



FIRE & POLICE PENSION ASSOCIATION OF COLORADO

TO Employers participating in the FPPA Statewide Death & Disability Plan
FROM Fire & Police Pension Association
RE Statewide Death & Disability Plan Contribution Rate for 2009 and 2010
DATE July 2008

As you know, C.R.S., 31-31-811(4) provides for funding to the Statewide Death and Disability Fund ("SWD&D") for members hired on or after January 1, 1997. Pursuant to statute, the FPPA Board of Directors may adjust the contribution rate every two years based on an annual actuarial valuation by no more than one-tenth of one percent. This is to notify you that the SWD&D contribution rate for **2009 and 2010** will continue at the current rate of **2.6%** of the member's **base salary**. This rate is effective January 1, 2009 through December 31, 2010.

As a reminder, the definition of **base salary** is as follows:

Rule 101.05. (a) **Base salary** means the total base rate of pay including Member Contributions to the Statewide Defined Benefit Plan or Statewide Money Purchase Plan which are "picked up" by the employer, and shall also include longevity pay, sick leave pay taken in the normal course of employment, vacation leave pay taken in the normal course of employment, shift differential, and mandatory overtime that is part of the Member's fixed, periodic compensation. Accumulated vacation leave pay will also be included if a Member completes his/her service requirement for purposes of Normal retirement while exhausting accumulated vacation leave. **Base salary shall not include overtime pay (except as noted in the preceding sentence), step-up pay or other pay for temporarily acting in a higher rank, uniform allowances, accumulated sick leave pay, accumulated vacation leave pay** (except as noted in the preceding sentence), and other forms of extra pay (including Member Contributions which are paid by the employer and not deducted from the Member's salary). In the event an employer has established or does establish a Deferred Compensation Plan, the amount of the Member's salary that is deferred shall be included in the Member's base salary. Any amounts voluntarily contributed to an Internal Revenue Code Section 125 "Cafeteria Plan" shall be included in the Member's base salary. A Member is deemed temporarily acting in a higher rank if the appointment to the rank is anticipated to last less than six months.

(b) Notwithstanding the definition of base salary contained herein subsection (a), the base salary under the Statewide Death and Disability Plan for each Member of the Colorado Springs New Hire Pension Plan shall be the same as the base salary as defined in the Colorado Springs New Hire Pension Plan.

For purposes of taxability upon distribution, FPPA tracks whether the contribution is made by the employer or the member. **This is a reminder that FPPA must be notified when the payer of the SWD&D changes.**

If you have any questions, please contact FPPA Accounting at the phone numbers listed below. Further general information regarding FPPA can be obtained through FPPA's web page located at www.fppaco.org.