

Statewide Retirement Plan

Defined Benefit Component



Defined Benefit Component

Overview

The **Defined Benefit Component (SRP: DB)** covers all full-time firefighters, police officers, and other first responders of participating departments in Colorado hired on or after April 8, 1978. This Component may also cover some full-time fire department clerical and administrative staff.

Members covered by the Defined Benefit Component may receive a monthly lifetime benefit once they become eligible for retirement. The following types of retirement are available for Defined Benefit Component Members: Normal, Early, Vested, or Deferred. If a Member terminates service before they are eligible for a retirement benefit, they may qualify for a refund of contributions.

Eligibility Requirements

If an Employer covers its Members under the Defined Benefit Component, participation begins as of the date of hire or effective date of reentry or affiliation, assuming contributions are properly submitted to FPPA on the Member's behalf.

Mandatory Contributions

Plan benefits are funded by payroll contributions made by Members and Employers. See the Contribution Rates section for the current rate.

Voluntary Contributions

Active Members or Employers may make voluntary contributions to the Statewide Retirement Plan as long as the 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. These voluntary contributions will be deposited in the Money Purchase Component of the Plan.

Base Salary

Base Salary (also known as Pensionable Earnings) generally includes base rate of pay plus longevity and shift differential, if applicable. The complete definition of Base Salary may be found at FPPAco.org.

Highest Average Salary (HAS)

For benefit calculations, Highest Average Salary refers to the average of the highest three (3) calendar years' Base Salary while in the Statewide Retirement Plan. These three years do not need to be consecutive. The calculation can include the year when the Member retires, if their retirement date is on or after July 1. The complete definition is located on the Rules and Regulations page at FPPAco.org.

Defined Benefit Component

Benefit Calculator

Use the chart below to calculate a Normal, Early or Vested Retirement Benefit using the Member's age at retirement and years of service.

Note: Final calculations are made based on the total years and months of service earned. Chart may not reflect the payment option selected by the Member.

		Age at Retirement ▼										
Years of Service ▼		50	51	52	53	54	55	56	57	58	59	60+
Normal Retirement	5	6.62	7.18	7.79	8.46	9.19	10.00	10.00	10.00	10.00	10.00	10.00
	6	7.95	8.61	9.35	10.15	11.03	12.00	12.00	12.00	12.00	12.00	12.00
Early Retirement	7	9.27	10.05	10.91	11.84	12.87	14.00	14.00	14.00	14.00	14.00	14.00
	8	10.59	11.49	12.46	13.53	14.71	16.00	16.00	16.00	16.00	16.00	16.00
Vested Retirement	9	11.92	12.92	14.02	15.23	16.55	18.00	18.00	18.00	18.00	18.00	18.00
	10	13.24	14.36	15.58	16.92	18.39	20.00	20.00	20.00	20.00	20.00	20.00
Rule of 80	11	14.90	16.15	17.53	19.03	20.68	22.50	22.50	22.50	22.50	22.50	22.50
	12	16.55	17.95	19.47	21.15	22.98	25.00	25.00	25.00	25.00	25.00	25.00
	13	18.21	19.74	21.42	23.26	25.28	27.50	27.50	27.50	27.50	27.50	27.50
	14	19.86	21.54	23.37	25.38	27.58	30.00	30.00	30.00	30.00	30.00	30.00
	15	21.52	23.33	25.32	27.49	29.88	32.50	32.50	32.50	32.50	32.50	32.50
	16	23.17	25.13	27.26	29.60	32.17	35.00	35.00	35.00	35.00	35.00	35.00
	17	24.83	26.92	29.21	31.72	34.47	37.50	37.50	37.50	37.50	37.50	37.50
	18	26.48	28.72	31.16	33.83	36.77	40.00	40.00	40.00	40.00	40.00	40.00
	19	28.14	30.51	33.10	35.95	39.07	42.50	42.50	42.50	42.50	42.50	42.50
	20	29.79	32.30	35.05	38.06	41.37	45.00	45.00	45.00	45.00	45.00	45.00
	21	31.45	34.10	37.00	40.18	43.67	47.50	47.50	47.50	47.50	47.50	47.50
	22	33.11	35.89	38.95	42.29	45.96	50.00	50.00	50.00	50.00	50.00	50.00
	23	34.76	37.69	40.89	44.41	48.26	52.50	52.50	52.50	52.50	52.50	52.50
	24	36.42	39.48	42.84	46.52	50.56	55.00	55.00	55.00	55.00	55.00	55.00
	25	38.07	41.28	44.79	48.64	52.86	57.50	57.50	57.50	57.50	57.50	57.50
	26	43.22	46.86	50.84	55.21	60.00	60.00	60.00	60.00	60.00	60.00	60.00
	27	48.92	53.05	57.56	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50
	28	55.25	59.91	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00
	29	62.26	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50
	30	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
	31	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50
	32	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
	33	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50
	34	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
	35	82.50	82.50	82.50	82.50	82.50	82.50	82.50	82.50	82.50	82.50	82.50
	36	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00
	37	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50
	38	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00
	39	92.50	92.50	92.50	92.50	92.50	92.50	92.50	92.50	92.50	92.50	92.50
	40	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
	41	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50
	42	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

NOTE

Final calculations are made based on the total years and months of service credit earned and purchased. The chart on this page may not reflect the payment option selected by the Member. For service credit beyond 42 years and age 50, add 2.5% for each additional year over 42. ▶

Defined Benefit Component

Normal Retirement

Requirements

25 years of service credit and age 55 OR eligible for Rule of 80 with a minimum age of 50.

