



FIRE & POLICE PENSION ASSOCIATION OF COLORADO

Memorandum

To: Employers that have adopted the FPPA Model 457 Deferred Compensation Plan

From: Fire and Police Pension Association

Date: January 2010

Re: 2010 Contribution Information

Effective January 1, 2010, participants in the FPPA 457 Deferred Compensation Plan ("FPPA Plan") can contribute \$16,500 in the 2010 calendar year compared to \$16,500 in 2009. If a participant participates in more than one eligible 457 Deferred Compensation Plan, the total contribution under all such plans shall be subject to the maximum limit. Participants in a 457 Deferred Compensation Plan and in other 403(b) or 401(k) plans are eligible to contribute up to the maximum in both plans.

A special provision allows those age 50 and over to make an even larger contribution to the FPPA Plan. In 2010, this may allow for an additional catch-up contribution of \$5,500. As an alternative to the age 50+ catch-up provisions, participants in the FPPA Plan may defer up to twice the contribution limit in a given year for the three years prior to normal retirement age if the maximum contributions have not continually been made previously. If the "double limit" or Enhanced Contribution Limit is used, the participant cannot use the 50+ catch-up provision within the same year.

Per the FPPA Plan document, a participant may trigger the Enhanced Contribution Limit by electing a normal retirement age. "Normal Retirement Age" means age 70 ½ or some other earlier age specified in writing by the Participant. In no event shall Normal Retirement Age be earlier than the earliest date at which one may retire under the Employer's basic pension plan without the Employer's consent and receive immediate retirement benefits, without incurring an actuarial or similar reduction in benefits." The Enhanced Contribution Limit is available to a participant only during one three-year period. If a participant uses the Enhanced Contribution Limit and then postpones normal retirement age or returns to work after retiring, the limitation shall not be available again before a subsequent retirement.

As the employer, it is ultimately your responsibility to monitor the contribution limit, age 50+ catch-up provision, and the Enhanced Contribution Limit for each participant in the FPPA Plan. FPPA will review the participant contributions on an annual basis for compliance.