

**This section addresses the employer’s role when a member separates service prior to retirement or DROP eligibility. This section also briefly addresses termination. Should a member become disabled or pass away, refer to the Death & Disability Plan (Section 9). If a member takes a leave of absence, please refer to [fppaco.org/PDF/ER/LeaveOfAbsence\\_12-31-19.pdf](https://fppaco.org/PDF/ER/LeaveOfAbsence_12-31-19.pdf) for the Military Leave Bulletin.**

Note: If the terminating employee is planning to apply for an Early or Normal retirement benefit, please see section 6.

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**A. “At a Glance” The Employer’s Role if a Member Applies for a Refund of Contributions or a Vested Retirement**

FPPA Plan	Employer’s Role	
	Member Requests a Refund of Contributions or an Account Distribution	Member Applies for a Retirement
<b>SWDB</b> Statewide Defined Benefit Plan (SWDB)	There are no forms for the employer to complete or sign.	Complete and sign the Employer Section of the <b><i>FPPA Defined Benefit System Retirement Application</i></b>
<b>SWH</b> Statewide Hybrid Plan – Defined Benefit & Money Purchase Component	There are no forms for the employer to complete or sign.	Complete and sign the Employer Section of the <b><i>FPPA Defined Benefit System Retirement Application</i></b>
<b>SWDB-SS</b> Statewide Defined Benefit Plan: Supplemental Social Security Component (SWDB - SS)	There are no forms for the employer to complete or sign.	Complete and sign the Employer Section of the <b><i>FPPA Defined Benefit System Retirement Application</i></b>
<b>CoSprgs Fire</b> Colorado Springs New Hire Pension Plan: Fire Component (CSNHPP - Fire)	There are no forms for the employer of these plans to complete or sign.	Complete and sign the Employer Section of the <b><i>Colorado Springs New Hire Plan Fire &amp; Police Components Retirement Application</i></b>
<b>CoSprgs Police</b> Colorado Springs New Hire Pension Plan: Police Component (CSNHPP - Police)		
<b>SWH-MP Only</b> Statewide Hybrid Plan - Money Purchase Only (SWH - MP Only)	There are no forms for the employer to complete or sign.	N/A
<b>SWMP</b> Statewide Money Purchase Plan (SWMP)	There are no forms for the employer to complete or sign.	N/A
<b>SWD&amp;D</b> Statewide Death & Disability Plan- Local Money Purchase (SWD&D)	There are no forms for the employer to complete or sign.	N/A
<b>457 DC</b> FPPA ‘Multi-Employer’ 457 Deferred Compensation Plan (457 DC)	There are no forms for the employer to complete or sign.	N/A

## **B. The Employer’s Role if a Member Applies for a Vested Retirement**

The employer’s role is to complete and sign the Employer Section of the FPPA Defined Benefit System Retirement Application (or the Colorado Springs New Hire Plan – Fire or Police Component Retirement Application, if applicable). If the member had multiple concurrent employers, each employer must complete the Employer Section of the application. The member will submit the application to FPPA for approval.

## **C. The Employer’s Role if a Member Applies for a Refund of Contributions**

There are no forms for the employer to complete. The member works directly with FPPA and submits a refund application through the Member Account Portal (MAP). The refund application becomes available in MAP after FPPA receives final contributions from the employer AND 30 days after the member’s last day on payroll.

## **D. The Employer’s Role if a Member Requests a Distribution from the Money Purchase, SRA, or 457 Plans**

There are no forms for the employer to complete. The member works directly with FPPA and Fidelity Investments upon retiring and then requesting a distribution of these accounts.

## **E. A Brief Look at When a Member Separates Service Prior to Retirement or DROP Eligibility**

**For the following plans:**

SWDB

- **Statewide Defined Benefit Plan (SWDB)**

SWH

- **Statewide Hybrid Plan- Defined Benefit Component (SWH-DB&MP)**

SWDB-SS

- **Statewide Defined Benefit Plan - Supplemental Social Security Component (SWDB-SS)**

### **Vested members**

A member is vested if they have at least five years of service credit in the SWDB Plan, SWH–DB Component or the SWDB – SS Component. Retirement benefits are payable at age 55 for vested members. Providing a member is vested, the Separate Retirement Account (SRA), if applicable, is available following a member’s separation of service and once the retirement application is approved by FPPA. Once a member receives a distribution from the SRA, their retirement application is irrevocable.