Calculation

Members receive a 2% benefit for each year of service credit for the first ten years, then a 2.5% benefit for each year of service credit thereafter. The benefit is based on the Member's Highest Average Salary (HAS).

The chart on the previous page shows the estimated benefit percentage used to calculate retirement benefits at different age and service combinations.

Rule of 80

Defined Benefit Component Members may become eligible for a Normal Retirement benefit if they have reached age fifty, and their combined age and years of service credit equal at least eighty, and they are not receiving a disability benefit.

Payment

The defined benefit is payable immediately once FPPA approves the Member's retirement application. This monthly benefit is paid for the Member's lifetime. Survivor benefit options are also available and are shown in the Payment Options section of this brochure.

Early Retirement

Requirements

Minimum of 5 years of service credit, payable at age 50.

Calculation

Members receive a 2% benefit for each year of service credit for the first ten years, then a 2.5% benefit for each year of service credit thereafter. The benefit is based on the Member's Highest Average Salary (HAS).

Early Retirement benefits are based on the benefit that the Member would have received at Normal Retirement, which is reduced for an early start to their benefit payments. To calculate Early Retirement benefits, the Member's projected Normal Retirement benefit is reduced on an actuarial equivalent basis to reflect the early receipt of the benefit (and receiving the benefit for a longer period of time). The further the Member is from reaching Normal Retirement age, the greater the benefit reduction.

Payment

The Early Retirement benefit is payable immediately once the retirement application is approved by FPPA, as early as age 50. Survivor benefit options are also available and are shown in the Payment Options section of this brochure.

Vested Retirement

Requirements

Minimum of 5 years of service credit, payable at age 55.

Calculation

Members receive a 2% benefit for each year of service credit for the first ten years, then a 2.5% benefit for each year of service credit thereafter. The benefit is based on the Member's Highest Average Salary (HAS).

Payment

Retirement benefits are payable at age 55. The Vested Retirement benefit may be payable immediately once the retirement application is approved by FPPA as long as the Member is at least age 55. Survivor benefit options are also available and are shown in the Payment Options section of this brochure.

Defined Benefit Component

Deferred Retirement (Applies to a Normal or Vested Retirement)

Definition

Members who qualify for a Normal Retirement or a Vested Retirement may delay the start of their defined benefit pension to as late as age 65. The Member's benefit will be actuarially increased to reflect the postponed start to their benefit payment (and receiving the benefit for a shorter period of time).

The percentage in the chart below is applied to the Member's Normal or Vested Retirement benefit amount, **not** the Member's Highest Average Salary.

Age at Retirement ▼	Deferred Retirement Actuarial Equivalence Factors															
	Age at Benefit Commencement ▼															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
50	100.00%	108.30%	117.35%	127.25%	138.08%	149.95%	162.96%	177.25%	192.97%	210.27%	229.35%	250.42%	273.73%	299.55%	328.20%	360.06%
51		100.00%	108.36%	117.50%	127.51%	138.46%	150.48%	163.68%	178.19%	194.16%	211.78%	231.24%	252.76%	276.60%	303.06%	332.48%
52			100.00%	108.44%	117.67%	127.78%	138.87%	151.04%	164.43%	179.18%	195.44%	213.39%	233.25%	255.25%	279.67%	306.82%
53				100.00%	108.51%	117.84%	128.06%	139.29%	151.64%	165.24%	180.23%	196.79%	215.10%	235.40%	257.91%	282.95%
54					100.00%	108.59%	118.02%	128.37%	139.75%	152.28%	166.09%	181.35%	198.23%	216.93%	237.68%	260.75%
55						100.00%	108.68%	118.21%	128.69%	140.23%	152.95%	167.00%	182.54%	199.76%	218.87%	240.11%
56							100.00%	108.77%	118.41%	129.03%	140.74%	153.66%	167.96%	183.81%	201.39%	220.94%
57								100.00%	108.87%	118.63%	129.39%	141.28%	154.42%	168.99%	185.15%	203.12%
58									100.00%	108.97%	118.85%	129.77%	141.85%	155.23%	170.07%	186.58%
59										100.00%	109.07%	119.09%	130.17%	142.45%	156.08%	171.23%
60											100.00%	109.19%	119.35%	130.60%	143.10%	156.98%
61												100.00%	109.31%	119.61%	131.06%	143.77%
62													100.00%	109.43%	119.90%	131.53%
63														100.00%	109.56%	120.20%
64															100.00%	109.70%
65																100.00%

Member must meet the Rule of 80

NOTE: The chart is for illustrative purposes only and shows some of the factors used to calculate a Deferred Retirement. There is a separate factor for each age, specific to both the year and the month. Tables may be revised periodically. If you select a Deferred Retirement, your benefit will be determined by the exact tables and factors in effect at the time you begin to receive your benefit.

