



Application Packet Cover Sheet

Fire & Police Pension Association of Colorado

FPPAco.org • 5290 DTC Parkway, Suite 100 • Greenwood Village, Colorado 80111-2721
(303) 770-3772 in the Denver Metro area • (800) 332-3772 toll free nationwide • (303) 771-7622 fax

*For Members
of This Plan*

Colorado Springs New Hire Pension Plan - Fire Component

Application

Retirement Application for Entering DROP

This Packet Applies To:

Members ready to retire and are applying for one of the retirements listed below and are wishing to enter the DROP.

- Normal Retirement (having at least 25 years of service and are at least age 55)
- At least age 50, and the sum of the member's age and years of service equal at least 75.

Please Remember:

- Have your signature notarized.
- Have the employer section completed.
- Submit the appropriate supporting documentation with your application.

Entering DROP

Members interested in participating in the DROP are encouraged to notify FPPA 90 days prior to the date they plan to enter the DROP to request the necessary retirement forms. This timeframe has been established to allow ample time for the member and employer to complete and submit the necessary forms for FPPA processing and approval.

Questions? Contact an FPPA Retirement Coordinator at the phone numbers listed above.

Send all completed forms to:

FPPA Retirement Coordinator at the address listed above.

Please make copies for your files of the forms you fill out prior to submitting them to FPPA.

Forms & Publications

In this application packet you will find the following forms and information needed to process your application.
Check the box to the LEFT as you complete each of the forms.

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Instructions Memo

If you are a member of the Colorado Spring New Hire Pension Plan - Fire Component and are eligible to apply for normal retirement, or are at least age 50, and the sum of the member's age and years of service equal at least 75, you are eligible to enter the Deferred Retirement Option Plan (DROP) for up to 5 years. The retirement calculation and the DROP provision is explained in the Colorado Springs New Hire Pension Plan - Fire Component *Plain Language Brochure* found under "Publications" on the FPPA web site.

To apply for retirement benefits and to enter the DROP, please follow the instructions below.

Forms To Be Used

- *Colorado Springs New Hire Pension Plan - Fire Component Application for Retirement Benefits*
This form is to be completed and signed by both you and your employer. You will apply for a normal retirement and indicate that you plan to enter the DROP on this form. Parts A, B, C and D should be completed by you. Part F should be completed by your employer. The signatures on this application must be notarized.
- *Irrevocable Election to Participate in the Deferred Retirement Option Plan (DROP) and Resignation from Employment (DROP Participation Agreement)*
This agreement must be completed by you and signed by both you and your employer in order for you to elect to enter the DROP. Both you and your employer should understand that the election to enter the DROP is irrevocable once this agreement is executed.

The Process

1. The completed *Retirement Application* and supporting documentation must be submitted to FPPA. **Please include a copy of your birth certificate and if applicable your spouse's birth certificate with a copy of a court order or current marriage certificate or drivers license to verify any name change. Also include a copy of a birth certificate for each dependent child.** The *Drop Participation Agreement* form should be returned to FPPA along with the *Retirement Application*.
2. Upon receipt of the completed application and final pension contributions, FPPA will confirm applicable employment information, calculate the retirement and present the application for FPPA approval. Please Note: due to the timing of pension contributions, application processing and FPPA's monthly payroll deadline, the first DROP contribution will be transmitted approximately 30 - 60 days after the actual retirement date. The first contribution will be retroactive to the retirement date. However, no investment earnings or losses will be realized during the processing period.
3. Written notice of the decision will be mailed to both you and your employer. With this notification, you will receive a Retirement Summary and investment kit that contains information about self-directing your DROP account. The kit may help you determine an investment strategy that might be right for you.

Also, please give the enclosed *Employer Memo* to your employer when you meet with them to aid in their completion of the forms.

Finally, please remember to contact FPPA approximately 30 days prior to actually leaving the job to request a *Termination Packet*. This packet will include the necessary forms to take receipt of your pension, SRA, DROP and FPPA 457 plan, if applicable.

If you have questions regarding the retirement process or benefits, please contact an FPPA Retirement Coordinator at 303-770-3772 or 1-800-332-3772.



Fire & Police Pension Association
of Colorado

**Colorado Springs New Hire Pension Plan
Rules & Regulations**

Article VII - Deferred Retirement Option Plan (DROP)

Attached are the Colorado Springs New Hire Pension Plan Rules & Regulations
pertaining to the DROP plan administered by FPPA.

