

Statewide Money Purchase Plan



FPPA Statewide Money Purchase Plan

Overview

The **Statewide Money Purchase Plan (SWMP)** provides retirement benefits to firefighters, police officers, and other covered first responders from participating departments, as well as department chiefs who have opted out of the FPPA Statewide Retirement Plan. This Plan 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 Statewide Retirement Plan and the Statewide Death & Disability Plan. Additionally, a Member who returns to work after retiring may be enrolled in this Plan rather than in the FPPA Statewide Retirement Plan. The Statewide Money Purchase Plan is a qualified 401(a) defined contribution retirement plan.

Basic Plan Structure

The Statewide Money Purchase Plan is an individual, self-directed retirement account that becomes payable to Members 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.** Mandatory Member contributions are made on a pre-tax basis.

Voluntary Contributions

Members or Employers may make voluntary contributions to the SWMP Plan as long as the total amount of contributions does not exceed Internal Revenue Service limits. Additional voluntary contributions made by the Members are post-tax. Additional voluntary contributions from the Employer are pre-tax.

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.*

Choice of Investment Options

Members direct the investments on their Money Purchase Plan account balance. Members may choose from a variety of investment options offered through 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 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 trading fees associated with this account.
- **Personalized Planning & Advice:** This is a managed account service provided by a team of dedicated 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.

Initial Enrollment

When a Member enrolls in the Money Purchase Component, Fidelity Investments will send them a welcome letter by mail or email.

- Follow the letter's instructions to establish the investment elections. Until Members make their investment elections, contributions to their account are invested in 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 at NetBenefits.com/FPPA, or contact Fidelity Investments at (800) 343-0860. If a Beneficiary Designation is not provided to Fidelity upon the Member's death, the account balance will be distributed according to state law.

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 into the Member's account.

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.

Naming Beneficiaries

The Member will name 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 terminates employment with their department.
- The Member becomes disabled.
- The Member reaches their Required Minimum Distribution (RMD) age*.
- The Member dies and payment is made to their beneficiary.

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 their account balance.

Periodic Payments

The Member may elect to have benefits paid over a specified time frame or 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.

**Required Minimum Distribution dates are subject to change due to federal legislation.*

***Members may choose one or a combination of the methods mentioned above.*

Daily Valuation

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

Managing the Statewide Money Purchase Plan

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

Online: NetBenefits.com/FPPA

Through Fidelity's NetBenefits website, Members can view their account balances, make exchanges between investment options, change future contribution mixes, track contributions, access fund information, and change their beneficiaries. NetBenefits is also linked through FPPAco.org.

Over the Phone: (800) 343-0860

Retirement Services Specialists with Fidelity can answer questions about individual investment options, strategies and about the Money Purchase Component 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 portfolios and discuss their savings and investing need with a Fidelity Workplace Planning and Guidance Consultant. Call (800) 642-7131 to get started.
- **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 *Video* pages at FPPAco.org, Members can find quarterly fund performance data, investment fund brochures, and links to past and future webinars.

This plain language document is intended for information purposes only.

Official interpretations or determinations are based upon the statutes, plan documents, rules and regulations which govern these plans.

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