

# FPPA Pension CHECK

*A review of your retirement benefits.*

*Spring 2001*

## **FPPA Announces The Transition To Fidelity Investments®**

*For 457 Deferred  
Compensation Plan,*

*Statewide Money  
Purchase Plan,*

*And Local Money  
Purchase Plan  
Members*

In response to member request, FPPA has contracted with Fidelity Investments® to begin providing recordkeeping and investment options to FPPA's 457 Deferred Compensation Plan, the Statewide Money Purchase Plan, and the local money purchase plans affiliated with FPPA effective May 1, 2001.

The total transition of these plans to Fidelity® will take about 8 to 10 weeks to complete and certain transactions will be limited during this period. Here's the latest on our activities:

"Transition Kits" were mailed to members, retirees, and employers on March 19th so that everyone can review the new investment options, important dates associated with the transition, and how the transition affects you. **If you have not already reviewed this packet of information, please take the time to do so.** It provides detailed information about these exciting new plan enhancements.

FPPA's services through Fidelity Investments will provide new and expanded features that make it easier than ever for you to manage your account when it's convenient for you. With the new program you will have new investment options, convenient access to account information, more flexibility, and easily accessible investment education.

Remember, the transition period began on March 31, 2001. That was the last day to transfer assets between your current investment options with FPPA or change your current investment elections. On May 1st, your existing plan assets will be transferred to Fidelity Investments and directed to new options with similar investment approaches and objectives. Also on May 1st, you can call Fidelity to change how your future contributions to Fidelity are invested. The transition period is scheduled to end in early June. After that date, you will be able to access information about your account. All of the features of Fidelity's Internet and telephone services will be available to you. **For other important dates, refer to the "Calendar of Events" section in the Transition Kit.**

*With the new program you will have new investment options, convenient access to account information, more flexibility, and easily accessible investment education.*

FPPA representatives will also be conducting meetings at many work sites to provide additional information and answer questions about the plan's transition, features, and benefits.

Future new services that will be available to you after the transition period has ended:

- Internet account access - <http://netbenefits.non-profits.com> - Allows you to access your account from any computer equipped with Internet service.
- Automated phone service - 1-800-343-0860 - To manage your account over the phone, virtually 24 hours a day, seven days a week.\*

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## Legislative News

2001  
Legislative  
Session

Three Bills recommended by the FPPA Board of Directors are on their way to the Governor for signature after having been approved by the Colorado Legislature. Some of the amendments require additional rules to be adopted. FPPA will address the need for additional rules at the August board meeting.

### **HB01-1011 Statewide Plans' Cleanup Bill**

This bill clarifies certain statutes, expedites processes, standardizes treatment of members, and conforms the plans to state and federal law. The specific changes are as follows:

#### **General**

- Amends the definition of employer to include "fire authority".
- Allows the pension boards of local affiliated plans to obtain the names and addresses of retirees from FPPA.

#### **Statewide Defined Benefit Plan**

- Clarifies that normal retirement eligibility is age fifty-five with 25 years of service, unless otherwise adjusted.
- Eliminates the penalty for retiring early.
- Allows the designated beneficiary of a member eligible for normal retirement to receive a pension in the event the member dies before electing a payment option.
- Treats electronic fund transfers the same as cashing a check.
- Allows members to defer receipt of benefits to avoid taxation for early withdrawal.
- Provides that a vested single member's estate shall receive the member's separate retirement account, earnings, and member contributions if there is no designated beneficiary.

#### **Statewide Money Purchase Plan**

- Expedites the process for participating in the Statewide Money Purchase Plan.

#### **Affiliated Plans**

- Clarifies that employers with multiple plans can exercise affiliation options on an individual plan basis.