Example: If a Member's Normal or Vested Retirement benefit were equal to \$1,000.00 per month if paid at age 55; and they elected to defer receipt of that benefit until age 60; the deferred benefit amount would be \$1,529.50 per month, payable at age 60. ($\$1,000.00 \times 152.95\% = \$1,529.50$)

Defined Benefit Component

Deferred Retirement Option Plan (DROP)

Definition

The Deferred Retirement Option Plan, or DROP, allows Members to build up a cash account during their final years before retirement. When a Member enters DROP, they will technically retire for pension purposes, but will actually continue to work at their department for up to five (5) years. Their defined benefit payments and Member contributions are deposited into a Member-directed investment account. That cash account is then available to the Member when they exit DROP and retire from their department. Members may run an individual projection of their estimated DROP balance using the FPPA Member Account Portal (MAP).

Please note that while participating in DROP, Members do not earn additional service credit toward retirement.

Requirements

In order to enter DROP, a Member must meet one of the following criteria:

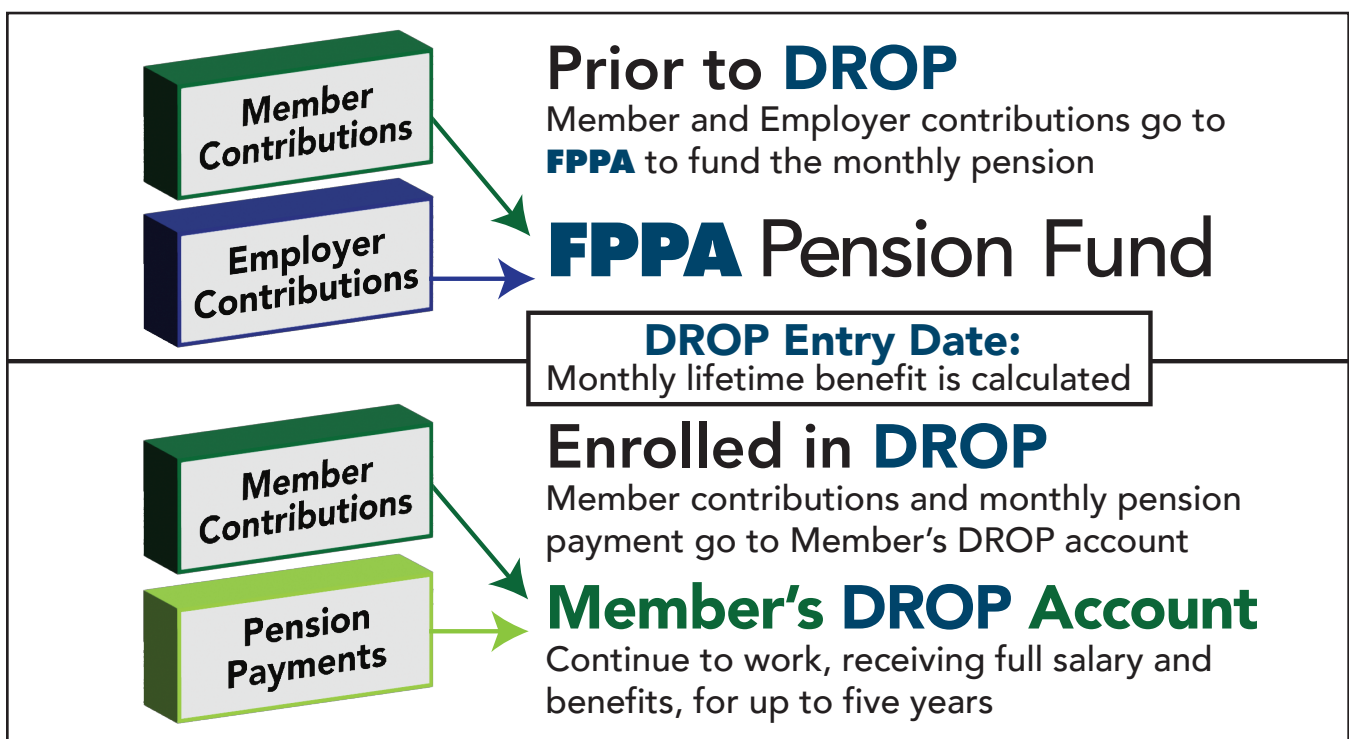
- Be eligible for Normal Retirement; or
- Be eligible for Vested Retirement and age 55; or
- Be eligible for Early Retirement

A written agreement between the Member and the Employer is also required.

Payment

At the end of the DROP period, the Member retires from the department and may begin taking withdrawals from their DROP account. Distributions may be paid as periodic payments, or as a lump sum. Alternatively, a Member could use all or a portion of their DROP account to purchase a monthly lifetime benefit, which may include a survivor benefit and Cost of Living Adjustments (COLAs) if they are awarded. The "purchase of a monthly lifetime benefit" option must be elected before the Member receives their first payment from the Statewide Retirement Plan.

Distributions from the Member's DROP account are in addition to the defined benefit payments from the Defined Benefit Component of the Statewide Retirement Plan and any distributions from the Money Purchase Component of the Statewide Retirement Plan (if applicable).