In lieu of electing a retirement benefit, a vested member may elect a refund of member contributions\*, plus five percent as interest. If a refund is chosen, then SRA funds and all employer contributions are forfeited and the member is no longer eligible for a retirement benefit..

### **Non-Vested Members**

If a member separates service and has less than five years of service credit, their employee contributions\*, plus five percent as interest, may be refunded.

If a member is rehired by another employer who also offers the same pension plan, then they may elect to leave their funds at FPPA in order to continue to accrue service credits and benefits within the plan. This is known as pension portability.

*\* Member Contributions - The amount a member actually contributed to FPPA through payroll deduction and any rollovers or transfers into the plan that were used to purchase service credit, if any.*

**CoSprgs Fire**

**CoSprgs Police**

**For the following plans:**

- **Colorado Springs New Hire Pension Plan – Fire Component** (CSNHPP - Fire)
- **Colorado Springs New Hire Pension Plan – Police Component** (CSNHPP - Police)

**Vested members**

A member is vested if they have at least 10 years of service. Normal Retirement benefits are payable at age 55 for members of the CSNHPP – Fire Component and age 50 for members of the CSNHPP – Police Component.

In lieu of electing a retirement benefit, a vested member may request a refund of member contributions\* plus five percent, per annum, as interest. If a refund is selected, SRA funds, if applicable, and all employer contributions are forfeited and the member is no longer eligible for a retirement benefit.

**Non-Vested Members**

A non-vested member separating service with less than 10 years of service may request a refund of contributions\*. The member will receive their accumulated member contributions plus five percent per annum, as interest.

*\* Member Contributions – The amount a member actually contributed to FPPA through payroll deduction and any rollovers or transfers into the plan that were used to purchase service credit, if any.*

**Reemployment**

Any member of the CSNHPP – Police or Fire Component who separates service and is then rehired by the same employer shall be enrolled in and participate in the Statewide Defined Benefit Plan as of the member's date of reemployment except in the following circumstances:

- 1) A vested member may elect to participate in the CSNHPP – Police or Fire Component (whichever plan applies) if:
  - a) the election is made at the time of reemployment;
  - b) the reemployment is within three years of the date of separation from service; (or five years in the case of returning from disability); and
  - c) the member has not taken a refund of contributions or retirement from the plan.

**For the following plans:**

**SWH-MP Only**

**SWMP**

- **Statewide Hybrid Plan – Money Purchase Component (SWH-MP Only)**
- **Statewide Money Purchase Plan (SWMP)**

A member should contact Fidelity Investments, FPPA's record keeper for the self-directed plans, if they separate service and wish to take a distribution. The member's vested aggregate account balance becomes eligible for a distribution upon the member's separation of service and the member's final contributions have been submitted to FPPA. In the case of a termination, FPPA is notified through the Employer Reporting/Contribution submission process.

Distributions may be paid directly to the member or paid as a rollover or transfer to another qualified plan.

**For members that have an FPPA 457 'Multi-Employer' Deferred Compensation Plan account, they should contact Fidelity for information regarding distribution of that account.**

## **F. Involuntary Termination**

If a suspension or other disciplinary action results in the termination of a member and the member is appealing the termination, they should not apply for a refund of contributions until the appeal is exhausted and the termination is final. By accepting a refund of contributions, the member waives their rights to any and all benefits provided under their retirement plan.

*This document is intended to be a plain language overview of FPPA administered plans and procedures. It should be used in conjunction with the applicable FPPA Rules and Regulations, plan documents and the Colorado Revised Statutes. Alone, this guide can only be considered a summary and not a comprehensive reference to retirement, disability and survivor benefits provided by FPPA. This plain language document is intended for informational purposes only. Official interpretations or determinations are based upon the applicable plan documents, the Colorado Revised Statutes, and FPPA Rules and Regulations that govern the plan.*