AMENDED - 7/18/26

CITY MANAGER'S OFFICE MEMORANDUM
#22-2026

DATE: July 20, 2026

TO: Honorable Mayor Meredith Leighty and City Council Members

FROM: Heather Geyer, City Manager hmg

SUBJECT: Northglenn Police Department Re-Entry into FPPA

PURPOSE

To consider whether the Northglenn Police Department (NPD) should re-enter the Fire and Police Pension Association (FPPA) retirement system. Representatives from FPPA will be present to address any questions specific to FPPA plans. Representatives from the NPD Fraternal Order of Police (FOP) will also be in attendance.

BACKGROUND

The City of Northglenn is committed to maintaining a high-performing, stable, and professional police department that delivers exceptional service to our community. A critical component of that commitment is ensuring that the City offers a competitive and sustainable retirement system that supports both recruitment and retention of qualified police officers. The 2025-2029 City Council Strategic Plan includes Strategic Priority 2.10, City Contribution to Staff Retirement Increase, which directs the City Manager to evaluate increased retirement contributions, including FPPA participation for sworn officers. A shift to FPPA has been identified as a potential recruitment and retention strategy for police officers. FOP leadership submitted a formal request to re-enter FPPA, which is included as Attachment 3.

FPPA is an independent public pension system that provides retirement, disability, and survivor benefits for Colorado's police officers, firefighters, and other first responders. It was created by the Colorado General Assembly in 1980 and administers pension plans for more than 260 fire and police departments across the state. FPPA provides a defined benefit retirement structure. This structure is designed to offer predictability and long-term security, which is increasingly valued in the competitive labor market.

A comprehensive list of departments participating in the FPPA Defined Benefit System can be found on page 212 of the FPPA Annual Report.

The City Manager committed to bringing forward a recommendation as part of the 2027 budget process. Accordingly, this discussion is being brought forward during the third quarter of 2026.

Key Milestones

- Oct. 15, 1982: The City withdrew from FPPA and subsequently adopted the Police Money Purchase Pension Plan (Attachment 2).

- November 2023 ballot question to extend a one-half percent (1/2%) sales and use tax prioritized public safety.

- Spring 2024: The City Manager received a formal request from the FOP to re-enter FPPA.

- Jan. 29, 2025: The City Manager met with NPD staff in response to the FOP's request.

- Sept. 22, 2025: Jared Martin, with Innovest Portfolio Solutions, presented an independent third-party comparison of the existing Police Money Purchase Pension Plan and FPPA to City Council (Attachment 4). City Council provided direction to the City Manager to bring forward next steps in the first quarter of 2026.

- March 18, 2026: The City Manager provided an update to NPD staff at Chief May's State of the Department meeting.

- April 8, 2026: The City Manager and Deputy City Manager met with new FOP leadership.

- April 17, 2026: The City Manager met with FPPA representatives to discuss the process for re-entry.

Re-Entry Process

As part of the re-entry process, the City must determine which FPPA plan components will be offered to existing and future officers. Based on feedback from FOP leadership, the desired plan component for newly hired officers is the Defined Benefit Plan. FOP leadership also expressed a desire for the City to offer all three plan options to existing officers:

1. Defined Benefit Component;
2. Hybrid Component; and
3. Money Purchase Component (similar to the City's existing plan).

Re-entry into FPPA requires a non-negotiable, minimum Continuing Rate of Contribution equal to 1.9% of the base salary, per enrolled participant. This contribution may be paid entirely by the City, entirely by the participant, or shared between the City and the participant. On the two-year anniversary of the City's effective date of re-entry, FPPA will conduct actuarial analysis and notify the City if the Continuing Rate of Contribution can be reduced. Currently, the lowest Continuing Rate of Contribution for a member is 0.2%. Staff is proposing that the City cover 50% of the Continuing Rate of Contribution, while the FOP is requesting 100% City coverage.

Financial Considerations

It is important to note that the City will not know the final cost until after officers meet with FPPA representatives and determine which FPPA plan they elect to participate in, which will not happen until after City Council approves the non-binding resolution.

Estimated future costs:

- Current Money Purchase Pension Plan $ 780,000
- FPPA Defined Benefit Component $ 1,080,000
- FPPA Hybrid Component $ 1,080,000
- FPPA Money Purchase Component $ 1,000,000

The Continuing Rate of Contribution of 1.9% also needs to be considered, with three options available to Council:

Continuing Rate of Contribution Options	City Cost	Participant Cost
Option 1: City pays 100%	$ 165,000	-
Option 2: Participant pays 100%	-	$ 165,000
Option 3: City and Participant 50/50 Cost Share	$ 82,500	$ 82,500

Future financial projections will be based on projected salary increases and mandated employer contribution levels.

Timeline for Re-entry

FPPA has provided an FAQ document regarding re-entry (Attachment 5) and a process timeline (Attachment 6). Upon direction from Council, Staff would meet with FPPA to develop a more detailed timeline. Staff will also develop a draft non-binding resolution for potential adoption at a future Council meeting.

City Council Options

1. Consider re-entry into FPPA: Staff would proceed with the proposed re-entry process, including preparation of a draft non-binding resolution and other associated implementation documents.

   Staff seeks Council direction regarding the following:
   - Continuing Rate of Contribution; and
   - whether to pursue implementation in 2027 or 2028, so adequate funding can be included in the appropriate budget process.

2. Do not pursue FPPA re-entry: Staff would discontinue work related to a proposed re-entry effort at this time.

3. Provide alternative direction: Council may provide direction to staff regarding alternative timing, scope, funding strategy, or other considerations related to re-entry.

BUDGET/TIME IMPLICATIONS

The timeline and determination of cost to the City is subject to Council direction.

STAFF RECOMMENDATION

The City Manager recommends moving forward with re-entry. However, given current budget constraints, staff seeks Council direction regarding the preferred implementation timeline and associated funding.

STAFF REFERENCE

If Council members have any questions, please contact Heather Geyer, City Manager, at hgeyer@northglenn.org or 303.450.8706.

ATTACHMENTS

1. Presentation
2. Documentation Regarding the City's Withdrawal from FPPA in 1982
3. FOP Request to City Council for FPPA Re-entry
4. Innovest Comparative Analysis – Sept. 2025
5. FPPA Re-entry FAQs
6. Draft Timeline for Re-Entry
7. Draft Non-binding Resolution

NORTHGLENN POLICE DEPARTMENT RE-ENTRY INTO FPPA

Heather Geyer
City Manager
303.450.8706
hgeyer@northglenn.org

Study Session
July 20, 2026

PURPOSE

To consider whether the Northglenn Police Department (NPD) should re-enter the Fire and Police Pension Association (FPPA).

- Overview of FPPA and process
- Financial considerations
- Employee equity across the organization
- Timing

PREVIOUS CITY COUNCIL DIRECTION

- November 2023 ballot question for extension of ½% sales and use tax prioritized public safety.

- Priority 2.10 of the *2025-2029 City Council Strategic Plan* is to increase City Contributions to staff retirement. The City Manager is directed to present options for increased retirement contributions, including an evaluation of FPPA for sworn officers.

- Presentation of options has been delayed due to declining tax revenues and fiscal constraints.

CITY OF Northglenn

BACKGROUND

Date	Milestone
Spring 2024	FOP requests FPPA evaluation/City Council direction
Jan. 29, 2025	City Manager met with NPD; outlined next steps
Sept. 22, 2025	Council received comparative analysis
Mar. 18, 2026	NPD staff update
Apr. 8, 2026	City Manager met with FOP leadership
Apr. 17, 2026	City Manager met with FPPA to discuss re-entry process

CITY OF Northglenn

CURRENT RETIREMENT PROGRAM

Benefit	Current Plan
Retirement Plan	MissionSquare 401(a)
Employee Contribution	12%
City Contribution	8 – 10% (based on years of service)
Social Security	No
Medicare	Yes
457(b) Plan	Optional (no City match)

CITY OF Northglenn

CURRENT ANNUAL RETIREMENT COSTS

Employee Category	Employee Contribution (12%)	Employer Contribution (8%-10%)	Total
Sworn	$1,000,000	$780,000	**$1,780,000**
Non-Sworn	$2,300,000	$1,700,000	**$4,000,000**
Total	**$3,300,000**	**$2,480,000**	**$5,780,000**

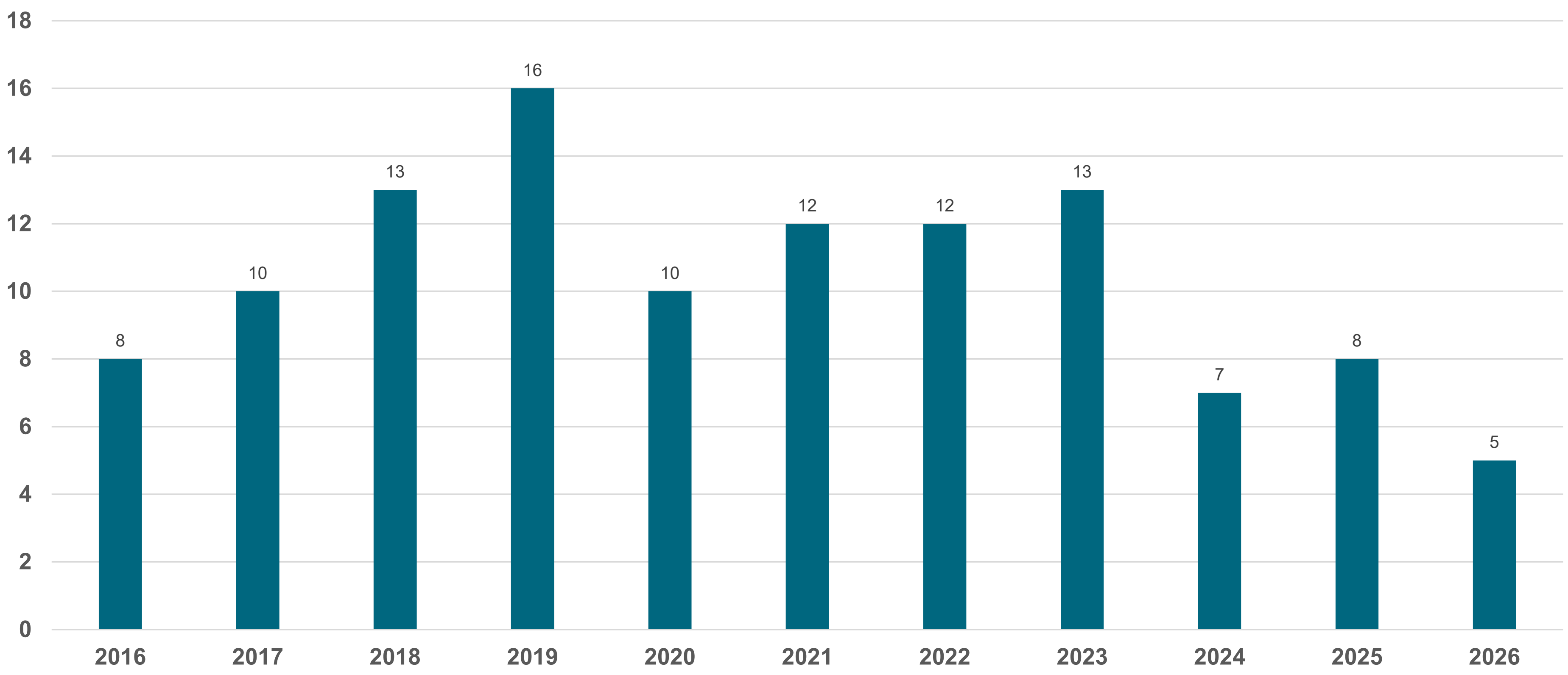
CITY OF Northglenn

COMPARATIVE RETIREMENT BENEFITS OVERVIEW

Plan	Northglenn	Average	Arvada	Aurora	Broomfield	Commerce City	Englewood	Fort Collins	Golden	Greeley	Lakewood	Littleton	Longmont	Thornton	Westminster	Wheat Ridge
401a	10.00*	7.35	10.00	7.00	6.00	6.00	7.00	6.50	5.00	5.00	13.00	7.00	5.00	7.60	11.75	6.00
Social Security	–	4.87	–	6.20	6.20	6.20	6.20	6.20	6.20	6.20	–	6.20	6.20	6.20	–	6.20
Total Employer Contribution	**10.00***	**12.22**	**10.00**	**13.20**	**12.20**	**12.20**	**13.20**	**12.70**	**11.20**	**11.20**	**13.00**	**13.20**	**11.20**	**13.80**	**11.75**	**12.20**

**Max City retirement contribution (8, 9, 10% based on years of service)*
(-) Organization does not pay into Social Security

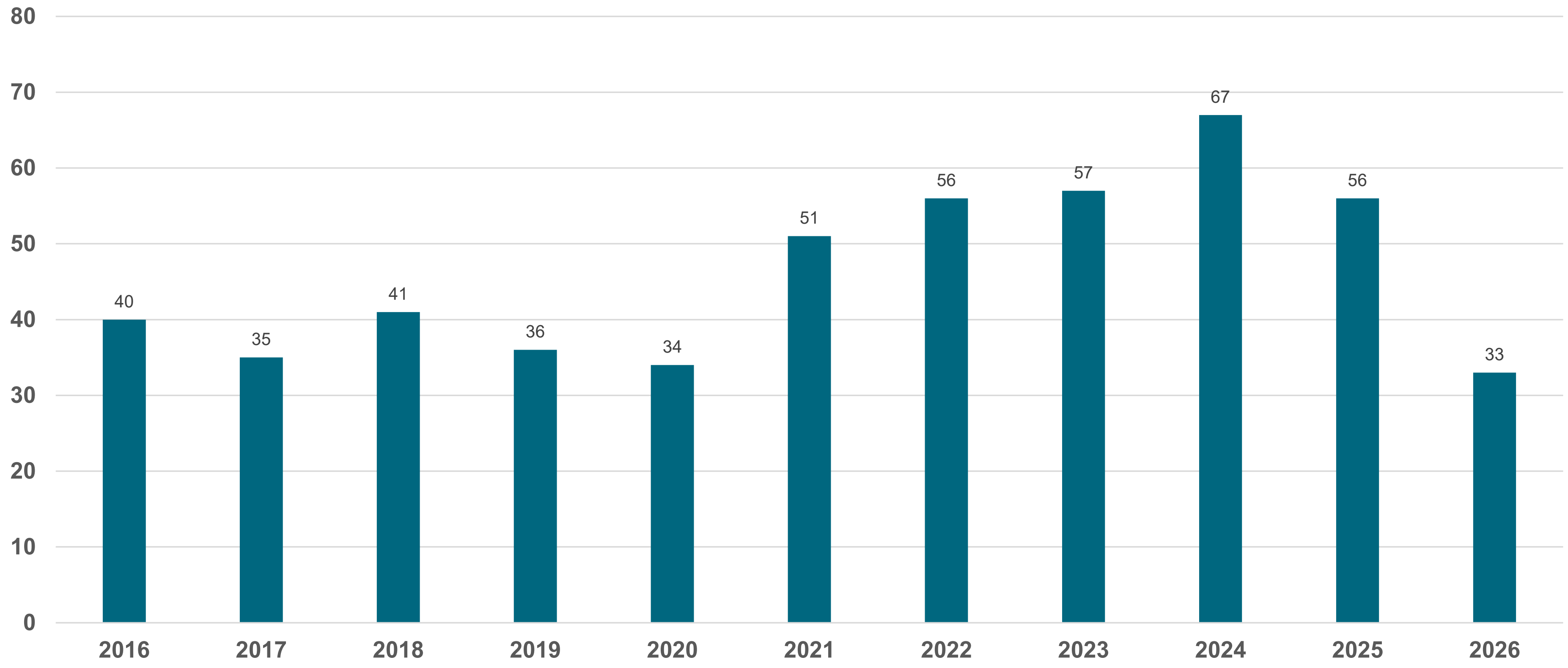
NPD OFFICER TURNOVER



**2026 data as of July 3, 2026*

CITY OF Northglenn

CIVILIAN TURNOVER



**2026 data as of July 9, 2026*

WHAT IS FPPA?

- Colorado's retirement system for public safety employees
- Provides retirement, disability, and survivor benefits
- Serves more than 260 police and fire agencies throughout Colorado
- The retirement standard for many Colorado law enforcement agencies

CITY OF Northglenn

DEPARTMENTS THAT HAVE JOINED OR REESTABLISHED FPPA RETIREMENT BENEFITS

Aurora Fire (2011)	Florence Police (2006)	Montrose Police (2018)
Brighton Police (2005)	Fort Lupton PD (2026)	Mountain Village PD (2021)
Broomfield Police (2018)	Fountain PD (2018) & FD (2011)	Mt. Crested Butte PD (2023)
Buena Vista Police (2011)	Frederick PD (converted to SRP-DB in 2021)	North Metro Fire Rescue (2005)
Cañon City Area FPD (2023)	Grand Junction Fire (2018)	Poudre Fire Authority (2019)
Cañon City Police (2007)	Haxtun PD (affiliated prior to 1/1/2007)	Roaring Fork FRA (2018)
Carbondale & Rural FPD (2006)	Holyoke PD (affiliated prior to 1/1/2007)	Security FPD (2010)
Castle Rock PD (2021)	Hudson PD (converted to SRP-DB in 2024)	Sheridan PD (2012)
Cherry Hills Village PD (2024)	Johnstown PD (affiliated prior to 1/1/2007)	Springfield PD (affiliated prior to 1/1/2007)
Clear Creek County Sheriff's Office (2026)	Keenesburg PD (2022)	Summit Fire & EMS (2017)
Dacono Police (2008)	Kersey PD (2017)	Thornton PD & FD (2017)
DeBeque Police (affiliated prior to 1/1/2007)	Kremmling PD (affiliated prior to 1/1/2007)	Trinidad Fire (2004)
Dillon Police (2017)	Lafayette Police (2005)	West Metro FPD (2007)
Edgewater Police (2017)	Littleton Fire (2009)	Westminster PD (2017) & FD (2004)
Elizabeth FPD (2020)	Littleton Police (2018)	Windsor PD (converted to SRP-DB in 2022)
Englewood Police (2013)	Longmont PD & FD (2021)	
Evans Police (2005)	Milliken Police (2007)	
Federal Heights PD & FD (2005)	Monte Vista Police (2019)	

BENEFITS OF RE-ENTERING FPPA

Recruit & Retain

- More competitive benefits
- Improves recruitment and retention

Strengthen the Workforce

- Increases workforce stability
- Protects training and institutional knowledge

Financial Stewardship

- May reduce turnover and hiring costs
- Professionally managed retirement system

Support Public Safety

- Recognizes the demands of policing
- Helps maintain experienced officers and consistent service

CITY OF Northglenn

CONSIDERATIONS FOR RE-ENTRY TO FPPA

Financial

- Higher long-term retirement obligations
- Increased employer contributions

Operational

- Transition and implementation required
- Turnover may still occur

Policy

- Balance workforce benefits with long-term fiscal sustainability

CITY OF Northglenn

RE-ENTRY REQUIREMENTS

New Hires

- Automatically enrolled in FPPA Defined Benefit Plan

Current Officers

- May remain in their existing plan or elect one of the three FPPA options:
  - Defined Benefit (required to buy years of service by FPPA)
    - Not all existing officers will have the ability to buy years of service.
  - Hybrid*
  - Money Purchase*

Note

- No loans permitted under FPPA
- *Hybrid and Money Purchase Plans allow for a lower percentage contribution than the Defined Benefit Plan.