Defined Benefit Component

Payment Options

All Defined Benefit Component benefits are calculated based on the benefit formulas defined in this brochure. Members wait to elect their payment options until shortly before they begin receiving their benefit. This timing ensures that the beneficiary and payment option calculations are accurate.

Normal Option

The retiree receives this pension benefit for their life. No monthly benefits are paid to a beneficiary following the retiree's death. However, if at the time of the Member's death, the Member has not received in pension payments at least the amount of their Member contributions (including all funds used to purchase service credit or to purchase a monthly lifetime benefit), the remaining Member contributions, plus 5% as interest, would be paid to the Member's beneficiary or estate as a lump sum.

Option 1 - 100% Survivor Benefit

Under Option 1, the retiree receives this pension benefit for their life. When the retiree passes away, the same monthly benefit amount will be paid to the retiree's designated beneficiary for their life. This monthly benefit is actuarially equivalent to the Normal Option. Multiply the Normal Option from page 3 by the factors below to estimate an Option 1 benefit amount.

If a Member elects a non-spouse beneficiary who is significantly younger than the Member, certain restrictions may prohibit the election of this payment option or may require additional calculations in order to comply with US Treasury Regulations. Please contact FPPA for more information.

Age of Retiree ▼	Age of Beneficiary ▼															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
50	0.923	0.926	0.930	0.934	0.938	0.941	0.945	0.948	0.952	0.955	0.958	0.961	0.964	0.966	0.969	0.971
51	0.915	0.919	0.923	0.927	0.931	0.935	0.939	0.943	0.946	0.950	0.953	0.957	0.960	0.963	0.965	0.968
52	0.907	0.911	0.916	0.920	0.924	0.929	0.933	0.937	0.941	0.944	0.948	0.952	0.955	0.958	0.961	0.964
53	0.898	0.903	0.908	0.912	0.917	0.921	0.926	0.930	0.934	0.938	0.942	0.946	0.950	0.953	0.957	0.960
54	0.889	0.894	0.899	0.904	0.908	0.913	0.918	0.923	0.927	0.932	0.936	0.940	0.944	0.948	0.952	0.955
55	0.879	0.884	0.889	0.894	0.899	0.904	0.909	0.914	0.919	0.924	0.929	0.933	0.938	0.942	0.946	0.950
56	0.868	0.874	0.879	0.884	0.890	0.895	0.900	0.906	0.911	0.916	0.921	0.926	0.931	0.935	0.940	0.944
57	0.857	0.863	0.868	0.874	0.879	0.885	0.891	0.896	0.902	0.907	0.913	0.918	0.923	0.928	0.933	0.938
58	0.845	0.851	0.857	0.862	0.868	0.874	0.880	0.886	0.892	0.898	0.903	0.909	0.915	0.920	0.925	0.930
59	0.833	0.838	0.844	0.850	0.856	0.862	0.869	0.875	0.881	0.887	0.893	0.899	0.905	0.911	0.917	0.922
60	0.819	0.825	0.831	0.837	0.844	0.850	0.856	0.863	0.869	0.876	0.882	0.889	0.895	0.902	0.908	0.914
61	0.805	0.811	0.817	0.824	0.830	0.837	0.843	0.850	0.857	0.864	0.871	0.877	0.884	0.891	0.898	0.904
62	0.791	0.797	0.803	0.809	0.816	0.823	0.830	0.837	0.844	0.851	0.858	0.865	0.872	0.880	0.887	0.894
63	0.775	0.781	0.788	0.794	0.801	0.808	0.815	0.822	0.830	0.837	0.845	0.852	0.860	0.867	0.875	0.882
64	0.759	0.766	0.772	0.779	0.785	0.793	0.800	0.807	0.815	0.822	0.830	0.838	0.846	0.854	0.862	0.870
65	0.743	0.749	0.755	0.762	0.769	0.776	0.784	0.791	0.799	0.807	0.815	0.823	0.831	0.839	0.848	0.856

Example of Option 1

The following example is based on these assumptions:

- A Member is age 55
- The designated beneficiary is age 53
- The Member has 25 years of service credit
- The average highest three years' base salary is \$50,000.00 per year
- $\$50,000.00 \times 57.5\% = \$28,750.00$ annually
- $\$28,750.00 \times .894 = \$25,702.50$ or $\$2,141.88$ monthly

NOTE: The table above is an estimate for illustrative purposes only, and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit, or in the case of participation in DROP, when you enter DROP.

Defined Benefit Component

Option 2 - 50% Survivor Benefit

Under Option 2, the retiree receives this pension benefit for their life. When the retiree passes away, one half of the retiree's monthly benefit amount will be paid to the designated beneficiary for their life. This monthly benefit is actuarially equivalent to the Normal Option.

Option 2 - Benefit Amount Table: Multiply the Normal Option from page 3 by the factors below to estimate an Option 2 benefit amount.

