

Dear FPPA Member:

FPPA has been notified that you are or will be participating in the Deferred Retirement Option Plan (DROP).

This packet addresses information related to the DROP and the Separate Retirement Account (SRA). FPPA has teamed up with Fidelity Investments to provide investment options and recordkeeping for these plans.

As you are probably aware, the DROP is a feature of a defined benefit pension plan that provides you with the opportunity to “retire” on paper once you meet retirement eligibility, but continue to work for your employer for up to five years. This enables you to build an additional retirement savings account that is funded by your pension payments and member pension contributions. This DROP account is self-directed by you for investment purposes using the options available within the Fire and Police Members Self Directed Investment Fund held at Fidelity.

If you have an SRA\* with FPPA, you may either leave that account invested in the FPPA Fire & Police Members’ Benefit Investment Fund housed at FPPA while you are participating in DROP or transfer the SRA to the Fire and Police Members Self Directed Investment Fund held at Fidelity. If you transfer the funds to Fidelity, you are responsible for self-directing the SRA investment as well. If your SRA remains housed at FPPA, the information in the enclosed brochures does not apply to your account.

Your DROP and SRA funds are available for distribution upon exiting DROP and separating service from your employer. If you elect periodic payments from these accounts you may wish to leave them invested in the self-directed plan throughout your retirement. **FPPA is committed to continually evaluating the self-directed plans to ensure that you, the participant, have access to “best in class” fund options, high-quality service, and competitive fees.**

We have enclosed more information about the plan’s features and its investment options for your review. Information about the fees can be found on the FPPA Web site, under the tab titled “Fidelity”.

Please don’t hesitate to contact FPPA at 1-800-332-3772 Fidelity at 1-800-343-0860 if you have questions on the enclosed information.

Sincerely,

Fire & Police Pension Association

5290 DTC Parkway  
Suite 100  
Greenwood Village, Colorado  
80111-2721  
303/770-3772  
toll free 800/332-3772  
fax 303/771-7622

*\*The SRA is available only for members of the Statewide Defined Benefit Plan, the Colorado Springs New Hire Pension Plans, and the Supplemental Social Security Defined Benefit Plan.*

## **Getting Started**

### **1. Choose your investment elections**

Review the enclosed kit of information. For information about your investment options and to make your investment selection(s) you may follow the kit's instructions, visit [www.fidelity.com/atwork](http://www.fidelity.com/atwork), or contact a Fidelity Retirement Services Representative at **1-800-343-0860**.

### **2. Select the beneficiaries for your account**

Log on to NetBenefits® at [www.fidelity.com/atwork](http://www.fidelity.com/atwork) and click on “Beneficiaries” in the About You section of Your Profile. If you do not have access to the Internet or prefer to complete your beneficiary information by paper form, please call **1-800-343-0860**. You will not be able to view your current beneficiary elections online until you have updated them through the Online Beneficiary Service. You may name a different beneficiary for each self-directed plan account (i.e., DROP, SRA, Money Purchase).

### **Establish a PIN**

The first time you call or visit Fidelity you must select your own personal identification number (PIN) to ensure account privacy. Simply visit [www.fidelity.com/atwork](http://www.fidelity.com/atwork) or call **1-800-343-0860**. Your PIN must be six to 12 digits and must be different from your Social Security number and birth date. Your PIN will allow you to access your account from both the automated telephone service and NetBenefits®. Once your PIN is established, you will be asked to enter it at the beginning of all future calls and when you log on to NetBenefits.

### **For more information**

Members of the Statewide Defined Benefit Plan, Statewide Hybrid Plan—Defined Benefit and Money Purchase Components, or the Colorado Springs New Hire Pension Plans should contact the FPPA Benefits Department for additional pension benefit information. Members of affiliated old hire plans should contact the local pension authority for additional pension benefit information.

