

FPPA PensionCHECK

A review of your retirement benefits.

Spring 2006

Part One Retirement Basics

It has been said that most Americans put more planning into a vacation than they do their own retirement. Possible explanations may be that a vacation is more readily seen on the horizon and in the end more enjoyable to think about. Day to day activities seem to crowd out the desire to even think too far into the future. However, thinking in advance is the key to being ready for the future when it turns quickly into the present.

Watch For The
Following Topics
In The Next
Three Issues Of
PensionCHECK

Retirement 411



A four part series of articles focusing on retirement basics, planning, investing and managing.

Most financial planners project that you will need at least 70-80% of your working income throughout your retirement in order to maintain your standard of living. And if your pension plan does not have a cost-of-living adjustment, you will want your calculation to show a replacement income percentage of well over 100% so that you may have extra funds to “give yourself a raise” in retirement to help keep pace with inflation. Your personal retirement goals may be even higher!

What you hope to retire with and how you plan to achieve it may very well depend on where you are in your retirement planning.

Recognize that retirement is much more than just choosing a date to do so.

The younger you are, the more distant is retirement - and the more power you have at your fingertips in the form of compound returns over time. It's a paradox that you can work to your advantage. The earlier you start planning, the easier it is to reach your retirement income goals!

For those with retirement age on the horizon, the planning process goes from accumulation of wealth to making the right decisions about asset distribution. While you will still continue to accumulate money from your investments, you will also be looking at using that money for day to day living expenses. The right choices are imperative if you are to have the retirement lifestyle you desire.

If you are at retirement age, you probably have some idea about what your goals are and whether or not they are attainable. You hopefully have accumulated some assets to fund your budget in your retirement years. If you haven't thought about your

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Direct Deposit

It's secure, convenient & reliable!

Help us close the gap on the growing number of retirees who already enjoy the security and convenience of direct deposit for their retirement benefits. Over 90% of our retirees are currently enrolled in the reliable and safe alternative to waiting for their checks in the mail and having to drive to the bank to make a deposit. The FPPA Direct Deposit / Electronic Funds Transfer (EFT) Program is available to you and actually saves time and money.

Joining our Direct Deposit/ Electronic Funds Transfer Program is easy!

1. Simply call Ali Lone at (303) 770-3772 in the Denver Metro area or (800) 332-3772 toll free nationwide to request an EFT Form. Or log on to our web site at www.fppaco.org and click on *Forms* and then on *Forms For Retired Members*.
2. Fill out the form, sign it and return it to FPPA.
3. Then sit back while your benefit payments are quickly and safely transferred to your bank account each month.

What will you do with all of the time you saved? **FPPA**



...and not at home waiting for your check!

Member Search

We're Looking for These FPPA Members Who May Be Due A Refund

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. **FPPA**



Member Name	Separated Service From
Blake, Jeffrey JG	Denver Police
Brandsted, Gregory A	Wiggins Police
Frater, Jeffrey P.	Woodmoor Monument Fire
Huff, Mark F.	North Washington Fire
Jensen, Eric L.	Brush Police
Jerothe, Paul B.	Franktown Fire
Joseph, Mark F.	Sterling Police
Martinez, Antonio E., Jr.	Denver Police
Middleton, James R.	Debeque Police
Myers, Mark J.	Parker Police
Opie, Scott C.	Red, White and Blue Fire
Padgett, John W.	Platteville Police
Rundell, William K.	Castle Rock Fire
Sanchez, Steve	Pueblo Police
Sarmiento, Eugene F.	Frederick Firestone Fire
Sullivan, Darin E.	Denver Fire
Szymczak, Anne M.	Denver Fire
Van Zandt, John P.	Pueblo Police
Webb, Anthony R.	Denver Police



Donald Simpson

Donald Simpson passed away last fall. He served on the FPPA Board of Directors from 1987-1995. At the time of his FPPA tenure, Mr. Simpson also served as a Director of the Bancroft Fire Protection District.

Simpson, an Iowa native, was an Army Air Corps World War II Veteran. He retired from Public Service Company of Colorado in 1985 and was first elected to the Bancroft FPD Board of Directors in 1984. Simpson represented Special Districts while on the FPPA Board. “Don contributed many years of dedicated service to the FPPA Board of Directors,” said FPPA’s current CEO Ruth Ryerson. “FPPA Members today benefit a great deal from his dedication and others like him who served on the Board of Directors in the early years of the plan.”

Former FPPA Executive Director and long time Board Member Edward Sullivan died in March of this year.

Sullivan grew up in Howard, Kansas, attended the New Mexico Military Academy, and graduated from the University of Colorado at Boulder after serving in the Merchant Marine during World War II.

Prior to coming to FPPA, Mr. Sullivan was known as the right-hand man and confidante of former Denver Mayor Bill McNichols. Ed wore many hats in the management of the City of Denver, including serving as a member of the Denver Civil Service Commission and as assistant director of public works during the early days of DIA.