Age of Retiree ▼	Age of Beneficiary ▼															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
50	0.960	0.962	0.964	0.966	0.968	0.970	0.972	0.974	0.975	0.977	0.979	0.980	0.982	0.983	0.984	0.985
51	0.956	0.958	0.960	0.962	0.964	0.967	0.969	0.971	0.972	0.974	0.976	0.978	0.979	0.981	0.982	0.984
52	0.951	0.954	0.956	0.958	0.961	0.963	0.965	0.967	0.969	0.971	0.973	0.975	0.977	0.979	0.980	0.982
53	0.946	0.949	0.952	0.954	0.957	0.959	0.961	0.964	0.966	0.968	0.970	0.972	0.974	0.976	0.978	0.980
54	0.941	0.944	0.947	0.949	0.952	0.955	0.957	0.960	0.962	0.965	0.967	0.969	0.971	0.973	0.975	0.977
55	0.936	0.938	0.941	0.944	0.947	0.950	0.953	0.955	0.958	0.961	0.963	0.966	0.968	0.970	0.972	0.974
56	0.930	0.933	0.936	0.939	0.942	0.945	0.948	0.950	0.953	0.956	0.959	0.962	0.964	0.967	0.969	0.971
57	0.923	0.926	0.929	0.933	0.936	0.939	0.942	0.945	0.948	0.951	0.954	0.957	0.960	0.963	0.965	0.968
58	0.916	0.919	0.923	0.926	0.929	0.933	0.936	0.939	0.943	0.946	0.949	0.952	0.955	0.958	0.961	0.964
59	0.909	0.912	0.916	0.919	0.923	0.926	0.930	0.933	0.937	0.940	0.944	0.947	0.950	0.954	0.957	0.960
60	0.901	0.904	0.908	0.911	0.915	0.919	0.923	0.926	0.930	0.934	0.938	0.941	0.945	0.948	0.952	0.955
61	0.892	0.896	0.900	0.903	0.907	0.911	0.915	0.919	0.923	0.927	0.931	0.935	0.939	0.942	0.946	0.950
62	0.883	0.887	0.891	0.895	0.899	0.903	0.907	0.911	0.915	0.919	0.924	0.928	0.932	0.936	0.940	0.944
63	0.873	0.877	0.881	0.885	0.890	0.894	0.898	0.903	0.907	0.911	0.916	0.920	0.924	0.929	0.933	0.937
64	0.863	0.867	0.871	0.876	0.880	0.884	0.889	0.893	0.898	0.903	0.907	0.912	0.916	0.921	0.926	0.930
65	0.852	0.856	0.861	0.865	0.869	0.874	0.879	0.883	0.888	0.893	0.898	0.903	0.908	0.913	0.918	0.922

NOTE: The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit, or in the case of participation in DROP, when you enter DROP.

Example of Option 2

The following example is based on these assumptions:

- The Member is age 55
- The designated beneficiary is age 53
- The Member has accrued 25 years of service credit
- The average highest three years' base salary is \$50,000.00 per year
- $\$50,000.00 \times 57.5\% = \$28,750.00$ annually
- $\$28,750.00 \times .944 = \$27,140$ or $\$2,261.67$ monthly

Defined Benefit Component

Option 3 - 50% Last Survivor Benefit

Under Option 3, the retiree and their named beneficiary share this pension benefit. Once either the retiree or the beneficiary passes away, one half of the monthly benefit amount will be paid to the survivor for their life. This monthly benefit is actuarially equivalent to the Normal Option.

Option 3 - Benefit Amount Table: Multiply the Normal Option from page 3 by the factors below to estimate an Option 3 benefit amount.

Age of Retiree ▼	Age of Beneficiary ▼															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
50	0.992	0.997	1.003	1.009	1.016	1.022	1.029	1.037	1.044	1.053	1.061	1.070	1.080	1.089	1.100	1.111
51	0.986	0.991	0.997	1.003	1.010	1.016	1.023	1.031	1.039	1.047	1.055	1.064	1.074	1.084	1.094	1.105
52	0.980	0.985	0.991	0.997	1.003	1.010	1.017	1.025	1.032	1.041	1.049	1.058	1.068	1.077	1.088	1.099
53	0.973	0.979	0.984	0.990	0.997	1.004	1.011	1.018	1.026	1.034	1.043	1.052	1.061	1.071	1.081	1.092
54	0.966	0.972	0.977	0.984	0.990	0.997	1.004	1.011	1.019	1.027	1.036	1.045	1.054	1.064	1.074	1.085
55	0.959	0.964	0.970	0.976	0.983	0.989	0.997	1.004	1.012	1.020	1.028	1.037	1.047	1.057	1.067	1.078
56	0.951	0.957	0.963	0.969	0.975	0.982	0.989	0.996	1.004	1.012	1.021	1.030	1.039	1.049	1.060	1.071
57	0.943	0.949	0.955	0.961	0.967	0.974	0.981	0.988	0.996	1.004	1.013	1.022	1.031	1.041	1.052	1.063
58	0.935	0.940	0.946	0.952	0.959	0.965	0.972	0.980	0.988	0.996	1.004	1.013	1.023	1.033	1.043	1.054
59	0.926	0.932	0.937	0.943	0.950	0.957	0.964	0.971	0.979	0.987	0.996	1.005	1.014	1.024	1.034	1.045
60	0.917	0.922	0.928	0.934	0.941	0.947	0.954	0.962	0.969	0.978	0.986	0.995	1.005	1.015	1.025	1.036
61	0.907	0.913	0.918	0.924	0.931	0.937	0.944	0.952	0.960	0.968	0.976	0.985	0.995	1.005	1.015	1.026
62	0.897	0.902	0.908	0.914	0.920	0.927	0.934	0.942	0.949	0.957	0.966	0.975	0.985	0.994	1.005	1.016
63	0.886	0.892	0.897	0.903	0.910	0.916	0.923	0.931	0.938	0.947	0.955	0.964	0.974	0.984	0.994	1.005
64	0.875	0.880	0.886	0.892	0.898	0.905	0.912	0.919	0.927	0.935	0.944	0.953	0.962	0.972	0.983	0.994
65	0.863	0.868	0.874	0.880	0.886	0.893	0.900	0.907	0.915	0.923	0.932	0.941	0.950	0.960	0.971	0.981