5290 DTC Parkway  
Suite 100  
Greenwood Village, Colorado  
80111-2721  
303/770-3772  
toll free 800/332-3772  
fax 303/771-7622

# key plan features

## Deferred Retirement Option Plan (DROP)

### Highlights of the plan

Under the DROP, an employee who is otherwise eligible to retire defers receipt of retirement benefits from a defined benefit plan. The retirement benefit is calculated on the appropriate salary at the time of entry into the DROP. The employee continues working and receiving full salary while accruing the full value of the retirement payments in an account for later distribution. Employees do not earn additional service credit under the defined benefit plan while participating in DROP. When you elect to enter DROP, you do so for a specific period of time, which cannot exceed five years and an irrevocable written agreement between you and your employer is required.

### Eligibility requirements

- Members of the Statewide Defined Benefit Plan or the Statewide Hybrid Plan—Defined Benefit and Money Purchase Components must be eligible for normal or early retirement or a vested retirement and be age 55 in order to participate in the DROP.
- Members of the Colorado Springs New Hire Pension Plans Police Component must be eligible for normal retirement.
- Members of the Colorado Springs New Hire Pension Plans Fire Component must be eligible for normal retirement or be at least age 50 and the sum of the member's age and years of service equal to at least 75.
- Old hire members must be eligible for normal retirement in order to participate in the DROP.

### Participation: contributions and service credit

If you are a member of the Statewide Defined Benefit Plan, the Statewide Hybrid Plan—Defined Benefit and Money Purchase Components, or the Colorado Springs New Hire Pension Plans and want to participate in the DROP, complete a retirement application available from FPPA and, if applicable,\* elect your benefit payment option. The benefit payment option elected will determine the pension amount that is paid into the DROP each month. During this period of time your retirement benefit and member pension contributions are paid into a DROP. The employer's pension contributions cease once you enter the DROP. While participating in the DROP, you do not earn additional service credit in the defined benefit plan toward retirement. If you have a Separate Retirement Account (SRA), no further contributions will be made to that account.

### Vesting

Your vesting percentage indicates the amount of your account balance to which you are currently entitled. You are always 100% vested in your DROP.

\*The SRA is available only for members of the Statewide Defined Benefit Plan, the Colorado Springs New Hire Pension Plans, and the Supplemental Social Security Defined Benefit Plan.

## Separate Retirement Account (SRA)\*

### Description

The SRA is made up of excess employer contributions that are not needed to fund the Statewide Defined Benefit Plan in a given year. Each year, an actuarial study is conducted to determine the contribution rate necessary to fully fund the current and projected benefits. If the contribution rate needed is determined to be less than the required 16% (or 20% for the re-entry group) the Board may, but is not required to, allocate any or all of the excess employer contribution for the coming year to the SRA. The SRA is invested in the FPPA Fire & Police Members' Benefit Investment Fund and earnings or losses are posted to the member's account monthly. At retirement or entry into DROP a member may choose to self-direct that investment and transfer the funds to the Fire & Police Members' Self-Directed Investment Fund held at Fidelity Investments.

### Vesting

Upon retiring from the plan or upon entry into DROP, you become 100% vested in your SRA.

### SRA Distribution/Election

The SRA is available for distribution upon separation of service and approval for a normal, vested, early, or deferred retirement. Distribution options include a lump sum, periodic payments, or a member may choose to convert their SRA to a monthly lifetime benefit, which may include a survivor benefit and a benefit adjustment in retirement.

If applicable, upon entering or at any time during your DROP participation, you may elect to transfer your SRA to Fidelity and self-direct your DROP and SRA investments.

If you choose to transfer your SRA to Fidelity:

- You will be responsible for self-directing the investments of your SRA.
- The funds will be transferred to a default fund, one of the Wells Fargo Advantage DJ Target Funds with the target retirement date closest to the year you might retire, based on your current age, and assuming a retirement age of 55, as determined by FPPA. In some cases, this could be the Wells Fargo Advantage DJ Target Today Fund. You may then wish to elect an alternative fund(s) for your investment.
- You will be eligible for distribution of your DROP and SRA (and Money Purchase Component, if applicable), upon terminating DROP.