#### **Statewide Death and Disability Plan**

- Eliminates off-sets and reporting requirements for disability recipients for income earned after the calendar year in which a member attains age 55.
- Continues benefits for dependent children who have reached age 19 to age 23 if they are in high school or college.
- Allows an incapacitated child who marries to continue to receive benefits.
- Clarifies that all members who become eligible for normal retirement or who reach its age and service equivalent are ineligible for benefits under the plan, and therefore, are not required to contribute to the plan.
- Requires that actuarial reports be generated annually.
- Authorizes the Board to establish rules for the administrative approval of disability applications in order to shorten the processing times.
- Limits the spousal benefit for divorced members receiving disability to the lesser of 10 percent of base pay or the actual amount of maintenance paid to the former spouse for those members divorcing on or after June 1, 2001.

#### **457 Deferred Compensation Plan**

- Authorizes administrative support staff to participate in this supplemental plan as allowed by the IRS.

*continued next page*

**HB01-1008 State-assisted Old Hire Plan End of Funding Bill**

This bill provides a method for calculating the last year's payments made by the state and an employer to each state-assisted old hire pension plan. It also requires an annual actuarial study.

**HB01-1027 Death and Disability Bill**

This bill increases survivor benefits for a spouse, child or a spouse and child to forty percent. The bill also clarifies the division of benefits between survivors who live in separate households.

The purpose of this article is informational and cannot be relied upon as the ultimate declaration of benefits under a plan or the law in Colorado. Please consult the actual legislation.

The House Bills are available online at <http://www.leg.state.co.us/2001/pubhome.nsf> or call FPPA at (303) 770-3772 and request a copy be sent to you. **FPPA**

*continued from the front page*

- Retirement Services Specialists - 1-800-343-0860 - Available Monday through Friday, 6:00 a.m. to 10:00 p.m. MT.\*
- Personal identification number – To ensure account privacy.
- Investment education – Educational resources to help you plan for retirement.

As always, FPPA is committed to helping you prepare for a more satisfying retirement. If you would like a prospectus for the investment options before May 1, 2001, please contact FPPA at 1-800-332-3772 or 303-770-3772. **FPPA**

*\* Unless otherwise noted, transaction requests confirmed after the close of the market, normally 2 p.m. MT or on weekends or holidays, will receive the next available closing prices.*

*See the information on the back page of this newsletter to learn more about Fidelity Investments® at our upcoming Investment Strategy Workshop planned for June 7th.*

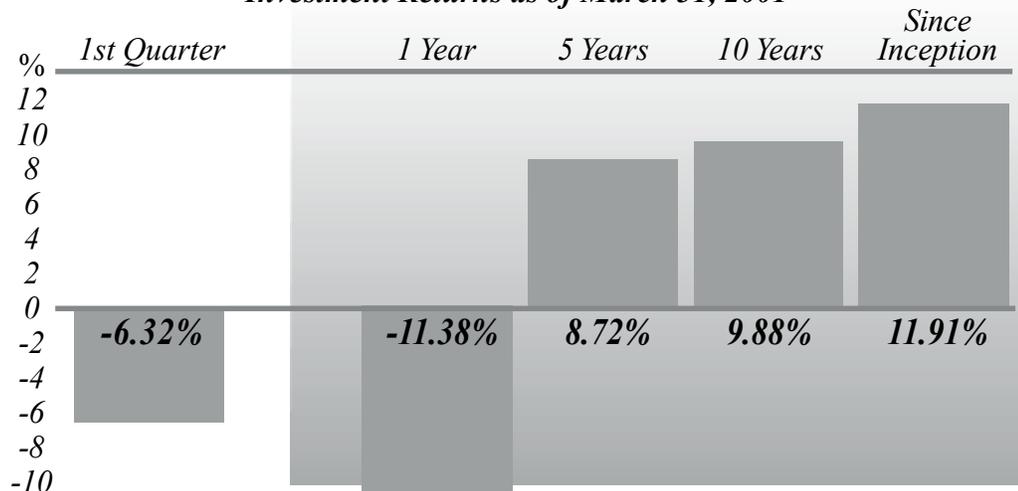
**Legislative News**

*Continued*

**FPPA Announces The Transition To Fidelity Investments®**

*Continued From The Front Page*

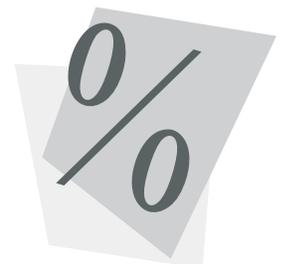
**Investment Returns as of March 31, 2001**