CITY OF Northglenn

DEFINED BENEFIT PLAN

	1.	2.	3.	4.	5.	6.	7.
Effective January 1 of Year	Minimum Mandatory Member Contribution Rate	Minimum Mandatory Employer Contribution Rate	Total Combined Member and Employer Contribution Rate	Additional required rate for Reentry Members*	Additional required rate for Reentry Employers*	Total Required Rate for Reentry Members	Portion of the Member contribution to be paid “after-tax”
2026	12.0%	11.0%	23.0%	[.95%]	[.95%]	24.9%	[.95%]
2027	12.0%	11.5%	23.5%	[.95%]	[.95%]	25.4%	[.95%]
2028	12.0%	12.0%	24.0%	[.95%]	[.95%]	25.9%	[.95%]
2029	12.0%	12.5%	24.5%	[.95%]	[.95%]	26.4%	[.95%]
2030 and thereafter	12.0%	13.0%	25.0%	[.95%]	[.95%]	26.9%	[.95%]
Notes:	Same	Higher	Higher	New	New	-	-

- *Amounts are percentage of base salary.* Increases statutorily required.

CITY OF Northglenn

EQUITY CONSIDERATIONS: NPD

Hybrid and Money Market Plans

- Require 9% minimum contribution level
- Some officers may find it cost prohibitive to purchase prior years of service in the Defined Benefit Plan and will receive less based on existing City contribution levels (8,9,10%)

Move away from years of service contribution levels and follow the FPPA Defined Benefit Plan required contribution levels for equity purposes:

2027	11.50%
2028	12.00%
2029	12.50%
2030 and thereafter	13.00%

EQUITY CONSIDERATIONS: CIVILIAN EMPLOYEES

- **Need to consider equity with years of service contributions for civilian employees:**
  - **Increase levels from 8, 9, or 10% to 10, 11, or 12%.**
- **This will be outpaced by City contributions to FPPA by 2030.**

HYBRID PLAN: EXISTING OFFICER OPTION

1.	2.	3.	4.	5.	6.
Member Contribution Rate	Employer Contribution Rate	Additional required rate for Reentry Members *	Additional required rate for Reentry Employers *	Total Combined Member and Employer Contribution Rate for Reentry Members	Portion of the Member Contribution Rate noted in column 1 to be paid "after-tax"
12%	11.5%*	.95%	.95%	25.4%	.95%
Same	**Higher**	**New**	**New**	**-**	**-**

- *Amounts are percentage of base salary.*
- **FPPA requires a minimum of 9% in this plan.*

MONEY PURCHASE PLAN: EXISTING OFFICER OPTION

1.	2.	3.	4.
Member Contribution Rate	Employer Contribution Rate	Total Combined Member and Employer Contribution Rate for Reentry Members	Portion of the Member Contribution Rate noted in column 1 to be paid "after-tax".
12%	11.5%*	23.5%	0%
Same	Higher	-	-

- *Amounts are percentage of base salary.*
- **FPPA requires a minimum of 9% in this plan.*

CONTINUING RATE OF CONTRIBUTION OPTIONS

OPTION 1: Employee Covers 1.9%	OPTION 2: Employer Covers 1.9%	OPTION 3: 50/50 Split
$165,000	$165,000	$82,500

**FOP requests City cover 100% of the cost.*

CITY OF Northglenn

POTENTIAL FUTURE COSTS

Sworn Plan	Current Plan	FPPA Defined Benefit Plan 12.45%	FPPA Hybrid Plan 12.45%	FPPA Money Purchase Plan 11.50%
Employer Cost	$780,000	$1,080,000	$1,080,000	$1,000,000
% Change		38%	38%	28%

Non-Sworn Plan	Current Plan	Benchmark Avg. 12.00%
Employer Cost	$1,700,000	$2,270,000
General Fund	$1,160,000	$1,550,000
Other Funds	$540,000	$720,000
% Change		33%

City of Northglenn

COUNCIL OPTIONS

1) Consider re-entry into FPPA

2) Do not pursue FPPA re-entry

3) Provide alternative direction

CITY OF Northglenn

RE-ENTRY NEXT STEPS

1) Identify effective budget year: 2027 or 2028
2) Confirm plan selection
3) Draft Timeline: See Attachment 6, steps 4 - 41
4) Approval of non-binding resolution by Council starts the process.

QUESTIONS?

CITY OF Northglenn

Attachment 2

city of Northglenn

P. O. Box 33817, Northglenn, CO 80233

September 8, 1982

Fire and Police Pension Association
ATTN: Maribeth Ray
Administrative Assistant
720 S. Colorado Boulevard, Suite 800
Denver, CO 80222

Dear Ms. Ray:

Pursuant to your request of City intent in your letter dated September 1, 1982, I would like to clarify the City of Northglenn's position in withdrawing from the State Fire and Police Pension Association.

Officers hired after April 7, 1978, will withdraw from the State plan and enter into a money purchase plan. Officers hired before April 7, 1978, nor the City have affiliated with the State program, but they also intend to join a money purchase plan.

Both old and new hires are jointly seeking to adopt a money purchase retirement plan. The date of our proposed withdraw from the Fire and Police Pension Association is October 15, 1982.

I hope this information will clear any misunderstandings you may have had and we can continue the process of implementing our money purchase plan by October 15, 1982.

Respectfully,

Rodney Walters

Rod Walters
Chairman of The
Police Pension Board

RW/jb

SPONSORED BY COUNCILMAN STRICKLAND

COUNCILMAN'S RESOLUTION

No. CR-33
Series of 1982

RESOLUTION NO.

82-32
Series of 1982

A RESOLUTION OF INTENT TO WITHDRAW FROM THE PROVISIONS OF THE STATE FIRE AND POLICE PENSION ASSOCIATION.

WHEREAS, the members of the Police Department and Police Pension Board of the City of Northglenn, Colorado, have requested the City Council of the City of Northglenn, Colorado as the employer of said police officers, to withdraw from the State Fire and Police Pension Association; and

WHEREAS, the City Council of the City of Northglenn, Colorado is currently considering enactment of an ordinance providing for the establishment of a Money Purchase Plan to provide retirement benefits for members of the Northglenn Police Department; and

WHEREAS, pursuant to the provisions of C.R.S. 1973, §31-30-1003.2 (3)(a), as amended, the City, as employer, wishes to enact the within Resolution indicating the intent of the City to withdraw from the State Fire and Police Pension Association.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Pursuant to C.R.S. 1973, §31-30-1003.2(3)(a), as amended, the City Council of the City of Northglenn does hereby indicate its desire and intent to withdraw completely from the State Fire and Police Pension Association on July 1, 1982 or on the first day of the month following board certification of the approval of the members, whichever occurs later.

DATED at Northglenn, Colorado, this 15th day of April, 1982.

Donald E. Burback
DONALD E. BURBACK
Mayor

ATTEST:

Joan M. Baker
JOAN M. BAKER
City Clerk

APPROVED AS TO FORM:

Herbert C. Phillips
HERBERT C. PHILLIPS
City Attorney

Northglenn FOP Lodge 23
FRATERNAL ORDER OF POLICE
12470 York Street #118, Eastlake, CO 80614

Chad Reffel
President

To the Honorable Members of the Northglenn City Council,

The Fraternal Order of Police Lodge #23 which represents members of the Northglenn Police is writing to express our support for re-entry into the FPPA retirement plans. In reviewing the non-binding resolution proposed by City Manager Geyer, we find that the plans proposed are in the best interest of the Northglenn Police Department and the members that the plan would affect.

We specifically note that the increased contribution rate, expressed as a percentage of salary, on the cities side going from the existing range of 8-10% based on years of service to 11% for the year of 2026(in the event FPPA is adopted) and the increased contribution going up to 13% by 2030 represents an increase in retirement benefits that is comparable to existing markets. In reviewing other agencies in the Denver Metro area, we note that for non-FPPA agencies, the average for the following agencies is 11.7%. The agencies included in this analysis are as follows: Adams County Sheriff's Office (11.5%), Aurora (12%), Boulder (13.8%), Golden (13%), Lakewood (13%), Commerce City (10%), Fort Collins (11%), Douglas County (10%), and Wheat Ridge (12.5%).

It should also be noted that there exists a growing trend for agencies to adopt FPPA, some of which include agencies that we frequently compete with for hiring and retention. Some of those namely include: Thornton, Westminster, Arvada, Brighton, Federal Heights, Frederick-Firestone, Greeley, Lochbuie, Loveland.

It should be noted that neither of these are all encompassing lists but were selected due to their proximity to Northglenn and the potential for applicants/existing staff to look for opportunities at these agencies.

We view the transition to FPPA as a strong show of support for our members; and note that it will play a huge role in recruitment and retention of the finest personnel with the goal of providing the best possible services to the residents of Northglenn.

In the interest of benefiting our members, reconciling the existing pay freeze and the effect it has had on our department, we would request an addendum to the proposed plan. Namely the 1.9% additional cost to members for re-entry. We would propose that the entirety of the 1.9% be paid by the city, as opposed to the proposed 50/50 split.

We thank you for your consideration in this matter and hope to see FPPA adopted for our members.

NORTHGLENN FOP LODGE 23

FRATERNAL ORDER OF POLICE

12470 York Street #118, Eastlake, CO 80614

Chad Reffel
President

[Chad Reffel]
[President]
[Northglenn FOP Lodge 23]
[720-237-4372]
[chaddy.reef332@yahoo.com]

Chad Reffel

President, Northglenn FOP Lodge 23

--BUILDING ON A PROUD TRADITION--

CITY MANAGER'S OFFICE MEMORANDUM
#39-2025

DATE: Sept. 22, 2025

TO: Honorable Mayor Meredith Leighty and City Council Members

FROM: Heather Geyer, City Manager hmg

SUBJECT: Comparative Analysis of City of Northglenn Police Defined Contribution Plan and FPPA Retirement Plans

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PURPOSE
To provide a comparative analysis of the retirement plans offered through the Fire and Police Pension Association (FPPA) and the City's current local defined contribution plan. Jared Martin with Innovest Portfolio Solutions, an independent third-party, will present the report.

BACKGROUND
In 2024, the City Manager received a formal request from the Fraternal Order of Police to evaluate the feasibility of shifting the Northglenn Police Department's (NPD) retirement plan to FPPA. The 2025 City Council Strategic Plan includes strategic priority 2.10 City Contribution to Staff Retirement Increase which includes, "City Manager presents options to City Council to implement increased retirement contributions, to include an evaluation of FPPA for sworn officers." A possible shift to FPPA has been identified as a recruitment and retention tool for NPD officers. The City Manager met with members of NPD on Jan. 29, 2025, and outlined the next steps in response to the request for discussion about FPPA by the FOP. The City Manager committed to bringing forward a recommendation as part of the 2026 City budget process. Therefore, Innovest Portfolio Solutions was asked to draft a comparative analysis report (Attachment 2) as a first step in the discussion of FPPA. Attachment 3 includes an index of participating FPPA cities, towns, and special districts.

BUDGET/TIME IMPLICATIONS
If City Council provides direction to staff to move forward FPPA, it is recommended that the next discussion consist of initial financial considerations for the 2027 budget, or a date otherwise determined by City Council. The following table outlines rough estimates of additional next steps that the City would take in evaluation of FPPA.

Month 1	Submit draft non-binding resolution to FPPA
Month 2	Approve non-binding resolution
Month 3	Send FPPA active member data
Month 4	Submit election forms to members
Month 5	Employer submit election forms to FPPA
	Enrollment meetings with members
Month 6	Approve resolution terminating new hires to old plan
Month 7	Effective date

STAFF RECOMMENDATION
Staff recommends continued evaluation of FPPA through the outlined next steps above beginning with a financial analysis discussion. If City Council does not wish to hold additional conversations about FPPA, no future discussions will be scheduled.

STAFF REFERENCE
If Council members have any questions, please contact Heather Geyer, City Manager, at hgeyer@northglenn.org or 303.450.8706.

ATTACHMENTS
1. Presentation
2. Comparative Analysis Report
3. Employers of the Defined Benefit System

FPPA Analysis: City of Northglenn Police Department

Presented by:

Jared Martin, CFP®, AIF® | Principal

Introduction

- Innovest Portfolio Solutions, LLC
  - Independent retirement plan and investment consulting firm
  - Conflict-free solutions; do not sell investment products
  - Clients include Defined Contribution (DC) plans, Deferred Compensation plans, Defined Benefit (DB) plans, Foundations and Endowments

Introduction to Police Retirement Planning

Purpose of Retirement Planning

- Planning ensures financial security for police officers after completing their service years.

Types of Retirement Plans

- Various plans are available, each with different benefits tailored to police careers.

Aligning Plans with Goals

- Choosing plans that align with personal career and retirement goals is crucial for long-term benefits.

Presentation Overview

- Comparison of DB and DC Plans
- FPPA SWDB
- City of Northglenn Police Pension Plan
- Considerations

COMPARISON OF DB AND DC PLANS

Two Types of Retirement Plans

- Defined Benefit (DB) Retirement Plan
  - Plan **defines** retirement **benefit** based upon certain conditions and formulas
- Defined Contribution (DC) Retirement Plan
  - Plan **defines** amount of **contributions** deposited into individual retirement accounts from which participants fund retirement benefits
  - Synonymous with Money Purchase Pension Plan

Common Process In DB and DC Plans

1. Establish retirement income objectives
2. Determine appropriate investment strategy
3. Calculate funding requirements
4. Periodically monitor progress
5. Make revisions when necessary

Common Investments

- Both Plans Invest in Similar Assets
  - Stocks
  - Bonds
  - Cash
  - Other (Alternative investments)
    - Real estate
    - Hedge Funds
    - Managed Futures
    - Private Equity

Both Assume Risks

- Both Plans are subject to similar risks
- DB Plan participants are not insulated from investment risks
  - Both DB and DC Plans commonly invest a significant portion in stocks, which makes both subject to volatility and may require revisions to benefits

Defined Benefit Plans: Execution

- Contributions
  - Pooled together in a single account
- Investments
  - Managed by professionals hired by the Plan
  - Common investment allocation for all participants
- Actuarial Calculations
  - Performed periodically by professionals hired by the Plan
  - Consider average life expectancy, current Plan assets, assumed investment return, future contributions, salary increases, COLAs

Defined Contribution Plans: Execution

- Contributions
  - Deposited into individual accounts
- Investments
  - Managed by participants or with the assistance of professionals hired by the Plan
  - Investment allocations created and managed for each individual
- Retirement Readiness Calculations
  - Responsibility of individual participants to perform periodically
  - Monitor actual progress compared to assumptions

What happens when there's a shortfall (under-funding)?

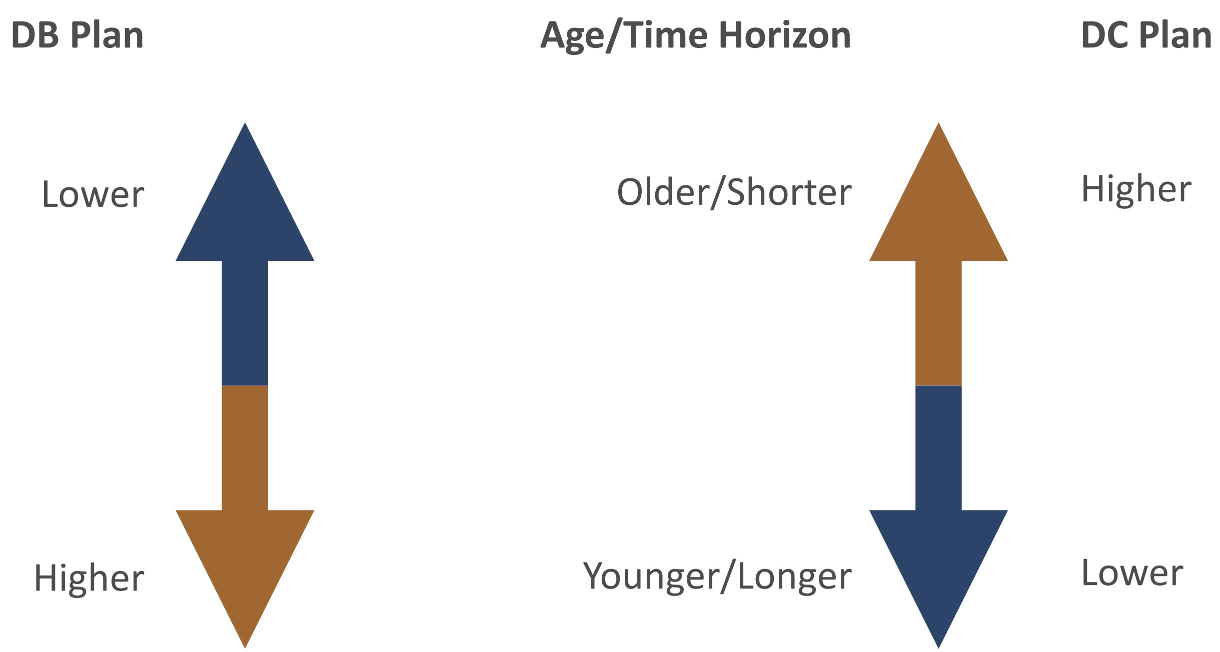
Defined Benefit

- Increase contributions
- Reduce benefits
- Increase retirement age
- Decrease COLA to retired participants

Defined Contribution

- Increase contributions
- Reduce benefits
- Increase retirement age
- Decrease COLA during retirement

Risks of DB and DC Plans



FPPA RETIREMENT SYSTEM

FPPA Retirement System

- Statutorily-Created Retirement Association
- 9-member Board
  - Hire consultants, actuaries, investment managers, other professionals
  - Modify minimum contribution rates with legislative approval
  - Revisions without legislative approval
    - Modify benefits (within statutory limits)
    - Determine annual COLA
    - Control SRA assets

FPPA Plan Statistics

Net Assets Available for Benefits and Funding Ratios 1/1/2024

Plan	Assets	Funding (2017)	Funding (2007)
Statewide Defined Benefit Plan	$ 3,517,060,000	100%	122.5%

*FPPA SWDB Actuarial Valuations Report for the year beginning January 1, 2024.

It should be noted that the funding ratios stated above assume retirees never receive a COLA. The addition of a COLA would considerably reduce funding ratios.

