

# Statewide Hybrid Plan

## **DBC** *Defined Benefit &* **MPC** *Money Purchase Components*



The Statewide Hybrid Plan covers firefighters and police officers from departments that elect coverage under this plan after January 1, 2004, full-time clerical staff or other personnel employed by an affiliated Fire Protection District, Fire Authority or a County Improvement District, and Chiefs who have opted out of the Statewide Defined Benefit Plan.

### **Basic Plan Structure**

The Statewide Hybrid Plan is made up of these two components:

**DBC** *Defined Benefit Component*, which pays a monthly benefit upon retirement for a member's lifetime

### **AND**

**MPC** *Money Purchase Component*, which is an individual, self-directed retirement account that is available to a member at retirement until it is depleted.

This brochure first reviews the Defined Benefit Component, then the Money Purchase Component.

### **Eligibility Requirements**

If an employer covers its members under the Statewide Hybrid Plan, participation begins as of the date of hire or effective date of reentry assuming contributions are properly remitted to FPPA.

### **Mandatory Contributions**

The minimum mandatory contribution rate for the Statewide Hybrid Plan is 16% of the member's base salary. Of that 16%, a portion goes towards the Defined Benefit Component and the remainder is contributed to the Money Purchase Component of the Plan. If a department has a higher mandatory contribution rate then any amount above 16% goes towards the Money Purchase Component of the Plan.

### **Voluntary Contributions**

Active members or employers may make voluntary contributions to the plan as long as the amount of contributions does not exceed the limits set forth by the Internal Revenue Code. Additional voluntary contributions made by the members will be made on an after-tax basis. Additional voluntary contributions from the employer are made on a pre-tax basis.

# Statewide Hybrid Plan Defined Benefit Component

The following types of retirement are available under the Statewide Hybrid Plan-Defined Benefit Component:

- Normal
- Early,
- Vested, or
- Deferred.

The member is eligible for any of these types of retirement if they are covered by the Statewide Hybrid Plan and have met the eligibility requirements to qualify for retirement.

Years of Service	Age at Retirement										
	50	51	52	53	54	55	56	57	58	59	60+
5	4.85	5.29	5.76	6.29	6.86	7.50	7.50	7.50	7.50	7.50	7.50
6	5.83	6.34	6.91	7.54	8.24	9.00	9.00	9.00	9.00	9.00	9.00
7	6.80	7.40	8.07	8.80	9.61	10.50	10.50	10.50	10.50	10.50	10.50
8	7.77	8.46	9.22	10.06	10.98	12.00	12.00	12.00	12.00	12.00	12.00
9	8.74	9.52	10.37	11.31	12.35	13.50	13.50	13.50	13.50	13.50	13.50
10	9.71	10.57	11.52	12.57	13.73	15.00	15.00	15.00	15.00	15.00	15.00
11	10.68	11.63	12.68	13.83	15.10	16.50	16.50	16.50	16.50	16.50	16.50
12	11.65	12.69	13.83	15.09	16.47	18.00	18.00	18.00	18.00	18.00	18.00
13	12.62	13.75	14.98	16.34	17.84	19.50	19.50	19.50	19.50	19.50	19.50
14	13.59	14.80	16.13	17.60	19.22	21.00	21.00	21.00	21.00	21.00	21.00
15	14.56	15.86	17.29	18.86	20.59	22.50	22.50	22.50	22.50	22.50	22.50
16	15.53	16.92	18.44	20.11	21.96	24.00	24.00	24.00	24.00	24.00	24.00
17	16.51	17.98	19.59	21.37	23.33	25.50	25.50	25.50	25.50	25.50	25.50
18	17.48	19.03	20.74	22.63	24.71	27.00	27.00	27.00	27.00	27.00	27.00
19	18.45	20.09	21.90	23.89	26.08	28.50	28.50	28.50	28.50	28.50	28.50
20	19.42	21.15	23.05	25.14	27.45	30.00	30.00	30.00	30.00	30.00	30.00
21	20.39	22.20	24.20	26.40	28.82	31.50	31.50	31.50	31.50	31.50	31.50
22	21.36	23.26	25.35	27.66	30.20	33.00	33.00	33.00	33.00	33.00	33.00
23	22.33	24.32	26.51	28.91	31.57	34.50	34.50	34.50	34.50	34.50	34.50
24	23.30	25.38	27.66	30.17	32.94	36.00	36.00	36.00	36.00	36.00	36.00
25	24.27	26.43	28.81	31.43	34.31	37.50	37.50	37.50	37.50	37.50	37.50
26	25.24	27.49	29.96	32.69	35.69	39.00	39.00	39.00	39.00	39.00	39.00
27	26.22	28.55	31.12	33.94	37.06	40.50	40.50	40.50	40.50	40.50	40.50
28	27.19	29.61	32.27	35.20	38.43	42.00	42.00	42.00	42.00	42.00	42.00
29	28.16	30.66	33.42	36.46	39.80	43.50	43.50	43.50	43.50	43.50	43.50
30	29.13	31.72	34.57	37.71	41.18	45.00	45.00	45.00	45.00	45.00	45.00
31	30.10	32.78	35.73	38.97	42.55	46.50	46.50	46.50	46.50	46.50	46.50
32	31.07	33.84	36.88	40.23	43.92	48.00	48.00	48.00	48.00	48.00	48.00
33	32.04	34.89	38.03	41.49	45.29	49.50	49.50	49.50	49.50	49.50	49.50
34	33.01	35.95	39.18	42.74	46.67	51.00	51.00	51.00	51.00	51.00	51.00
35	33.98	37.01	40.34	44.00	48.04	52.50	52.50	52.50	52.50	52.50	52.50
36	34.95	38.07	41.49	45.26	49.41	54.00	54.00	54.00	54.00	54.00	54.00
37	35.92	39.12	42.64	46.51	50.78	55.50	55.50	55.50	55.50	55.50	55.50
38	36.90	40.18	43.79	47.77	52.16	57.00	57.00	57.00	57.00	57.00	57.00
39	37.87	41.24	44.95	49.03	53.53	58.50	58.50	58.50	58.50	58.50	58.50
40	38.84	42.30	46.10	50.29	54.90	60.00	60.00	60.00	60.00	60.00	60.00
41	39.81	43.35	47.25	51.54	56.27	61.50	61.50	61.50	61.50	61.50	61.50
42	40.78	44.41	48.40	52.80	57.65	63.00	63.00	63.00	63.00	63.00	63.00