NOTE: The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit, or in the case of participation in DROP, when you enter DROP.

Example of Option 3

The following example is based on these assumptions:

- The Member is age 55
- The designated beneficiary is age 53
- The Member has accrued 25 years of service credit
- The average highest three years' base salary is \$50,000.00 per year
- $\$50,000.00 \times 57.5\% = \$28,750.00$ annually
- $\$28,750.00 \times .976 = \$28,060.00$ or $\$2,338.33$ monthly

Defined Benefit Component

Option 4 - 100% Survivor Benefit with the "Pop-Up" Provision

Under Option 4, the retiree receives this pension benefit for their life. When the retiree passes away, the same monthly benefit amount will be paid to the retiree's designated beneficiary for their life. However, if the designated beneficiary dies before the retiree, the pension benefit "pops up," or reverts to the Normal Option. The pop-up is effective the first day of the month following the beneficiary's death. This monthly benefit is actuarially equivalent to the Normal Option.

If the Member elects a non-spouse beneficiary who is significantly younger than the Member, certain restrictions may prohibit the election of this payment option, or may require additional calculations in order to comply with US Treasury Regulations. Please contact FPPA for more information.

Option 4 - Benefit Amount Table: Multiply the Normal Option from page 3 by the factors below to estimate an Option 4 benefit amount.

Age of Retiree ▼	Age of Beneficiary ▼															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
50	0.917	0.921	0.925	0.928	0.932	0.935	0.938	0.942	0.945	0.948	0.950	0.953	0.956	0.958	0.961	0.963
51	0.910	0.914	0.917	0.921	0.925	0.929	0.932	0.936	0.939	0.942	0.945	0.948	0.951	0.954	0.957	0.959
52	0.902	0.906	0.910	0.914	0.918	0.921	0.925	0.929	0.933	0.936	0.940	0.943	0.946	0.949	0.952	0.955
53	0.893	0.897	0.901	0.905	0.910	0.914	0.918	0.922	0.926	0.930	0.933	0.937	0.940	0.944	0.947	0.950
54	0.883	0.888	0.892	0.897	0.901	0.905	0.910	0.914	0.918	0.922	0.926	0.930	0.934	0.938	0.941	0.944
55	0.873	0.878	0.883	0.887	0.892	0.897	0.901	0.906	0.910	0.915	0.919	0.923	0.927	0.931	0.935	0.938
56	0.863	0.867	0.872	0.877	0.882	0.887	0.892	0.897	0.901	0.906	0.911	0.915	0.920	0.924	0.928	0.932
57	0.851	0.856	0.861	0.866	0.871	0.877	0.882	0.887	0.892	0.897	0.902	0.907	0.911	0.916	0.920	0.925
58	0.839	0.844	0.850	0.855	0.860	0.866	0.871	0.876	0.882	0.887	0.892	0.897	0.902	0.907	0.912	0.917
59	0.827	0.832	0.837	0.843	0.848	0.854	0.859	0.865	0.871	0.876	0.882	0.887	0.892	0.898	0.903	0.908
60	0.813	0.819	0.824	0.830	0.835	0.841	0.847	0.853	0.859	0.865	0.870	0.876	0.882	0.888	0.893	0.899
61	0.799	0.805	0.810	0.816	0.822	0.828	0.834	0.840	0.846	0.852	0.858	0.864	0.870	0.876	0.882	0.888
62	0.785	0.790	0.796	0.802	0.808	0.814	0.820	0.826	0.833	0.839	0.845	0.852	0.858	0.865	0.871	0.877
63	0.769	0.775	0.781	0.787	0.793	0.799	0.805	0.812	0.818	0.825	0.832	0.838	0.845	0.852	0.858	0.865
64	0.754	0.759	0.765	0.771	0.777	0.784	0.790	0.797	0.803	0.810	0.817	0.824	0.831	0.838	0.845	0.852
65	0.737	0.743	0.749	0.755	0.761	0.767	0.774	0.781	0.788	0.795	0.802	0.809	0.816	0.823	0.831	0.838

NOTE: The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit, or in the case of participation in DROP, when you enter DROP.

