Money Purchase Plan</td>
<td>For this plan, the annual limit on total employee &amp; employer contributions is equal to the lesser of 100% of compensation or $57,000.</td>
</tr>
<tr>
<td>Age 50+ Catch Up to a 457 Plan</td>
<td>Beginning the year you turn age 50, you may make additional annual catch up contributions of up to $6,500 to your 457 Plan.</td>
</tr>
<tr>
<td>3 Year Catch Up to a 457 Plan</td>
<td>If you are within three full calendar years of your retirement plan's normal retirement age you may double your 457 Plan contributions up to $39,000.</td>
</tr>
</tbody>
</table>

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**Get In Touch! Keep In Touch!**

FPPA’s relationship with defined benefit retirees is pretty simple. In general, after completing the retirement process, deposits from FPPA start arriving, and then continue each month like clockwork.

There are a few times, however, when FPPA still needs to hear from you. So here, as a reminder to all FPPA retirees, are three times when we need you to reach out:

1. **When you move:** let FPPA know your new address so we can stay in touch. We also want to make certain that you receive your Form 1099-R for tax reporting requirements.

2. **When your banking information changes:** if you close your bank account or otherwise need to change where funds from FPPA are deposited, please get in touch with us as soon as possible.

3. **When a member passes away:** in the event that a member passes, their survivor(s) or Estate Personal Representative will need to call us to make necessary updates to their account. This will ensure that unintended overpayments do not take place and that we’re able to make the appropriate benefit payments to their survivor(s).

If you have questions about how and when to communicate with FPPA, visit the Contact Us page FPPAco.org or call us at (303) 770-3772.
New State Law Provides Free Lifetime Hunting & Fishing Licenses, State Parks Pass for Disabled First Responders

On May 20th, 2019, House Bill 19-1080, entitled “Benefits For First Responders With A Disability” was signed into Colorado law. This act grants first responders with a permanent occupational disability a free Columbine annual pass for entrance into state parks. Those with a permanent occupational disability resulting from performing official duties may be eligible for free lifetime small game hunting and fishing licenses. To learn more, contact the Colorado State Parks Division in your area.

The act also allows first responders with a permanent occupational disability, who are sixty years of age or older, to be eligible to participate in a property tax work-off program established by a taxing entity. For more information, contact your local property taxing authority.

Before the end of 2019, FPPA will roll out a new feature on the Member Account Portal (MAP), allowing inactive members to apply online for a refund of their available contributions. This function was created to streamline the refund process for both members and FPPA staff.

While completing the application, members may elect a simple refund, a rollover to a deferred compensation account such as a 457, or a split between the two. If choosing a refund, members may also select whether to receive the funds as a paper check or direct deposit.

Please note, certain taxes may be applicable to contribution refunds. Domestic Relation Orders (DROs) might also impact refunded contributions. In addition, any Separate Retirement Account (SRA) funds a member has accrued would be forfeited.

In order to begin the application process, members must be officially inactive from their department for at least 30 days. The entire process requires a member to answer 5-10 questions and typically takes about ten minutes to complete.

Once launched, the application will be available in MAP by clicking ‘Refund Application’ under the ‘Member Accounts’ tab.

Snapshot:
2019 Employer Summit

On October 3rd, around 100 representatives from nearly 60 employers gathered in Greenwood Village to recap the past year and learn about the future of FPPA and its plans. Thank you to all who attended!
For 24/7 news about your pension visit FPPAco.org and check out our online blog and featured videos.

FPPA PensionCheck

Articles in This Issue

1. FPPA 2020 Proposed Legislation
2. Annual Report Highlights
3. FPPA Board of Directors
4. Annual Rates by Plan Announced
6. 2020 Annual Contribution Limits
6. Get In Touch! Keep In Touch!
6. Why Did FPPA Send Me a Letter for My Birthday?
7. New State Law Provides Free Lifetime Hunting & Fishing Licenses, State Parks Pass for Disabled First Responders
7. New MAP Feature... Online Refunds
7. Snapshot: 2019 Employer Summit
8. 2019 Colorado 9/11 Memorial Stair Climb

This year, over half of our staff participated in the annual stair climb event. We’re so incredibly thankful for the opportunity we have each day to serve our members, and this was one of those days that really drove it home.

Thank you to the organizers and everyone who participated!

TOP  Many Colorado firefighters completed the climb in full gear.
RIGHT  An FPPA staffer pauses midway through one of nine laps around Red Rocks Amphitheater that climb participants complete during the event.