Employers, Participants 12/31/2024*

Plan	Active Employers	Participant
Statewide Defined Benefit Plan	260+	13,700+

*Active employer groups, FPPA Comprehensive Annual Financial Report Year Ending December 31, 2024

FPPA Statewide Defined Benefit Plan

- Vesting
  - 5-Year cliff for monthly benefit eligibility
- Benefit Eligibility
  - Normal Retirement Age (NRA) is 55, with 25 years of service
  - Vested Retirement Age is 55, with 5 years of service
  - Early Retirement Age is 50, with 30 years of service (reduced benefit)
  - Deferred Retirement – same as Normal, may be postponed until age 65

FPPA Statewide Defined Benefit Plan Contributions

- Contributions
  - Employee & Employer combined contribution rate of 22.5 percent of base salary in 2025.

Contribution Rates

Effective January 1 of Year	Mandatory Member Contribution Rate	Mandatory Employer Contribution Rate	Total Combined Member & Employer Contribution Rate
2025	12.0%	10.5%	22.5%
2026	12.0%	11.0%	23.0%
2027	12.0%	11.5%	23.5%
2028	12.0%	12.0%	24.0%
2029	12.0%	12.5%	24.5%
2030	12.0%	13.0%	25.0%

Reentry Contribution Rates

At the time a department reentered the Defined Benefit Component (or formerly the Statewide Defined Benefit Plan), contribution rates for Reentry Members* and Employers were negotiated locally and submitted by resolution to FPPA.

**Reentry rates only apply to Members of a reentry department who were active in the Plan at the time of reentry, and who elected to participate in the Statewide Retirement Plan (or formerly the Statewide Defined Benefit Plan).*

Historical Contribution Rates

Year	Prior to 2015	2015	2016	2017	2018	2019
ER Contribution	8%	8%	8%	8%	8%	8%
EE Contribution	8%	8.5%	9%	9.5%	10%	10.5%
Year	2020	2021	2022	2023	2024	2025
ER Contribution	8%	8.5%	9%	9.5%	10%	10.5%
EE Contribution	11%	11.5%	12%	12%	12%	12%

FPPA Statewide DB Plan: Benefits

- Normal Retirement Option
  - 2% of Highest Average Salary "HAS" for each year of service 1-10
  - 2.5% of Highest Average Salary "HAS" for each year of service >10
  - Provides promised lifetime monthly benefit to participant ONLY
- Reduced-benefit Options
  - Reduced benefit to participant, provides survivor benefit
    - Option 1: 100% Survivor benefit
    - Option 2: 50% Survivor benefit
    - Option 3: 50% Last-Survivor benefit
    - Option 4: 100% Survivor benefit with Pop-up
    - Option 5: 50% Survivor benefit with Pop-up

FPPA Statewide DB Plan Benefit Table

Years of Service	Age at Retirement 50	51	52	53	54	55	56	57	58	59	60+
5	6.43	7.01	7.65	8.36	9.14	10.00	10.00	10.00	10.00	10.00	10.00
6	7.72	8.42	9.19	10.03	10.97	12.00	12.00	12.00	12.00	12.00	12.00
7	9.01	9.82	10.72	11.70	12.79	14.00	14.00	14.00	14.00	14.00	14.00
8	10.29	11.22	12.25	13.38	14.62	16.00	16.00	16.00	16.00	16.00	16.00
9	11.58	12.63	13.78	15.05	16.45	18.00	18.00	18.00	18.00	18.00	18.00
10	12.87	14.03	15.31	16.72	18.28	20.00	20.00	20.00	20.00	20.00	20.00
11	14.48	15.78	17.22	18.81	20.56	22.50	22.50	22.50	22.50	22.50	22.50
12	16.09	17.54	19.14	20.90	22.85	25.00	25.00	25.00	25.00	25.00	25.00
13	17.69	19.29	21.05	22.99	25.13	27.50	27.50	27.50	27.50	27.50	27.50
14	19.30	21.04	22.96	25.08	27.42	30.00	30.00	30.00	30.00	30.00	30.00
15	20.91	22.80	24.88	27.17	29.70	32.50	32.50	32.50	32.50	32.50	32.50
16	22.52	24.55	26.79	29.26	31.99	35.00	35.00	35.00	35.00	35.00	35.00
17	24.13	26.31	28.70	31.35	34.27	37.50	37.50	37.50	37.50	37.50	37.50
18	25.74	28.06	30.62	33.44	36.55	40.00	40.00	40.00	40.00	40.00	40.00
19	27.34	29.81	32.53	35.53	38.84	42.50	42.50	42.50	42.50	42.50	42.50
20	28.95	31.57	34.45	37.62	41.12	45.00	45.00	45.00	45.00	45.00	45.00
21	30.56	33.32	36.36	39.71	43.41	47.50	47.50	47.50	47.50	47.50	47.50
22	32.17	35.07	38.27	41.80	45.69	50.00	50.00	50.00	50.00	50.00	50.00
23	33.78	36.83	40.19	43.89	47.98	52.50	52.50	52.50	52.50	52.50	52.50
24	35.39	38.58	42.10	45.98	50.26	55.00	55.00	55.00	55.00	55.00	55.00
25	37.00	40.34	44.01	48.07	52.55	57.50	57.50	57.50	57.50	57.50	57.50
26	38.60	42.09	45.93	50.16	54.83	60.00	60.00	60.00	60.00	60.00	60.00
27	40.21	43.84	47.84	52.25	57.12	62.50	62.50	62.50	62.50	62.50	62.50
28	41.82	45.60	49.75	54.34	59.40	65.00	65.00	65.00	65.00	65.00	65.00
29	43.43	47.35	51.67	56.43	61.69	67.50	67.50	67.50	67.50	67.50	67.50
30	45.04	49.10	53.58	58.52	63.97	70.00	70.00	70.00	70.00	70.00	70.00
31	46.65	50.86	55.50	60.61	66.25	72.50	72.50	72.50	72.50	72.50	72.50
32	48.26	52.61	57.41	62.70	68.54	75.00	75.00	75.00	75.00	75.00	75.00
33	49.86	54.37	59.32	64.79	70.82	77.50	77.50	77.50	77.50	77.50	77.50
34	51.47	56.12	61.24	66.88	73.11	80.00	80.00	80.00	80.00	80.00	80.00
35	53.08	57.87	63.15	68.97	75.39	82.50	82.50	82.50	82.50	82.50	82.50
36	54.69	59.63	65.06	71.06	77.68	85.00	85.00	85.00	85.00	85.00	85.00
37	56.30	61.38	66.98	73.15	79.96	87.50	87.50	87.50	87.50	87.50	87.50
38	57.91	63.13	68.89	75.24	82.25	90.00	90.00	90.00	90.00	90.00	90.00
39	59.52	64.89	70.80	77.33	84.53	92.50	92.50	92.50	92.50	92.50	92.50
40	61.12	66.64	72.72	79.42	86.82	95.00	95.00	95.00	95.00	95.00	95.00
41	62.73	68.40	74.63	81.51	89.10	97.50	97.50	97.50	97.50	97.50	97.50
42	64.34	70.15	76.55	83.60	91.39	100.00	100.00	100.00	100.00	100.00	100.00

Normal Retirement | Early Retirement | Vested Retirement

Notes 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.

*Base Salary is defined in FPPA Rule 101.05. The FPPA Rules & Regulations may be viewed at FPPAco.org.

FPPA Statewide DB Plan: Benefit Option Comp

- Assumptions
  - Retirement Age: 55
  - Beneficiary Age: 54
  - Years of Service: 25
  - HAS: $75,000

Option	Annual	Reduction	%HAS
Normal:	$43,125	n/a	57.5%
Option 1:	$38,079	12%	51%
Option 2:	$40,451	6%	54%
Option 3:	$42,047	2%	56%
Option 4:	$37,691	13%	50%
Option 5:	$40,236	7%	54%

FPPA Statewide DB Plan: Service Credits

- Purchasing past service credits
  - Additional years of service increases retirement benefit
  - Certain years of employment with previous employers may be eligible for purchase
    - Governmental employment
    - Military service (up to 5 years)
    - Private employment (up to 5 years)
  - Cost of past service based upon actuarial cost to the Plan
    - Age at time of purchase
    - Salary at time of purchase
    - Number of years purchased
    - Current service under the Plan

FPPA Statewide DB Plan: Benefits

- Cost of Living Adjustment (COLA)
  - FPPA Board may, at its discretion, increase retirement benefits annually 0% - 3%
  - FPPA 10 year historic COLA averages, approx. 1.19%

FPPA Statewide DB Plan: Benefits

- Refund of Contributions
  - Upon termination a refund may be requested
  - Participant receives their contributions and an amount equal to 5% of their contributions
  - Employer contributions and investment return in excess of 5% premium forfeited to Plan
  - Participants with less than 5 years of service subject to an automatic refund of contributions and forfeit SRA amounts, if any

FPPA Statewide DB Plan: Benefits

- Stabilization Reserve Account (SRA)
  - Separate fund established for participants at discretion of Board when contributions exceed funding requirements
  - Board may utilize SRA funds to offset liabilities should Plan become under-funded
  - Participants may receive additional benefits from this account when eligible for retirement
  - Forfeited if not vested (5 years)
  - Benefits are not guaranteed

FPPA Statewide DB Plan: DROP

- Deferred Retirement Option Plan (DROP)
  - Participant eligible for retirement elects a distribution Option and continues working
  - Retirement benefits and participant contributions are deposited into a DC account to accumulate additional benefits at retirement
  - Employer does not make contributions
- Conditions
  - At least age 50 and 5 years service
  - Subject to discriminatory employer approval and an irrevocable agreement
  - Maximum DROP period is 5 years

How could funding problems impact benefits?

- SRA assets held on behalf of active participants may be liquidated
- Retiree COLA may be minimal, or withheld
- Benefits may be reduced
- Severe under-funding may require additional increases to contributions

CITY OF NORTHGLENN
POLICE PENSION PLAN

The City of Northglenn Police Pension Plan

- Local Money Purchase Pension (DC) Plans
  - 401(a) Plan
- Individual account established for each participant
- Participants create retirement income based upon the balance of their individual account at retirement
- Participant-Elected Board of Trustees
  - Hire consultants, investment managers, record-keeper, administrators, and other professionals
  - Establish and modify Plan provisions
- Contributions established by City

Retirement/Distribution Eligibility

- Retirement (50)/Separation from service (at any age)
- Disability
- Paid to beneficiary in event of death

Investment Options

- Three-Tier Participant-Directed
- Tier One: Professionally-Managed Portfolios
  - Target-date Portfolios
  - Managed Account Program
- Tier Two: Core Menu of Mutual Funds
  - 21 investment options comprised of mutual funds and similar options that are selected and monitored with the assistance of an independent investment consultant
  - Covers broad spectrum of risk and potential return
  - Selection pursuant to written Investment Policy Statement
- Tier Three: Self-Directed Brokerage Account
  - Minimum participant account balances required

Participant Services

- Mission Square
  - On-site education
  - Telephone customer service representatives
  - CFP®
- On-site education from independent provider
- Local Board of Trustees
- City of Northglenn Human Resources Department

Benefit/Distribution Options

- Lump-sum or partial-sum
- Deferred distribution
- Periodic payments (installments)
- Guaranteed Lifetime Withdrawal Benefit
- Lifetime annuities
- Rollover to IRA or other qualified Plan
- Combination of options above
- Benefit structure and timing determined by participants

Comparison of Core features

Feature	CNMPP	FPPA Statewide DB
Employer Contribution	8-10%	10.5%, Increasing to 13% over the next 5 years
Employee Contribution	12%	12%
Vesting	Immediate for employee contributions and 6-Year Vesting for employer contributions:	Immediate for employee contributions, a benefit beginning at age 55 is earned after 5 years.
Forfeitures prior to vesting	Non vested ER money goes back to CNMPP	Participants terminating prior to 5 years of service receive 100% of employee contributions and a 5% premium, as interest, not compounded. 100% of employer contributions and any excess investment return is forfeited to FPPA

Employer Considerations- Reaffiliation w/ FPPA

- Current Employees have choice to stay or move to FPPA
- Irrevocable decision to move to FPPA and all Future Contributions set forth by FPPA
- Potential for increases in Employer and Employee contributions in the future
- Employer and Plan bear liability to provide promised benefits
- All New Hires required to go into FPPA
- Use of forfeitures/employer contributions – any non-vested employer contributions are returned to the FPPA Plan, not the employer
- Recruitment
- What happens to retirees in the current plan?

Participant Considerations

Is FPPA Best for me?

Considerations:

- Promised lifetime monthly income at retirement
- Investments controlled by professionals
- Automation – the plan establishes retirement income objectives
- Risks- Transferred to FPPA
- Not worried about passing assets to heirs
- Personal Version of Retirement- Do you want a monthly check
- Potentially pay a higher premium for benefit
- Cost to buy years of service- Know what it will cost you

Participant Considerations

Is the current MPP Plan Best for me?

Considerations:

- Control- Participants establishes individual retirement income objectives
- Investment Choices- managed by participants
- Greater retirement benefits flexibility (options, timing)
- Inheritable- participant determines beneficiaries -
- No penalty for rollovers or lump-sum distributions
- Personal version of Retirement- Want flexibility and control

Questions?

Sources

- CNMPP Board of Trustees
- MissionSquare
- Innovest Portfolio Solutions LLC
- FPPA Comprehensive Annual Financial Report Ending December 31, 2024
- 2024 FPPA Actuarial Report
- 2025 FPPA Rules and Regulations
- 2025 FPPA Statewide Defined Benefit Plan Brochure
- www.fppaco.org

Disclaimer

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If applicable, returns included in these materials may represent mutual funds share classes or vehicles other than those in which clients are or may be invested. Typically, any differences are the result of efforts to present the longest track record of the investment strategies.

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COMPARATIVE ANALYSIS: CITY OF NORTHGLENN POLICE DEFINED CONTRIBUTION PLAN AND FPPA RETIREMENT PLANS

Prepared for: The City of Northglenn

Prepared by: Innovest Portfolio Solutions

September 2025

Date: September 2025

To: City of Northglenn
From: Innovest Portfolio Solutions

RE: Comparative Analysis of City of the Northglenn Police 401 MPP and FPPA Retirement Plan

At the direction of the City of Northglenn, our firm has conducted a comparative analysis of the retirement plans offered through the Fire and Police Pension Association (FPPA) and the City's current local defined contribution plan.

Sources of information - Research for the project referenced above were conducted utilizing numerous sources, including, but not limited to, the following:

- Colorado Revised Statute Title 31, Article 31
- Internal Revenue Code § 401 and § 415
- FPPA Publications: 2025 Member Guide, Comprehensive Annual Financial Report Year Ending December 31, 2024
- FPPA Electronic Information and Calculators contained at www.fppaco.org
- Conversations with FPPA representatives, FPPA-affiliated employer representatives and City of Northglenn Police Money Purchase Plan (CNMPP) representatives

Specific source information is provided in the footnotes section of this document. The following analysis was prepared with extensive care and attention to detail regarding accuracy of representations provided herein, based upon the reliability and interpretations of the sources utilized.

The information in this report is intended for informational purposes only. Official interpretations or determinations are based upon the statutes, and rules and regulations that govern the Statewide Retirement Plan. not to be construed as legal advice

Condition Summary

In 2003, FPPA adopted statutory revisions, which, among other things, permit local money purchase pension plans to irrevocably re-affiliate with FPPA and elect to participate in any of three FPPA retirement plans. In addition to the City of Northglenn Police, other public safety departments have considered re-affiliation with FPPA. The stark differences in these options, and the many factors that require contemplation, are the subject of heated debate among many public safety departments. We have found much of the resulting concern is primarily attributable to the participants' inaccurate understanding of comparative benefits, and potential consequences as a result of the difficulty in comparing benefits, features, and services. These misinterpretations of benefits, and sometimes, outright errors, are causing bias and incomplete or misleading information to be communicated to others. The primary purpose of this analysis is to provide an objective comparison of the underlying benefits provided under each of the Plans, without providing a conclusion or recommendation.

COMPARATIVE ANALYSIS OF THE CITY OF NORTHGLENN POLICE MONEY PURCHASE DEFINED CONTRIBUTION PLAN AND FPPA RETIREMENT PLANS

TABLE OF CONTENTS

A. Key Considerations

Employer Considerations:

-Irrevocable decision to move to FPPA and all Future Contributions set forth by FPPA
-Potential for increases in Employer and Employee contributions in the future
-Employer and Plan bear liability to provide promised benefits
-All New Hires required to go into FPPA
-Use of forfeitures/employer contributions – any non-vested employer contributions are returned to the FPPA Plan, not the employer
-Recruitment
-What happens to retirees in the current plan?

Participant Considerations:

IS FPPA Best for me?

Considerations:
-Promised lifetime monthly income at retirement
-Investments controlled by professionals
-Automation – the plan establishes retirement income objectives
-Risks- Transferred to FPPA
-Not worried about passing assets to heirs
-Personal Version of Retirement- Do you want a monthly check
-Potentially pay a higher premium for benefit
-Cost to buy years of service- Know what it will cost you

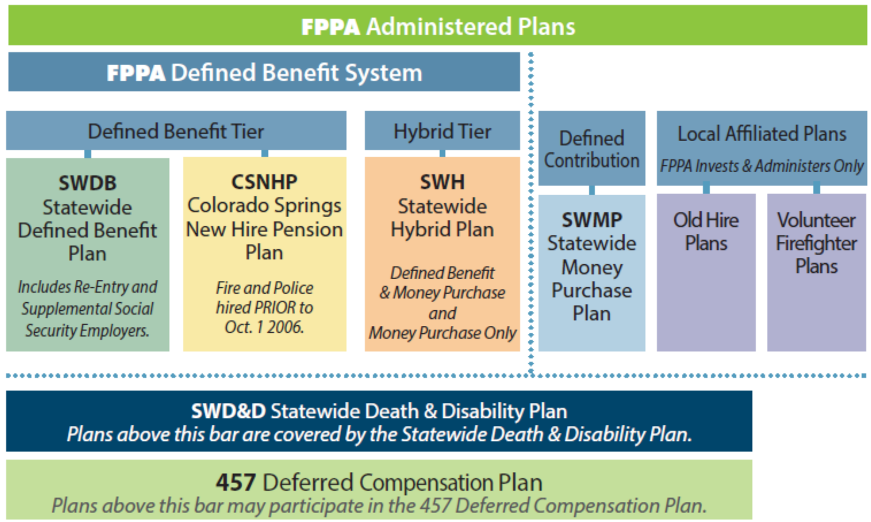
Is the current MPP Plan Best for me?

