Statewide Election Now Underway!

For Members of

The Statewide Defined Benefit Plan

The Statewide Money Purchase Plan

and the Newly Created

Statewide Hybrid Plan

FPPA is currently conducting an election for all active Members in:

- the Statewide Defined Benefit (SWDB) Plan,
- the Statewide Money Purchase (SWMP) Plan,
- and the Statewide Hybrid Plan (SWH) Plan.

Who Votes

Members in all three plans will vote on the Creation of the Statewide Health Care Defined Benefit (SW Health Care) Plan. (Employers will not vote on this election item.)

Who Does Not Vote

Active and retired old hire Members of local pension plans and Members of local money purchase plans are unaffected by the election and will not participate. Additionally, retired Members already receiving benefits under the SWDB Plan do not vote, as their benefits will not change regardless of the outcome of this election.

Complete details will be furnished during the election to each member, but this article will give you an idea of what to expect at election time.

FPPA will be submitting to active plan members an election item involving the creation of the Statewide Health Care Defined Benefit Plan. The election is being held to determine whether the plan will be adopted. In order for the creation of the Statewide Health Care Defined Benefit Plan to become effective, it must be approved by an affirmative vote of at least 65% of all eligible active plan Members.

A sample ballot is shown on the left, so you can see in a general way what the item will be. At election time all active members will be given complete information on the election item, or you may read more about the election on our web site at www.FPPAco.org.

A plain language summary will be accompanied by the FPPA Board Resolution authorizing the Board to develop, maintain and amend a Statewide Health Care Defined Benefit Plan. We encourage you to visit the FPPA web site at www.FPPAco.org to obtain a copy of the Statewide Health Care Defined Benefit Plan Document and review specifics of the plan. The creation of the Statewide Health Care Defined Benefit Plan will require a member contribution of 1% of base salary. At this time, the target effective date of the plan implementation will be January 1, 2006.

Sample ballot for the election

continued on next page
The member election will commence on **February 10, 2005** and will conclude on **March 12, 2005**.

When you receive the official election materials, please read the explanation of the plan and decide if and how the proposed change may apply to your specific situation, and how the plan would be of value to you. Then decide how you want to vote.

**All members are encouraged to exercise their right to vote on this item!**

This is an important election because the plan will only be implemented if 65% of eligible members in all of the Statewide Plans vote in favor of adopting the plan. So, talk amongst yourselves, talk to other departments, and help spread the word to encourage your fellow firefighters & police officers to vote!

The following is a brief timeline of the election. Specific dates of when materials are due back to FPPA appear in the packets that have been mailed or distributed to all Employers.

### 2005 Statewide Health Care Defined Benefit Plan Election Timeline

- **February 10**
  - Voting materials mailed or picked up by Employers.
  - Member election commences any time following receipt of materials and concludes on 30th day after postmark.

- **March 12**
  - Employers certify and deliver election results to FPPA.

- **April**
  - FPPA Board certifies results of the Statewide Health Care Plan election and mails certification to Employers.

- **August**
  - Employers submit governing bodies decisions whether or not to participate.
  - (If less than the majority of members from that department vote in favor.)

  - Final approval by FPPA Board.

- **January 1, 2006**
  - Effective date of The Statewide Health Care Defined Benefit Plan (if passed).
In the past, FPPA was required to provide all retirees with a Form 1099-R no later than January 31 of each year for tax purposes. Going forward, there is a new IRS mandate in place which no longer requires FPPA to provide a Form 1099-R to retirees having a taxable gross amount of zero (0), and have no taxes withheld from their account during the year.

If a retiree has a taxable gross amount greater than zero, or has chosen to have taxes withheld from their account during the year, they will continue to receive a Form 1099-R from FPPA.

New legislation [Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004] requires State and local government employers to provide a statement to employees hired January 1, 2005 or later for a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

Form SSA-1945 is the document that employers must use to meet the requirements of the law. The form explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker’s Social Security retirement or disability benefit. The Government Pension Offset Provision can affect any possible Social Security benefit entitlement as a spouse or an ex-spouse.

A copy of the SSA-1945 is available on FPPA’s website at www.FPPAco.org. If you have any questions about the form or the requirements for processing the form, please contact Charles Duran, FPPA Membership Accounting Supervisor, at (303) 770-3772 in the Denver metro area or (800) 322-3772 toll free statewide.