For more information please also refer to the FPPA Member Handbook
located on our web site at www.FPPAco.org or by requesting copies from the address below.

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ARTICLE VII - DEFERRED RETIREMENT OPTION PLAN ("DROP")

- 7.01. **Applicability.** This Article applies to Members who participate in either the Fire Component or the Police Component of the Plan, as applicable, and who elect to participate in DROP.
- 7.02. **Eligibility.** A Member is eligible to elect to participate in DROP only if the Member meets one of the following criteria:
- (a) The Member is participating in the Fire Component and (i) is eligible for normal retirement in accordance with Section 4.02, or (ii) has attained age fifty (50) and the sum of the Member's age plus Years of Service is at least seventy-five (75).
 - (b) The Member is participating in the Police Component and is eligible for normal retirement in accordance with Section 5.02.
- 7.03. **Rules Governing.**
- (a) The purpose of DROP is to allow an eligible Member to elect, in lieu of immediate termination of employment and receipt of a service retirement benefit, to continue employment for a specified period of time and to have the Member's otherwise deductible employee contribution and retirement benefits paid into the DROP account until the end of such specified period of the Member's participation, at which time employment is to cease.
 - (b) An eligible Member may participate in DROP only once.
 - (c) The duration of a Member's participation in DROP shall not exceed a total of five (5) years. As a condition precedent to participation in DROP, the Member shall execute an irrevocable agreement with his/her Employer in the form prescribed by the Board, which form shall, among other items, clearly and unequivocally state that the Member must retire no later than the fifth (5th) anniversary of the Member's participation in DROP, and the Member shall also acknowledge that no disbursement of any DROP funds can occur absent the retirement or death of the Member. The Employer shall provide a copy of such agreement to the Board.
 - (d) If a Member's participation in DROP is interrupted by military service, reduction in work force, or job related disability, then, upon reestablishment of membership and provided that the Member has not received any distribution from his/her DROP account, the Member shall be immediately eligible for resumption of participation in DROP for the balance of the five (5) year maximum. Other than the above-described types of interruptions of participation, the five (5) year period shall continue to run in all other cases.
 - (e) Upon commencement of the Member's participation in DROP, the Member shall remain an active Member. Nevertheless, the Member shall earn no additional Service credit or additional benefits under the Plan.
 - (f) Upon commencement of the Member's participation in DROP, the retirement benefits provided and all of the Member Contributions shall be paid into the Member's DROP account. In no case shall the Employer contribution be used to fund DROP.
 - (g) Each Member's DROP account shall be subject to self-direction. Within the Trust Fund there is hereby created the fire and police members' self-directed investments fund that shall consist of assets equal to the DROP accounts. However, the DROP assets shall be held in trust for investment purposes as part of the Trust Fund.
 - (h) The Board may allow a Member to exercise control of the investment of part or all of the Member's accrued benefit under the DROP account. A Member who exercises control over the plan assets in the Member's account shall not be deemed a fiduciary of the fund by reason of such exercise of control, and neither the Board nor the FPPA shall be liable for any loss that results from such exercise of control.
 - (i) In allowing a member to exercise such control, the Board shall:
 - (1) Select at least three (3) investment alternatives, each of which is diversified in itself, that allow the Member a broad range of investments and a meaningful choice between risk and return in the investment of the member's accrued benefit;
 - (2) Allow the Member to change investments at least once each calendar quarter; and
 - (3) Provide the Member with information describing the investment alternatives, the nature, investment performance, fees, and expenses of investment alternatives, and other information

