

Summary of the
**FPPA Social Security
Supplemental Retirement Plan**
for members hired on or after January 1, 2007.



The FPPA Social Security Supplemental Retirement Plan was implemented on January 1, 2007, and provides a benefit payable over a member's lifetime based upon his/her Highest Average Salary (HAS) and years of service. It is supplemental to any Social Security benefits that a member may receive.

FPPA Social Security Supplemental Retirement Plan (Effective January 1, 2007.)

Normal Retirement

Requirements

25 years of service and age 55

Calculation

A 1% benefit for each year of service for the first ten years, then a 1.25% benefit for each year of service thereafter. The benefit is based on the average of the highest 3 years' salary (base salary plus longevity). The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retired on or after July 1.

Payment

Retirement and Separate Retirement Account (SRA) benefits are payable immediately. However the member may choose to defer receipt of SRA benefits until as late as age 70½. See page 4 for more SRA information.

The chart below is applicable for the FPPA Social Security Supplemental Retirement Plan for benefits earned after January 1, 2007. FPPA Members who earned benefits in the FPPA Supplemental Social Security Retirement Plan prior to January 1, 2007 should contact FPPA for information about your benefits.

Years of Service	Age at Retirement										
	50	51	52	53	54	55	56	57	58	59	60+
5	3.09	3.39	3.73	4.11	4.53	5.00	5.00	5.00	5.00	5.00	5.00
6	3.70	4.07	4.48	4.93	5.44	6.00	6.00	6.00	6.00	6.00	6.00
7	4.32	4.75	5.22	5.75	6.34	7.00	7.00	7.00	7.00	7.00	7.00
8	4.94	5.43	5.97	6.57	7.25	8.00	8.00	8.00	8.00	8.00	8.00
9	5.55	6.10	6.72	7.39	8.16	9.00	9.00	9.00	9.00	9.00	9.00
10	6.17	6.78	7.46	8.22	9.06	10.00	10.00	10.00	10.00	10.00	10.00
11	6.94	7.63	8.39	9.24	10.19	11.25	11.25	11.25	11.25	11.25	11.25
12	7.71	8.48	9.32	10.27	11.32	12.50	12.50	12.50	12.50	12.50	12.50
13	8.48	9.32	10.26	11.30	12.46	13.75	13.75	13.75	13.75	13.75	13.75
14	9.25	10.17	11.19	12.32	13.59	15.00	15.00	15.00	15.00	15.00	15.00
15	10.02	11.02	12.12	13.35	14.72	16.25	16.25	16.25	16.25	16.25	16.25
16	10.80	11.87	13.05	14.38	15.85	17.50	17.50	17.50	17.50	17.50	17.50
17	11.57	12.71	13.99	15.40	16.99	18.75	18.75	18.75	18.75	18.75	18.75
18	12.34	13.56	14.92	16.43	18.12	20.00	20.00	20.00	20.00	20.00	20.00
19	13.11	14.41	15.85	17.46	19.25	21.25	21.25	21.25	21.25	21.25	21.25
20	13.88	15.25	16.78	18.48	20.38	22.50	22.50	22.50	22.50	22.50	22.50
21	14.65	16.10	17.71	19.51	21.51	23.75	23.75	23.75	23.75	23.75	23.75
22	15.42	16.95	18.65	20.54	22.65	25.00	25.00	25.00	25.00	25.00	25.00
23	16.19	17.80	19.58	21.56	23.78	26.25	26.25	26.25	26.25	26.25	26.25
24	16.96	18.64	20.51	22.59	24.91	27.50	27.50	27.50	27.50	27.50	27.50
25	17.73	19.49	21.44	23.62	26.04	28.75	28.75	28.75	28.75	28.75	28.75
26	18.51	20.34	22.38	24.64	27.18	30.00	30.00	30.00	30.00	30.00	30.00
27	19.28	21.19	23.31	25.67	28.31	31.25	31.25	31.25	31.25	31.25	31.25
28	20.05	22.03	24.24	26.70	29.44	32.50	32.50	32.50	32.50	32.50	32.50
29	20.82	22.88	25.17	27.73	30.57	33.75	33.75	33.75	33.75	33.75	33.75
30	21.59	23.73	26.10	28.75	31.70	35.00	35.00	35.00	35.00	35.00	35.00
31	22.36	24.57	27.04	29.78	32.84	36.25	36.25	36.25	36.25	36.25	36.25
32	23.13	25.42	27.97	30.81	33.97	37.50	37.50	37.50	37.50	37.50	37.50
33		26.27	28.90	31.83	35.10	38.75	38.75	38.75	38.75	38.75	38.75
34			29.83	32.86	36.23	40.00	40.00	40.00	40.00	40.00	40.00
35				33.89	37.37	41.25	41.25	41.25	41.25	41.25	41.25
36					38.50	42.50	42.50	42.50	42.50	42.50	42.50