Considerations:
-Control – participant establishes individual retirement income objectives
-Investment Choices – managed by participants with the assistance of professionals hired by the Plan
-Greater retirement benefit flexibility (options, timing)
-Inheritable – participant determines beneficiaries – funds are transferred to participants' designated beneficiaries -
-No penalty for rollovers or lump-sum distributions
-Personal version of Retirement- Want flexibility and control

B. FPPA STRUCTURE AND OPERATIONS

FPPA administers several retirement and benefit plans for Colorado public safety personnel, which are divided into three major categories:

- Statewide Death and Disability Plan
- Fire & Police Members' Investment Fund
    - Statewide Defined Benefit Plan: retirement plan for firefighter and police employees hired on or after April 8, 1978.
    - Statewide Hybrid Retirement Plan (DB Plan Component: effective January 1, 2004).
    - Colorado Springs New Hire Pension Plan: effective as of October 1, 2006 from two plans merging into one plan document, which covers firefighters and police officers who were hired by the City of Colorado Springs on or after April 8, 1978 but prior to October 1, 2006.
    - Affiliated local plans that include:
        - Local (Old-Hire) Defined Benefit Plans: retirement plans for firefighter and police employees hired before April 8, 1978 and are affiliated with FPPA.
        - Volunteer Firefighter Defined Benefit Plans: retirement plan for volunteer firefighters that are affiliated with FPPA.
- Fire & Police Members' Self-Directed Investment Fund
    - Statewide Money Purchase Plan: effective January 1, 1995.
    - Local Money Purchase Pension Plans that have affiliated with FPPA
    - 457 Deferred Compensation



Source: http://www.fppaco.org/about.html

Defined benefit-type (DB) plan assets are combined together for investment purposes in a common fund, while self-directed plan assets are generally administered by Fidelity Investments. Each of the Local Defined Benefit and Volunteer Defined Benefit Plans are governed by their local plan document and local pension boards, and, each has a separate actuarial evaluation conducted every two years. Many of the local defined benefit plans are under-funded (do not currently maintain sufficient assets for expected liabilities) and have received state assistance to offset unfunded liabilities. Whereas, the Statewide Defined Benefit, Money Purchase, Hybrid, and Death and Disability Plans operate under common plan documents maintained by FPPA, and are controlled by a common FPPA board of trustees, and are generally ineligible for state funding assistance. While FPPA administers both local (old-hire) defined benefit plans and the Statewide Defined Benefit Plan, new departments may participate only in the Statewide Defined Benefit, Hybrid, or Money Purchase Plans.

Board Authority and Control

The FPPA Board of Trustees is comprised of 9 members, serving four-year terms[1].

Board members are appointed by the Governor and confirmed by State Senate. Powers, duties and authority of the Board are granted and defined by state statute (C.R.S. § 31-31-202). A partial list of Board authority includes, (1) hire consultants, actuaries, investment managers, and other professionals; (2) modify minimum contribution amounts with legislative approval; (3) modify benefits; (4) increase minimum retirement

[1] Sources: FPPA Comprehensive Financial Report for fiscal year ending December 31, 2024, www.fppaco.org

age by up to 5 years for Normal Retirement and up to 10 years for Vested Retirement; (5) determine annual COLA amount 0% - 3%; (6) determine how much, if any, excess contributions are allocated to Separate Retirement Accounts when excess contributions exist; (7) order the transfer of funds held in Separate Retirement Accounts for purposes of offsetting unfunded liabilities, should such condition exist; (8) determine amount of contributions.

FPPA Plan Statistics

Net Assets Available for Benefits and Funding Ratios 1/1/2024

Plan	Assets	Funding (2017)	Funding (2007)
Statewide Defined Benefit Plan	$ 3,517,060,000	100%	122.5%

*FPPA SWDB Actuarial Valuations Report for the year beginning January 1, 2024.

It should be noted that the funding ratios stated above assume retirees never receive a COLA. The addition of a COLA would considerably reduce funding ratios.

Employers, Participants 12/31/2024*

Plan	Active Employers	Participant
Statewide Defined Benefit Plan	260+	13,700+

*Active employer groups, FPPA Comprehensive Annual Financial Report Year Ending December 31, 2024

Investment Performance

FPPA's assumed investment return for the portfolio described above is 7.50%. It is important to note that this is an assumed investment return for actuarial purposes. The Average Annual return of the portfolio as of 12/31/2024:

	1-Year	3-Year Avg.	5-Year Avg.	Inception
FPPA Portfolio	10.03%	3.70%	7.84%	9.19%

*Since Inception annualized investment performance for period ending 12/31/2024, provided in FPPA Statewide Defined Benefit Plan Actuarial

C. FPPA Statewide Defined Benefit (New-Hire) Plan[2]

The plan became effective January 1, 1980 and provides coverage for employees hired on or after April 8, 1978. Employers could elect to withdraw from the plan for a relatively short period that ended January 1, 1988, when this option was statutorily removed. These groups that withdrew from the plan could create Local Money Purchase Pension Plans (such as your CNMPP), and were not eligible for re-entry until 2003; however; re-affiliation with FPPA is irrevocable. Additionally, employees of groups re-affiliating with FPPA's Defined Benefit System after January 1, 2004 must make higher contributions than existing FPPA participants, although benefits are identical for both groups.

Retirement Age/Eligibility
A statutory revision in May 1983 permitted the FPPA Board to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

Retirement Benefits
Annual normal retirement benefit is 2 percent of the average of the member's highest 3 years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Normal Retirement: at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

Vested Retirement: at least 5 years of service and job termination at any age, to begin receiving benefits at age 55 (which age may be increased by the Board, at its sole discretion, up to age 60).

Stabilization Reserve Account: the FPPA Board may, at its sole discretion, fund a separate account established for each participant when the amount of contributions exceeds the Defined Benefit Plan's funding requirements. In this instance, the Board will determine how much, if any, of the excess contributions are contributed to these accounts on a pro-rata basis. These accounts accrue earnings at the same rate as the Members' Benefit Investment Fund. Should the plan become under-funded, the Board may reduce retirement benefits or utilize amounts held in SRA accounts to increase the funded status of the plan.

[2] http://www.fppaco.org/PDF/pubs-handouts/SWDBP-7-26-24.pdf

Deferred Retirement Option Plan (DROP): A member may elect to participate in the DROP after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into the DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP.

Benefit Options

Normal Option: participant receives the maximum benefit for life, upon participant's death, no benefits are payable to a beneficiary. If the amount paid to the participant prior to death was less than the participant's (not employer) contributions, the difference is paid to participant's estate.

Option One: participant receives a reduced lifetime benefit, and beneficiary receives the same reduced lifetime benefit upon participant's death.

Option Two: participant receives a reduced lifetime benefit, and beneficiary receives 50% of the reduced lifetime benefit upon participant's death.

Option Three: participant receives a reduced lifetime benefit. Upon death of participant or beneficiary, the survivor receives 50% of the reduced lifetime benefit.

There are additional benefit options not listed above.

Contributions

Defined Benefit Component

Contribution Rates

Effective January 1 of Year	Mandatory Member Contribution Rate	Mandatory Employer Contribution Rate	Total Combined Member & Employer Contribution Rate
2025	12.0%	10.5%	22.5%
2026	12.0%	11.0%	23.0%
2027	12.0%	11.5%	23.5%
2028	12.0%	12.0%	24.0%
2029	12.0%	12.5%	24.5%
2030	12.0%	13.0%	25.0%

Reentry Contribution Rates

At the time a department reentered the Defined Benefit Component (or formerly the Statewide Defined Benefit Plan), contribution rates for Reentry Members* and Employers were negotiated locally and submitted by resolution to FPPA.

**Reentry rates only apply to Members of a reentry department who were active in the Plan at the time of reentry, and who elected to participate in the Statewide Retirement Plan (or formerly the Statewide Defined Benefit Plan).*

Historical contributions were set to ER and EE of 8%. FPPA started increasing contributions to help with the funded ratio.

Historical contribution Rates:

Year	Prior to 2015	2015	2016	2017	2018	2019
ER Contribution	8%	8%	8%	8%	8%	8%
EE Contribution	8%	8.5%	9%	9.5%	10%	10.5%
Year	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
ER Contribution	8%	8.5%	9%	9.5%	10%	10.5%
EE Contribution	11%	11.5%	12%	12%	12%	12%

Refund of Contributions
Upon termination of employment, participants may request a refund of their contributions. A premium of 5% is added to this amount and referred to as interest, although it is not compounded. All employer matching contributions and any earnings in excess of the 5% premium are forfeited by the participant and employer to the FPPA. Additionally, the entire balance of the participant's SRA account, if any, is forfeited back to the FPPA.

Cost of Living Adjustment (COLA)
The Board may, at its sole discretion, increase annual retirement benefits by an amount not to exceed 3%. Generally, FPPA has provided a COLA benefit adjustment less than inflation. The 2024 FPPA adopted a new COLA policy.

Vesting
Participants are subject to a five year vesting period. Participants that do not meet eligibility requirements are entitled to a refund of their contributions and a 5% premium, referred to as interest, although it is not compounded. All employer contributions, any excess investment return, and any SRA balances are forfeited by the participant and employer back to the FPPA.

D: Rules for Re-Entry

The current FPPA rules and regulations, which comply with C.R.S. §§ 31-31- 1101 et. al. requires the Northglenn City Council to initiate the action Through a resolution. In accordance with Section 610 of the rules and regulations, any employer who has established a local money purchase pension plan may apply to the FPPA to cover its fire and police employees under the FPPA defined benefit system and select a plan within the system for those employees. It should be noted here, any election to cover employees under the FPPA defined benefit system is irrevocable. That is, current state law would not permit the fire or police departments to later vote to withdraw from the FPPA defined benefit system and re-establish a local money purchase pension plan.

The procedures an employer must follow if they want to cover all of their fire and police employees under the FPPA Statewide Defined Benefit Plan are extensive and are set forth in Section 610 of the rules and regulations provided below:

610. Electing Reentry into the Statewide Defined Benefit Plan for Members of a Local Money Purchase Plan or the Statewide Money Purchase Plan

610.01. Any employer may irrevocably elect to cover police officers and/or firefighters in a local money purchase plan or the Statewide Money Purchase Plan under the Statewide Defined Benefit Plan administered by FPPA, subject to the limitations set forth in this Section 610 and § 31-31-1103, C.R.S., as amended.

610.02. Any employer desiring to cover the Members of its money purchase plan under the Statewide Defined Benefit Plan shall file a resolution with FPPA, adopted by the governing body of the employer, stating the employer's intent to cover the Members of its money purchase plan under the Statewide Defined Benefit Plan. The resolution shall state a requested effective date of coverage which shall be the first day of the employer's pay period. The resolution shall state the contribution rate and how the contributions shall be split between the employer and Member. The resolution shall indicate whether the employer intends to transfer the active and retired Members' account balances to FPPA. The resolution shall acknowledge that election for coverage under the Statewide Defined Benefit Plan is irrevocable. The resolution must be filed with FPPA no less than nine months prior to the proposed effective date, unless a shorter waiting period is requested and approved by the Board.

610.03. The employer shall prepare a disclosure statement which compares the main provisions of its money purchase plan and the Statewide Defined Benefit Plan. The disclosure statement shall be submitted to FPPA for its approval. Once approved, the employer shall hand deliver or mail a copy of the disclosure statement to each Member eligible to vote in the election at least 10 days prior to the date the employer has set for the Member election.

610.04. All police officers and/or firefighters, as appropriate, which are employed on the date or dates of the election and are participating in the money purchase plan, are eligible to vote. Those hired less than 10 days prior to the commencement of the election shall be personally handed a disclosure statement by the employer on the date of their employment.

610.05. All Members voting in the election shall sign a register of voters at the time they receive their ballots.

610.06. At the election conducted by the employer concerning reentry into the Statewide Defined Benefit Plan coverage, all Members shall vote by secret ballot. The ballot shall contain the applicable options. A sample ballot shall be approved by FPPA prior to the election. Subject to approval of the procedure by FPPA, an employer may allow Members to vote by absentee ballots.

610.07. After all of those eligible to vote have had an opportunity to cast their ballots, the election shall be closed, but in no event shall the election be conducted during more than five consecutive days.

610.08. After the election, the employer shall deliver the following to FPPA:

(a) A list of Members eligible to vote, showing their dates of employment;

(b) The register of voters;

(c) The sealed ballots; and

(d) A certification by an officer of the employer that the disclosure statement was properly served to all eligible Members, and that the election was conducted fairly.

610.09. FPPA shall count the ballots in the presence of designated representatives of the employer. If both police officers and firefighters are voting on the reentry, the ballots of each group will be counted separately.

610.10. If the above procedures have been completed and if at least sixty-five (65) percent of the Members eligible to vote in each voting group approve coverage under the Statewide Defined Benefit Plan, such coverage shall be considered approved, subject to compliance with the other requirements of this Rule 610 and § 31-31-1103, C.R.S., as amended.

610.11. In lieu of the election to obtain approval by at least sixty-five (65) percent of all active Members (as contemplated in Rules 610.03 – 610.10) and when the local plan allows the individual self-direction of each Member’s account, the employer may allow currently active local plan Members to choose between continued participation in the local money purchase plan or participation in the Statewide Defined Benefit Plan. Any requirement for an election of the Members that may be contained in a local plan document, trust agreement or labor agreement shall remain in effect.

610.12. At least thirty (30) days prior to the proposed effective date of coverage under the Statewide Defined Benefit Plan, the employer shall file with FPPA the certification required by § 31-31-1103(1)(e), C.R.S., as amended.

610.13. Prior to the effective date of coverage under the Statewide Defined Benefit Plan or on such date as mutually agreed upon by the employer and FPPA, the employer, shall transfer such records regarding the accrued benefits of active Members, as FPPA may require in order to properly commence covering the Members under the Statewide Defined Benefit Plan.

E. City of Northglenn Police Defined Contribution Plan (CNMPP)

The City of Northglenn currently uses MissionSquare as a provider for its Police Defined Contribution retirement plan. An individual account is established for each participant, in which employee and employer contributions are deposited, and the participant is responsible for self-directing the investment of assets through a menu of investments offered and controlled by a separate Committee for each Plan. The Plan employs a *bundled* approach, delegating recordkeeping, trading and custodial duties, and administration and most employee education services to a single provider.

Pension Committee and Trustee
By resolution, the City serves as Plan Trustee for the Police Plan. The Retirement committee governs administration of the plan. No committee member receives compensation of any kind for serving on the Committee.

Contributions
The CNMPP for public safety is both a Social Security Replacement Plan as well as a primary pension plan; therefore, eligibility is immediate, and participation is mandatory. The current mandatory employee contribution for the Police Plan is 12%, and the City's matching contribution of 8-10% begins immediately. The employee's mandatory contribution is "picked-up" by the City on a pre-tax basis pursuant to section 414(h) of the Internal Revenue Code.

Vesting
Participants are immediately 100% vested in their own contributions. The City's matching contributions are on a 7 year vesting schedule.

Investment Options
The Plan is a participant-directed retirement plan that offers a three-tier investment menu.

The first tier is composed of professionally designed target date portfolios for a series of different target retirement years. Currently the target-date portfolios are managed by T Rowe Price. The plan also allows participants to enroll in a professional managed account service.

The second tier is composed of 15 mutual fund investment options chosen pursuant to a written investment policy statement. The menu is designed to provide a variety of investments across different asset classes, and investment styles. These investments are selected and continually monitored by the Committee and the Plan's investment consultant.

The third tier is a brokerage window that participants can choose to open within the retirement plan. MissionSquare utilizes Charles Schwab to offer additional mutual funds and individual stocks not offered within the core fund menu. The Current Plan has high utilization in the Brokerage Account (Roughly 20%).

Benefits

The normal retirement age for the Police Plan is 55. Participants are eligible to receive a distribution of their vested balance upon termination of employment at any age, upon retirement, or in the event of a disability retirement. However, distributions due to termination of employment prior to the year in which a participant attains age 50 may be subject to a 10% penalty, unless received in accordance with specific guidelines published by the Internal Revenue Service. In any case, distributions received after age 50 are not subject to a 10% penalty tax. Upon the death of a participant, their entire account is payable to the designated beneficiary(ies).

Benefit Options

Upon retirement, separation from service, or a disability retirement, participants may elect to receive distributions directly from the Plan (options described below), rollover the balance to an IRA or other eligible retirement plan, or leave their account within the Plan and postpone distribution until a future date.

Rollovers: participants may rollover any portion of their account to another eligible retirement plan, including 401(a), 401(k), 403(b), 457(b) retirement plans, and IRAs. The Plan also accepts rollovers from other eligible retirement plans.

Expenses

Utilizing its Open Architecture structure, the Plan participants pay MSQ .055% for administrative recordkeeping fee. Any individual expenses are charged directly to the participants, such as the managed accounts.

Forfeitures

Under Local MPPP, the City uses forfeitures towards future employer contributions and offsetting costs.

F. Comparative Analysis: FPPA Statewide Defined Benefit Plan and City of Northglenn Police Defined Contribution Plan

Defined Contribution or Defined Benefit?

Comparing the City of Northglenn Police Defined Contribution Plan (CNMPP), which is a defined contribution (DC) plan, to a defined benefit (DB) plan is quite difficult, because the approach to providing retirement benefits is distinctly different, resulting in an "apples to oranges" comparison. Clearly it is impossible to unilaterally state that either DB or DC is a better option for a given group of participants, because a consultant's opinion should be limited to objective, factual data, while a participant's preference may be based, in part, upon the participant's subjective and emotional considerations. For example, a participant that stands to benefit from a defined contribution arrangement may be willing to exchange a greater retirement benefit for the more "centralized decision-making" type of approach of a defined benefit plan. Likewise, a participant that could receive greater benefits from a defined benefit plan may prefer the flexibility and control with distributions and investment opportunities offered through a defined contribution plan that would extend to beneficiaries as well.

DC plans *define contribution* amounts made by the employer and employee that are deposited into individual accounts, from which the employee will create a retirement benefit. CNMPP participants choose the investment allocation of their account, individually, or with professional assistance through the Plan's providers. Whereas, DB plans specify a *defined benefit* to be paid in an annuity-like form (lifetime), based upon a formula established by the DB plan that considers a participant's years of service, highest average salary (HAS), and a benefit factor (i.e. 2% of HAS for each year of service). Additionally, the Plan sets certain eligibility requirements for benefits, such as years of service and age. Both employer and employee contributions are combined into a common pool of investments that are managed by the Plan.

The administrators of a DB plan establish a benefit objective for participants, such as 2% of HAS for each year of service, beginning at age 55. Then, using assumed rates of investment return (based upon the anticipated investment allocation and investment types), projected life expectancy of the population served, and other actuarial data, the amount of contributions required to fund such a promise is determined. Professionals are hired by the Plan to conduct periodic examinations of the progress, to determine if current assumptions are meeting actual results. When the actual results are better than projected, the Plan is over-funded, meaning it has more than sufficient assets to pay for future promised benefits. Likewise, when actual results do not meet projected expectations, the Plan becomes under-funded, meaning current assets will not pay for future promised benefits.