If you choose to keep your SRA with FPPA:

- Your SRA will continue to be invested in the Fire & Police Members' Benefit Investment Fund at FPPA.

*\*The SRA is available only for members of the Statewide Defined Benefit Plan, the Colorado Springs New Hire Pension Plans, and the Supplemental Social Security Defined Benefit Plan.*

The Wells Fargo Advantage DJ Target Funds used as the Plan Default Fund are based on the assumption that the participant will retire at age 55. The following table indicates which fund your contributions will be directed to, as determined by your plan sponsor, based on your date of birth.

<b>Date of Birth</b>	<b>Fund Family Name</b>	<b>Retirement Date Range</b>
1952 or before	Wells Fargo Advantage DJ Target Today Fund Institutional Class	Retired 2007 and before
1953–1957	Wells Fargo Advantage DJ Target 2010 Fund Institutional Class	2008–2012
1958–1962	Wells Fargo Advantage DJ Target 2015 Fund Institutional Class	2013–2017
1963–1967	Wells Fargo Advantage DJ Target 2020 Fund Institutional Class	2018–2022
1968–1972	Wells Fargo Advantage DJ Target 2025 Fund Institutional Class	2023–2027
1973–1977	Wells Fargo Advantage DJ Target 2030 Fund Institutional Class	2028–2032
1978–1982	Wells Fargo Advantage DJ Target 2035 Fund Institutional Class	2033–2037
1983–1987	Wells Fargo Advantage DJ Target 2040 Fund Institutional Class	2038–2042
1988–present	Wells Fargo Advantage DJ Target 2045 Fund Institutional Class	2043–2047

*Date of birth ranges were selected by your Plan Sponsor.*

### **Investment options**

You will have access to a wide range of investment options offered through Fidelity Investments. You will be able to direct how your account is invested. Please refer to the *Choosing Investments that Are Right for You* brochure for a complete list and detailed information about your investment options.

Until you select investment options, your contributions will be invested in one of the Wells Fargo Advantage DJ Target Funds with the target retirement date closest to the year you might retire, based on your current age.

The Wells Fargo Advantage DJ Target Fund selected by FPPA as the default investment option is based on the assumption that the participant will retire or enter DROP at age 55. The table above indicates which fund your contributions are being directed to, based on your date of birth provided by your plan sponsor.

Wells Fargo Advantage DJ Target Funds are designed for investors expecting to retire around the year indicated in each fund's name. Except for the Wells Fargo Advantage DJ Target Today Fund, each fund's asset allocation strategy becomes increasingly conservative as it approaches the target date and beyond. Ultimately, the funds are expected to merge with the Wells Fargo Advantage DJ Target Today Fund. The investment risks of each Wells Fargo Advantage DJ Target Fund change over time as its asset allocation changes. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield,

small-cap, commodity-related, and foreign securities.

Principal invested is not guaranteed at any time, including at or after the funds' target dates.

### **Daily valuation**

The assets in your account will be valued at the close of every business day, enabling you to get updated balances daily. Benefit payments will be processed each business day.

### **Distributions**

At the end of the specified period of time, you cease employment and have access to the amount accumulated in the self-directed plan accounts. Withdrawals from your account are allowed only when you separate from service. You may defer taking a distribution to a later date not to exceed age 70½. Upon your death, payment is made to your beneficiary. Your payments from these accounts are in addition to any retirement benefits payable from a pension. Your distribution may be taken in a lump sum, monthly payments, or a combination of a lump sum with the remainder in monthly payments.

Members in the Statewide Defined Benefit Plan and the Statewide Hybrid Plan—Defined Benefit and Money Purchase Components also have the option to convert all or a portion of their self-directed plan accounts to a “monthly lifetime benefit.” The same benefit option chosen for your defined benefit plan will apply to this “monthly lifetime benefit.” The same benefit adjustment that is applied to your defined benefit plan will apply also. If you want to convert all or a portion of your accounts to a “monthly lifetime benefit,” you must make this decision at the time you exit DROP.