- to enable a Member to make informed investment decisions.
- (j) The Board is authorized to charge each account a fee for the administration of DROP. However, the DROP account shall not be subject to any other fees or charge of any kind for any purpose.
 - (k) A DROP participant who terminates employment or reaches the five (5) year limit for participation shall become a retiree and shall receive, at the retiree's option, a lump sum payment from the retiree's individual DROP account equal to its balance plus net investment earnings and losses, or equal monthly installment payments from the retiree's individual DROP account over a period not to exceed the retiree's life expectancy or the joint life expectancies of the retiree and the retiree's Designated Beneficiary. At the end of the installment period, a final disbursement of remaining funds in the DROP account shall be made. If no selection is made by the retiree, payment shall be made in compliance with Article XI.
 - (l) If a Member dies during the period of DROP participation and the Member's Designated Beneficiary is the Member's Qualified Surviving Spouse to whom the Member was legally married at the time of the Member's death, the Member's Designated Beneficiary shall receive, at the Designated Beneficiary's option, a lump sum payment from the retiree's individual DROP account equal to its balance plus net investment earnings and losses, or equal monthly installment payments from the retiree's individual DROP account over a period not to exceed the Spouse's life or life expectancy. If no selection is made by the Designated Beneficiary, payment shall be made in compliance with XI.
 - (m) If a Member dies during the period of DROP participation and the Member's Designated Beneficiary is someone other than the Member's Qualified Surviving Spouse to whom the Member was legally married at the time of the Member's death, the Member's Designated Beneficiary shall receive a lump sum payment equal to the Member's individual DROP account balance plus net investment earnings or losses.
 - (n) If a Member dies during the period of DROP participation and the Designated Beneficiary has not survived the Member, the Member's estate shall receive a lump sum payment equal to the Member's individual DROP account balance plus net investment earnings or losses.
 - (o) As an alternative to subsection (k), a Member shall be entitled to elect one (1) of the following distribution methods by executing the Applicable Form:
 - (1) Deferral of any payment(s) from the account until a specified date. If a deferral of payment(s) is selected, the DROP participant shall select one of the following distribution methods. However, all distributions must be in compliance with Article XI.
 - (2) A lump sum distribution of the entire account balance.
 - (3) Periodic monthly payments with a designated amount until the balance of the DROP account has been entirely distributed.
 - (4) Periodic monthly payments for a designated period of years. The Plan Administrator shall calculate the dollar amount of the participant's period payment, so that the entire balance in the participant's DROP account shall have been distributed to the participant by the end of the period selected by the participant. This amount shall be periodically recalculated by the Plan Administrator.
 - (5) Initial minimum required distribution. The Plan Administrator shall calculate the dollar amount of the participant's periodic payment based upon the participant's current DROP account balance. The minimum distribution is based on the participant's life expectancy (and the life expectancy of his/her Designated Beneficiary, if applicable).
 - (6) Combination of a lump sum and periodic payments by designating an initial lump sum payment of a specified amount and a balance to be paid in a specified number of monthly payments of a specified dollar amount until the balance of the DROP account has been entirely distributed to the participant.
 - (p) The minimum distribution amount is recalculated by the Plan Administrator on the basis of the life expectancy of the participant and the participant's Designated Beneficiary, if applicable. If elected in writing before the required beginning date by the participant and/or the participant's Qualified

Surviving Spouse, if applicable, the life expectancy of the participant and/or the participant's Qualified Surviving Spouse shall be recalculated periodically.

- (q) If the retiree does not select a distribution method, benefit payments shall be made in compliance with applicable federal law regarding minimum distributions.
- (r) If the Member dies during the DROP participation period and the Member's Designated Beneficiary is the Member's Qualified Surviving Spouse to whom the Member was legally married at the time of the Member's death, the Member's Designated Beneficiary shall be entitled to select one (1) of the distribution methods set forth in subsection (o). If no selection is made by the Member's Qualified Surviving Spouse, payment shall be made in compliance with Article XI.
- (s) If a retiree or surviving Spouse chooses a distribution method involving periodic payments, he or she may make a change in the payment method as may be allowed by the Plan Administrator.



COLORADO SPRINGS NEW HIRE PLAN - FIRE COMPONENT APPLICATION FOR RETIREMENT BENEFITS

Dear Applicant,

Use this form to apply for retirement under the **Colorado Springs New Hire Plan – Fire Component** or, if participating in the Deferred Retirement Option Plan (DROPP), at the time of electing to participate in DROPP. For an explanation of the different types of retirement benefits, please refer to our website at www.FPPAco.org. If you have any questions, please contact an FPPA Retirement Coordinator at (303) 770-3772 or toll-free at (800) 332-3772.

Completing the Retirement Application process: Please complete the appropriate sections of this application.

Parts A, B and C – to be completed by applicant for retirement benefits and then notarized.

Part E – to be completed and signed by applicant’s employer and then notarized.

