



Memorandum

To: Employers participating in the Statewide Money Purchase Plan or Statewide Hybrid Plan – Money Purchase Component

From: Fire and Police Pension Association

Date: January 2010

Re: 2010 Contribution Information

Effective January 1, 2010, the annual limit on **total** employer and employee contributions to a participant's account within the FPPA Statewide Money Purchase Plan ("FPPA SWMP Plan") and the FPPA Statewide Hybrid Plan – Money Purchase Component ("FPPA SWH-MP Plan") will be the lesser of \$49,000 or 100% of compensation in 2010. The mandatory contribution rate for the FPPA SWMP Plan of 16% of base salary* (8% for the employer and 8% for the employee) does not change. The mandatory contribution rate for the FPPA SWH-MP Plan also continues at the rate established by the employer's resolution. Voluntary contributions by the member or employer into either Plan by payroll deduction will be impacted by the annual limit.

If your employees participate in a 457 Deferred Compensation Plan and in other 403(b) or 401(k) retirement saving plans, they are eligible to contribute up to the maximum limits as set by those types of plans. 403(b) or 401(k) retirement saving plans contributions are included in the annual limit amounts. Contributions into a 457 Deferred Compensation Plan are not affected by the annual limits.

As the employer, it is ultimately your responsibility to monitor the annual money purchase contribution limit for each of your participants in the FPPA SWMP Plan and/or FPPA SWH-MP Plan. FPPA will review the participant money purchase contributions on an annual basis for compliance.

**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.

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.