Normal Retirement
 Early Retirement
 Vested Retirement

Notes For service beyond 36 years and age 55, add 1.25% to 42.5% for each year over 36. Final calculations are made based on the years and months of service earned. Chart may not reflect the payout option selected by the member.

FPPA Social Security Supplemental Retirement Plan *(Effective January 1, 2007.)*

Vested Retirement

Requirements
5 years of service

Calculation

A 1% benefit for each year of service for the first ten years, then a 1.25% benefit for each year of service thereafter. The benefit is based on the average of the highest 3 years' salary (base salary plus longevity). The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retired on or after July 1.

Payment

Retirement benefits are payable at age 55. Providing a member is vested, the Separate Retirement Account (SRA) is available immediately upon separation of service. However, the member may choose to defer receipt of SRA benefits until as late as age 70½. See page 4 for more SRA information.

Early Retirement

Requirements
30 years of service OR age 50

Calculation

A 1% benefit for each year of service for the first ten years, then a 1.25% benefit for each year of service thereafter. The benefit is based on the average of the highest 3 years' salary (base salary plus longevity). The year in which a member retires may be considered in calculating the average of the member's highest three years' base salary if the member retired on or after July 1.

The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the early receipt of the benefit.

Payment

The reduced retirement benefit and the Separate Retirement Account (SRA) benefits are payable immediately. However, you may choose to defer receipt of SRA benefits until as late as age 70½. See page 4 for more SRA information.

Deferred Retirement

Members who qualify for a Normal or Vested Retirement, may defer the receipt of their Defined Benefit Pension to as late as age 65 and receive the actuarial equivalent of the benefit.

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Payout Options

Options

Retirement benefits are calculated using the average of the highest 3 years' salary (base salary plus longevity).

Normal Option

The retiree receives a full, unreduced pension benefit for his/her life. No spousal or dependent benefits are paid following the retiree's death. If, at the time of the member's death, he/she has not recouped in pension payments the amount of the member contributions (including all funds paid in to purchase service credit), plus 5% as interest, the remaining funds would be paid to the member's estate.

Option 1 - 100% Survivor Benefits

The retiree receives a reduced pension for life. Upon the retiree's death, the same benefit continues and is paid to the retiree's designated beneficiary for life.

Option 2 - 50% Survivor Benefits

The retiree receives a reduced pension for life. Upon the retiree's death, one-half of the same pension is paid to the designated beneficiary for life.

Option 3 - 50% Last Survivor Benefits

The retiree and his/her designated beneficiary jointly receive a reduced pension for life. Upon the death of either the retiree or the designated beneficiary, one-half of the same pension is paid to the survivor for life.

Option 4 -100% Survivor Benefits With the "Pop-Up" Provision

The retiree receives a reduced pension for life. Upon the retiree's death, the same benefit continues and is paid to the retiree's designated beneficiary for life. However, if the retiree's beneficiary dies before the retiree, this reduced benefit "pops-up" or reverts to the normal option effective with the first day of the month following the date of death of the beneficiary.