Normal Retirement



Early Retirement



Vested Retirement

**Notes** For service beyond 42 years and age 55, add 1.5% for each additional year over 42 years. Final calculations are made based on the total years and months of service earned. Chart may not reflect the payout option selected by the member.

# Statewide Hybrid Plan Defined Benefit Component

## Normal Retirement

**Requirements**  
25 years of service and age 55

**Calculation**  
A 1.5% benefit for each year of service worked and purchased in the Statewide Hybrid Plan. The benefit is based on the average of the highest 3 years' base salary\*. The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retired on or after July 1. The chart on the previous page shows the estimated percentage factor used to calculate the retirement benefit at each age and for each year of service.

**Payment**  
The Defined Benefit Component is payable immediately once the Retirement Application is approved by FPPA. This monthly benefit is paid for the member's lifetime. (See the "Payment Options" section for survivor benefit options.)

## Vested Retirement

**Requirements**  
5 years of service - Payable at age 55

**Calculation**  
A 1.5% benefit for each year of service worked and purchased in the Statewide Hybrid Plan for up to a maximum of 100%. The benefit is based on the average of the highest 3 years' base salary\*. The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retired on or after July 1.

**Payment**  
Retirement benefits are payable at age 55. This monthly benefit is paid for the member's lifetime. (See the "Payment Options" section for survivor benefit options.)

## Early Retirement

**Requirements**  
30 years of service OR age 50

**Calculation**  
A 1.5% benefit for each year of service worked and purchased in the Statewide Hybrid Plan for up to a maximum of 100%. The benefit is based on the average of the highest 3 years' base salary\*. The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retired on or after July 1.

The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the early receipt of the benefit.

**Payment**  
The reduced retirement benefit from the Defined Benefit Component is payable immediately once the Retirement Application is approved by FPPA. This monthly benefit is paid for the member's lifetime. (See the "Payment Options" section for survivor benefit options.)

## \*Base Salary

Base Salary generally includes base rate of pay plus longevity and shift differential if applicable. The complete definition of Base Salary may be found in Statewide Hybrid Plan Rules & Regulations - Article I - Definitions: Rule 1.01.(f) Base Salary. These rules may be viewed at [FPPAco.org](http://FPPAco.org) by clicking the Governing Documents link.

# Statewide Hybrid Plan Defined Benefit Component

## Deferred Retirement (Applies to a Normal or Vested Retirement)

### Payment

Members who qualify for a Normal or Vested Retirement, may defer the receipt of their Defined Benefit Pension to as late as age 65 and receive the actuarial equivalent of the benefit\*.