Example of Option 4

The following example is based on these assumptions:

- A member is age 55.
- The designated beneficiary is age 53.
- The member has accrued 25 years of service credit.
- The average highest three years' base salary is \$50,000.00 per year.
- $\$50,000.00 \times 57.5\% = \$28,750.00$ annually;
- $\$28,750.00 \times .887 = \$25,501.25$ or \$2,125.10 monthly

Defined Benefit Component

Option 5 - 50% Survivor Benefit with the "Pop-Up" Provision

Under Option 5, the retiree receives this pension benefit for their life. When the retiree passes away, one half of the retiree's monthly benefit amount will be paid to the designated beneficiary for their life. However, if the designated beneficiary dies before the retiree, the pension benefit "pops up," or reverts to the Normal Option. The pop-up is effective the first day of the month following the beneficiary's death. This monthly benefit is actuarially equivalent to the Normal Option.

Option 5 - Benefit Amount Table: Multiply the Normal Option from page 3 by the factors below to estimate an Option 5 benefit amount.

Age of Retiree ▼	Age of Beneficiary ▼															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
50	0.957	0.959	0.961	0.963	0.965	0.966	0.968	0.970	0.972	0.973	0.975	0.976	0.977	0.979	0.980	0.981
51	0.953	0.955	0.957	0.959	0.961	0.963	0.965	0.967	0.968	0.970	0.972	0.973	0.975	0.976	0.978	0.979
52	0.948	0.950	0.953	0.955	0.957	0.959	0.961	0.963	0.965	0.967	0.969	0.971	0.972	0.974	0.975	0.977
53	0.943	0.946	0.948	0.950	0.953	0.955	0.957	0.959	0.961	0.963	0.965	0.967	0.969	0.971	0.973	0.974
54	0.938	0.941	0.943	0.946	0.948	0.950	0.953	0.955	0.957	0.960	0.962	0.964	0.966	0.968	0.970	0.971
55	0.932	0.935	0.938	0.940	0.943	0.945	0.948	0.951	0.953	0.955	0.958	0.960	0.962	0.964	0.966	0.968
56	0.926	0.929	0.932	0.935	0.937	0.940	0.943	0.945	0.948	0.951	0.953	0.956	0.958	0.960	0.963	0.965
57	0.920	0.923	0.925	0.928	0.931	0.934	0.937	0.940	0.943	0.946	0.948	0.951	0.954	0.956	0.959	0.961
58	0.913	0.916	0.919	0.922	0.925	0.928	0.931	0.934	0.937	0.940	0.943	0.946	0.949	0.951	0.954	0.957
59	0.905	0.908	0.911	0.915	0.918	0.921	0.924	0.928	0.931	0.934	0.937	0.940	0.943	0.946	0.949	0.952
60	0.897	0.900	0.904	0.907	0.910	0.914	0.917	0.921	0.924	0.927	0.931	0.934	0.937	0.940	0.944	0.947
61	0.888	0.892	0.895	0.899	0.902	0.906	0.909	0.913	0.917	0.920	0.924	0.927	0.931	0.934	0.938	0.941
62	0.879	0.883	0.886	0.890	0.894	0.897	0.901	0.905	0.909	0.912	0.916	0.920	0.924	0.927	0.931	0.934
63	0.870	0.873	0.877	0.881	0.885	0.888	0.892	0.896	0.900	0.904	0.908	0.912	0.916	0.920	0.924	0.928
64	0.859	0.863	0.867	0.871	0.875	0.879	0.883	0.887	0.891	0.895	0.899	0.904	0.908	0.912	0.916	0.920
65	0.849	0.852	0.856	0.860	0.864	0.868	0.873	0.877	0.881	0.886	0.890	0.894	0.899	0.903	0.908	0.912

NOTE: The table above is an estimate and for illustrative purposes only and shows some of the factors used to calculate the option. The factors shown are rounded off. When implementing the calculation, the retirement age is rounded up or down to the nearest whole age. Tables may be revised periodically. Your benefit will be determined by the exact tables in effect at the time you elect your payment option and begin to receive your benefit, or in the case of participation in DROP, when you enter DROP.

Example of Option 5

The following example is based on these assumptions:

- The Member is age 55
- The designated beneficiary is age 53
- The Member has accrued 25 years of service credit
- The average highest three years' base salary is \$50,000.00 per year
- $\$50,000.00 \times 57.5\% = \$28,750.00$ annually
- $\$28,750.00 \times .940 = \$27,025.00$ or $\$2,252.08$ monthly

Defined Benefit Component

Cost of Living Adjustments (COLAs)

Cost of Living Adjustments (COLAs) are not guaranteed and are not a fixed amount. They are determined annually by the FPPA Board of Directors. COLAs may be any amount, up to the greater of CPI-W or 3% per year.

The actual COLA is determined based on the Plan's ability to stay fully funded and protect base benefits. COLAs may begin once the retired Member has been receiving retirement benefits for at least 12 calendar months prior to October 1. Any COLAs, if awarded, are effective October 1.

Contribution Rates

Effective January 1 of Year	Mandatory Member Contribution Rate	Mandatory Employer Contribution Rate	Total Combined Member & Employer Contribution Rate
2023	12.0%	9.5%	21.5%
2024	12.0%	10.0%	22.0%
2025	12.0%	10.5%	22.5%
2026	12.0%	11.0%	23.0%
2027	12.0%	11.5%	23.5%
2028	12.0%	12.0%	24.0%
2029	12.0%	12.5%	24.5%
2030	12.0%	13.0%	25.0%

Reentry Contribution Rates

At the time a department reentered the Defined Benefit Component (or formerly the Statewide Defined Benefit Plan), contribution rates for Reentry Members* and Employers were negotiated locally and submitted by resolution to FPPA.

