

Dear FPPA Member:

Now, more than ever, it is important to save for your future. We take your future seriously, which is why we are pleased that you are a member of the FPPA Deferred Retirement Option Plan (DROP). The DROP is intended to offer you more flexible plan options and the opportunity to help you prepare for a healthy financial future. We have enclosed more information about the plan's features and its investment options.

Fidelity Investments will provide recordkeeping services and investment options for the DROP. You will have access to a wide range of investment options through Fidelity. You will also be able to direct how your account is invested. This self-directed program helps you build an investment portfolio that matches your unique risk tolerance and retirement goals.

## 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 either 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.

## 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.<sup>®</sup> 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 Plan should contact the FPPA Benefits Department for additional benefit information. Members of affiliated old hire plans should contact the local pension authority for additional benefit information.

Sincerely,

FPPA

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# key plan features

## FPPA Deferred Retirement Option Plan (DROP)

You have access to a convenient way to save for retirement—the FPPA DROP. The DROP has many advantages. It provides you with the opportunity to continue working and the potential to save more money for retirement than you could through your regular retirement plan if you were to retire.

### Highlights of the plan

Under the DROP, an employee who is otherwise eligible to retire defers retirement and 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 the 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 Plan Police Component must be eligible for normal retirement.
- Members of the Colorado Springs New Hire Pension Plan 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 Plan and want to participate in the DROP, complete a retirement application available from FPPA and elect your benefit payment option. The benefit payment option elected will determine the pension amount that is paid into the

DROP account each month. During this period of time, your retirement benefit and member pension contributions are paid into a DROP account. The employer's pension contributions cease once you enter the DROP. If you have a Separate Retirement Account (SRA), no further contributions will be made to that account. While participating in the DROP, you do not earn additional service credit in the defined benefit plan toward retirement.

### 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 account.

### Investment options

You will have access to a wide range of investment options offered through Fidelity Investments. You will also 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 Fidelity Freedom Funds® with the target retirement date closest to the year you might retire, based on your current age.

The Freedom 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 on the following page indicates which fund your contributions are being directed to, based on your date of birth provided by your plan sponsor. Fidelity Freedom Funds are designed for investors expecting to retire around the year indicated in each fund's name. Except for the Freedom Income 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 Freedom Income Fund. The investment risks of each Freedom 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, and, commodity-related, foreign securities. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

<b>Fund Name</b>	<b>Retirement Date Range</b> (assuming a retirement/DROP age of 55)	<b>Date of Birth Range</b>
Fidelity Freedom Income Fund®	Retired before 2000	
Fidelity Freedom 2000 Fund®	2000-2002	1/1/1943–12/31/1947
Fidelity Freedom 2005 Fund®	2003-2007	1/1/1948–12/31/1952
Fidelity Freedom 2010 Fund®	2008-2012	1/1/1953–12/31/1957
Fidelity Freedom 2015 Fund®	2013-2017	1/1/1958–12/31/1962
Fidelity Freedom 2020 Fund®	2018-2022	1/1/1963–12/31/1967
Fidelity Freedom 2025 Fund®	2023-2027	1/1/1968–12/31/1972
Fidelity Freedom 2030 Fund®	2028-2032	1/1/1973–12/31/1977
Fidelity Freedom 2035 Fund®	2033-2037	1/1/1978–12/31/1982
Fidelity Freedom 2040 Fund®	2038-2042	1/1/1983–12/31/1987
Fidelity Freedom 2045 Fund®	2043-2047	1/1/1988 to present

### 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 DROP account. 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 DROP payments are in addition to your retirement benefits. 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 DROP account to a “monthly lifetime benefit.” The same benefit option chosen for your defined benefit plan will apply to this “monthly lifetime benefit.” The same cost-of-living adjustment that is applied to your defined benefit plan will apply also. If you want to convert all or a portion of your DROP account funds to a “monthly lifetime benefit,” you must make this decision at the time you exit DROP.

### Beneficiary designation

Your retirement benefits and DROP account are tracked separately. You may elect to have a different beneficiary for each. Once you have established your account with Fidelity, you will need to select your beneficiaries. If you have experienced a life-changing event such as a marriage, divorce, birth of a child, or a 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 with Fidelity, and you must contact FPPA directly to change your beneficiary for any of your FPPA-related benefits.

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

### **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. 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.*

*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.*

*Be sure you understand the tax consequences of any withdrawal or distribution before you initiate one.*

*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.*



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