### Deferred Retirement Actuarial Equivalence Factors Age at Benefit Commencement

	55	56	57	58	59	60	61	62	63	64	65
55	100.00%	109.39%	119.80%	131.34%	144.16%	158.44%	174.37%	192.17%	212.12%	234.52%	259.75%
56		100.00%	109.51%	120.06%	131.78%	144.84%	159.39%	175.67%	193.90%	214.38%	237.44%
57			100.00%	109.63%	120.34%	132.26%	145.55%	160.41%	177.06%	195.76%	216.82%
58				100.00%	109.76%	120.64%	132.76%	146.32%	161.51%	178.56%	197.77%
59					100.00%	109.90%	120.95%	133.30%	147.14%	162.68%	180.17%
60						100.00%	110.05%	121.29%	133.88%	148.02%	163.94%
61							100.00%	110.21%	121.65%	134.50%	148.96%
62								100.00%	110.38%	122.04%	135.16%
63									100.00%	110.56%	122.45%
64										100.00%	110.76%
65											100.00%

### Example

If a member's Normal or Vested retirement benefit was equal to \$1,000.00 per month if paid at age 55; and he/she elected to defer receipt of that benefit until age 60; the deferred benefit amount would be \$1,584.40 per month, payable at age 60. ( $\$1,000.00 \times 158.44\% = \$1,584.40$ )

\* The chart above is for illustrative purposes only and shows some of the factors used to calculate a deferred retirement. There is a separate factor for each age, specific to both the year and the month. Tables may be revised periodically. If you select a deferred retirement, your benefit will be determined by the exact tables and factors in effect at the time you begin to receive your benefit.

**Deferred Retirement Option Plan (DROP)**

**Requirements**

In order to enter the DROP, a member must meet one of the following criteria:

- Be eligible for normal retirement (25 years of service **and** age 55); or
- Be vested and age 55 (at least 5 years of service **and** age 55); or
- Be eligible for early retirement (at least 30 years of service **or** age 50)

Instead of terminating employment and receiving retirement benefits, a member could choose to enter DROP and continue employment for a specified period of time, not to exceed 5 years. A written agreement between a member and the employer is required. While participating in the DROP, a member earns no additional service credit toward retirement.

**Calculation**

During this period of time, a member's defined benefit retirement payment and employee contributions are paid into the DROP account. The member directs the investment of their DROP account in any of the investment options offered by FPPA. Currently FPPA offers a variety of investment options through Fidelity Investments (the record keeper).

**Payment**

At the end of a specified period of time, the member ceases employment and receives the amount accumulated in the DROP account. Payments from the DROP account may be paid as a monthly periodic payment, a lump sum, or a member could choose to convert all or a portion of the DROP account to "a *monthly lifetime benefit*" which may include a survivor benefit and a benefit adjustment. The "conversion to a *monthly benefit*" option must be elected prior to distribution from the Defined Benefit Component.

The member's DROP payments are in addition to the benefits paid from the Defined Benefit Component and the Money Purchase Component of the Statewide Hybrid Plan.

**Beneficiary Election**

Members may change beneficiaries any time prior to retirement by logging into the Member Account Portal (MAP). A named beneficiary may be eligible for certain limited benefits if a member dies prior to retirement depending on circumstances as provided in the Colorado Revised Statutes and the FPPA Rules & Regulations. At retirement, members re-confirm their beneficiary election. If a member should die prior to normal retirement eligibility, benefits are paid according to the provisions of the Statewide Death & Disability Plan.

# Statewide Hybrid Plan Defined Benefit Component

<b>Payment Options</b>	All Statewide Hybrid Plan retirement benefits are calculated using the average of the highest 3 years' base salary. A member does not elect the payment options until shortly before the benefit is paid to ensure that the beneficiary and payment option factors are accurate.
<b>Normal Option</b>	The retiree receives a full, unreduced pension benefit for their life. No monthly benefits are paid to a beneficiary following the retiree's death. However, if at the time of the member's death, the member has not recouped in pension payments the amount of the member contributions (including all funds paid in to purchase service credit), the remaining funds plus 5% as interest would be paid to the member's beneficiary or estate, as a lump sum.
<b>Option 1 100% Survivor Benefits</b>	<p>Under Option 1, a reduced normal, deferred, early or vested retirement pension will be paid from the effective date of the retiree's retirement or later in the case of a deferred retirement. The reduced pension will continue for the life of the retiree. Upon the death of the retiree, the same reduced pension will be paid to the retiree's designated beneficiary for life.</p> <p>The table below* can be used to <u>estimate</u> the benefit amount anticipated if Option 1 is elected.</p>

  