*As of March 31, 2001 FPPA's total assets exceeded \$2.32 billion.*

**Investment Returns**

*Rates Of Return: 1st Quarter, One, Five And Ten Years, And Since Inception*



**M**oved recently? Don't forget to let us know when you have a change of address. Even if you are a "snowbird retiree" and move every 6 months – it is always a good idea to give us a call to update your address. Don't rely on the Post Office to track you down. A quick phone call to the FPPA Accounting Department will assure that we can always find you.

How about your bank? The banking industry seems to be always on the move. Buy-outs and mergers manage to move your money smoothly from one bank to the next. When your money is moved, your account numbers and or routing numbers may not have stayed the same. If you are currently signed up for a direct deposit with FPPA and your bank has merged with another bank, take a moment to update your account and bank routing numbers with the FPPA Accounting Department. Make sure there will be no delay in your direct deposit transaction. **FPPA**

## Help Us Keep Up-To-Date With You

*Let Us Know When You Or Your Bank Makes A Change*



**Randall E. Atkinson**  
Board Chair  
Lieutenant -  
Denver Fire Department



**Ronald M. Lappi**  
Board Vice Chair  
Finance Director -  
Grand Junction



**John Bramble**  
City Manager -  
Brighton

## 2000-01 FPPA Board Of Directors



**L. Kristine Gardner**  
Senior VP - Alpine Banks of  
Colorado, Glenwood Springs



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Fire Rescue District



**Ed Lujan**  
Captain - Denver  
Police Department



**David McConnel**  
Retired Fire Captain -  
Pueblo Fire Department



**Raymond M. Mitchell**  
Principal - RIM  
Unlimited, Inc., Lakewood



**Gary E. West**  
Vice Pres. Human Resources -  
CIGNA Healthcare, Denver

**FPPA  
2001  
Visitation  
Schedule**

*Coming To A  
Police Department  
Or Fire Station  
Near You*

**FPPA** representatives visit firefighters and police officers from every department in the State of Colorado once every two years. The purpose of these visits is to cover information concerning retirement benefits, disability benefits and survivor benefits, as well as any pending legislation or other related information that could affect benefits.

Following the presentation, FPPA staff calculates projected retirement benefits for individual members using a computerized program that uses income information provided by the member. A hard copy printout of the projected retirement benefit and other information is then provided to the member.

The following list includes the departments and stations we have planned for Visitation in 2001. Log on to [www.FPPACO.org](http://www.FPPACO.org) and click on Calendar, then Visitation to see a complete list of departments and stations for next year. **FPPA**