You will need to provide the following supporting documentation with this application (*please check if attached*):

- a copy of your driver’s license
- a copy of your birth certificate,
- and if applicable,
- a copy of your spouse’s birth certificate
 - If common-law married, copies of documentation proving this relationship, including, but not limited to: evidence that you claim married status for tax purposes, evidence that you represent that you are married, evidence of cohabitation, joint credit, joint checking and/or savings accounts, and/or joint purchase of a house.
- Include a copy of court order or current marriage certificate or drivers license to verify any name change for the applicant or spouse,
- a copy of your dependent children’s birth certificates, and
- a physician’s statement certifying that a child is so physically or mentally incapacitated that the child cannot provide for himself/herself.

Upon receipt of your completed application, FPPA will confirm applicable employment information, calculate your retirement benefit, and present your application for FPPA approval.

If you are using this application to enter the Deferred Retirement Option Plan (DROPP), you must complete the *Termination of DROPP Participation* form when you terminate employment.

If applicable, the funds in your SRA will be available to you after you terminate employment and FPPA has approved your retirement benefit.

PART A - GENERAL APPLICANT INFORMATION

✓ To be completed by **Employee**. Please print legibly.

Applicant’s Last Name	First Name	Middle Initial
Mailing Address	Apt #	(____)____-____ Home Phone Number
City	State	(____)____-____ Work Phone Number
____-____-____ Social Security Number	____/____/____ Date of Birth (mo/day/yr)	(____)____-____ Cell Phone Number

SPOUSE INFORMATION

Spouse's Last Name _____ First Name _____ Middle Initial _____

Spouse's Social Security Number _____ / _____ / _____
 Spouse's Date of Birth (mo/day/yr)

Is this a common-law spouse? Yes No
 (If common-law married, please provide documentation detailed on page 1 of this application.)

DEPENDENT CHILDREN INFORMATION

✓ To be completed by **Employee**. Please print legibly.

List below the names and birth dates of dependent children. Dependent child means an unmarried child under the age of 23. It also may include a mentally or physically incapacitated child who cannot provide for himself/herself.

Dependent Child's Name	Social Security #	Birth Date (mo/day/yr)
_____	_____ - _____ - _____	_____ / _____ / _____
_____	_____ - _____ - _____	_____ / _____ / _____
_____	_____ - _____ - _____	_____ / _____ / _____

PART B - BENEFICIARY INFORMATION (IF NO SPOUSE OR DEPENDENTS)

If you do not have a spouse or dependents, a beneficiary may be designated to receive any remaining benefits.

Beneficiary's Last Name _____ First Name _____ Middle Initial _____

Beneficiary's Social Security Number _____ / _____ / _____
 Beneficiary's Date of Birth (mo/day/yr)

I certify that the above information is correct to the best of my knowledge.

Applicant's Full Legal Signature _____ Date _____ / _____ / _____

For Notary Use Only

STATE OF _____ }
 COUNTY OF _____ } ss

Subscribed and sworn to before me this _____ day of _____, year of _____.

Witness my hand and official seal.

My commission expires: _____ / _____ / _____.

Notary Public Signature _____
 SEAL

PART C - RETIREMENT INFORMATION

Type of Retirement Applying for:

Please check one of the following retirement types, and also mark the DROP box if you plan to enter DROP.

- Normal Retirement** - *At least 25 years of service and age 55.*
- Vested Separation** - *At least 10 years of service, payable at age 55.*
- Early Retirement** - *At least 20 years of service and age 50, but not yet age 55.*
- Deferred Retirement** - *Eligible for Normal Retirement but elect to defer receipt of pension up to age 65.*

Please mark the following box if you plan to enter DROP. To apply to enter DROP, you must be eligible for a Normal Retirement or at least age 50 and the sum of your age and years of service is at least 75.

- Enter DROP**

PART D - DROP ACCOUNT INFORMATION

If you elect to enter the DROP, please be aware that it is your responsibility to direct the investment of contributions to your account. Fidelity Investments® is FPPA's recordkeeper and provides investment options for the DROP Plan. Once you have entered the DROP, you may contact Fidelity® at (800) 343-0860 for an investment kit. The investment kit is designed to help you determine an investment strategy that might be right for you. The DROP Plan allows you to choose from a wide variety of investment options offered through Fidelity Investments®. Once you have a chance to review your investment options, call Fidelity® at (800) 343-0860 to establish your investment elections. Until investment elections are provided to Fidelity®, contributions to your account will be invested in the Wells Fargo Advantage DJ Target Fund (the default fund selected by FPPA). The assets in your DROP account will be valued at the close of every business day, enabling you to get updated balances daily.