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.809	0.797	0.785	0.773	0.760	0.746	0.732	0.718	0.703	0.687	0.672
	46	0.815	0.803	0.791	0.779	0.766	0.752	0.738	0.724	0.709	0.693	0.678
	47	0.820	0.809	0.797	0.785	0.772	0.758	0.744	0.730	0.715	0.700	0.684
	48	0.826	0.815	0.803	0.791	0.778	0.765	0.751	0.736	0.722	0.706	0.690
	49	0.832	0.821	0.809	0.797	0.784	0.771	0.757	0.743	0.728	0.713	0.697
	50	0.838	0.827	0.816	0.804	0.791	0.778	0.764	0.750	0.735	0.720	0.704
	51	0.844	0.834	0.822	0.810	0.798	0.785	0.771	0.757	0.742	0.727	0.711
	52	0.850	0.840	0.829	0.817	0.805	0.792	0.778	0.764	0.749	0.734	0.718
	53	0.856	0.846	0.835	0.824	0.812	0.799	0.785	0.772	0.757	0.742	0.726
	54	0.863	0.853	0.842	0.831	0.819	0.806	0.793	0.779	0.765	0.749	0.734
	55	0.869	0.859	0.849	0.837	0.826	0.813	0.800	0.787	0.772	0.757	0.742
	56	0.875	0.865	0.855	0.844	0.833	0.821	0.808	0.795	0.780	0.766	0.750
	57	0.881	0.872	0.862	0.851	0.840	0.828	0.816	0.802	0.789	0.774	0.758
	58	0.887	0.878	0.868	0.858	0.847	0.836	0.823	0.810	0.797	0.782	0.767
	59	0.893	0.884	0.875	0.865	0.855	0.843	0.831	0.819	0.805	0.791	0.776
	60	0.898	0.890	0.881	0.872	0.862	0.851	0.839	0.827	0.814	0.800	0.785
	61	0.904	0.896	0.888	0.879	0.869	0.858	0.847	0.835	0.822	0.808	0.794
62	0.909	0.902	0.894	0.885	0.876	0.866	0.855	0.843	0.830	0.817	0.803	
63	0.915	0.908	0.900	0.892	0.883	0.873	0.862	0.851	0.839	0.826	0.812	
64	0.920	0.913	0.906	0.898	0.889	0.880	0.870	0.859	0.847	0.835	0.821	
65	0.925	0.919	0.912	0.904	0.896	0.887	0.877	0.867	0.856	0.844	0.831	

  

**Example of Option 1**

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years' base salary is \$30,000.00 per year.

• **\$30,000.00 X 37.5% = \$11,250.00 annually;**  
 • **\$11,250.00 X .856 = \$9,630.00 or \$802.50 monthly**

\* The table above is an estimate and is for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

# Statewide Hybrid Plan Defined Benefit Component

## Option 2 50% Survivor Benefits

Under Option 2, a reduced normal, deferred, early or vested retirement pension will be paid from the effective date of the retiree's retirement or later in the case of a deferred retirement. The reduced pension will continue for the life of the retiree. Upon the death of the retiree, one-half of the same reduced pension will be paid to the retiree's designated beneficiary for life.

The table below\* can be used to estimate the benefit amount anticipated if Option 2 is elected.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.894	0.887	0.880	0.872	0.863	0.855	0.845	0.836	0.825	0.815	0.804
	46	0.898	0.891	0.883	0.876	0.867	0.859	0.849	0.840	0.830	0.819	0.808
	47	0.901	0.894	0.887	0.879	0.871	0.863	0.853	0.844	0.834	0.823	0.812
	48	0.905	0.898	0.891	0.883	0.875	0.867	0.858	0.848	0.838	0.828	0.817
	49	0.908	0.902	0.895	0.887	0.879	0.871	0.862	0.853	0.843	0.832	0.821
	50	0.912	0.905	0.899	0.891	0.883	0.875	0.866	0.857	0.847	0.837	0.826
	51	0.916	0.909	0.902	0.895	0.888	0.879	0.871	0.862	0.852	0.842	0.831
	52	0.919	0.913	0.906	0.899	0.892	0.884	0.875	0.866	0.857	0.847	0.836
	53	0.923	0.917	0.910	0.903	0.896	0.888	0.880	0.871	0.862	0.852	0.841
	54	0.926	0.920	0.914	0.907	0.900	0.893	0.884	0.876	0.867	0.857	0.846
	55	0.930	0.924	0.918	0.912	0.905	0.897	0.889	0.881	0.872	0.862	0.852
	56	0.933	0.928	0.922	0.916	0.909	0.902	0.894	0.886	0.877	0.867	0.857
57	0.937	0.931	0.926	0.920	0.913	0.906	0.899	0.890	0.882	0.873	0.863	
58	0.940	0.935	0.930	0.924	0.917	0.911	0.903	0.895	0.887	0.878	0.868	
59	0.943	0.938	0.933	0.928	0.922	0.915	0.908	0.900	0.892	0.883	0.874	
60	0.946	0.942	0.937	0.932	0.926	0.919	0.913	0.905	0.897	0.889	0.879	
61	0.950	0.945	0.941	0.935	0.930	0.924	0.917	0.910	0.902	0.894	0.885	
62	0.953	0.948	0.944	0.939	0.934	0.928	0.922	0.915	0.907	0.899	0.891	
63	0.956	0.952	0.947	0.943	0.938	0.932	0.926	0.920	0.912	0.905	0.896	
64	0.958	0.955	0.951	0.946	0.941	0.936	0.930	0.924	0.917	0.910	0.902	
65	0.961	0.958	0.954	0.950	0.945	0.940	0.935	0.929	0.922	0.915	0.907	

### Example of Option 2

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years' base salary is \$30,000.00 per year.
- **\$30,000.00 X 37.5% = \$11,250.00 annually;**
- **\$11,250.00 X .923 = \$10,383.75 or \$865.31 monthly**

\* The table above is an estimate and is for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

# Statewide Hybrid Plan **DBC** Defined Benefit Component

## Option 3 50% Last Survivor Benefits

Under Option 3, a reduced normal, deferred, early or vested retirement pension will be shared by the retiree and their named beneficiary. Upon the death of either the retiree or the designated beneficiary, one-half of the same reduced pension will be paid to the survivor for life.