- |                      |                     |                                     |
|----------------------|---------------------|-------------------------------------|
| Aguilar Police       | Fruita PD           | Mt View PD                          |
| Animas FPD           | Genesee Fire        | Nederland Fire                      |
| Arvada PD            | Georgetown PD       | North East Teller Fire              |
| Ault PD              | Glendale PD         | North Washington Fire*              |
| Aurora Fire          | Glendale Fire       | North West Fire*                    |
| Avon PD              | Granada PD*         | Palisade Fire                       |
| Avon Fire            | Grand Junction Fire | Palisade PD                         |
| Black Forest Fire    | Grand Junction PD   | Palmer Lake PD*                     |
| Black Hawk Fire      | Grand Valley FPD    | Parachute PD                        |
| Blue River PD        | Greater Eagle FPD   | Parker PD                           |
| Boulder Fire         | Greeley PD          | Platte Canyon Fire                  |
| Boulder Rural        | Gypsum FPD          | Platteville Fire                    |
| Brighton Fire        | Hartsel Fire*       | Platteville PD                      |
| Broomfield PD*       | Hermosa Cliff Fire  | Poudre FPD                          |
| Buena Vista PD       | Holly PD*           | Pueblo Fire                         |
| Castle Rock FPD      | Holyoke PD          | Pueblo PD                           |
| Cherry Vale Fire     | Idaho Springs PD    | Pueblo Rural Fire                   |
| Cimmaron Hills FPD*  | Ignacio PD          | Red White & Blue Fire               |
| Colorado Springs PD  | Jefferson-Como FPD  | Rocky Ford Fire                     |
| Commerce City PD     | Johnstown PD*       | Rocky Ford PD                       |
| Copper Mountain FPD  | Kiowa Fire          | Salida Fire                         |
| Cortez PD            | La Junta Fire       | Salida PD                           |
| Cripple Creek Fire*  | La Junta PD         | Silt PD                             |
| Cripple Creek Police | La Salle PD         | Skyline Fire                        |
| Cunningham           | La Salle Fire*      | Southern Park County FPD*           |
| Denver Fire*         | La Veta PD          | Springfield Police                  |
| Dillon PD            | Lafayette PD        | Stratton PD*                        |
| Donald Wescott Fire  | Lake George FPD*    | Tri Lakes Fire*                     |
| Durango Fire         | Lamar Fire          | Union Colony Fire (Greeley<br>Fire) |
| Durango PD           | Lamar PD            | Vail Fire                           |
| Eads PD*             | Larkspur Fire*      | Vail PD                             |
| Elk Creek Fire       | Las Animas PD       | Walsenburg PD                       |
| Empire PD            | Left Hand Fire      | West Metro FPD*                     |
| Evans Fire           | Littleton Fire      | Windsor/Severance Fire              |
| Evans Police         | Lockbuie PD         |                                     |
| Federal Heights Fire | Log Lane Village PD |                                     |
| Federal Heights PD   | Loveland PD         |                                     |
| Fountain Fire        | Milliken PD         |                                     |
| Fountain PD          | Minturn PD          |                                     |
| Frisco PD            | Minturn Fire        |                                     |

\*Departments or stations visited as of April 2001.

## Don't Forget To Visit Us On The Web



The FPPA web site is updated on a regular basis by adding events to the *Calendar* page as well as current legislation. In addition we have recently added two retirement income calculators.

One of the retirement income calculators added to the web site will help you determine how much you need to save each month to reach a pre-determined sum of money for retirement. The second calculator helps you determine how many months you may withdraw from that sum of money throughout your retirement. Give them a try! You'll find a link on the front page of the web site to both of the easy-to-use calculators.

The **FPPA**  
Web Site  
Address Is  
[www.FPPACO.org](http://www.FPPACO.org)

In the future we are scheduled to add links to the Fidelity Investments® web site. (See the feature article on the front page of this newsletter.) The Fidelity Investments web site will allow members to research funds, chart investment progress and direct investments via the web.

Visit our web site and take a moment to bookmark our location. We welcome your comments and suggestions for ways to make our web site more useful to you. **FPPA**

## Workshop Update

*Choosing Investment  
Options Is An*



**B**uilding an investment strategy for your retirement involves a series of key steps. While there are no shortcuts, this seminar will help you think about your goals and how to best achieve them through sound investment information.

You will learn more about the **ART** of choosing investment options. You'll be reviewing **A**sset classes and sub-asset classes, the potential **R**isk you are willing to take, and how much **T**ime you have to keep your money invested. You'll also learn more about market analysis and measurements, and portfolio management.

\* FPPA has selected Fidelity Investments® to present this seminar. Fidelity® provides full-service 457 and Money Purchase Plan administration to FPPA members. See the article on the front page of this newsletter for more information. This workshop will provide important techniques for investing regardless if you are with an FPPA plan or not.

### Investment Strategy Workshop

Thursday, June 7th • 6pm Registration • 6:30pm - 8pm Workshop  
Denver Marriott Southeast • 6363 E. Hampden Avenue • Denver

For more information about the seminar, call Rory Mammen at (303) 770-3772 or (800) 332-3772, or log on to [www.FPPACO.org](http://www.FPPACO.org) and click on the *Calendar* page. **FPPA**