After the mayor left office, Sullivan served briefly as Executive Director of FPPA and later became a Board Member from 1981-1991. During his time as an FPPA Board Member, he also led the Civil Service Commission and was instrumental in developing the Denver Tech Center.

From his many years working with the city and his dedication to FPPA, Mr. Sullivan maintained close ties with many police and fire department veterans, faithfully attending the funerals of fallen or retired officers and firefighters. “Having someone so politically tied to the workings of both the city and the state contributed greatly to FPPA,” reported Ruth Ryerson, FPPA’s CEO. **FPPA**



Edward Sullivan

FPPA Honors The Memory Of Two Former Board Members

Donald Simpson served on the FPPA Board of Directors from 1987-1995.

Edward Sullivan served on the FPPA Board of Directors from 1981-1991.

retirement before, you must think about it now. You need to seriously think about the decisions you will make for the next several years.

It’s never too early - or too late!

Keep in mind the following three things - that are completely under your control when making a sizable impact on your retirement nest egg:

1. How much you invest,
2. The rate of return you earn on your investments, and
3. The number of years those investments have to grow.

No matter your age, the sooner you start, the more money and options you’ll have. **FPPA**

Part One Retirement Basics

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Legislative News

2006
Legislative
Session



The following bills have successfully made their way through the 2006 General Assembly of the Colorado State Legislative Session. Two of the bills were signed into law by Governor Owens with the Governor allowing the third bill to become law without his signature.

For the actual technical legislative language of the following bills visit the Colorado State web site at www.colorado.gov. Once there scroll down and click on the *Colorado Legislature Homepage* link. Then click on either the *House* or *Senate Bills* link which will take you to each of the bills by number.

FPPA wishes to acknowledge the hard work of the Legislative Sponsors and Co-Sponsors of each bill. Their dedication to the FPPA Members is greatly appreciated. We've added their names to each of the bills listed below in recognition of their service.

House Bill 06-1059
FPPA Structure Legislation
Signed by Governor Owens: March 31, 2006
Effective date: March 31, 2006

Concerning the structure of trust funds and investment funds in the administration of assets for the benefit of firefighters and police officers.

Bill Highlights

- Statutory amendments are necessary to align FPPA defined benefit system with current IRS requirements and pending approvals.
- Separates assets into trust funds and investments funds for simplified financial reporting.

Sponsor

James Riesberg, Colorado State House Representative, District 50

Co-Sponsor

Suzanne Williams, Colorado State Senator, District 28

House Bill 06-1068
FPPA Social Security Supplemental Plan Legislation
Signed by Governor Owens: March 27, 2006
Effective date: March 27, 2006

Concerning the creation of a Social Security supplemental plan by the Board of Directors of the Fire and Police Pension Association that will allow employers that cover employees under the Federal "Social Security Act" to provide a defined benefit retirement plan.

Bill Highlights

- Converts current Social Security supplemental plan into a more modern defined benefit plan.
- Eliminates Social Security offset. Provides for ½ of the standard Statewide Defined Benefit Plan (SWDB) benefit based on ½ of the SWDB contribution rate.
- Reduces staff and actuarial costs in calculating individual benefits.
- Benefits become calculable for members prior to retirement.
- Existing members vest in benefits earned prior to conversion. Existing members receive a combination of old and new benefits at retirement.
- Contribution rates for employers and members become fixed and predictable from year to year.

- Contribution rates and benefits do not change based on any future changes made to Social Security.

Sponsor

Gary Lindstrom, Colorado State House Representative, District 56

Co-Sponsor

Dan Grossman, Colorado State Senator, District 32

Legislative News

Continued

Senate Bill 06-039

FPPA Hybrid Plan Partial Entry Legislation

Passed the Senate and House and became law: April 4, 2006

Effective date: August 9, 2006

Concerning the partial entry into the Fire and Police Pension Association Defined Benefit System by members of Money Purchase Plans where all future eligible employees are required to participate in the Defined Benefit System.

Bill Highlights

- Allows a department with a local money purchase plan to put members hired after effective date in either the Statewide Hybrid Plan or the Statewide Defined Benefit plan and allows existing members in the local money purchase plan to individually elect participation either the local money purchase plan or the FPPA Defined Benefit System.
- The option to remain in a local money purchase plan is offered at the discretion of the Employer.

Sponsor

Lois Tochtrop, Colorado State Senator, District 24

Co-Sponsor

Anne McGihon, Colorado State House Representative, District 3 **FPPA**

As of March 31, 2006 FPPA announced that total assets including defined benefit as well as defined contribution plans reached just over the 3 billion dollar mark at \$3.09. Despite the turbulent investment years post 9/11, FPPA stabilized and then ultimately increased assets from the \$2 billion mark just seven years ago. **FPPA**

FPPA Total Assets

\$3.09 Billion
As Of March 31, 2006



FPPA Investment Returns

Of Defined Benefit Plans
As Of March 31, 2006



* For trailing 10 years, returns are gross of all fees; since inception is net of pre-1995 private asset management fees.

