FIRE AND POLICE PENSION ASSOCIATION OF COLORADO ("FPPA")
NOTICE OF PROPOSED RULEMAKING

This Notice of Proposed Rulemaking is issued in accordance with FPPA Rule 1202(1), C.R.S. §§ 31-31-202 and 31-31.5-102. A public hearing will be held Thursday, December 10, 2026, at 11:00 a.m. in the FPPA Board Room at 7979 E. Tufts Ave., Suite 900, Denver, CO 80237.

The FPPA Board will consider proposed rules on the subjects and issues described below.

Persons desiring to submit written data, views, or arguments to the FPPA Board are asked to submit them to FPPA by December 3, 2026. The Board will consider all written submissions as well as any oral testimony taken at the public hearing. Comments will also be accepted via email at kmoore@fppaco.org. Please include your name and business or home address with all correspondence.

A description of the subjects and issues involved in the proposed rulemaking concerning the FPPA Rules and Regulations are as follows:

- Amend the return to work rules and clarify the administration of domestic relations orders as follows:
    - Require Employer consent be obtained for a member to remain employed beyond the five-year DROP period, remove the DROP annulment provision, and suspend defined benefit payments and enroll member into the Statewide Money Purchase Plan ("SWMP Plan") for the remainder of employment, while leaving the DROP account intact with investment direction remaining with the member.
    - A member participating in DROP may also participate in DROP while concurrently employed by another Statewide Retirement Plan ("SRP") employer. If the member opts out of DROP with the second employer, the return to work rules will apply to that employment.
    - Allow Vested or Early retirees who return to work, regardless of the employer, to choose to either stay in the SRP or join the SWMP Plan, if member has not participated in DROP.
    - Clarify that when a member's defined benefit payments are suspended due to returning to work, an alternate payee's portion of the payments are also suspended if the alternate payee is receiving a non-severed benefit pursuant to a domestic relations order.
- Not including the SRP - Money Purchase Component, permit administrative staff to affiliate into a SRP component different from the non-administrative staff of the department.
- Clarify that a Dependent Child's mental or physical incapacity may be determined after disability or survivor benefits are awarded, if the condition was diagnosed before age 23.
- Clarify how the salary of a member with less than three years of service is determined for calculating the member's Highest Average Salary (HAS).
- Remove the word "next" from rule 407, which is simply a typographical error.
- Remove an outdated reference to a paper retirement application since the application is now completed online.

- Clarify that the effective date of Normal, Vested or Early retirement shall be the first of the month following the day after the last date for which the Employer deducted FPPA contributions from the member's Base Salary.
- Clarify language in the rules that for the purposes of DROP, define "eligible member" to mean any member eligible to commence receiving a retirement benefit.
- Clarify that DROP agreements must be submitted to FPPA rather than the Board since DROP agreements are not submitted directly to the Board.
- Simplify language that DROP distribution must comply with the required beginning date defined in IRS code. Currently the rule cites outdated law from the Internal Revenue Code. The law was updated in Secure Act 2.0 and this rule deletes reference to the outdated language.
- Remove outdated reference to the vested retirement form no longer in use.
- Amend the administrative review procedure rules to provide that the Executive Director has the final level of review before judicial review.
- Clarify that reinstatement of suspended benefits begins the first of the month following compliance.
- To determine whether a member who is on total disability is capable of earning 20 percent of their pre-disability earnings, clarify that we will use the member's Base Salary.
- Require automatic enrollment of an interim chief into the same component of the SRP as newly hired members to the department, and allow a chief who is later appointed permanently to opt-out of FPPA plans.
- Allows the Chief Benefits Officer's (CBO) designee to serve on the Death and Disability Review Committee in lieu of the CBO.
- Make conforming and clerical amendments.

At least 20 days prior to the public hearing, copies of the rules will be available for review at www.FPPAco.org or may be obtained by contacting FPPA's Office of the General Counsel, 7979 E. Tufts Ave., Suite 900, Denver, CO 80237, 303-770-3772, or 800-332-3772 during regular business hours. Individuals with disabilities needing auxiliary aid may request assistance by contacting Karen Moore at the same address or telephone numbers.