The table below\* can be used to estimate the benefit amount anticipated if Option 3 is elected at retirement.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.916	0.908	0.899	0.890	0.880	0.870	0.860	0.849	0.838	0.827	0.815
	46	0.922	0.913	0.904	0.895	0.886	0.876	0.865	0.855	0.843	0.832	0.820
	47	0.927	0.919	0.910	0.901	0.891	0.881	0.871	0.860	0.849	0.837	0.825
	48	0.933	0.924	0.916	0.906	0.897	0.887	0.876	0.866	0.855	0.843	0.831
	49	0.939	0.930	0.922	0.912	0.903	0.893	0.882	0.872	0.860	0.849	0.837
	50	0.945	0.937	0.928	0.919	0.909	0.899	0.889	0.878	0.867	0.855	0.843
	51	0.952	0.943	0.934	0.925	0.916	0.906	0.895	0.884	0.873	0.861	0.849
	52	0.959	0.950	0.941	0.932	0.922	0.912	0.902	0.891	0.880	0.868	0.856
	53	0.966	0.957	0.948	0.939	0.930	0.920	0.909	0.898	0.887	0.875	0.863
	54	0.973	0.965	0.956	0.947	0.937	0.927	0.917	0.906	0.894	0.883	0.870
	55	0.981	0.973	0.964	0.954	0.945	0.935	0.924	0.913	0.902	0.890	0.878
56	0.989	0.981	0.972	0.963	0.953	0.943	0.932	0.921	0.910	0.898	0.886	
57	0.998	0.989	0.980	0.971	0.961	0.951	0.941	0.930	0.919	0.907	0.894	
58	1.006	0.998	0.989	0.980	0.970	0.960	0.950	0.939	0.927	0.915	0.903	
59	1.016	1.007	0.998	0.989	0.979	0.969	0.959	0.948	0.936	0.925	0.912	
60	1.025	1.017	1.008	0.999	0.989	0.979	0.968	0.957	0.946	0.934	0.922	
61	1.035	1.027	1.018	1.009	0.999	0.989	0.978	0.967	0.956	0.944	0.932	
62	1.046	1.037	1.028	1.019	1.009	0.999	0.989	0.978	0.966	0.954	0.942	
63	1.056	1.048	1.039	1.030	1.020	1.010	1.000	0.989	0.977	0.965	0.953	
64	1.068	1.059	1.050	1.041	1.032	1.021	1.011	1.000	0.989	0.977	0.964	
65	1.080	1.071	1.062	1.053	1.043	1.033	1.023	1.012	1.000	0.989	0.976	

### Example of Option 3

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years' base salary is \$30,000.00 per year.
- **\$30,000.00 X 37.5% = \$11,250.00 annually;**
- **\$11,250.00 X .966 = \$10,867.50 or \$905.63 monthly**

\* The table above is an estimate and is for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.



# Statewide Hybrid Plan Defined Benefit Component

## Option 4 100% Survivor Benefits with the “Pop-Up” Provision

Under Option 4, a reduced normal, deferred, early or vested retirement pension will be paid from the effective date of the retiree’s retirement or later in the case of a deferred retirement. The reduced pension will continue for the life of the retiree. Upon the death of the retiree, the same reduced pension will be paid to the retiree’s designated beneficiary for life. However, if the designated beneficiary dies before the retiree, the reduced pension benefit “pops-up” or reverts to the Normal Option effective with the first day of the month following the date of the death of the beneficiary.