Generally, most under-funding results from poor investment performance (although increases in experienced versus projected life expectancy are an increasing problem.) Additionally, many defined benefit plans have contributed to their own demise by using periods of overfunding as an opportunity to increase benefits and (sometimes) decrease funding, only to quickly find the Plan in an under-funded status. Sustained under-funding will require the Plan to increase contributions to a level that is sufficient to meet future liabilities, or reduce benefits to more reasonable levels, given the contribution structure. Benefit reductions may come in the form of suspended or reduced COLAs for retirees, increasing the retirement eligibility age, or decreasing the benefit amount.

DC plan participants, and their retirement benefits, should be subject to a similar process. Individually, or with professional assistance, a retirement income benefit objective should be established, along with an investment portfolio consistent with the individual participants' time horizon and tolerance for risk/volatility. Then, using assumed investment returns, inflation projections, life expectancy, and time horizon to retirement, the contribution amount required to fund the benefit is determined. If the required contributions are greater than that currently provided for, the participant must increase contributions or adjust the objective. Adjustments may be made to investment allocation, retirement age, benefit amount, or a combination. On the other hand, if contributions required to fund the anticipated benefit are less than the current level, the participant may determine to decrease their retirement age, become more conservative with investments, expect a greater benefit at retirement, or consider the over-funded amount as a reserve to protect against greater than expected market volatility. Like DB plans, a periodic analysis of actual vs. projected results indicates the necessity to make any modifications.

One significant difference between DC and DB plans is that participants establish and modify their individual retirement objective in a DC plan, whereas, DB plan benefits are established and modified by the DB Plan document. Therefore, DC plans offer much greater flexibility and control for each individual. However, this increased level of opportunity requires greater responsibility on behalf of the participant to establish and monitor objectives, contributions, and investment allocations. Consequently, DB plan participants transfer all of this responsibility to professionals retained by the Plan in exchange for giving up control and flexibility.

Regardless of Plan design, DC or DB, both methods generally utilize investments in similar asset types and use projected (assumed) investment returns to determine funding requirements. The very nature of assumptions mandates that both approaches must be subject to continual monitoring and potential revision. This also means that regardless of the type of Plan, DC or DB, they're both generally subject to significant losses when markets are unstable. Even though many participants begin to find DB plans more attractive when the stock market is tumbling, the pendulum begins to swing in favor of DC plans when participants read and/or hear about DB plans that are unable to make good on their promised benefits to participants, due to larger than expected investment losses or mismanagement of Plan assets.

Comparison of Core Features

Our analysis of the two Plans begins with a comparison of specific components of each Plan, and is followed by an examination of the specific group in question. The first section compares benefits, consequences and considerations of common core features of the respective Plans.

Feature	CNMPP	FPPA Statewide DB
Employer Contribution	8-10%	10.5%, Increasing to 13% over the next 5 years
Employee Contribution	12%	12%
Vesting	Immediate for employee contributions and 7-Year Vesting for employer contributions:	Immediate for employee contributions, a benefit beginning at age 55 is earned after 5 years.
Forfeitures prior to vesting	Non vested ER money goes back to CNMPP	Participants terminating prior to 5 years of service receive 100% of employee contributions and a 5% premium, as interest, not compounded. 100% of employer contributions and any excess investment return is forfeited to FPPA

Feature	CNMPP	FPPA Statewide DB
Forfeitures after vesting	None.	Participants requesting a refund of contributions after completing 5 years of service receive 100% of employee contributions and a 5% premium, as interest, not compounded. 100% of any excess investment return and ER contributions are forfeited to FPPA.
Investment Control during accumulation period	Participant-directed, via Committee-selected and monitored core options, or professionally-managed target date portfolios or risk-based portfolios	FPPA Board
Investment control during retirement	Participant-directed, via Committee-selected and monitored core options, or professionally-managed target date portfolios or risk-based portfolios	FPPA Board
Retirement Benefits Determination	Participant	FPPA Board, state statute

Feature	CNMPP	FPPA Statewide DB
Retirement Age/Eligibility	Normal retirement age is 55. Eligible to receive a distribution or rollover to another eligible Plan upon termination of employment at any age. Distributions received prior to age 50 may be subject to a 10% penalty.	Normal retirement: at least 25 years of service and age 55, this age may be increased by the Board, up to age 60. Deferred retirement: after age 55, up to age 65, to receive an actuarially adjusted benefit. Early retirement: with 30 years of service or age 50, to receive a reduced benefit that reflects an actuarial adjustment for early receipt of the benefit that would have been received at age 55. Vested retirement: at least 5 years of service and termination at any age, to begin receiving benefits at age 55, which may be increased by the Board up to age 65.
COLAs	Participants receiving periodic installments may determine an annually adjustable COLA. Various forms of lifetime annuities may be purchased that include a pre-determined annual COLA.	Determined annually by FPPA Board from 0% to 3%

G. Northglenn Police Defined Contribution to Defined Benefit Conversion FAQ

Northglenn Police
Frequently Asked Questions
City's Defined Contribution Plan and the FPPA Statewide Defined Benefit Plan (SWDB)

Q: What can one expect for a reasonable rate of return after retirement

A: *A reasonable rate of return in retirement would be 4% and 5%.*

Q: What steps has FPPA taken, if anything, to maintain solvency (assets equal or exceed pension obligations) of the Statewide Defined Benefit Plan?

A: *If the SWDB plan becomes actuarially unsound (not able to pay its accrued liabilities amortized over a 40-year period), the FPPA Board may use all or a portion of the active member balances in the Separate Retirement Accounts (SRA), which collectively constitute the Stabilization Reserve Account, to fund the defined benefit plan. Funds could not be used from the reentry or the retired member's SRAs to fund the defined benefit plan. For purposes of this provision, a member participating in DROP is considered retired.*

FPPA also has additional safeguards that can be engaged if the SWDB plan became actuarially unsound. Actions the FPPA Board could take include, increasing the retirement age incrementally up to as high as age 60 or decreasing the future benefit accruals (i.e. reducing the 2.5% for service years after 10 years to 2.0% for future service accruals). Note: FPPA has gone from a funded ratio (actuarial value of assets to actuarial accrued liability) high of 122.5% as of January 1, 2007 to 100% as January 1, 2025.

Q: **Who manages the FPPA plan and what credentials do they have?**

A: *The FPPA Investment Department is led by J. Scott Simon, Chief Investment Officer who holds the Chartered Financial Analyst (CFA) designation and is supported by a staff of seasoned professionals. The staff is supported by a strong governance structure of a Board, Investment Committee and Executive Director providing additional resources to execute the Association's investment strategy.*

Q: **What are the provisions for beneficiaries?**

A: *In the **Defined Contribution Plan**, if you pass away, your **vested interest** will be paid to your beneficiary, or your estate if no beneficiary designation is on file. Your **vested interest** is the portion of your retirement plan account that is yours and would not be lost if you left your job or passed away.*

*In the **FPPA Defined Benefit Plan**, the "normal option" assumes that the retiree will receive a full, **unreduced pension benefit** for **THEIR** life. if you are receiving a full unreduced pension benefit for your life, if at the time of your death, you have not recouped in pension payments the amount that **you have contributed** (including all funds paid in to purchase service credit), the remaining funds plus 5% as interest would be paid to your beneficiary or estate as a lump sum. If at the time of your death, you have recouped in pension payments the amount that **you have contributed** to the plan (including all funds paid in to purchase service credit) no benefits are paid to a beneficiary.*

*FPPA also has four additional options that provide a **reduced pension benefit** for the life of the retiree and provide a **reduced pension benefit** to the retiree's designated beneficiary upon the death of the retiree. Each provides a **reduced pension benefit** for the retiree but there are different provisions with regard to the amount of the pension to the survivor.*

Q: How is your benefit determined by FPPA?

A: *The FPPA SWDB Plan provides a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. The benefit is based on the average of the highest 3 years' base salary ("HAS"). Normal retirement is age 55 with 25 years of service.*

Q: Has any plan left FPPA in the past several years?

A: No. Employers may not withdraw from the Fire & Police Pension Association Defined Benefit System once elected.

Employers of the Defined Benefit System | Statewide Retirement Plan

Adams County FPD
Aguilar Police
Alma Police*
Antonito Police*
Arvada FPD
Aspen FPD
Ault FPD
Ault Police
Aurora Fire
Basalt & Rural FPD
Basalt Police
Bayfield Police
Bennett FPD #7
Berthoud FPD
Beulah Fire Protection & Ambulance District
Big Sandy FPD
Black Forest Fire Rescue
Black Hawk Fire
Blanca Police
Boulder Mountain FPD
Boulder Rural FPD
Bow Mar Police
Briggsdale FPD
Brighton (Greater) FPD
Brighton Police
Broadmoor FPD
Broomfield Police
Brush Police
Buena Vista Fire*
Buena Vista Police
Byers FPD #9
Calhan FPD
Canon City Area FPD
Cañon City Police
Carbondale & Rural FPD
Castle Rock Fire
Castle Rock Police
Center Police
Central City Fire*
Central Orchard Mesa FPD
Chaffee County FPD
Cherry Hills Village Police
Cimarron Hills FPD
Clear Creek Fire Authority
Clifton FPD
Coal Creek Canyon FPD
Collbran Marshalls
Colorado River FPD
Colorado Springs Fire
Colorado Springs Police
Columbine Valley Police
Cortez FPD
Crested Butte FPD
Cripple Creek Fire
Dacono Police
Debeque FPD
Debeque Police
Delta County FPD #1
Denver Fire
Denver Police
Dillon Police
Dinosaur Police
Divide FPD
Durango FPD
Eads Police*
East Grand FPD #4
Eaton FPD
Edgewater Police
Elizabeth FPD
Elizabeth Police
Elk Creek FPD
Empire Police
Englewood Fire
Englewood Police
Erie Police
Estes Valley FPD
Evans FPD
Evans Police
Evergreen FPD
Fairmount FPD
Fairplay Marshalls Police
Falcon FPD
Federal Heights Fire
Federal Heights Police
Firestone Police
Florence Police
Florissant FPD
Foothills Fire & Rescue
Fort Lewis-Mesa FPD
Fort Lupton FPD
Fountain Fire
Fountain Police
Four Mile FPD - Boulder
Four Mile FPD - Florissant
Fowler Police
Franktown FPD
Frederick Firestone FPD
Frederick Police
Frisco Police
Front Range Fire Rescue FPD
Galeton FPD
Garden City Police
Gateway-Unaweep FPD
Genesee FPD
Georgetown Police
Gilcrest Police*
Granada Police
Grand FPD #1
Grand Junction Fire
Grand Lake FPD
Grand Valley FPD
Greater Eagle FPD
Greeley Fire
Green Mountain Falls-Chipita Park FPD*
Gypsum FPD
Hartsel FPD
Haxtun Police
Holyoke Police
Hot Sulphur Springs/Parshall FPD
Hudson FPD
Hudson Police
Hugo Police
Idaho Springs Police
Ignacio Police
Indian Hills FPD*
Inter-Canyon FPD
Jackson 105 FPD*
Jefferson-Como FPD
Johnstown Police
Keenesburg Police
Kersey Police
Kiowa FPD
Kremmling FPD
Kremmling Police
La Jara Police
La Salle FPD
La Salle Police
La Veta Police
Lafayette Fire
Lafayette Police
Lake George FPD
Lakeside Police
Lamar Fire*
Larkspur FPD
Las Animas Police*
Leadville Fire
Leadville Police
Lefthand FPD
Littleton Police
Lochbuie Police
Log Lane Village Police
Lone Tree Police
Longmont Fire
Longmont Police
Los Pinos FPD
Lower Valley FPD
Lyons FPD
Manassa Police
Manitou Springs Fire
Manitou Springs Police
Mead Police
Milliken Police*
Monte Vista Police
Montrose FPD
Montrose Police
Monument Police
Mount Crested Butte Police
Mountain View FPD
Mountain View Police
Mountain Village Police
Nederland FPD
North Fork Fire
North Metro Fire Rescue
North Routt FPD
Northeast Teller County FPD
North-West FPD
Norwood FPD
Nunn Police
Oak Creek FPD
Oak Creek Police
Olathe FPD
Olathe Police
Pagosa FPD
Pagosa Springs Police
Palisade Fire
Palisade Police
Palmer Lake Fire
Palmer Lake Police
Paonia Police
Parachute Police
Parker Police
Peyton FPD
Plateau Valley FPD
Platte Canyon FPD
Platte Valley FPD
Platteville Police
Platteville-Gilcrest FPD
Pleasant View Metro Fire District
Poudre Fire Authority
Pueblo Fire
Pueblo Police
Pueblo Rural FPD
Pueblo West Metro FPD
Rattlesnake FPD
Red White & Blue FPD
Ridgway FPD
Roaring Fork FRA
Rye FPD

Employers of the Defined Benefit System | Statewide Retirement Plan

Sable Altura FPD	South Metro Fire Rescue FPD	Stratton Police*	West Metro FPD
Salida Fire	Southeast Weld FPD	Summit Fire & EMS FPD	West Routt FPD
Salida Police	Southern Park County FPD	Telluride FPD	Westminster Fire
Sanford Police	Southwestern Highway 115 FPD	Thornton Fire	Westminster Police
Security FPD	Springfield Police	Thornton Police	Wiggins Police
Severance Police	Steamboat Springs Fire	Timberline FPD	Wiggins Rural FPD
Sheridan Police	Sterling Fire	Tri Lakes Monument FPD	Windsor Police
Silt Police	Sterling Police	Trinidad Fire	Windsor-Severance FPD
South Adams County FPD	Strasburg FPD #8	Upper Pine River FPD	Wray Police
South Fork FPD	Stratmoor Hills FPD	Wellington FPD	Yuma Police
South Fork Police		West Douglas County FPD	

** No active members at December 31, 2024*

Employers of Defined Benefit System | Colorado Springs New Hire Pension Plan

Colorado Springs Fire
Colorado Springs Police

FPPA Fire & Police Pension Association of Colorado

Questions & Answers for Reentry into the FPPA Statewide Retirement Plan

General Questions

Q1 | *Who is FPPA?*

Established by the Colorado General Assembly in 1980, the Fire & Police Pension Association of Colorado (FPPA) provides retirement, disability, and survivor benefits to Colorado police officers, firefighters, and other first responders. FPPA was created to address a pension crisis that was happening in the 1970s with many of the Old Hire Plans across the state. FPPA administers a statewide, multiple employer, public employee retirement system providing defined benefit plan coverage (the Statewide Retirement Plan), defined contribution plans, as well as death and disability coverage (the Statewide Death & Disability Plan) for police officers and firefighters throughout the State of Colorado. FPPA also administers local Old Hire defined benefit pension funds for police officers and firefighters hired prior to April 8, 1978 whose employers have elected to affiliate with the Association and for volunteer fire defined benefit plans. In addition, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for supplemental coverage through the Statewide Retirement Plan and Statewide Death & Disability Plan.

FPPA is governed by a nine member board of directors who are appointed by the Governor and confirmed by the State Senate. More information can be found at **FPPAco.org**.

Q2 | *What plans make up the FPPA Statewide Retirement Plan, for purposes of Partial Entry?*

The FPPA Statewide Retirement Plan is comprised of three Components that apply to Partial Entry:

FPPA
Statewide Retirement Plan (SRP)

Defined Benefit Component	Hybrid Component	Money Purchase Component Only

✓ **The Defined Benefit Component**

✓ **The Hybrid Component**, which includes both a defined benefit and money purchase account

✓ **The Money Purchase Component**

Alternatively, Members who are active (not terminated or retired) at the time of the partial entry could elect to stay in their local money purchase plan.

Q3 | What is Partial Entry?

Partial Entry permits a Member of a fire or police department to either remain covered by their locally administered money purchase plan or to join the FPPA Statewide Retirement Plan. Using this process, eligible Members who are actively employed at the time of the process individually choose:

1. Whether to participate in the local money purchase plan or to move to the FPPA Statewide Retirement Plan
2. Those who elect to join the FPPA Statewide Retirement Plan then also decide which FPPA Component they want to participate in going forward. (The Employer decides whether all three Components will be offered as choices to participants, or fewer.)

Those hired after the effective date of entry participate in one single, default FPPA Component selected by the Employer, either:

- The Defined Benefit Component of the Statewide Retirement Plan; or
- The Hybrid Component of the Statewide Retirement Plan

A Member election is not required by FPPA.

More information on the process for a partial entry is discussed later in this document. Visit our dedicated website, JoinFPPA.org, for specific information about Partial Entry with additional resources, including sample documents and a purchase of service credit calculator.

Contribution Rate Questions

Q4 | What is the contribution rate for the plans offered by FPPA?

The contribution rates vary by Component.

In addition, reentry groups are required to submit a Continuing Rate of Contribution for Members who are entering the plan prior to the earlier of the effective date of the filed resolution or the filing of the Certification of Compliance. This Continuing Rate of Contribution is in addition to the minimum mandatory contributions for each Component. This Continuing Rate of Contribution may be paid by the Member, Employer, or split 50%/50%. Continuing Rates of Contribution are listed in each contribution table below.

In all FPPA Components, contributions are calculated using the Member's pensionable earnings (base salary). *(See definition in Question 10 or visit FPPAco.org to review the rules.)*

Statewide Retirement Plan: Defined Benefit Component

Contribution Rate Schedule for Reentry Members

Effective January 1 of each year	Minimum Mandatory Member Contribution Rate	Minimum Mandatory Employer Contribution Rate	Total Combined Member and Employer Contribution Rate	Continuing Rate of Contribution*	Total Required Rate for Reentry Members
2024	12.0%	10.0%	22.0%	1.9%	23.9%
2025	12.0%	10.5%	22.5%	1.9%	24.4%
2026	12.0%	11.0%	23.0%	1.9%	24.9%
2027	12.0%	11.5%	23.5%	1.9%	25.4%
2028	12.0%	12.0%	24.0%	1.9%	25.9%
2029	12.0%	12.5%	24.5%	1.9%	26.4%
2030 & thereafter	12.0%	13.0%	25.0%	1.9%	26.9%

** The additional required rate of contribution for this plan is 1.9%. This additional required contribution can be paid by Member, Employer, or split 50%/50%*

Statewide Retirement Plan: Hybrid Component

Contribution Rate Schedule for Reentry Members

Minimum Mandatory Member Contribution Rate	Minimum Mandatory Employer Contribution Rate	Total Combined Member and Employer Contribution Rate	Continuing Rate of Contribution*	Total Required Rate for Reentry Members
9.0%	9.0%	18.0%	1.9%	19.9%

Higher required rates than those in the tables above are acceptable; any excess contributions would be allocated to the Member's Money Purchase Component account.

Future new hires (those hired after the earlier of the effective date of the filed resolution or the filing of the Certification of Compliance) would have the same contribution rates as above in whatever default Component the Employer decides to enroll them; however, there would not be a Continuing Rate of Contribution for this group.

