

# Statewide Money Purchase Plan



The Statewide Money Purchase Plan may apply to a department that has elected the Statewide Money Purchase Plan and department chiefs who have opted out of the FPPA Defined Benefit System. It may also apply to part-time\* police officers, peace officers, firefighters, and administrative personnel who are employed by departments whose Members participate in the FPPA Defined Benefit System and the Statewide Death & Disability Plan. Additionally, a Member who returns to work after retiring may be enrolled in this plan rather than the FPPA Defined Benefit System.

The Statewide Money Purchase Plan is a qualified defined contribution retirement plan under section 401(a) of the Internal Revenue Code of 1986.

## Basic Plan Structure

The Statewide Money Purchase Plan is an individual, self-directed retirement account that is available to a Member at retirement until the account is exhausted. A money purchase plan is also referred to as a defined contribution plan.

## Mandatory Contributions

The minimum combined Member/Employer contribution rate is 16% (8% Member / 8% Employer) of base salary.\*\* Member mandatory contributions are made on a pre-tax basis.

## Voluntary Contributions

Active Members or Employers may make voluntary contributions to the plan as long as the amount does not exceed Internal Revenue Code limits. Additional voluntary Member contributions are made on an after-tax basis. Additional voluntary Employer contributions are made on a pre-tax basis.

## Eligibility Requirements

For members enrolled in the Statewide Money Purchase Plan, participation begins as of date of hire, assuming contributions are properly submitted to FPPA.

*\* Covered part-time employees include permanent, regularly scheduled employees only and does not include temporary or seasonal employees.*

*\*\* There may be circumstances where the minimum required contribution rate differs.*

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## Initial Enrollment

Upon enrollment in the Statewide Money Purchase Plan, Fidelity Investments® will send the Member a welcome letter by either mail or email. The letter contains information that may help the Member determine an investment strategy for their account.

- ✓ Follow the letter's instructions to contact Fidelity to establish investment elections. Until investment elections are provided to Fidelity, contributions to the Member's account will be invested in the Qualified Default Investment Alternative (QDIA), a target date fund, that best matches the Member's expected retirement date (based on the Member's birth date).
- ✓ Complete the Beneficiary Designation online, or contact Fidelity Investments® at (800) 343-0860.

## Choice of Investment Options

The Member directs the investment of their Statewide Money Purchase Plan account balance. Members may choose from a wide variety of investment options offered through FPPA and Fidelity Investments®:

- **Mutual Funds:** A variety of mutual funds are available for the Member to build their asset allocation strategy. These funds include three major asset classes (stocks, bonds, and short-term investments) and are monitored by FPPA's investment staff, Fidelity Investments, and an outside consulting team
- **Target Date Funds:** Also known as lifecycle or age-based funds, these funds gradually adjust their asset allocation to be more conservative as the target date approaches. Like mutual funds, these are monitored by FPPA's investment staff, Fidelity Investments, and an outside consulting team
- **BrokerageLink:** This account, available through Fidelity, allows the Member to invest their contributions in a broad range of Fidelity and non-Fidelity mutual funds, plus a wide range of individual securities not offered within the Standard Plan Options. There may be extra fees associated with this account
- **Personalized Planning & Advice:** This is a managed account service provided by a team of dedicated investment professionals for an additional fee. The professionals have the resources and experience needed to manage retirement accounts according to the account owner's goals. Members can enroll in or cancel this service at any time
- **Third Party Advisor:** Members can elect to have an outside financial advisor register with Fidelity and make investment decisions on their behalf

## Vesting

From the first day of membership in the plan, the Member is fully vested in the Member and Employer contributions and any funds that are rolled over to the Member's account.

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## Managing the Statewide Money Purchase Plan

Through Fidelity's website or phone service, Members are able to obtain account information and initiate most transactions at their convenience.

**Online:** [NetBenefits.com/FPPA](https://netbenefits.com/FPPA)

Through Fidelity's *NetBenefits* website, Members are able to view their account balances, make exchanges between investment options, change future contributions mixes, track contributions, access fund information, and change their beneficiary. *NetBenefits* is also linked through [FPPAco.org](https://FPPAco.org).

**Over The Phone:** (800) 343-0860

Retirement Services Specialists can answer questions about individual investment options, strategies, and about the Statewide Money Purchase Plan itself. Additionally, representatives can help Members make changes to their account or investments.

**Investment Education**

Whether a Member is just getting started or nearing retirement, Fidelity and FPPA offer educational resources to help plan for the future.

- **Investor Centers:** Schedule an appointment with a local Fidelity advisor to collaborate on an investment plan, discuss individual financial goals and investment strategies, or receive guidance on a specific situation
- **One-on-One Consultation:** Members can review their portfolio and discuss their savings and investing needs with a Fidelity Workplace Planning and Guidance Consultant. Call (800) 642-7131, or visit the Fidelity page at [FPPAco.org](https://FPPAco.org)
- **On-site Visits:** FPPA representatives visit participating departments periodically to conduct educational meetings and meet with Members one-on-one
- **FPPAco.org:** On the Fidelity and News & Media pages at [FPPAco.org](https://FPPAco.org), Members can find quarterly fund performance data, Brainshark investment education presentations, and links to past and future webinars

## Daily Valuation

The assets in the Statewide Money Purchase Plan will be valued at the close of every business day, enabling the Member to get updated balances daily.

## Beneficiary Election

The Member will elect a beneficiary for the Statewide Money Purchase Plan when they enter the plan. Members may establish and/or change beneficiary designations online through *NetBenefits*, or by calling Fidelity Investments® at (800) 343-0860.

## Withdrawals/ Distributions

### Withdrawals

Withdrawals from the Statewide Money Purchase Plan are allowed under any of the following conditions:

- The member separates from service with the fire, police, or sheriff department
- The member becomes disabled
- The member reaches age 72
- Payment is made to the member's beneficiary upon death

### Distributions\*

The following distribution methods are available under the Statewide Money Purchase Plan:

- **Lump Sum:** The Member may choose a lump sum for all or a portion of the account
- **Periodic Payments:** The Member may elect to have benefits paid over a specified timeframe or to receive a certain dollar amount per periodic payment until the account is exhausted
- **Systematic Payment Over Life Expectancy:** Fidelity Investments® will calculate the dollar amount of a periodic payment based on the Member's current money purchase account balance and their life expectancy (and the life expectancy of any designated beneficiaries, if applicable). This benefit can fluctuate based on gains and losses. This option does not guarantee payments over the Member's actual lifetime
- **Annuity:** The Member may elect to purchase an annuity contract with all or a portion of their money purchase balance through an outside provider

*\*Note: The Member may choose one or a combination of the distribution methods above.*



**MAP**

Member  
Account  
Portal

*Sign in or  
Register Today!*

**FPPA** | Fire & Police Pension  
Association of Colorado

**FPPAco.org**

**(303) 770-3772** in the Denver Metro area

**(800) 332-3772** toll free nationwide

**(303) 771-7622** fax

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