In addition to directing the investment of your contributions, it is very important to contact Fidelity® to designate a beneficiary for your DROP account.

Part E - EMPLOYER'S SECTION

✓ To be completed by Employer. Please print legibly.

Employee's Name _____ Social Security Number _____ - _____ - _____

Employee's Rank _____

Employee's Date of Hire (mo/day/yr) _____ / _____ / _____

Employee's Last Day on the Payroll (for when pension contributions were deducted)..... _____ / _____ / _____

NOTE: This is usually the last day on the job; however, this may be a projected date.

If applicable, calculate the date by adding the number of accrued vacation days to the last day on the job.

Has the employee incurred an unpaid break in service? Yes No

If yes, from what dates? _____ / _____ / _____ to _____ / _____ / _____

Has the employee applied for disability benefits? Yes No

Employee's last contribution deducted from Pay Period _____ / _____ / _____ to _____ / _____ / _____

The amount of the last contribution deducted from employee's salary \$ _____ . _____

Effective date of retirement (if not entering DROP) _____ / _____ / _____

NOTE: The effective date of retirement is the day after the last day on payroll,

or in the case of the vested separation, it is the day the employee attains the age of 55.

Date entering DROP (if applicable) _____ / _____ / _____

I certify that the above information is correct to the best of my knowledge.

Name of Authorized Employer Representative (please print) _____ Title _____ Date _____ / _____ / _____

Signature of Authorized Employer Representative _____ City / Town / Special District _____

Mailing Address _____ (_____) - _____ - _____
Phone Number

City _____ State _____ Zip _____

For Notary Use Only

STATE OF _____ }
COUNTY OF _____ } ss

Subscribed and sworn to before me this _____ day of _____, year of _____.

Witness my hand and official seal.

My commission expires: _____ / _____ / _____ .

Notary Public Signature
SEAL

**COLORADO SPRINGS NEW HIRE
IRREVOCABLE ELECTION TO PARTICIPATE IN THE
DEFERRED RETIREMENT OPTION PLAN (DROP)
AND RESIGNATION FROM EMPLOYMENT**

This irrevocable agreement is made between _____,
a member of the Colorado Springs New Hire Plan ("Member"), and the City of Colorado Springs, the Member's employer
("Employer").

WHEREAS, Member is an active full-time salaried employee of Employer, whose duties are directly
involved with the provision of police or fire protection; and

WHEREAS, Member is covered by the Colorado Springs New Hire Plan ("the Plan"); and

WHEREAS, pursuant to the Colorado Springs New Hire Plan Rules and Regulations, Article VII, the Plan
includes a Deferred Retirement Option Plan (DROP); and

WHEREAS, the Member is eligible for retirement under the Plan and desires to participate in the DROP
according to its terms and in conformance with the requirements of local, state and federal law.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as
follows:

1. The Member hereby irrevocably elects, in lieu of immediate termination of employment and receipt of a service retirement benefit, to continue employment and enter the DROP.
2. The Member acknowledges that the Employer has a fiduciary duty to enforce the terms of this Agreement, including the Member's obligation to cease employment on the date specified herein.
3. The Member acknowledges and agrees that the Member executes this Agreement and subsequent resignation from employment because of the potential benefits which Member acknowledges he or she may receive from participation in DROP. In consideration of these potential benefits, this Agreement also constitutes the Member's irrevocable resignation from the employ of the Employer as of a date no later than the date set forth herein. Member acknowledges and understands that Member must cease employment no later than the fifth (5th) annual anniversary of initial participation in DROP. Disbursement of DROP funds can occur only upon the retirement or death of the Member. During the DROP period, the Member shall earn no additional service credit or additional service-related benefits. The service retirement benefits established at entry into DROP shall be effective for future retirement payments.
4. In exchange for the Employer allowing the Member to elect to participate in the DROP, the Member, on behalf of himself or herself, his or her heirs, executors, administrators, personal representatives and assigns and without any reservations whatsoever, agrees to forever release and waive any claim against the Employer, as of the date this Agreement is signed and executed by the Member, arising out of termination of his or her employment with the Employer and participation in the DROP, under the federal Age Discrimination in Employment Act of 1967, as amended ("ADEA"), and the Colorado Age Discrimination Statute, Section 24-34-402, C.R.S., as amended.