The table below\* can be used to estimate the benefit amount anticipated if Option 4 is elected.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.800	0.789	0.777	0.764	0.751	0.738	0.724	0.710	0.695	0.680	0.664
	46	0.805	0.794	0.782	0.770	0.757	0.743	0.730	0.715	0.700	0.685	0.670
	47	0.811	0.799	0.788	0.775	0.762	0.749	0.735	0.721	0.706	0.691	0.675
	48	0.816	0.805	0.793	0.781	0.768	0.755	0.741	0.727	0.712	0.697	0.681
	49	0.822	0.810	0.799	0.787	0.774	0.761	0.747	0.733	0.718	0.703	0.687
	50	0.827	0.816	0.805	0.792	0.780	0.767	0.753	0.739	0.724	0.709	0.694
	51	0.832	0.822	0.810	0.798	0.786	0.773	0.759	0.745	0.731	0.716	0.700
	52	0.838	0.827	0.816	0.804	0.792	0.779	0.766	0.752	0.737	0.722	0.707
	53	0.844	0.833	0.822	0.811	0.798	0.786	0.772	0.759	0.744	0.729	0.713
	54	0.849	0.839	0.828	0.817	0.805	0.792	0.779	0.765	0.751	0.736	0.720
	55	0.854	0.845	0.834	0.823	0.811	0.799	0.786	0.772	0.758	0.743	0.728
	56	0.860	0.850	0.840	0.829	0.817	0.805	0.793	0.779	0.765	0.750	0.735
57	0.865	0.856	0.846	0.835	0.824	0.812	0.799	0.786	0.772	0.758	0.742	
58	0.871	0.861	0.852	0.841	0.830	0.819	0.806	0.793	0.780	0.765	0.750	
59	0.876	0.867	0.857	0.847	0.837	0.825	0.813	0.800	0.787	0.773	0.758	
60	0.881	0.872	0.863	0.853	0.843	0.832	0.820	0.807	0.794	0.780	0.766	
61	0.886	0.878	0.869	0.859	0.849	0.838	0.827	0.815	0.802	0.788	0.773	
62	0.891	0.883	0.874	0.865	0.855	0.845	0.834	0.822	0.809	0.796	0.781	
63	0.896	0.888	0.880	0.871	0.862	0.851	0.841	0.829	0.817	0.803	0.789	
64	0.900	0.893	0.885	0.877	0.868	0.858	0.847	0.836	0.824	0.811	0.797	
65	0.905	0.898	0.890	0.882	0.873	0.864	0.854	0.843	0.831	0.819	0.806	

### Example of Option 4

The following example is based on these assumptions:

- A member is age 55.
  - The designated beneficiary is age 53.
  - The member has completed 25 years of service credit.
  - The average highest three years’ base salary is \$30,000.00 per year.
- **\$30,000.00 X 37.5% = \$11,250.00 annually;**
  - **\$11,250.00 X .844 = \$9,495.00 or \$791.25 monthly**

\* The table above is an estimate and is for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

# Statewide Hybrid Plan Defined Benefit Component

## Option 5 50% Survivor Benefits with the “Pop-Up” Provision

Under Option 5, a reduced normal, deferred, early or vested retirement pension will be paid from the effective date of the retiree’s retirement or later in the case of a deferred retirement. The reduced pension will continue for the life of the retiree. Upon the death of the retiree, one-half of the same reduced pension benefit will be paid to the retiree’s beneficiary for life. However, if the beneficiary dies before the retiree, the reduced pension benefit “pops-up” or reverts to the Normal Option effective with the first day of the month following the date of the death of the beneficiary.

The table below\* can be used to estimate the benefit amount anticipated if Option 5 is elected at retirement.

		Age of Retiree										
		55	56	57	58	59	60	61	62	63	64	65
Age of Beneficiary	45	0.889	0.882	0.874	0.866	0.858	0.849	0.840	0.830	0.820	0.809	0.798
	46	0.892	0.885	0.878	0.870	0.862	0.853	0.844	0.834	0.824	0.813	0.802
	47	0.896	0.889	0.881	0.873	0.865	0.856	0.847	0.838	0.828	0.817	0.806
	48	0.899	0.892	0.885	0.877	0.869	0.860	0.851	0.842	0.832	0.821	0.810
	49	0.902	0.895	0.888	0.881	0.873	0.864	0.855	0.846	0.836	0.826	0.815
	50	0.905	0.899	0.892	0.884	0.876	0.868	0.859	0.850	0.840	0.830	0.819
	51	0.909	0.902	0.895	0.888	0.880	0.872	0.863	0.854	0.844	0.834	0.824
	52	0.912	0.906	0.899	0.892	0.884	0.876	0.867	0.858	0.849	0.839	0.828
	53	0.915	0.909	0.902	0.895	0.888	0.880	0.872	0.863	0.853	0.843	0.833
	54	0.918	0.912	0.906	0.899	0.892	0.884	0.876	0.867	0.858	0.848	0.838
	55	0.922	0.916	0.909	0.903	0.896	0.888	0.880	0.871	0.862	0.853	0.842
	56	0.925	0.919	0.913	0.907	0.900	0.892	0.884	0.876	0.867	0.857	0.847
	57	0.928	0.922	0.916	0.910	0.903	0.896	0.888	0.880	0.871	0.862	0.852
	58	0.931	0.926	0.920	0.914	0.907	0.900	0.893	0.885	0.876	0.867	0.857
	59	0.934	0.929	0.923	0.917	0.911	0.904	0.897	0.889	0.881	0.872	0.862
	60	0.937	0.932	0.927	0.921	0.915	0.908	0.901	0.893	0.885	0.877	0.867
	61	0.940	0.935	0.930	0.924	0.918	0.912	0.905	0.898	0.890	0.881	0.872
62	0.942	0.938	0.933	0.928	0.922	0.916	0.909	0.902	0.894	0.886	0.877	
63	0.945	0.941	0.936	0.931	0.926	0.920	0.913	0.906	0.899	0.891	0.882	
64	0.948	0.944	0.939	0.934	0.929	0.923	0.917	0.911	0.903	0.896	0.887	
65	0.950	0.946	0.942	0.937	0.932	0.927	0.921	0.915	0.908	0.900	0.892	

### Example of Option 5

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has completed 25 years of service credit.
- The average highest three years’ base salary is \$30,000.00 per year.