As for the allocation of contributions in the Hybrid Component, in particular, the Employer contribution is used to fund the defined benefit portion first. If additional monies are needed to fund the defined benefit, they will be taken from the Member contribution. If the Employer contribution is greater than the amount needed to fund the defined benefit, then the excess will be contributed to the Money Purchase account and is subject to that Component's vesting schedule.

The 1.9% Continuing Rate of Contribution goes towards the defined benefit portion.

The FPPA Board determines annually what contribution is actuarially required to fund the defined benefit portion, effective July 1 through June 30 of a given year. The contribution required to fund the defined benefit portion is eventually anticipated to be 16.2%.

Statewide Retirement Plan: Money Purchase Component Only

The entire contribution rate funds the Member's Money Purchase Component. The current required minimum contribution rate is 18%, split 9% Member and 9% Employer. Higher required contribution rates are acceptable.

Q5 | *Why do reentry Members who select the Defined Benefit Component or Hybrid Component have a higher contribution rate than non-reentry Members who are enrolled in these same Components?*

The minimum required rate for the reentry Members is higher because—on average—the group is older, closer to retirement, and more expensive to the Plan. The actuaries suggested the contribution rate differential to help ensure that allowing reentry Members into the Plan would not have a negative impact on the Plan. Each reentry department's Continuing Rate of Contribution will be reevaluated on January 1st in the year following the second anniversary of the effective date in the Plan. The reevaluation is conducted to determine whether the Continuing Rate of Contribution will be reduced or stay the same. The Continuing Rate of Contribution cannot be increased above the rate set in the department's resolution.

Q6 | *Can a Member who selects the Defined Benefit Component or Hybrid Component make voluntary contributions to the Statewide Retirement Plan's Money Purchase Component?*

Yes. Members in these Components are permitted to submit voluntary contributions on an after-tax basis.

In addition, Members who want to voluntarily save additional money for retirement should consider contributing to a 457(b) Deferred Compensation Plan, either through FPPA or another provider as determined by the plan(s) provided by your employer.

Q7 | *What happens if a department has a higher contribution rate than what is required for the Statewide Retirement Plan: Defined Benefit Component?*

The excess rate for reentry Members can be accepted. In the Defined Benefit Component, any excess contributions will be deposited into the Money Purchase Component of the Statewide Retirement Plan.

For example: If the combined local money purchase plan rate is 1.0% higher than the contribution rate for the Defined Benefit Component, and the Members and Employer decide that they will not lower that rate, then 1.0% of the Employer contribution will be deposited into the Money Purchase Component. This is an individual, self-directed account held at Fidelity.

Q8 | *Are Member contributions submitted as a pre-tax contribution or a post-tax contribution?*

It depends. If the required employee (a.k.a. Member) contribution going forward varies between employees of an employer when they have choice between plans, the IRS has determined that the lowest required Member contribution is considered the base amount and may be treated as pre-tax.

Employees making contributions into a plan with a higher contribution rate than this base amount will make such additional contributions on a post-tax basis.

So, in the case of a partial department entry where existing members have individual choice, a portion of their Member contribution rate may be post-tax if Member contribution rate varies by plan.

However, for those hired after the effective date of entry, because the Employer mandates the pension plan and there isn't plan choice, there is no post-tax portion.

FPPA's contributions reporting systems track pre-tax and post-tax contributions and treat them accordingly in retirement. Members recover any post-tax contributions in retirement according to the provisions of the Internal Revenue Code. In other words, Members are not double-taxed if they submit a portion of the contribution rate post-tax.

Also, the Employer will want to give consideration to this tax treatment—especially the ability of the Employer's payroll system to accommodate the appropriate pre or post-tax designation—when determining which Components will be offered as choices and when establishing Member contribution rates.

Q9 | *Why did the Member contribution rate to the Statewide Retirement Plan (called the SWDB Plan at the time) increase until 2022?*

In 2014, Members of the Statewide Defined Benefit Plan (SWDB) voted in favor of increasing the Member contribution rate. The increase of 0.5% per year began in 2015; the new Member rate is now fully implemented at 12%. This election was the result of several months of study by a task force that included Members, Employers, and FPPA Board and staff members.

Funding was added primarily to: 1) increase the Plan's funding level which in turn increases the protection against benefit rollbacks in times of economic downturn; and 2) possibly increase the likelihood that Members may receive more meaningful Cost of Living Adjustments (COLAs) in retirement to help their pension keep better pace with inflation.

Q10 | *What is FPPA's definition of Pensionable Earnings (Base Salary)?*

Simply put, the definition of Pensionable Earnings (Base Salary) includes the Member's base rate of pay, plus any pay for longevity or shift differential. Overtime or other forms of extra pay are generally not included.

Pensionable Earnings (Base Salary) is defined in FPPA Rules 101.08. The FPPA Rules and Regulations can be found at **FPPAco.org**.

Process Questions

Q11 | *What are the primary considerations the Employer must be aware of before starting the Partial Entry process?*

To pursue a partial entry, the Employer must:

1. Certify to FPPA that the Members self-direct the assets in their local money purchase plan
2. Be willing to keep the local money purchase plan open for those active, eligible Members who wish to continue participation in the local money purchase plan. This means that the local money purchase plan will be partially terminated, and
3. Submit contributions on both a pre-tax and post-tax basis, if necessary
4. Finally, the Employer must be comfortable with enrolling all new Members hired after the effective date in the FPPA Statewide Retirement Plan, either in the Defined Benefit Component or the Hybrid Component

Q12 | *Briefly describe the process for a partial entry.*

While partial entry is a complex process that typically spans 9-12 months, it includes a few basic steps:

1. **Informational Meetings:** FPPA meets with the Employer/Committee (and sometimes with the Members) to review the benefits and process, as well as to answer questions regarding FPPA, the plans being offered, etc.

We also collect plan level data to determine the mapping strategy and benefits offered in the existing plan

2. **Resolution:** FPPA works with the Employer to complete a timeline and a non-binding resolution. The resolution is approved and signed by the Employer's governing body (e.g. city council or district board) and submitted to FPPA. FPPA accepts the resolution
3. **Asset Transfer:** FPPA, Fidelity, the Employer and the recordkeeper for the local plan assets work together to develop a timeline and mapping strategy for the asset transfer of those Member accounts moving to FPPA
4. **Disclosure Process:**
   a. FPPA works with the Employer to complete a Disclosure Statement comparing the provisions of all the plans being offered. FPPA also gathers pertinent data from the Employer and then prepares individual retirement projections for each Member. Finally, dates and times are set for the Member Disclosure Meetings
   b. The Disclosure Meetings provide an opportunity for Members to learn about their options and ask questions
   c. Following the meeting, Members may attend an individual appointment with FPPA staff to review their individual personalized retirement projections that FPPA has prepared based on the data provided by the Employer
5. **Pension System Selection:** Following the Disclosure Meetings, Members complete a selection form indicating if they want to remain in their local money purchase plan or to move to FPPA. For Members who choose to remain in their local plan, the process stops here. Confirmation letters are emailed to each Member
6. **Final Certification:** The Employer files the final certification of compliance with FPPA; at this point the process is irrevocable
7. **Component Selection/Enrollment Meetings:** For those Members who choose to move to FPPA, we conduct Enrollment Meetings to assist them in selecting their FPPA Component. Once selections are made, confirmation letters are emailed
8. **Service Credit Purchase Meetings:** FPPA provides information on the service credit purchase process to Members who are interested and eligible

Plan Selection Questions

Q13 | Who decides what FPPA Components are offered and what Component future Members are enrolled in?

In the case of a partial department entry, the Employer has decided to keep the local money purchase plan as an option for the existing members. The Employer can also decide which (or all) of the three FPPA Statewide Retirement Plan Components to offer as options for Members electing to move to FPPA.

Partial Entry Plan Choices for members who are active at the time of the entry process.

- Local MP Plan
- SRP: Defined Benefit Component (if permitted by Employer)
- SRP: Hybrid Component (if permitted by Employer)
- SRP: Money Purchase Only (if permitted by Employer)

Existing Members who are employed at the department at the time of reentry (reentry Members), individually choose from the Component(s) offered.

New Members (those hired on or after the effective date of entry) are enrolled in the Component selected by the Employer for new hires: either the Defined Benefit Component or the Hybrid Component of the Statewide Retirement Plan.

Q14 | Once a Member chooses their Component within the FPPA Statewide Retirement Plan, can they ever change their selection?

The Member has no right to revoke their retirement plan option once it is selected. The Member will remain in the Component they select for the duration of their employment with their current Employer. If a Member changes Employers, they will be covered by whatever plan the new Employer offers its new employees.

Q15 | *If a department enters the Statewide Retirement Plan, do new employees hired after the entry date get a choice between Components?*

No. New employees hired after entry into the Statewide Retirement Plan do not get a choice of the Component options. They participate in the Component chosen by the Employer, as indicated in the Resolution.

Q16 | *Will FPPA accept only a portion of the existing Members from a department if some want to remain in the local plan?*

Yes, in the case of a partial department entry. Each individual Member chooses between joining the Statewide Retirement Plan or remaining in their local money purchase pension plan. All new Members hired after the effective date are enrolled in the FPPA Component mandated by the Employer.

Q17 | *If a department enters the FPPA Statewide Retirement Plan, is that decision revocable if they wanted to opt out at a later date?*

No. Colorado Revised Statute states that FPPA shall adopt rules that specify that an Employer that opts to participate in the FPPA Statewide Retirement Plan shall not be permitted to opt out of such plan at any later date.

The long-term viability of a defined benefit plan requires stability and consistency in its membership base. Allowing Members or departments to enter and withdraw at will weakens the stability of the plan and increases the cost of benefits. There is also the issue of determining the appropriate amount of funding that a Member or department can take upon withdrawing from a defined benefit plan, particularly if they want to withdraw after an especially good or bad period of market returns, since a defined benefit plan is funded based on a long-term, not short-term, average rate of return.

There was little, if any, discussion on the part of the 2004 task force about allowing free entry into and exit from the FPPA Statewide Retirement Plan. When creating the opportunity to allow reentry, an overriding concern was to in no way harm the plan for its existing Members by allowing new Members to join. For the departments that have reentered to date, the lack of a disaffiliation option was not an issue.

At this point in time, it would require legislation to allow for withdrawal from the FPPA Statewide Retirement Plan. If Members are unsure as to whether they want a defined benefit plan, current existing Members may be given an individual choice to stay in the Money Purchase Component only of the Statewide Retirement Plan. Currently, Fidelity Investments is the service provider and recordkeeper. The FPPA Board may change providers if Fidelity is not providing the quality of services expected for the Membership.

Q18 | *If the Member chooses to move to FPPA, what happens to their money purchase account?*

The resolution filed by the Employer requires the transfer of the balances for those Members moving to FPPA in a bulk plan-to-plan transfer. The funds are held in a “transfer account” in the Statewide Retirement Plan: Money Purchase Component at Fidelity (FPPA’s recordkeeper for the Money Purchase Component) in each Member’s name. Members continue to manage the investment of any funds held in the Money Purchase Component transfer account.

If the Member is enrolled in either the Defined Benefit or Hybrid Component, they may choose to use the transferred funds to purchase defined benefit service credits.

At termination, retirement or death, the funds are payable to the Member, their beneficiary, or their estate, as applicable.

In addition, the Money Purchase Component will be used in calculating the offset in the event benefits are eventually payable from the Statewide Death & Disability Plan.

Cost and Fee Questions

Q19 | *What are the costs associated with the Money Purchase Component of the Statewide Retirement Plan?*

FPPA’s Plans are very competitively priced. The participant Administrative Fee considers the cost charged by Fidelity to provide recordkeeping service and FPPA’s administration services, plan oversight, and Member education. Finally, expenses charged by the underlying mutual funds (also known as Expense Ratios) offered within the plan vary by fund. The Administrative Fees are typically determined Q1 each year. In addition to the asset-based fee, each participant is charged an annual fee of $10. When determining the asset-based fee, FPPA will factor in the amount already collected by the annual flat dollar fee. *(The latest Fee Announcement is posted on FPPAco.org.)*

Benefits and Benefit Payments Questions

Q20 | *How is the average of a Member's highest three years' base salary (HAS) calculated? How is this average calculated for a Member who purchases service credit upon department reentry and who wants to retire or enter DROP without having three years of salary history in the Statewide Retirement Plan?*

The average of a Member's highest three (3) years' base salary (also known as Pensionable Earnings), for purposes of calculating a Member's Normal, Early, Deferred, or Vested retirement benefit, is the average of the Member's highest three (3) calendar years' actual base salary on which contributions into the Statewide Retirement Plan were paid. If the Member purchased service credit within the last three (3) years of service, the base salary used to determine the cost to purchase service credit would be used in calculating the average of a Member's highest three (3) years' service. For example, if a Member retires or enters DROP immediately, the salary used to calculate the cost to purchase service can be used as one year of salary history. The second year of salary history is determined by reducing the salary used to purchase service credit by 4%. The third year of salary history would be determined by reducing the second year of salary history by 4%. The highest average salary (HAS) is then finally determined by averaging these three amounts.

For example:

- If the salary used to purchase service credit were $50,000.00, that would be the first year of salary history
- The second year of salary history would be 96% of $50,000.00, or $48,000.00
- The third year would be 96% of $48,000.00, or $46,080.00
- The HAS would then be $48,026.67 ($50,000.00 + $48,000.00 + $46,080.00) / 3

This method has been adopted to ensure the Member's benefit is based on the appropriate contributions, ensuring that the HAS used in the service credit purchase calculation correlates with the HAS used in the benefit calculation. In short, a Member gets what they pay for.

Q21 | *FPPA indicates that Members who have a Money Purchase Component or DROP balance at retirement can "convert the account to a monthly lifetime benefit." Is this feature similar to buying an annuity?*

Yes, except FPPA does not charge commissions or fees. FPPA calculates a monthly lifetime benefit based on a Member's account balance, age, FPPA's actuarial assumed rate of return, and an additional margin for possible future Cost of Living Adjustments and/or adverse experience, to protect the Plan. If they elect this option, Members also have the option of choosing one of the FPPA's survivor options. If a Member is also enrolled in the Defined Benefit Component, this monthly benefit will be added to that Component, and the Member will choose one survivor option. The conversion to a monthly lifetime benefit is also a distribution option for DROP accounts.

Q22 | *Is there a maximum benefit that can be paid from the Defined Benefit Component or Hybrid Component?*

The IRS determines the limit each year, which can be found in the IRS code 415(b) limits. Any excess benefit above the maximum will be paid from the Qualified Excess Benefit Arrangement account (QEBA). Benefits paid from the QEBA will be paid in addition to the maximum benefit paid from the trust. Accumulated DROP balances are not included in this maximum amount.

Q23 | *Explain the Cost of Living Adjustment (or COLA) provisions and how they are determined under the Statewide Retirement Plan.*

There are no guaranteed or fixed amounts for Cost of Living Adjustments (COLAs) under the Statewide Retirement Plan. Cost of Living Adjustments are ad hoc, meaning that they are awarded annually at the discretion of the FPPA Board. In determining whether to grant a COLA and the amount of the COLA, in addition to the most recent Consumer Price Index, the Board considers the Plan's ability to pay the current cost of awarding a COLA alongside the Plan's ability to pay future COLAs.

Q24 | *Is the Statewide Retirement Plan solvent? We've heard that FPPA is not as well-funded as the funded ratio might indicate because the actuarial study does not account for Cost of Living Adjustments (COLAs) when determining the funded ratio.*

The Statewide Retirement Plan is solvent. There are no fixed or guaranteed COLAs under the Statewide Retirement Plan. By statute, any COLA is determined by the FPPA Board at its discretion after considering the funding level of the plan, the cost of such increase, whether the increase creates an adverse actuarial impact on the plan's ability to fund future benefits, and any other factors the Board deems appropriate. Legislation passed in 2022 also allows the Board the ability to grant one-time, non-compounding, lump sum COLAs in certain scenarios. So, while it's technically accurate to say that the reported funding ratio does not include a COLA, the methodology used to determine COLAs restricts COLAs in order to maintain full funding of the plan into the future.

Q25 | *Pension benefits for Members choosing the "Single-Life Benefit" payment option are not reduced. Why are benefits reduced if a Member chooses one of the other payment options in the Defined Benefit Component or Hybrid Component to pass along their defined benefit to a beneficiary? How much is the reduction?*

If a Member selects the Defined Benefit Component or Hybrid Component of the Statewide Retirement Plan, at retirement or at the time the Member enters the DROP they will select a payment option for the defined benefit. Options available include Single-Life or options to pass along all or a portion of their benefit to to a beneficiary. These payment options are discussed in the respective Component brochures.

Benefits are reduced for options that cover a beneficiary because the pension benefit is now providing a lifetime benefit not only for the Member, but also for the Member's beneficiary. The reduction is based on the combined life expectancy of the Member and beneficiary. Charts describing these actuarially equivalent reductions are included in the Component brochures at FPPAco.org or joinFPPA.org.

Q26 | *What happens if an active Member in the Statewide Retirement Plan dies?*

If benefits are payable from the Statewide Death & Disability Plan*, those benefits are payable in lieu of the Member's pension (Statewide Retirement Plan).

If benefits are not payable from the Statewide Death & Disability Plan because the Member leaves no surviving spouse and/or dependent children who are eligible for survivor's benefits under that plan; or, if the Member is not eligible for Normal Retirement benefits under the Statewide Retirement Plan, the deceased Member's pension contributions to the Statewide Retirement Plan, plus 5% as interest, may be refunded to the Member's designated beneficiary. In this instance, any applicable Money Purchase Component balance held at Fidelity is also payable if the Member was vested at the time of death.

If the Member has not designated a beneficiary and the Member leaves no surviving spouse and/or dependent children who are eligible for survivor's benefits under the Statewide Death & Disability Plan; or, if the Member is not eligible for Normal Retirement benefits under the Statewide Retirement Plan, the deceased Member's pension contributions, plus 5% as interest, may be refunded to the Member's estate. Any contributions rolled into the pension plan from a Member's current local money purchase plan (regardless if they were Member or Employer contributions), and any funds paid/rolled in to purchase service credit are considered Member contributions and included in the calculation of the refund.

**Most, but not all of the police officers and firefighters in Colorado are covered by the Statewide Death & Disability Plan. If you are unsure if you have coverage, contact FPPA or ask your HR department.*

Q27 | *What happens if a Member dies while active in the Statewide Retirement Plan: Money Purchase Component only?*

If benefits are payable from the Statewide Death & Disability Plan*, those benefits are paid, but are reduced or offset by the value of the Member's Money Purchase Component. In addition, the funds in the Money Purchase Component are payable to the beneficiary listed.

**Most, but not all the police officers and firefighters in Colorado are covered by the Statewide Death & Disability Plan. If you are unsure if you have coverage, contact FPPA or ask your HR department.*

Q28 | What happens if a Member dies during retirement if they are covered by the Statewide Retirement Plan: Defined Benefit Component or the Statewide Retirement Plan: Hybrid Component?