5. The Member acknowledges that he or she has received a copy of the DROP Plan. The Member has read the DROP Plan and understands the provisions thereof. The Member understands that participation in the DROP may not be advantageous for every employee. The Member acknowledges that he or she has been advised in writing to seek independent legal and/or other professional counsel relative to this Agreement. The Member represents that the member has had ample opportunity to consult with an attorney and other professional advisors of the Member's choice before executing this Agreement. The Member understands and agrees that the Member is solely responsible for analyzing the tax and other financial and legal consequences of participation in the DROP. The Member also acknowledges that he or she was given at least forty-five (45) days within which to consider the terms of this Agreement, and that this Agreement may be revoked at any time within seven (7) days of the date the Member executes this Agreement.

6. The Member understands and agrees that the provisions of the DROP Plan authorize the Fire and Police Pension Association Board to adopt administrative rules and procedures governing DROP. The Member agrees to abide by applicable administrative rules and procedures, as established or amended from time to time.

7. The Member understands that the service retirement benefit will be based on the final eighteen (18) month average salary prior to entering DROP. The service retirement benefit has been calculated in accordance with age, service and final average salary. While participating in DROP, the Member understands that no additional service credit toward retirement will be earned. There are also no further contributions made to the SRA account. The SRA account remains subject to reduction prior to termination of service in the event that the cost of funding plan benefits ever exceeds contributions.

8. This agreement embodies all the representations of the parties relative to the subject matter hereof, and no representations, understandings or agreements in relation to this agreement exist between the parties except as expressly set forth herein.

The period of participation in DROP shall begin on (mo/day/year) _____ / _____ / _____.
(Please note that the effective date must be the beginning of a pay period.)

The period of participation in DROP shall terminate on or before (mo/day/year) _____ / _____ / _____.

Both the Member and Employer knowingly and voluntarily execute this agreement in accord with the above-described terms this _____ day of _____ in the year of _____ [insert date].

EMPLOYER

By: _____
SIGNATURE

PRINT NAME

TITLE

EMPLOYEE

By: _____
SIGNATURE

PRINT NAME

TITLE

*** New Hire FIRE Members Only:** please sign the attached *Addendum For Colorado Springs New Hire Fire DROP*.

**ADDENDUM FOR COLORADO SPRINGS NEW HIRE FIRE
DEFERRED RETIREMENT OPTION PLAN (DROP)**

Acknowledgment of risk related to participation in the New Hire Fire Deferred Retirement Option Plan (DROP).

Changes to the New Hire Fire pension plan were approved at second reading on February 14, 2006 enhancing pension benefits to members and adding provisions for a New Hire Fire Deferred Retirement Option Plan (DROP) with a "Rule of 75".

The City of Colorado Springs has received a legal tax counsel opinion regarding the implementation of DROP prior to the receipt of an Internal Revenue Service (IRS) determination letter stating it is reasonable for the City to implement DROP Ordinance 05-165, thereby expanding DROP to the New Hire Fire Pension Plan.

The member understands and agrees there are potential risks involved should the IRS later determine that the New Hire Fire Pension DROP fails to be approved as a qualified plan. The potential risks include, but are not limited to,

- members who participate in the DROP could be taxed on the DROP funds;
- members could be required to pay Medicare and income taxes on these funds;
- the IRS could impose a monetary penalty on the member; and
- the IRS could require changes to the plan.

By signing below, the member agrees that they will not hold the City or the Pension Fund its Trustees and Administrators financially liable should the IRS determine the New Hire Fire DROP plan is not qualified and the DROP becomes taxable.

Member Signature

_____/_____/_____
Date

Please Print Name

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Employer Memo

This memo is to help you understand your involvement and the general process when a member of your department wishes to participate in the Colorado Springs New Hire Pension Plan - Fire Component DROP.

Any member who is eligible for a normal retirement or at least age 50, and the sum of the member's age and years of service equal at least 75, may elect to enter the DROP for a period of time not to exceed 5 years.