- **\$30,000.00 X 37.5% = \$11,250.00 annually;**
- **\$11,250.00 X .915 = \$10,293.75 or \$857.81 monthly**

\* The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit or in the case of participation in DROP, when the pension is paid into the DROP account.

# Statewide Hybrid Plan Defined Benefit Component

<b>Benefit Adjustment</b> <i>(Commonly known as COLA)</i>	Benefit adjustments are not guaranteed and are determined annually by the FPPA Board of Directors based on the most recent actuarial study. The amount of the benefit adjustment cannot exceed 3%. Benefit adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1. Any benefit adjustment increases, when awarded, are effective October 1 of each year.
<b>Refunds</b>	<b>Non-Vested</b> If a member terminates service prior to completing 5 years of service, the member's contributions plus 5% as interest may be refunded. If a refund is chosen, all employer contributions are forfeited. <b>Vested</b> If a member terminates service after completing 5 years of service, a refund of the member's contributions plus 5% as interest may be elected in lieu of electing a retirement benefit from the Defined Benefit Component. If a refund is chosen, all employer contributions are forfeited.
<b>Purchasing Service Credit</b>	<p>Members in the FPPA Defined Benefit System having prior public employment with a non-FPPA employer, employment with a private employer or military service may be eligible to purchase service credit in the Defined Benefit Component of the Statewide Hybrid Plan if certain conditions are met.</p> <p><b>After one year with current department, eligible to purchase:</b></p> <ul style="list-style-type: none"><li>• Any public employment time for which you are not eligible for a retirement benefit,</li><li>• Up to five years of military time for which you are not eligible for a retirement benefit, or for which you were not eligible to submit pension contributions under the Uniformed Services Employment and Reemployment Rights Act (USERRA).</li></ul> <p><b>After five years with current department, eligible to purchase:</b></p> <ul style="list-style-type: none"><li>• Up to five years of private employment for which you are not eligible for a retirement benefit.</li></ul> <p><b>Additional points:</b></p> <ul style="list-style-type: none"><li>• Once eligible, purchase(s) can be made throughout your career but must be completed prior to retirement and/or entry into the DROP.</li><li>• The cost is based on your age and highest annual base salary in the plan.</li><li>• A calculator to estimate the cost may be found in the Member Account Portal (MAP) or at <a href="http://joinFPPA.org">joinFPPA.org</a>.</li><li>• Factors used to determine the cost of purchasing service credit may be revised periodically.</li></ul> <p>A detailed brochure and application are available by contacting FPPA or visiting the website at <a href="http://www.FPPAco.org">www.FPPAco.org</a>.</p>

# Statewide Hybrid Plan Money Purchase Component

## Vesting

The Money Purchase Component has a 5-year graduated vesting schedule.

### Vesting Schedule for the Money Purchase Component

From the first day of membership in the plan, the member is fully vested in the member contributions and any amounts “rolled over” to the plan for the member account.

The member will be vested in employer contributions according to the following schedule.

<u>Years of Service</u>	<u>Vested %</u>
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

The member also becomes 100% vested in the employer account upon attaining age 55, regardless of years of service, death or permanent occupational or total disability prior to retirement.

## Choice of Investment Options

The member directs the investment of the contributions made to the Money Purchase Component of the account. Members may choose from a wide variety of investment options offered through Fidelity Investments®.

### Standard Plan Options

- A variety of mutual funds are available for a member to build their asset allocation strategy. These funds include three major asset classes (stocks, bonds, and short-term investments) and are monitored by the FPPA investment staff, Fidelity Investments, and an outside consulting team.
- *Target Date Funds (TDF)* – Also known as a lifecycle or age-based fund, these are funds in which the assets allocations gradually adjust to be more conservative as the investment option moves towards its target date.

Additional offerings are also available through a Fidelity *BrokerageLink* Account. This account allows the member to invest their contributions in a broad range of Fidelity and non-Fidelity mutual funds plus a wide range of individual securities not offered within the Standard Option Plan. There are extra fees associated with this account.

Until the member selects their investment option(s), the contributions will be deposited into the default fund, a target date fund which best matches the members expected retirement date (based on the members’ birth date). The member can re-direct these contributions at any time via the phone or Internet.