Meet Your Retirement Goals

Announcing Fidelity® Retirement Plan Manager®

For Members of
The DROP Plan

The 457 Deferred Compensation Plan

The Statewide Money Purchase Plan

The Statewide Hybrid Plan - Money Purchase Component

and

Local Money Purchase Plans
Affiliated with FPPA

If you are a member of any of the plans listed to the left, by now you may have received in the mail an oversized postcard (similar to the one shown here) announcing the Fidelity Retirement Plan Manager®. Fidelity Retirement Plan Manager is the smart, easy way to stay on target to meeting your retirement goals - without the pressure of making daily investment decisions.

Fidelity Retirement Plan Manager lets you:

- **Rely on the experts.** Fidelity Investments will manage your retirement plan savings account - so you don't have to.
- **Stop worrying.** You can rest assured that your account will adjust to fluctuating market conditions, as well as changes in your personal financial situation.
- **Enjoy professional service.** Each year you'll receive an investment strategy review. You'll also have the ability to speak with a professional at any time - whenever and wherever it's convenient for you.

Smart investing doesn't mean you have to do it all. Please be aware there are additional fees for the Fidelity Retirement Plan Manager service. For more information call toll free 1 (866) 630-8636 to speak with a Fidelity representative today.

Performance of the model portfolios depends on the performance of the underlying investment options. These investments are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to additional risks associated with investing in high yield, small cap and foreign securities.

Fidelity Retirement Plan Manager is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company.

*Fidelity Investments Tax-Exempt Services Company is a division of Fidelity Investments Institutional Services Company, Inc. **FPPA***



Meet With Fidelity In Person

Fidelity Investments is offering to present one of the following topics to your department or station.

If you are currently a member of any of the plans listed above in the left column you may request a group presentation from a Fidelity Representative for your department or station. Here are some of the topics you may request:

Build a Portfolio for Any Weather

The principles of asset allocation and how to implement your own plan.

Building Your Financial Future

How to potentially maximize your savings and develop an investment strategy.

Creating Your Retirement Roadmap

Evaluate your current situation, define your retirement goal, and build a financial plan for life after work.

Fundamentals of Retirement Income Planning

The importance of a solid income plan and reviewing your income strategy

Quarterly Market Update

The driving forces behind U.S. economic growth.

Top Things to Do and View on Fidelity.com

An introduction to the most common activities and frequently accessed areas of our Web site. How to use free online research, guidance and account management tools.

For more information about scheduling a presentation, contact the FPPA Communications Department. **FPPA**

FPPA offers its retirees a broad range of health, dental, vision, and similar type benefits. The following list of available benefits which are constantly reviewed, improved and expanded. The plans listed here are grouped by contact information.

Contact FPPA about the following 2 plans:

**Assurant Employee Benefits Dental Plan
(formerly The Fortis Group)**

The name has changed but the plan remains the same. Assurant Employee Benefits Dental Plan continues to offer true freedom of choice. As before you may go to any dentist you want, nationwide.

The Vision Service Plan (VSP)

Effective April 1, 2006, VSP decreased their monthly insurance premium rates through March 31, 2008. VSP network doctors are located close to work, home and shopping. They provide top quality care and offer a wide selection of frames to choose from - all at one convenient location.

**Premiums per month: for one person = \$11.26, two people \$19.99 and \$32.17 for a family.*

FPPA Contact Information:

Amanda Embree, Payroll Specialist at FPPA by calling (303) 770-3772 in the Denver Metro area or (800) 332-3772 toll free nationwide.

Contact The Gemini Group about the following 3 plans:

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.

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. No claim forms, age limit, waiting periods, or deductibles!

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.

Gemini Group Contact Information:

The Gemini Group

The Gemini Group serves as FPPA's retiree insurance consultant. 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 retired member of FPPA, you will be directed to someone at Gemini familiar with the following line up of insurance programs offered.

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. **FPPA**

Optional Retiree Insurance Programs



No, You're Not Seeing Things...

VSP has reduced their premiums for retirees!

Rates for one person as low as \$11.26 per month.*



Reminder

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.

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(303) 771-7622 fax

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service
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Upcoming Seminar

Both actives and retirees are invited to this informative seminar coming this fall!



Coming this Fall!

Protecting Your Estate Seminar

Okay, so you've been building a rather nice nest egg for yourself and your family... now what? What about your will? Who holds your durable power of attorney? And what provisions have you made to keep your taxes in check? This seminar provides step by step information designed to protect your nest egg from cracking and becoming scrambled. You need to plan your estate so your assets will be disposed of in the way you want with the least possible tax consequences.

We're currently planning for this event and lining up some very special speakers. Some of the topics will include living wills, powers of attorney, guardians, avoiding probate and issues that are important to your future financial success.

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. **FPPA**