Entering the DROP

Members interested in participating in the DROP are encouraged to notify FPPA 90 days prior to the date they plan to enter the DROP to request the necessary retirement forms. This timeframe has been established to allow ample time for the member and employer to complete and submit the necessary forms for FPPA processing and approval.

The following forms are provided to the member upon request.

- *Colorado Springs New Hire Pension Plan - Fire Component Application for Retirement Benefits*: This form is to be completed and signed by both the member and employer. The member will apply for retirement and indicate that he/she plans to enter the DROP on this form.
- *Colorado Springs New Hire Pension Plan Irrevocable Election To Participate In The Deferred Retirement Option Plan (DROP) And Resignation From Employment (DROP Participation Agreement)*: This agreement must be completed by the member and signed by both the member and employer in order for a member to enter the DROP. Both the member and employer should understand that the election to enter the DROP is irrevocable.

Processing the Forms

1. The completed *Application for Retirement Benefits* should be submitted to FPPA. Based on this information the retirement benefit will be calculated. The DROP Participation Agreement form should be returned to FPPA along with the *Application for Retirement Benefits*.
2. Upon receipt of the completed application and final pension contributions, FPPA will confirm applicable employment information, calculate the retirement and present the application for FPPA approval. Please Note: due to the timing of pension contributions, application processing and FPPA's monthly payroll deadline, the first DROP contribution will be transmitted approximately 30 - 60 days after the actual retirement date. The first contribution will be retroactive to the retirement date. However, no investment earnings or losses will be realized during the processing period.
3. Written notice of the decision will be mailed to the member and the employer. With this notification, the member will receive an investment kit that contains information about self-directing his/her DROP account. The kit may help the member determine an investment strategy that might be right for them.
4. As the employer, you must consider the date when the member begins the DROP and whether your payroll system can account for a pro-rata split in the member contributions. Employer matching contributions will cease the same date. You must report the contributions properly to FPPA via the Employer Reporting System web site.

Finally, please be advised that the DROP account shall accrue a fund balance (from the retirement pension and employee contribution) effective the date the member elected to enter DROP. However, earnings/losses cannot begin to accrue on that balance or be posted to that account until the DROP funds are actually received into the account.

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Employer Memo - continued

5. To clarify further, the following is an example concerning the date of entry into the DROP. Assume the member considers entering the DROP on the 25th of the month. Your payroll cycle runs from the 17th through the 30th. Is your payroll system capable of splitting the member contribution for 8 days of participation in the plan with the remainder going into the DROP? If for any reason you cannot split the contribution, please advise your members of any limitations within your department regarding the effective date of entering the DROP. The date you agree upon is the date you will designate on the Retirement Application and the DROP Participation Agreement forms.

Let's continue our example above where the member elects to begin DROP on June 25th and assume that the member's Retirement Application is complete after the June payroll deadline, June 10th. The 8% member contribution will be transmitted to the DROP account after the employer submits the contribution to FPPA. However, the pension contribution will be transmitted to the DROP account on the next payroll cycle, which would be July 21st, in this example.

Terminating Service and Exiting the DROP

Please Note: The member should complete the DROP Termination Packet approximately 30 days prior to terminating employment. This packet may be found on this web site or the member may contact FPPA and request that a packet be mailed. This packet will include the following forms/information about:

Retirement Forms

- *W-4P- Monthly Pension Distributions*
- *Electronic Funds Transfer /Direct Deposit*

DROP Forms / information

- *Termination of DROP Participation*
- Information on the distribution of the DROP and how to contact Fidelity

457 Deferred Compensation Information

If the member has participated in FPPA's 457 Deferred Compensation Plan, the following forms will also be included in the *Termination Packet*:

- 457 Deferred Compensation Distribution Letter

SRA Information

If the member has an SRA, they should contact FPPA's retirement coordinator.

The *Termination of DROP Participation* form must be submitted to FPPA in order for any of the other distributions to take place. This form, (along with the employer monthly Contributions Report) notifies FPPA that the member is no longer an active employee and is therefore eligible to take distribution of the retirement benefit and DROP as well as the 457 Deferred Compensation funds, if applicable.

When all necessary forms are submitted to FPPA, distributions will be made according to the retired member's elections and within the regular monthly payroll cycles and deadlines established by FPPA.

If you should have any questions related to this process, please feel free to call an FPPA Retirement Coordinator at (303) 770-3772 or 1-800-332-3772.