## Daily Valuation

The assets in the Money Purchase Component of the plan will be valued at the close of every business day, enabling the member to get updated balances daily.

## Withdrawals/ Distributions

### Withdrawals

Withdrawals from the Money Purchase Component are allowed under any of the following conditions:

- The member separates from service with the fire or police department
- The member becomes disabled
- The member attains age 70 ½
- Payment is made to the member's beneficiary upon death

### Distributions

The following distribution methods are available under the Money Purchase Component.

#### Convert to a Monthly Lifetime Benefit

A member may elect to convert all or part of their account balance in their Money Purchase Component to a monthly lifetime benefit. The same benefit payment option that they chose for their defined benefit will apply to this monthly lifetime benefit. The same benefit adjustment that is applied to their defined benefit will apply also.

#### Lump Sum

The member may choose a lump sum for all or a portion of the Money Purchase Component.

#### Monthly Periodic Payments

The member may elect to have the monthly benefits payable over a certain time frame or may elect to receive a certain dollar amount per month until the account is exhausted.

#### Annuity

The member may elect to purchase an annuity contract with all or a portion of their money purchase balance through an outside provider.

The member may choose one or a combination of the methods mentioned above.

## Beneficiary Election

A member will elect a beneficiary for the Money Purchase Component when they enter the plan. Fidelity Online Beneficiaries Service, offers a straightforward, convenient process that takes just minutes for members to select or change beneficiaries. To access Fidelity Online go to the FPPA website at [www.FPPAco.org](http://www.FPPAco.org) and click on the Fidelity link.

## Initial Enrollment

Upon enrollment in the Statewide Money Purchase Plan, Fidelity Investments® will mail a welcome letter to the member's home. The letter contains information that may help the member determine an investment strategy for the plan.

- ✓ Follow the letter's instructions and call Fidelity Investments® at (800) 343-0860 to establish the investment elections. Until investment elections are provided to Fidelity, contributions to the member's account will be invested in a target date fund that best matches the members expected retirement date (based on the members' birth date).
- ✓ Complete the Beneficiary Designation online, or contact Fidelity Investments® at (800) 343-0860. If a Beneficiary Designation is not provided to Fidelity, upon the member's death, the account balance will be distributed to their estate.

## Managing the Money Purchase Component of the Statewide Hybrid Plan

Through Fidelity's automated phone service or Internet site, the member will be able to obtain account information and initiate most transactions when it is convenient.

### Internet Account Access

[www.NetBenefits.com/FPPA](http://www.NetBenefits.com/FPPA)

*NetBenefits* is Fidelity's site that allows the member access to their account from any computer equipped with internet service. Through *NetBenefits*, the member will be able to view their account balances, make exchanges between investment options, change future contributions mixes, track contributions, access fund information, and change their beneficiary. FPPA also has a link to this site through the Fidelity Investments link at [www.FPPAco.org](http://www.FPPAco.org).

### Automated Phone Service

(800) 343-0860 - Through Fidelity's toll-free telephone service, members can manage their account right over the phone virtually 24 hours a day, 7 days a week on an automated basis. Members can personalize a menu to quickly access the information they check regularly such as account balances and fund prices.

### Knowledgeable Retirement Services Specialists

Fidelity Retirement Services Specialists can give members more information about the investment options available to them, provide them with information to determine an investment strategy to help them reach their retirement goals, and answer most questions about the plan. Additionally, representatives will be able to assist members when requesting a withdrawal. Fidelity Retirement Services Specialists are available at (800) 343-0860.

### Investment Education

Whether a member is just getting started or getting ready to retire, Fidelity Investments® offers educational resources to help plan for retirement.

- **Visit an Investor Center** – visit or call one of the local investor centers available to talk with experienced investment specialists who are able to conduct a portfolio review, create a comprehensive income plan, or you can also attend educational seminars, or just get a “Quick Check” on your asset allocation strategy.
- **One-on-One Consultation** – is available to review your portfolio and discuss your savings and investing needs with a Fidelity Workplace Planning and Guidance Consultant. Call (800) 642-7131, or click on the Fidelity tab from [www.FPPAco.org](http://www.FPPAco.org)
- **Fidelity Personalized Planning and Advice at Work** – a managed account service which allows the member to delegate day-to-day management of their account to Fidelity Investment professionals. There is an additional fee for this service.

In addition FPPA representatives will be at each workplace periodically to conduct educational meetings and to meet with members one-on-one.





*Sign in or  
Register Today!*

**FPPA** | Fire & Police Pension  
Association of Colorado

**FPPAco.org** • (303) 770-3772 in the Denver Metro area  
(800) 332-3772 toll free nationwide • (303) 771-7622 fax

5290 DTC Parkway, Suite 100 • Greenwood Village, Colorado 80111-2721

*This plain language document is intended for informational purposes only. Official interpretations or determinations are based upon the statutes, plan document and rules and regulations which govern this plan.*