If a Member dies during retirement and has chosen a payment option that includes survivor benefits, the Member's designated beneficiary will receive the survivor benefit payable for their lifetime according to the option selected.

If a Member selects the Single-Life Benefit and dies during retirement before being paid the full amount of Member contributions, the remainder, plus 5% as interest, will be paid out to the Member's estate.

If a Member has an account balance in the Money Purchase Component, those funds are payable to the Member's beneficiary named on that account.

If a Member chose a payment option with survivor benefits and both the Member and a designated beneficiary died before the full amount of the Member's contributions had been paid out, the remainder of a Member's contributions, plus 5% as interest, will be paid out to the Member's or beneficiary's estate.

Any contributions rolled into the plan from a Member's current plan (regardless if they were Member or Employer contributions), and any funds paid/rolled in to purchase service credit are considered Member contributions and included in the calculation of the refund.

Q29 | How long after retirement can a Member defer starting a benefit payment?

Defined Benefit Component or Hybrid Component: If a Member has reached eligibility for a Normal or Vested Retirement (age 55 with at least 5 years of service), and has separated from service, they may choose to defer receiving retirement benefits as late as age 65. If a Member chooses to defer receiving their retirement benefits, they will receive the actuarial equivalent of the Normal or Vested Retirement benefit once they elect to draw their benefit.

Money Purchase Component: A Member may defer taking distributions from their account until the Required Minimum Distribution age determined by the IRS.

Q30 | Can a Member with an account balance in the Money Purchase Component who separates from service prior to age 55 begin taking distributions from the Money Purchase Component immediately?

While age 55 is considered the normal retirement age under the Statewide Retirement Plan, the Plan does not prohibit distributions prior to age 55 once a Member has separated from service. However, depending on the circumstances, the distributions may be subject to a 10% IRS penalty for early distribution.

Funding/Unfunded Liabilities Questions

Q31 | What is the funded status for the Statewide Retirement Plan?

As of the January 1, 2024 actuarial study, the funded status is as follows:

Statewide Retirement Plan	Statewide Retirement Plan: Money Purchase Component
100% (plus $66,419,000 in reserve for adverse experience / potential future COLAs)	Money Purchase plans do not have a funded ratio since there is no promised lifetime benefit

Q32 | What steps would FPPA take to secure the Statewide Retirement Plan if, at some point, the plan was not actuarially sound?

The Colorado Revised Statutes provide certain safeguards but do not identify a specific order for their implementation in the event that the Statewide Retirement Plan is determined to not meet the definition of "actuarially sound." "Actuarially sound" is defined as when the contribution rate meets or exceeds the normal annual cost of benefits plus the annual cost of the unfunded liability (if any) amortized over forty years.
The following actions may be taken at the Board's discretion:

- May terminate making Cost of Living Adjustments (COLAs)

- May order the Normal Retirement age be increased by one month up to sixty months. The age for eligibility for Normal Retirement under the Rule of 80 would also be increased
- The Board may reduce that the benefit multiplier from 2.5% to as low as 2% for any given year or years (without impacting the past benefits already accrued and earned by Members)
- May terminate allocating surplus contributions to the Money Purchase Component
- If the plan remains actuarially unsound after the above actions are taken, as a last resort, the Board has the authority to change Member and Employer contribution rates if the Board finds that such an increase is still necessary to maintain the actuarial soundness of the plan. See more information regarding this process in Question 35

Q33 | *How did many local old hire plans become unfunded and the FPPA Plan remain well-funded?*

The origin of these unfunded liabilities predates FPPA. (Employees hired prior to April 8, 1978 are considered Old Hires. Employees hired after that date are New Hires.) In fact, FPPA was created in large part because so many of the local old hire plans had not been adequately funded. At FPPA's inception in 1980, there were 104 plans with unfunded liabilities receiving state assistance. The legislation that mandated proper funding did not require the full actuarially required contribution right away. There were hardship provisions that gradually stepped up the contribution requirements so that the plans were being funded appropriately by 1988. Due to the hardship provisions, unfunded liabilities were legally allowed to continue to grow until 1988.

Through a combination of increased contributions, state assistance, and better-than-expected investment returns produced by FPPA, unfunded liabilities in most of these plans have been eliminated. On the other hand, the Statewide Retirement Plan (called the "Statewide Defined Benefit Plan" at inception) set appropriate contribution rates to cover Members since inception. At no time were contributions ever less than needed to cover each Member from their first day on the job. The Plan conducts an annual actuarial study to make sure that the funding level is on track.

From inception of the plan in 1980 until 2014, the 8% Employer and Member contribution rates did not increase, and the benefits under the plan also improved significantly during that time. However, FPPA received Member feedback indicating a desire to contribute more to their pension to improve the Plan's ability to pay benefit adjustments (also called COLAs) in retirement and to decrease the possibility of future benefit reductions. Following the recommendation of a Member task force, Members of the Statewide Defined Benefit Plan voted in 2014 on a 4% increase to the Member contribution rate, phased in over 8 years at 0.5% per year. That vote passed and the increase began in 2015. The increase is now fully implemented as of 2022.

There are plan provisions that contribute to maintaining the Statewide Retirement Plan's funded status. For example, when Members purchase service credit, they must pay the full actuarial cost, not an "average, bargain, or subsidized" cost that creates an unfunded liability for the Plan. When necessary, FPPA has created a task force to study aspects of the Plans and their contributions. A result of the Statewide Defined Benefit Plan task force was new legislation effective January 1, 2021, which required an increase in Employer contributions to better fund the Plan. The previous increase in the Member contribution rate adds further protection to the Plan. Many local money purchase plans are already funding their plans well over the FPPA required rate. This change was all done locally, and not required by FPPA.

Finally, the Plan's definitions of base salary (also known as Pensionable Earnings) and HAS (Highest Average Salary) minimize the likelihood of salary spiking, a practice that can have a negative impact on defined benefit plans.

Q34 | *Can the FPPA Board reduce retirement benefits due to unfunded liability on their own or does that take a membership vote?*

The Board could only reduce retirement benefits provided by plan modifications (amendments voted in by the Membership, not legislative changes) if the normal cost of the pension benefits plus the amortized cost of the unfunded liability exceeds that funded by the required contribution rate. The benefits which a Member has earned and accrued cannot be reduced. The reduction would only apply to future service credits.

Q35 | *If FPPA had to increase contribution rates or decrease benefits, how would this process work?*

The FPPA Board is required to increase contribution rates if the normal cost of benefits plus the amortization payment for the unfunded liability of the Plan, if any, exceeds the required contribution rate. There is the possibility of increased contribution rates in the future if investment earnings fall below the actuarial assumed rate of return for an extended period of time.

This provision of the Plan is not automatically triggered just because the funding level drops below 100% of the accrued liabilities of the Plan. Using the statutory definition of "actuarially sound," the unfunded liability of the Plan must grow to the point that it, plus the normal cost of service credit, cannot be paid over a 40-year amortization period with the required contribution rate.

In such an event, an effective date would be established after which the benefits would accrue at an adjusted lower rate, and a later normal age for retirement would be established. If even with these adjustments, a contribution rate higher than the current required rate is still needed, the Board would then establish a higher contribution rate. However, benefits which a Member had earned and accrued, or purchased, prior to the effective date cannot be reduced. A benefit reduction would only apply to service credits not yet earned. Benefits cannot be reduced for a Member who is retired or for a Member who has separated from service and has applied for a Vested Retirement and is waiting for age 55.

Q36 | *The Defined Benefit is a "promise to pay." What guarantee is there that a member will receive the retirement benefit they are eligible for?*

A Member has a contractual and a statutory right to the benefit that they are promised under the terms of the Plan. The contractual right is similar to the right that a person has with a private pension provider; that is, to enforce the benefit of the bargain to be received by the Member. The statutory right is more significant because FPPA, municipalities and districts that participate in these Plans, and the state are all governmental entities. The Member has a property interest in his or her accrued benefit. The U.S. Constitution provides that government cannot deprive citizens of their property without just compensation or due process.

Besides these basic legal protections, the Plan contains several safeguards to ensure the funds are available to pay the benefits. Historic management of the Plan has maintained its well-funded status, with surpluses available to balance the cycles in the investment markets. Although they have never been enacted, there are also controls in the Plan if the plan becomes actuarially unsound. Investment of the fund by nine independent Board members, oversight of the fund by the legislature, the fund's independent auditor, and the fund's actuary, as well as periodic review by the participating local governments, the State Auditor, and the Governor's office also offer protection to the Member that the fund is operating legitimately and in an actuarially sound manner.

Q37 | *Are payments from an FPPA Component with a defined benefit guaranteed or can they be reduced by the next recession?*

Retirement benefits earned and accrued cannot be reduced. Retiree benefits cannot be reduced. The rate at which future benefits are paid can be adjusted as described in Question 33.

Q38 | *What is the difference between participating in the Statewide Retirement Plan: Defined Benefit Component and purchasing an annuity with a Money Purchase account balance?*

While it is possible to receive a lifetime benefit with either option, there are a few key differences.

In the Statewide Retirement Plan: Defined Benefit Component:

- A Member can easily project what percentage of pay they will receive when at retirement based on the formula in the Plan. Even as a young firefighter or police officer, there is some certainty when planning for retirement and projecting retirement income. Knowing this fact early on helps individuals determine how much they may need to save in other retirement vehicles to meet their retirement goals
- The investment risk in the Plan is pooled and spread over a long (30-year) investment horizon. While market losses impact the Plan, in a pooled investment there is much less risk of an impact on the individual Member's retirement
- There is an ad hoc COLA provision in the Statewide Retirement Plan
- FPPA's investments are directed by investment professionals
- There are no added fees or commissions charged to ensure a lifetime benefit. FPPA does not pay its employees any type of sales commission
- FPPA is a governmental entity that neither earns profits nor has shareholders. Any gain in a Plan directly benefits the Members of that Plan

In a money purchase plan:

- A participant in a money purchase plan will not know until retirement what account balance they might have

available to purchase an annuity. This uncertainty makes planning more difficult. If the money purchase balance is not sufficient to pay an adequate monthly benefit, it is difficult to correct the problem at this late stage
- While retirement projections may be run throughout one's career, individual money purchase plan accounts are more sensitive to market downturns since this is an individual account rather than a pooled investment. If losses occur shortly before retirement, the Member's "buying power" for purchasing an annuity or paying themselves a monthly benefit is reduced
- The police officer, peace officer, or firefighter assumes the investment risk leading up to retirement
- There are often fees or sales commissions paid by the individual when they convert an account balance to a lifetime annuity. This fee or commission can be substantial. There may be an added premium to purchase a lifetime annuity. There also may be an added premium to build in a Cost of Living Adjustment
- Annuities are most often sold by for-profit organizations, which are organized to pay a profit to shareholders
- It is possible that a Member in a money purchase plan may be able to purchase an annuity that pays a monthly benefit that is higher or equal to that provided by a defined benefit plan; however, the uncertainty of the market and the timing of the purchase can make planning very difficult.

Q39 | *If the State of Colorado oversees this Plan through the legislature, how does that preclude the State from using or claiming the FPPA monies as an asset?*

Oversight of the statewide plans, the Old Hire Plans, and all other activities of the FPPA is provided by the Colorado Legislature. Oversight of the Plan, however, is not the equivalent of control of the Plan.

In fact, no state funds have ever been contributed to the Statewide Retirement Plan. It is difficult to imagine any legal argument that these funds are "assets of the state." These funds have been accumulated entirely from Member and Employer contributions and the earnings from those contributions. The statute creating the trust fund provides, among other protections, that "the funds shall be held and distributed for the purpose of [the provision of pension benefits] and for no other purpose whatsoever" (C.R.S. 31-31-203). This language is a required element of the Plan under the Internal Revenue Code, which grants the "qualified plan" status and allows the contributions going into the Plans to be non-taxable. This section cannot be removed legislatively without dire tax consequences to the municipalities who have contributed to the Plan. There is no statutory or constitutional authority that provides for the state to use or claim the funds held under these Plans.

The FPPA Board acts as the trustee of these funds and the funds are held in trust for the benefit for the Members of the Plan. The Board, and the individual members of the Board, are fiduciaries to the Plan. It would be a breach of the Board's fiduciary duty to allow the state to gain control over the assets of the Plan.

In summary, any attempt of the state to use or claim the assets of the Plan would require legislative changes that are 1.) approved by a majority of both houses of the legislature and 2.) approved by the Governor. These approvals would have to be made over the objections of the FPPA Board, the firefighters and police officers that are Members of the Plan, the municipalities that participate throughout the state, and the Internal Revenue Service. Even if legislation was passed, given the structure of the Plans and the body of law governing trusts and qualified plans, in FPPA's legal opinion it is extremely unlikely that such legislation would be sustained in the subsequent court challenge.

Q40 | *If there is a shortfall in the Statewide Retirement Plan fund, could money be transferred from the Money Purchase Component to the Statewide Retirement Plan fund?*

No, FPPA could not take money from the Money Purchase Component if there is a shortfall in the Statewide Retirement Plan fund. There is no provision in the plan document to take money from the Money Purchase Component for any reason. All Member dollars, and all Employer dollars (if the Member is vested), are vested in the employee's Money Purchase Component from the day they are contributed to the account. FPPA could not conceivably touch these vested dollars. FPPA could not touch the non-vested dollars either. The non-vested dollars are held there in trust, in anticipation of the Member vesting.

Service Credit Purchase Questions

Q41 | If a Member elects the Statewide Retirement Plan: Defined Benefit Component or Statewide Retirement Plan: Hybrid Component and has a balance in the Money Purchase Component, what are their options for purchasing service credit?

In this instance, a Member would have the following options:

- The Member may choose not to purchase any service credits
- The Member may convert all the 401(a) assets transferred from the prior recordkeeper to purchase defined benefit service credit, even if this conversion buys more service than the Member worked at the current Employer
- If the conversion of these 401(a) assets does not buy all eligible service, other sources (457, IRA, etc.) previously rolled into the money purchase account or held in other accounts may be used. See Question 44 for more detail on funds that can be used to purchase service credit
- Any funds left in the Money Purchase Component are managed by the Member

Q42 | Regarding vesting, do the years of service start accruing when the group enters the Statewide Retirement Plan, or do the years carry over?

Money Purchase Component: Years of service are based on combined years of service in the local plan and the FPPA Statewide Retirement Plan: Money Purchase Component. Members retain their original hire date with their Employer. Regarding the Member's current Money Purchase Account, all Members (vested and non-vested) will be fully vested in the Employer Transfer Account upon entry into the Statewide Retirement Plan.

Defined Benefit and Hybrid Components: Years of service credit must be worked or purchased. In other words, service begins accruing toward the defined benefit of the Component at the entry date into the plan. However, Members may purchase service credit for past service (many Members use their Money Purchase Component assets to purchase service credit in whichever Component with a defined benefit that they elect). For instance, a Member could purchase five years of service credit and be vested immediately, or they could work the five years to become vested, or a combination of the two. In any case, the defined benefit percentage will be determined based on a Member's combined service credit worked and purchased.

Q43 | What type of funds can be used to purchase service credits?

Tax-deferred money from any of the following plans can be used to purchase service credit: 401(a) plans, 401(k) plans, 457 Governmental Deferred Compensation plans, 403(b) Tax Sheltered Annuities, Traditional IRAs, and/or SEP and Simple IRAs. A Member may also use after-tax money (for instance, money in a savings or checking account) to purchase service credit. A ROTH account may not be used to purchase service credit. If a Member uses after-tax money to purchase service, FPPA will track that money as after-tax dollars and those funds will not be taxed when they are paid out in retirement.

Q44 | When would Members entering the Statewide Retirement Plan be eligible to purchase service credit?

Generally, Members are eligible to begin purchasing local plan service credit, service credit for other public sector employment, and military time approximately four to eight weeks after the reentry effective date, dependent upon the completion of the asset transfer. However, Members with less than one year at the department will be able to convert their local money purchase balance but will have to wait until their first anniversary at the department to purchase any other public time.

Members must be in the Statewide Retirement Plan five years before they can purchase private sector employment. (Certain IRS restrictions apply.)

Q45 | How is the cost to purchase service credit determined?

The cost of service credit to be purchased is determined by the FPPA Board on an actuarially equivalent basis. The formula used includes a Member's age and highest annual base salary (also known as Pensionable Earnings) for any calendar year in the Statewide Retirement Plan at the time of purchase.

Therefore, the cost to purchase service generally increases for each month they age and as their salary increases.

FPPA & Fidelity Services and Investments Questions

Q46 | Is Fidelity the permanent recordkeeper for the Money Purchase Component or could it change at a future date?

The FPPA Board has the discretion of changing the recordkeeper/service provider at any time if they feel the services are not meeting the needs of the Membership.

Q47 | What extra fees and minimums are associated with the BrokerageLink Account offered by FPPA/Fidelity?

Fees: There are no plan level fees charged to participants. There may be trading fees.

Minimums: Members must keep at least 5% of their account invested in the standard plan options; the remainder can be invested through the BrokerageLink (self-directed brokerage window.)

For more information on Fidelity BrokerageLink or to establish a BrokerageLink account, please call a Fidelity Service Center Representative at (800) 343-0860, Monday - Friday, 6:30 am - 10:30 pm MST.

Q48 | Can the Fidelity BrokerageLink Account be continued into retirement?

Yes, a Member can continue their BrokerageLink Account into retirement and maintain all the account features. If a distribution is taken, all assets would flow through the retirement plan, and the money would come directly from Fidelity, the Plan's recordkeeper.

Q49 | Can FPPA offer a broader range of investments than currently exists in the Money Purchase Component?

FPPA can offer additional investment options at its discretion. The issue of adding/replacing investment options is continually reviewed by FPPA's Self-Directed Plans Committee, Fidelity, as well as its third-party consultant. FPPA strives to balance the Member's needs/demands/requests by providing a meaningful list of fund options without overwhelming Members with too many choices. This strategy also helps ensure that Members receive the appropriate information on the fund options offered. If a fund is not meeting performance and/or operational standards set by the FPPA Investment Policy, the fund may be replaced.

FPPA also offers a BrokerageLink account for investors willing to take on additional monitoring responsibilities and risk with their investments. It allows Members to invest their Money Purchase Component and/or DROP account balances in a broad range of Fidelity and non-Fidelity mutual funds plus a wide range of individual securities not offered within the standard plan account options.

Loan Questions

Q50 | Does FPPA accept outstanding loans from money purchase plan accounts?

Yes. However, no new loans are permitted after entry date. Existing loans can be transferred to Fidelity. The Member will be able to continue to repay that loan through Fidelity via automatic withdrawal from an account designated by the Member.

Divorce Questions

Q51 | How does FPPA handle Domestic Relations Orders (DROs)?

