

Colorado Springs New Hire Fire & Police Pension Plan Questions & Answers

Regarding the transfer of administration of the Colorado Springs New Hire Fire & Police Pensions Plans (CSNHPP) to the Fire and Police Pension Association (FPPA)

1. Who will this transfer impact?

The transfer will impact:

- “New Hire” police officers and firefighters hired after April 8, 1978 and prior to October 1, 2006.
- New police officers and firefighters hired on or after October 1, 2006 will participate in the FPPA Statewide Defined Benefit Plan.
- “Old Hires” are not impacted by the change in administration.

2. Will my benefits change?

While the plan administrator has changed from the City of Colorado Springs to FPPA, the respective benefits provided by the plans have not changed except with regard to the cost-of-living-adjustment (COLA) provision. Rather than base the COLA on individual service dates as was done previously, it is now provided on the October 1 immediately prior to eligibility.

There will be no change to the disability and survivor benefits provided by the Statewide Death and Disability Plan, administered by FPPA.

3. What changes will I notice with this transfer of administration?

The majority of changes will be transparent, but some changes will include:

- The Colorado Springs Alternate Exempt New Hire Police and Fire Plans are now called the Colorado Springs New Hire Pension Plans (CSNHPP). The new plan has two separate components, one for fire and one for police.
- Administrative matters concerning the pension will now be processed through FPPA, such as:
 - Retirement plan benefit information.
 - Retirement counseling, processing and retirement benefit estimates.
 - Refund of contributions upon termination.
 - Information and estimates for purchasing service credit.
 - Pension information for a Domestic Relations Order.
 - DROP and Death & Disability Benefits.
- The current Colorado Springs Pension Boards that governed the CSNHPP have been dissolved and two Advisory Boards (one for Police and one for Fire) will be established to represent the membership's interests to the City Council. The make-up of the advisory boards will be determined by the City.
- The FPPA Board will govern the CSNHPP, which is now a tier of the FPPA Defined Benefit System.

4. Will I be able to elect coverage under the Statewide Defined Benefit Plan?

An actuarial review is in process to determine the cost and feasibility. The decision to allow this choice will also require joint approval by the FPPA Board and Colorado Springs City Council. If approved, the process would likely be completed by year-end 2007.

5. Can the CSNHPP still be amended by a vote of the members?

Yes. Amendments to the CSNHPP can still be made. Plan amendments must be approved by at least 65% of members in the plan, approved by City Council and approved by the FPPA Board in order to be enacted. The FPPA Board can also amend the plans to comply with federal and state law and for actuarial necessity.

6. Why did this transfer of administration occur?

The transfer of administration occurred for a variety of reasons.

- The departure of key personnel from the City who were responsible for the local pension administration.
- Desire by the local pension boards and the City to retain administrative expertise.

- Pension administration is an environment that continues to evolve and change making administration of the plans more complex.
- The CSNHPP assets have been invested with FPPA since May 1989.
- FPPA is recognized for excellence in the investment and administration of police and fire pension benefits within the State of Colorado.
- FPPA can provide long term stability for the administration of the CSNHPP.
- Changing to FPPA, allowed for a transfer administration without changing the plans for existing members.

7. *Who is FPPA?*

FPPA was created by the state legislature in 1980 as a political subdivision of the State of Colorado. The association is governed by a nine member Board of Directors. The FPPA Board is appointed by the Governor and confirmed by the State Senate. The FPPA Board is comprised of three member representatives, three employer representatives, and three representatives from the State's financial and business community with expertise in investments, disability claims, and corporate administration.

FPPA administers numerous plans for firefighters and police officers statewide. You may be most familiar with FPPA as the administrator the Statewide Death & Disability Plan which covers police officers and firefighters in the Colorado Springs pension plans and the FPPA 457 Deferred Compensation Plan.

Currently, FPPA manages nearly \$3 billion in assets. The Statewide Defined Benefit Plan is 119% funded.

8. *Who do I contact when I am ready to retire or enter DROP?*

Prior to retirement, members may want to make an appointment to meet with FPPA's Retirement Benefit Coordinator, to run retirement calculations.

When you are ready to retire or enter DROP:

- Contact your department's Human Resource office to address City benefits, insurance, department procedures, etc.
- Obtain a FPPA Retirement Application:
 - Download the Retirement Application from the FPPA web site at www.FPPAco.org, or
 - By phone toll free at 1(800) 332-3772, or
 - In person: Call for an appointment and meet with FPPA's Retirement Benefit Coordinator at FPPA offices in the Denver Tech Center.
- Complete the Member Section of the application.
- Submit the application to the City Finance Department. They will complete the Employer Section of the application.
- Submit the entire completed Retirement Application to FPPA for approval.
- Your record will be established in the FPPA payroll system.

9. Who do I contact to change my beneficiary?

- For benefits not related to your pension, contact your local HR department for guidance.
- For your DROP, and FPPA 457 Deferred Compensation Plan, contact Fidelity Investments at 1 (800) 343-0860.
- Members hired on or after October 1, 2006 will contact FPPA to change a beneficiary for the SWDB Plan.

10. Who do I contact for pension estimates?

For an estimate of pension benefits, call FPPA's Retirement Benefit Coordinator to set an appointment.

11. Who do I contact if I want to enroll in or change my 457 Deferred Compensation Plan contribution?

To enroll in the FPPA 457 Deferred Compensation Plan or change contributions, contact the Colorado Springs City Finance Department.

12. How do I contact FPPA?

- Call toll free 1(800) 332-3772 Statewide or (303) 770-3772 in the Denver Metro area, and ask for FPPA Benefits and Communications.
- Or contact us via the web at: www.FPPAco.org or via email at: generalbenefits@FPPAco.org.
- Colorado Springs also has a link to FPPA's website from the City Intranet.