Option 5 - 50% Survivor Benefits With the "Pop-Up" Provision

The retiree receives a reduced pension for life. Upon the retiree's death, one-half of the same pension is paid to the designated beneficiary for life. However, if the retiree's beneficiary dies before the retiree, this reduced benefit "pops-up" or reverts to the normal option effective with the first day of the month following the date of death of the beneficiary.

If one of the survivor options above are elected and if the member and beneficiary both die prior to recouping the members contributions (including all funds paid in to purchase service credit), the remaining funds (plus 5% as interest) would be paid to the last survivor's estate.

Cost Of Living Adjustments (COLA)

Cost-of-living adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1. The amount of the COLA, as of August 2008, cannot exceed the greater of 3% or the CPI per year. All COLA increases are effective October 1 of each year.

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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. To the extent the contribution level is determined to be less than the required 8% 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 Members' Benefit fund and earnings/losses are posted to the member's account monthly.

Payment

The SRA is available for distribution upon approval for a normal, vested, early or deferred retirement. Payment 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 COLA.

Deferred Retirement Option Plan (DROP)

Requirements

In order to enter DROP, the member must meet one of the following criteria:

- be eligible for normal retirement (at least 25 years of service **and** age 55);
- be vested (5 - 24 years of service **and** age 55); or
- be eligible for early retirement (at least 30 years of service **or** age 50).

Instead of terminating employment and receiving retirement benefits, a member could choose to enter DROP and continue employment for a specified period of time not to exceed five years. A written agreement between the member and the employer is required. While participating in the DROP, a member earns no additional service credit toward retirement. There are also no further contributions made to a member's SRA.

Calculation

During this period of time, the member's retirement benefits as well as employee contributions are paid into a DROP account. The member directs the investment of his/her DROP account in any of the investment options offered by FPPA. Currently FPPA offers a variety of investment options through Fidelity Investments ranging from capital preservation to aggressive growth.

Payment

At the end of a specified period of time, the member ceases employment and receives the amount accumulated in the DROP account. Payments from the DROP account may be paid as a monthly periodic payment, a lump sum, or a member could choose to use all or a portion of the DROP account to convert the DROP to a monthly benefit which may include a survivor benefit and a COLA. The convert to a monthly benefit option must be elected prior to distribution from the Statewide Defined Benefit Plan.

The member's DROP payments are in addition to the benefits paid from the Social Security Supplemental Retirement Plan Component of the Statewide Defined Benefit Plan and the SRA.

Beneficiary Election

For the Social Security Supplemental Retirement Plan, the member will elect a beneficiary when he/she enters the plan. The beneficiary can be changed at any time prior to retirement. The member will re-confirm his/her beneficiary at retirement.

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Refunds

Non-Vested

If a member terminates service prior to completing 5 years of service, his/her employee contributions plus 5% as interest may be refunded. SRA monies are forfeited.

Vested

If a member terminates service after completing 5 years of service, his/her employee contributions plus 5% as interest may be refunded in lieu of electing a retirement benefit. If a refund is chosen, SRA monies are forfeited.

Purchasing Service Credit

FPPA members having prior public employment with a non-FPPA employer, employment with a private employer or military service may be eligible to purchase service credit under the Statewide Defined Benefit Plan if certain conditions are met. Service credit is sold only based on full benefits under the Statewide Defined Benefit Plan. A detailed brochure and application are available by contacting FPPA or logging on to our website at www.FPPAco.org.



Fire and Police Pension Association of Colorado

5290 DTC Parkway, Suite 100 • Greenwood Village, Colorado 80111-2721

(303) 770-3772 • toll free (800) 332-3772 • fax (303) 771-7622 • www.FPPAco.org

This plain language document is intended for informational purposes only.
Official interpretations or determinations are based upon the statutes
and rules and regulations which govern this plan.

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