Note: If you are a DROP participant with a Money Purchase Component, you may contact FPPA for information about vesting and distribution options.

### **Beneficiary designation**

Members of the Statewide Defined Benefit Plan, Statewide Hybrid Plan—Defined Benefit and Money Purchase Components, or the Colorado Springs New Hire Pension Plans should contact the FPPA to make beneficiary changes for your retirement pension benefit. Changing your retirement beneficiary could impact the amount of pension being paid into your DROP.

The beneficiary for your defined benefit pension is independent from the beneficiary elected for your self-directed plans. Once you have established your account with Fidelity, you will need to select your beneficiaries for accounts held at Fidelity. If you have experienced a life-changing event such as a marriage, divorce, birth of a child, or death in the family, it's time to consider your beneficiary designations. Fidelity's Online Beneficiaries Service, available through Fidelity NetBenefits, offers a straightforward, convenient process that takes just minutes. Simply log on to NetBenefits at **[www.fidelity.com/atwork](http://www.fidelity.com/atwork)** and click on "Beneficiaries" in the About You section of Your Profile. If you do not have access to the Internet, or prefer to complete your beneficiary information by paper form, please call **1-800-343-0860**. You will not be able to view your current beneficiary elections online until you have updated them through the Online Beneficiaries Service. Please note that this service allows you to change your beneficiary on your accounts held at Fidelity; however, you must contact FPPA directly to change your beneficiary on your defined benefit pension.

### **Managing your account is easy**

Information about your account will be just a phone call or a mouse click away. Through Fidelity's automated phone service and Internet site, you will be able to obtain account information and initiate most transactions when it is convenient for you.

**Internet account access at [www.fidelity.com/atwork](http://www.fidelity.com/atwork)** NetBenefits® allows you access to your account from any computer equipped with Internet service. Through NetBenefits you will be able to view your account balances, request exchanges between investment options, change future contribution mixes, track your contributions, and access fund information. You can access NetBenefits at **[www.fidelity.com/atwork](http://www.fidelity.com/atwork)**.

### **Automated phone service at 1-800-343-0860**

Through Fidelity's toll-free telephone service, you can manage your account right over the phone virtually 24 hours a day, seven days a week. You can personalize a menu to quickly access the information you check regularly, such as account balances and fund prices.

### **Knowledgeable Retirement Services Representatives**

Fidelity Retirement Services Representatives can give you more information about the investment options available to you, provide you with information to determine an investment strategy to help you reach your retirement goals, and answer most questions about the plan. Representatives will also be able to assist you when you request a withdrawal. Fidelity Retirement Services Representatives are available at **1-800-343-0860**, Monday through Friday, from 6 a.m. to 10 p.m. Mountain time.

*Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call Fidelity at 1-800-343-0860 or visit [www.fidelity.com](http://www.fidelity.com) for a free mutual fund prospectus or, if available, a summary prospectus. Read it carefully before you invest.*

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

*The mutual funds available through the plan reserve the right to modify or withdraw the exchange privilege.*

*Contributions to the plan are subject to the annual IRS limits.*

*Unless otherwise noted, transaction requests confirmed after the close of the market, normally 2 p.m. Mountain time, or on weekends or holidays, will receive the next available closing prices.*

*The taxable portion of your withdrawal that is eligible for rollover into an individual retirement account (IRA) or another employer's retirement plan is subject to 20% mandatory federal income tax withholding, unless it is directly rolled over to an IRA or another employer plan. (You may owe more or less when you file your income taxes.) If you are under age 59½, the taxable portion of your withdrawal is also subject to a 10% early withdrawal penalty, unless you qualify for an exception to this rule. The plan document and current tax laws and regulations will govern in case of a discrepancy. Be sure you understand the tax consequences and your plan's rules for distributions before you initiate a distribution. You may want to consult your tax adviser about your situation.*

*This brochure provides only a summary of the main features of the FPPA Deferred Retirement Option Plan. The plan document will govern in the event of any discrepancies.*



Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917  
© 2011 FMR LLC. All rights reserved.