The following individuals have separated service from a Colorado fire or police department and are due a refund from FPPA. Unfortunately, we do not have their current addresses. If you are in contact with anyone listed below, please have them contact FPPA immediately so that we might process their refund.
The Gemini Group

The Gemini Group serves as FPPA’s benefits consultant. The various benefits described below have been arranged through Gemini. You may call them at any time for information and advice at the phone numbers listed below. They can also assist you in the application process.

By identifying yourself as a member of FPPA, you will be directed to someone at Gemini familiar with the following line up of the programs offered.

**AFLAC Supplemental Benefits**

We have all seen the duck on TV representing the American Family Life Assurance Company of Columbus (AFLAC). Traditional insurance pays the health provider, the doctor, or hospital. AFLAC pays benefits directly to you. These benefits can be used to help reduce the financial impact of deductibles, co-pays, and other out-of-pocket expenses while recuperating from an accident or illness.

*You may either call The Gemini Group direct or to join in a virtual telephone conference, with a personal AFLAC associate, and learn about all the programs and their costs, please send an email to: sheila_bailey@us.aflac.com or call 720-887-6232 and leave your name and phone number.*

**Vision Service Plan (VSP)**

Effective April 1, 2004, VSP decreased their monthly insurance premium rates through March 31, 2006. They have also created a new plan that allows the frame frequency to not be affected by the purchase of contact lenses, and have begun using retail allowances when describing the in-network frame allowance.

**Fortis Group Dental Plan**

The Fortis Dental Plan continues to get excellent reviews from members! The plan offers true freedom of choice, you may go to any dentist you want, nationwide. There are two plans to choose from, and there is a PPO network of dentists available to save even more out of pocket expenses.

**Pharmacy Card**

The ABACUS Series Rx program is designed to educate you on the use of generic and other low cost name drugs. Their website: www.Rxpharmacycard.com will help you find drugs in the same therapeutic class as a drug you may currently be taking. Most of all, this Plan is designed to save you money on your prescription drug costs.

- No Claim Forms
- No Waiting Period
- OVER 42,000 Pharmacies available
- No Age Limit
- No Deductible

**Group Plans**

The Gemini Group offers several options for retirees seeking insurance solutions with either individual or group plans. Premiums for all group plans may be paid by a monthly payroll deduction from your FPPA retirement check.

To contact The Gemini Group call (303)893-0300 in the Denver Metro area or toll free (888)795-0300 nationwide, for an analysis of your needs, the options available to you, and on-line quotes.

You may also visit FPPA’s web site at www.FPPAco.org to download a copy of the Optional Retiree Insurance Benefit Programs Brochure. Just click on the sidebar, Retiree Insurance. Once there click on the direct link to the Gemini Group to be connected directly to their web site.
Many active members of The Statewide Defined Benefit Plan, and The Statewide Hybrid Plan found a note on their Annual Contribution Statement requesting that they contact FPPA to designate a beneficiary. The following information will help further explain this request.

FPPA has created a new Statewide Defined Benefit & Statewide Hybrid Plan Membership Form which now includes Part C – Beneficiary Designation.

This will better serve Members of the Statewide Defined Benefit & Statewide Hybrid Plans in the following situations:

1. Any active member who dies and leaves no surviving spouse or dependent children who are eligible for benefits under the Statewide Death and Disability Plan.
2. Any inactive vested member who dies prior to distribution of benefits.
3. Any active member who is eligible for a Normal Retirement and not participating in DROP.

This form is available by calling the FPPA office at (800) 332-3772 or from the website, www.FPPAco.org. If you have questions when completing this form, please contact the FPPA Benefits Division.
tools & resources are just a click away
www.fidelity.com/atwork and Fidelity NetBenefits® have a broad range of planning tools and learning resources to help you manage various aspects of your personal finances. It’s easy, convenient, and makes planning and managing your retirement as simple as possible.

**how do I learn about saving?**  e-Learning workshops offer education that’s tailored to help you meet your retirement savings goals. These interactive workshops can help you: manage your retirement savings more effectively, plan your financial future, and make more informed retirement investing decisions.