FPPA must comply with the agreement set forth in the Domestic Relations Order. In the case of a defined benefit, the alternate payee cannot receive payment until the Member is also eligible to do so. In the case of a money purchase plan, the alternate payee may receive distributions while the Member is still active. More information can be found on the DROs page at FPPAco.org.

Additional Questions?

Q52 | Who do I contact to find out more, or if I'd like to start the partial reentry process?

Visit **JoinFPPA.org** to learn more, especially if you'd like to see what purchasing service credit in a particular Component might cost your current active Members.

For additional questions, or to start the reentry process, please contact the Relationship Management team at FPPA at **fielded@fppaco.org**, or **(303) 770-3772, ext. 6450.**

FPPA Fire & Police Pension Association of Colorado

(303) 770-3772 ▪ toll free (800) 332-3772 ▪ fax (303) 771-7622

10-22-2024

Name of Department			
1	Spring 2026	Employer	Department expresses interest in FPPA Partial Entry
2	17-Apr-26	FPPA & Employer	FPPA Holds initial Employer Informational meeting (required) and Member Informational Meetings (optional: not necessary if membership has a good understanding and prefers to wait for Disclosure Meetings)
3	April/May/June 2026	FPPA	Following Employer Informational meeting where interest in re-entry is indicated. FPPA sends the Employer the following: ***1) Partial Entry Non-Binding Resolution Template;*** ***2) General Information Regarding the LMPP;*** ***3) Member Data Sheet Template;*** ***4) Fund Information for Asset Transfer Mapping Template.***
4	TBD	FPPA & Employer	Meeting/conference call to discuss ***Timeline of Events*** and finalize target dates for completion.
5	TBD	FPPA	Establishes ***Timeline of Events*** - sends copy
6	TBD	Employer	Submits ***DRAFT Non-Binding Resolution*** to FPPA
7	TBD	FPPA	Responds to Employer on ***DRAFT Non-Binding Resolution***
8	TBD	Employer	Submits **Resolution to City Council/Board of Directors** for approval
9	TBD	Employer	Submits **executed** ***Resolution*** for coverage to FPPA. **Note:** this must be prior to deadline for FPPA Board Packet. **FPPA Board deadline:**
10	TBD	FPPA	Resolution is in the *Information Only* section of FPPA Board Packet. A memo is sent Exec Assistant including Exec Director, CBO, COO, Accounting Manager/Director, Benefits Manager/Director, and Communications/Manager Director
11	TBD	FPPA	Sends Employer Resolution Approval letter with FPPA contact information.
12	TBD	FPPA & Employer	***Call with Accounting Manager, and Contributions Specialist to discuss base salary definition and contribution process. Include COO if needed.***
13	TBD	Employer	Submits to FPPA: ***General Information Regarding the LMPP (3 listed above);*** ***Copy of Local Plan Document;*** ***Fund Information for Asset Transfer Mapping Template (5 listed above).***
14	TBD	FPPA	Sends Employer template of: ***5) Notice of Disclosure Meeting;*** ***6) Partial Entry Disclosure Statement;*** ***7) Roster for Member Election of Pension System;*** ***8) Employers Certification of Member's Pension System Election;*** ***9) Partial Entry Certification of Compliance.***
15	TBD	Employer	Submits completed ***Partial Entry Disclosure Statement*** to FPPA for approval. (Employer completes cover page and section on Local Plan only.)
16	TBD	FPPA	Returns approved ***Partial Entry Disclosure Statement*** to Employer.
17	TBD	Employer	Provides member information to FPPA for retirement income projections; see completed ***Member Data Sheet (4 listed above); .***
18	TBD	FPPA	Prepares appointment sheet for the Employer to use for disclosure appointments and sends to Employer Employer posts *Notice of Disclosure Meeting(s)*
19	TBD	Employer	Distributes ***Partial Entry Disclosure Statement*** **Note:** It is a requirement to distribute this at least 10 days prior to election of pension system.
20	TBD	FPPA	Prepares retirement income projections. These projections are used as part of the Disclosure Meeting.
21	TBD	FPPA	***Member Election of Pension System form*** is distributed to each member **Note:** Distributed at the Disclosure Meetings and posted on dedicated website
22	TBD	FPPA	**Conducts Disclosure Meetings** with members and Employer to review ***Disclosure Statement,*** plan provisions and compare the retirement income projections. Meeting dates / times: DATES & TIMES TBD - The presentation is held, then individual meetings to follow. Specific appointments times to be determined as meeting dates get closer and when sign-up sheets have been completed.
23	TBD	FPPA	Prepares ***457 Official Plan Documents*** (if applicable) and accompanying information, takes to Disclosure meeting.
24	TBD	Employer	Deadline for members to submit ***Member Form for Election of Pension System*** to Employer contact - **(contact to be assigned by Employer)**
25	TBD	Employer	Completes and Submits to FPPA **1)** ***Member Forms for Election of Pension System;*** **2)** ***Roster for Member Election of Pension Plans;*** **3)** ***Employers Certification of Member's Pension System Election.***
26	TBD	Employer	City Council (or designated representative)or District Board approves Certification of Compliance

27	TBD	Employer	City Council (or District Board) adopts Resolution(for the Local Plan to freeze, or partially or completely terminate the Local MP Plan).
28	TBD	Employer	Submits Certification of Compliance
29	TBD	FPPA	Certification of Compliance is in the *Information Only* section of the Board Packet. A memo is sent Exec Assistant including Exec Director, CBO, COO, Accounting Manager/Director, Benefits Manager/Director, and Communications/Manager Director
30	TBD	FPPA	Notifies Employer of FPPA Approval of Final Certification.
31	TBD	Employer	Notifies current record keeper of intent to transfer plan. Identifies transition contact with prior record keeper to coordinate transition with FPPA and Fidelity (this should be done as closely as possible to 4 months prior to the effective date to allow time for assets to be transferred by that date).
32	TBD	FPPA	Prepares and mails confirmation letter confirming pension system (FPPA or Local plan) choice to all plan Members For Members who Elect FPPA - this letter will announce the Enrollment Meeting Schedule
33	TBD by Fidelity project team-	FPPA & Employer	Asset transfer/transition discussions begin. Employer provides FPPA and Fidelity with a Transition contact person at Employer and at prior recordkeeper to participate in the ongoing conference calls. (Recordkeepers transition specialist and Employer contact familiar with payroll and pension issues should be included.)
34	TBD	FPPA	Conducts Enrollment meetings with members. Distribute irrevocable plan selection form: ***Member Irrevocable Selection of FPPA Statewide Retirement Plan Component Selection Form***
35	TBD	Employer	Deadline for Members to submit ***Members Irrevocable Selection of FPPA Statewide Retirement Plan Component Selection*** *forms*
36	TBD	FPPA & Employer	***Conference call with Benefits Manager, to determine dates and times for purchase of service credit meetings.***
37	TBD	Employer	Provides FPPA a list of members who are or may be eligible to repay pension contributions due to military leave, if applicable.
38	TBD - handled in transition conference calls	Fidelity	Provides Employer with *Sample Notification Letter for Prior Plan Recordkeeper*
39	TBD - handled in transition conference calls	FPPA	Prepares and mails transition letter to members communicating the details of the transition and the calendar of important dates including the "black out" dates. This must be sent 30 days prior to the "black out" dates.
40	Tentative date March 20, 2027	FPPA & Employer	Effective Date of Entry, transfer of assets and members are enrolled in the new plans. **Note:** This should be a payroll period begin date. Effective date of entry per Resolution-
41	TBD	FPPA	Begin Service Credit Purchase calculations.

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SPONSORED BY: MAYOR LEIGHTY

COUNCIL MEMBER'S RESOLUTION | RESOLUTION NO.

No.______________________________ | ______________________________
Series of 2026 | Series of 2026

A RESOLUTION REQUESTING COVERAGE UNDER THE FPPA STATEWIDE RETIREMENT PLAN ADMINISTERED BY THE FIRE AND POLICE PENSION ASSOCIATION FOR NEW POLICE OFFICERS FOR THE CITY OF NORTHGLENN, COLORADO

WHEREAS, pursuant to FPPA Rules and Regulations Rule 702, the City of Northglenn may elect to cover all newly hired Police Officers under the FPPA Statewide Retirement Plan in lieu of coverage under the City of Northglenn Police Money Purchase Pension Plan & Trust;

WHEREAS, after consideration of this matter the City of Northglenn has determined to have all newly hired Police Officers meeting the definition of Member under Rule 101 participate in the Defined Benefit Component beginning on the Effective Date for New Hires, as defined herein;

WHEREAS, pursuant to Rule 702, all current members of the City of Northglenn Police Money Purchase Pension Plan & Trust may individually elect to participate in the Statewide Retirement Plan or may remain in the City of Northglenn Police Money Purchase Pension Plan & Trust; and

WHEREAS, at a hearing held on this date, the City of Northglenn (known herein as The Employer) determined to take the following action.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO:

Section 1.

1. The City of Northglenn hereby requests that the effective date of coverage be March 20, 2027.

2. The Employer elects to offer the Members who are active prior to the Effective Date of coverage (or an earlier date as agreed upon after filing the Certification of Compliance), the option of continuing to participate in the Local Money Purchase Plan or to participate in one of the following components of the Statewide Retirement Plan:

   __X__ Defined Benefit Component

   __X__ Hybrid Component

   __X__ Money Purchase Component

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3. The Member and Employer contribution rates to the Components selected in number two (2) above and the Local Money Purchase Plan on the effective date of entry, for Members who are active prior to the Effective Date for New Hires, shall be as indicated on **Exhibit A** of this resolution.

4. The City of Northglenn elects to cover all Members hired on or after March 20, 2027, or such earlier date after the filing of the Certification of Compliance designated by the Employer (known herein as the Effective Date for New Hires), under the Defined Benefit Component at the contribution rates set forth in **Exhibit B**.

5. The Employer shall transfer all of the current active Members' account balances to the Statewide Retirement Plan Money Purchase Component for all Members moving to FPPA.

6. The Members' employer accounts shall be 100% vested upon transfer to the FPPA Statewide Retirement Plan.

7. The Local Money Purchase Plan does provide for loans to plan members. Loans to plan members shall be transferred to the Money Purchase Component as part of the transfer of assets of the Local Money Purchase Plan, subject to approval and acceptance by FPPA.

8. The Employer acknowledges that the election for coverage under the FPPA Statewide Retirement Plan is irrevocable once the final Certification of Compliance is filed by the Employer and approved by FPPA.

9. In addition to this Resolution, the City of Northglenn understands that it must make the certifications contained in the "Form of Certification of Compliance" attached hereto as **Exhibit C** and which must be completed as the final Certification of Compliance by the employer. Entry into the Statewide Retirement Plan is not complete and final until the Certification is made and filed with FPPA.

10. The City of Northglenn, in conjunction with the FPPA, will prepare a disclosure statement which compares the main provisions of the Local Money Purchase Plan and the Component or Components offered under the FPPA Statewide Retirement Plan, as applicable. Said disclosure statement will be submitted to FPPA for approval. The Employer will submit the approved disclosure statement to all eligible members at least 10 days prior to the deadline for making individual elections.

MEMBER SELECTION

11. In conjunction with FPPA, the City of Northglenn shall implement a procedure for making individual selections of plan options for all eligible members pursuant to the rules and procedures established by FPPA.

<u>Section 2</u>. The City of Northglenn understands that if the certification of compliance

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for coverage under the FPPA Statewide Retirement Plan is accepted, all future members of the Police Department who would have been covered under the Local Money Purchase Plan will be covered under the Defined Benefit Component of the FPPA Statewide Retirement Plan.

Section 3. This resolution of intent shall be certified and transmitted to FPPA for processing in accordance with all applicable law and regulations as part of the application process.

DATED, at Northglenn, Colorado, this _______day of ______________________, 2026.

____
MEREDITH LEIGHTY
Mayor

ATTEST:

____
JOHANNA SMALL, MMC
City Clerk

APPROVED AS TO FORM:

____
COREY Y. HOFFMANN
City Attorney

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Exhibit A
Contribution Rate Schedules for Members hired prior to the effective date of entry

Defined Benefit Component – Contribution Rate Schedule - Reentry Members

	1.	2.	3.	4.	5.	6.	7.
Effective January 1 of Year	*Minimum Mandatory Member Contribution Rate*	*Minimum Mandatory Employer Contribution Rate*	*Total Combined Member and Employer Contribution Rate*	*Additional required rate for Reentry Members**	*Additional required rate for Reentry Employers**	*Total Required Rate for Reentry Members*	*Portion of the Member contribution to be paid "after-tax"*
2026	*12.0%*	*11.0%*	*23.0%*	*[.95%]*	*[.95%]*	*24.9%*	*[.95%]*
2027	*12.0%*	*11.5%*	*23.5%*	*[.95%]*	*[.95%]*	*25.4%*	*[.95%]*
2028	*12.0%*	*12.0%*	*24.0%*	*[.95%]*	*[.95%]*	*25.9%*	*[.95%]*
2029	*12.0%*	*12.5%*	*24.5%*	*[.95%]*	*[.95%]*	*26.4%*	*[.95%]*
2030 and thereafter	*12.0%*	*13.0%*	*25.0%*	*[.95%]*	*[.95%]*	*26.9%*	*[.95%]*

***Additional required rate of contribution for this Component is 1.9%. This additional required contribution can be paid by the Member, Employer, or split 50%/50%.**

Hybrid Component - Contribution Rate Schedule - Reentry Members

1.	2.	3.	4.	5.	6.
Member Contribution Rate	*Employer Contribution Rate*	*Additional required rate for Reentry Members **	*Additional required rate for Reentry Employers **	Total Combined Member and Employer Contribution Rate for Reentry Members	Portion of the Member Contribution Rate noted in column 1 to be paid "after-tax"
12%	***11.5%***	***.95%***	***.95%***	***23.5%***	***.95%***

***Additional required rate of contribution for this Component is 1.9%. This additional required contribution can be paid by the Member, Employer, or split 50%/50%.**

Note: The minimum mandatory rate for the Hybrid Component is a rate of 9% Member and 9% Employer.

All contribution rates for the FPPA Components are calculated on the Member's base salary as defined in FPPA Rule 101(8).

All additional required contributions will be re-evaluated after the second anniversary of the effective date. At that time the additional required contribution may be lowered or stay the same.

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Money Purchase Component - Contribution Rate Schedule - Reentry Members

1.	2.	3.	4.
Member Contribution Rate	*Employer Contribution Rate*	*Total Combined Member and Employer Contribution Rate for Reentry Members*	Portion of the Member Contribution Rate noted in column 1 to be paid "after-tax".
[12%]	***[11.5%]***	***[23.5%]***	***[0%]***

Note: The minimum contribution rate to this component is 9% Member and 9% Employer. Employer contribution will shift in alignment with the Defined Benefit Component.

Local Money Purchase Plan - Contribution Rate Schedule - Reentry Members

1.	2.	3.	4.
Member Contribution Rate	*Employer Contribution Rate*	*Total Combined Member and Employer Contribution Rate for Reentry Members*	Portion of the Member Contribution Rate noted in column 1 to be paid "after-tax".
[12%]	***[11.5%]***	***[23.5%]***	***[0%]***

Note: Employer contribution will shift in alignment with the Defined Benefit Component.

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Exhibit B
Contribution Rate Schedule for Members Hired After the Effective Date of Reentry

Defined Benefit Component- Contribution Rate Schedule

	1.	*2.*	*3.*
Effective January 1 of Year	*Minimum Mandatory Member Contribution Rate*	*Minimum Mandatory Employer Contribution Rate*	*Total Combined Member and Employer Contribution Rate*
2026	*12.0%*	*11.0%*	*23.0%*
2027	*12.0%*	*11.5%*	*23.5%*
2028	*12.0%*	*12.0%*	*24.0%*
2029	*12.0%*	*12.5%*	*24.5%*
2030 and thereafter	*12.0%*	*13.0%*	*25.0%*

All contribution rates for the FPPA Components are calculated on the Member’s base salary as defined in FPPA Rule 101(8).

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Exhibit C
Form of Certification of Compliance

In order to comply with FPPA Rules and Regulations, Rule 702 it is necessary for the City of Northglenn to certify the following to the FPPA Board of Directors:

a) the City of Northglenn Police Department's Local Money Purchase Plan meets the qualification requirements of the Federal "Internal Revenue Code of 1986" that are applicable to governmental plans;

b) by separate action the City of Northglenn has adopted a Resolution to partially terminate participation in the Local Money Purchase Plan in accordance with the terms of that plan;

c) the Resolution partially terminating participation does not adversely affect the qualified status of the Local Money Purchase Plan;

d) the rights of the members in the Local Money Purchase Plan who were affected by the partial termination of the Local Money Purchase Plan to benefits accrued to the date of termination are non-forfeitable;

e) active Members in the Local Money Purchase Plan who have so elected (the Transferred Members), as of the Effective Date shall become Members in the FPPA Statewide Retirement Plan;

f) the Employer will transfer or cause to be transferred to the FPPA Statewide Retirement Plan all assets of the Local Money Purchase Plan that are attributable to the accrued benefits of the Transferred Members, pursuant to the procedure established by the Board;

g) all Employer and Member contributions required to be made to the Local Money Purchase Plan as of the date of the partial termination have been made;

h) Transferred Members in the Local Money Purchase Plan shall not incur a reduction in their account balances in their Local Money Purchase Plan, determined as of the Effective Date, as a result of their transfer to the FPPA Statewide Retirement Plan. For vesting purposes with regard to the Local Money Purchase Plan account balances and with regard to the Money Purchase Component of the FPPA Statewide Retirement Plan, years of service in the Local Money Purchase Plan shall be combined with Years of Service in the Money Purchase Component of the FPPA Statewide Retirement Plan. For vesting purposes with regard to the Defined Benefit Component, Years of Service Credit shall be based upon service credit either earned or purchased while in the FPPA Statewide Retirement Plan; and

i) The Employer agrees to participate in the FPPA Statewide Retirement Plan and to be bound by the terms of the FPPA Statewide Retirement Plan and the decisions and actions of the Board with respect to the FPPA Statewide Retirement Plan;

j) All Members hired on or after **[date: either the Effective Date or an earlier date after**

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this filing of the Certification of Compliance, designated by the Employer and agreed upon by FPPA], the Effective Date for New Hires, shall participate in the FPPA Statewide Retirement Plan, as previously determined by the Employer;

k) There are outstanding loans, liens, assignments, court order including domestic relations orders, or other types of encumbrances of any nature against any funds transferred to the Statewide Retirement Plan by the Trustee of the local money purchase plan. The employer will notify FPPA at the time of transfer of any pending domestic relations orders.

Date:________________________________

____
Employer

____
Signature of Authorized Representative

____
Title

State of Colorado)
) ss.
County of ______________________)

The foregoing certification was acknowledged before me this ________ day of ________________________, 20___, by____.

WITNESS my hand and official seal.

____
Notary Public

My commission expires: ____________________________.