**Reentry rates only apply to Members of a reentry department who were active in the Plan at the time of reentry, and who elected to participate in the Statewide Retirement Plan (or formerly the Statewide Defined Benefit Plan).*

Naming Beneficiaries

Members may change their beneficiaries any time prior to retirement by logging into the Member Account Portal (MAP). If a Member dies prior to retirement, a named beneficiary may be eligible for certain limited benefits, as described in Colorado state law and FPPA's Rules and Regulations. At retirement, Members re-confirm their beneficiary election. If a Member passes away prior to Normal Retirement eligibility, benefits may be paid under the Statewide Death & Disability Plan.

Refunds

Non-Vested

If a Member terminates employment with less than five years of service credit, then they may choose to receive a refund of their Member contributions plus 5% as interest. If a refund is chosen, all Employer contributions are forfeited, including non-vested Employer contributions to the Money Purchase Component.

Vested

If a Member terminates employment with more than five years of service credit, the Member's contributions plus 5% as interest may be refunded, instead of receiving a retirement benefit. If a refund is chosen, all Employer contributions to this Component are forfeited.

Purchasing Service Credit

FPPA Members who have prior public employment time with a non-FPPA employer, employment with a private employer, or military service may be eligible to purchase service credit under the Statewide Retirement Plan if certain conditions are met.

After one year of service credit in the Statewide Retirement Plan, Members may purchase:

- Any public employment time for which they are not eligible for a retirement benefit
- Up to five years of military time for which they are not eligible for a retirement benefit, or for which they were not eligible to submit pension contributions under the Uniformed Services Employment and Reemployment Rights Act (USERRA)

After five years of earned service credit in the Statewide Retirement Plan, Members may purchase:

- Up to five years of private employment for which they are not eligible for a retirement benefit

Additional points:

- Once eligible, purchase(s) can be made throughout the Member's career, but must be completed prior to retirement or entry into DROP
- The cost is based on the Member's age and highest annual base salary in the Plan
- The Member may estimate the cost of purchasing service credit using the calculators in the Member Account Portal (MAP) or at JoinFPPA.org
- Factors used to determine the cost of service credit may be revised periodically

Excess Contributions into the Statewide Retirement Plan

If a Member or Employer elects to pay contributions into the Plan at a higher rate than is required, the excess contributions will be deposited into a Money Purchase Component account in each affected Member's name. Member contributions are made post-tax, whereas Employer contributions are pre-tax.

For more information, please see the Money Purchase Component section beginning on the next page or contact FPPA.

Money Purchase Component

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, 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.

Money Purchase Component Vesting

The Money Purchase Component has a 5-year vesting schedule.

Vesting Schedule for the Money Purchase Component

From the first day of membership in the Component, Members are fully vested in their Member contributions and any amounts "rolled over" to the Component for the Member account.

The Member becomes vested in Employer contributions according to the schedule on the right. Service credits in the Statewide Retirement Plan prior to making excess Money Purchase Component contributions count towards this vesting schedule.

Years of Service	Vested %
Less than 1 year	0%
1 – 2	20%
2 – 3	40%
3 – 4	60%
4 – 5	80%
5+ years	100%

For departments who reenter or otherwise affiliate with FPPA, Members' years of service in the local plan prior to joining FPPA count towards their vesting schedule.

The Member also becomes 100% vested in the Employer contributions when they reach age 55 regardless of years of service, or upon death, or Permanent Occupational or Total Disability prior to retirement.

Choice of Investment Options

Members direct the investments on their Money Purchase Component account. 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 Fidelity 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

Money Purchase Component

Money Purchase Component: Naming Beneficiaries

The Member will name a beneficiary for the Money Purchase Component when they enter the Component. 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 Money Purchase Component 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 Money Purchase Component:

Conversion to a Monthly Lifetime Benefit

A Member may elect to convert all or part of their account balance in their Money Purchase Component to a monthly lifetime benefit. The same benefit payment option that they chose for their defined benefit will apply to this monthly lifetime benefit. COLAs applied to their defined benefit will also apply to the monthly lifetime benefit.

Lump Sum

The Member may choose a lump sum for all or a portion of the Money Purchase Component.

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.

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.*

Excess Contributions from other Components

Members enrolled in the Money Purchase Component, or another Component of the Statewide Retirement Plan, or their Employer, may elect to pay contributions at a higher rate than is required. The excess contributions will be deposited into a Money Purchase Component account in each affected Member's name.

Terminated and retired Members, including those in DROP, are not eligible to have excess contributions deposited in the Money Purchase Component.

Please contact FPPA for more information.

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.

Money Purchase Component

Managing the Money Purchase Component

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

Online: NetBenefits.com

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 needs 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 News & Media pages at FPPAco.org, Members can find quarterly fund performance data, Brainshark investment education presentations, and links to past and future webinars

This plain language document is intended for informational purposes only.

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

FPPA | Fire & Police Pension
Association of Colorado

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(303) 770-3772 • (800) 332-3772 • (303) 771-7622 Fax