**how will saving affect my paycheck?**  Looking for some easy tools to help you evaluate how much you can save, explore the Take Home Pay Calculator. This will give you some insight into how a pre-tax contribution effects your pay check. There are several opportunities to maximize your contributions and those of your employer. The Contribution Limit Calculators determine how much you are allowed to save towards your retirement plan for a specific year.

**how much should I invest?**  The Fidelity Contribution Calculator illustrates how your investments may grow over time. Adjust your contributions and see how a change affects your overall retirement savings.

The Tax-Deferred Investment Growth Calculator provides useful scenarios to help you determine what you could accumulate in your workplace savings plan over time. Based on your own assumptions, including salary, contribution amount, rate of return, time period, and existing balance, you now can see how your investments can grow over time.

**am I making smart investment decisions?**  Fidelity PortfolioPlanner Portfolio Review® helps you analyze your current assets and create a diversified investment strategy. Adjust your investment plan according to your lifestyle.

**will my money last?**  When entering retirement, your expenses and income will change. Learn more about your likely expenses and how your income will cover those expenses throughout retirement. Retirement Income Planner, in NetBenefits®, provides a very detailed plan including all income sources, detailed expenses, investment strategies, and withdrawal options. Understand what you will need to achieve the lifestyle you want in retirement.

As you plan for retirement, access to valuable information is essential. Go on line and experience the ease and convenience of NetBenefits at www.fidelity.com/atwork. It makes sense to see how it can help you today as you prepare for tomorrow. Or call a Fidelity Retirement Services Specialist Monday - Friday, 6:00 am to 10:00 pm Mountain Standard Time at (800) 343-0860.  FPPA
Below are listed the 2005 Annual Contribution Limits for the FPPA 457 Deferred Compensation Plan as well as the Statewide Money Purchase Plan and local money purchase plans.

### FPPA 457 Deferred Compensation Plan

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<th>Year</th>
<th>Annual Contribution Limit</th>
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<tr>
<td>2005</td>
<td>$14,000</td>
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<tr>
<td>2006</td>
<td>$15,000</td>
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*The limit will be indexed for inflation in $500 increments after 2006.*

### Catch-up Contribution Limits for Members Age 50 and Older

<table>
<thead>
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<th>Year</th>
<th>Catch Up Contribution Limit</th>
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</thead>
<tbody>
<tr>
<td>2005</td>
<td>$4,000</td>
</tr>
<tr>
<td>2006</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

*The limit will be indexed for inflation in $500 increments after 2006.*

*As an alternative to the age 50 catch-up, a FPPA 457 plan participant is eligible to defer up to twice the contribution limit in effect for the 3 years preceding the employee’s normal retirement age.*

### Statewide Money Purchase Plan, Statewide Hybrid Plan - Money Purchase Component and local money purchase plans

#### 2005 Contribution Limits

The annual limit on total employee and employer contributions to a participant’s money purchase plan account is the lesser of $42,000 or 100% of compensation.

*The limit will be indexed for inflation in $1,000 increments after 2005.*

Due to Senate Bill 04-198, the responsibilities of administering the State Matching Funds program for Volunteer Fire Department Pension Plans has shifted from FPPA to the Colorado Department of Local Affairs (DOLA). This means that the calculation and distribution process for these funds are now be handled by DOLA.

Questions regarding this process should be directed to:

**Division of Local Government**

1313 Sherman Street, Room 521
Denver, Colorado 80203
(303) 866-2156

Or by visiting their web page specifically for:

Volunteer Firefighter Pension State Contribution and Statewide Accidental Death & Disability Insurance at [www.dola.state.co.us/LGS/FA/VFP.htm](http://www.dola.state.co.us/LGS/FA/VFP.htm)
Upcoming Seminar

Mark your calendar for this event...

it is one of our most popular seminars!

Retirement: Who saw this coming?

FPPA Pre-Retirement Planning Seminar
Saturday • April 9th
Denver Police Protective Association Event Center

Registration and Continental Breakfast 8:30 - 9 am • Seminar 9 am - 3:45 pm
(There will be a no host lunch break from 11:15 am - 12:30 pm.)

If you are within 10 years of retirement, this seminar is for you. From Social Security issues to financial and long-term care planning, you’ll walk away with the most up-to-date retirement information available.

For more information about this seminar, call Rory Mammen at the phone numbers listed above, or log on to www.fppaco.org and click on the Calendar page.