



## Who We Are.....

A nonprofit, public sector retirement association created in 1968 to provide “the best retirement plans, products and services at the lowest possible cost”.

- Currently serving 220+ Colorado public sector member employers: 51 Colorado Counties, 47 Municipalities, & 122 Special Districts
- Completely independent board of directors, investment advisor & recordkeeper

## The CCOERA Advantage.....

### Lower administrative costs

- Joining with other employers allows economies of scale, lower fees: 0.25% per year of combined account balances, capped at the first \$175,000; fees paid by the employee; no cost to employer
- Each employer chooses matching contribution rates and plan features

### Less burden for employers

- Regulatory filings not required
- Investment due diligence provided
- Fiduciary liability reduced

### CCOERA 457 Plan offers flexibility for additional benefits

- Employee may elect to defer additional amounts
- Employer may elect to provide additional contributions to select employees

### Experienced counselors

- Industry certifications (CRC, CFP)
- Over 100 years of industry experience
- Educational meetings and personalized counseling
- Service plans customized to fit employers' needs

### State-of-the-art website

- Balance, transaction and beneficiary info
- Personalized projections
- Useful planning and budgeting tools

### Institutional-class investments

- Lower expense ratios
- Individual options
- Target date funds

**Empower Advisory Services:** for additional guidance

**Schwab Self-Directed Brokerage:** for more investment flexibility

**Plan accounts can stay at CCOERA even after retirement**

- Full lifetime access to CCOERA services and website, same low fees
- Annuity options at a reduced rate through our partner, Hueler

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*CCOERA Mission: Provide superior retirement services to foster an enhanced quality of life through education, partnership and excellence of service. [www.ccoera.org](http://www.ccoera.org)*

DETERMINE WHETHER TO USE "SALARY" AS DEFINED IN SECTION 24-51-101 (42)(a) OR AS DEFINED IN SECTION 24-51-101 (42)(b), WHEN THE EMPLOYER HIRES AN EMPLOYEE WHO IS A CURRENT MEMBER OR RETIREE OF THE ASSOCIATION. THE ASSOCIATION SHALL PROVIDE SUCH INFORMATION TO THE EMPLOYER UPON REQUEST.

**SECTION 6.** In Colorado Revised Statutes, 24-51-313, **amend** (1) as follows:

**24-51-313. Termination of affiliation - employer assigned to local government division - requirements.** (1) Any political subdivision within the state of Colorado or any public agency created by such a political subdivision that is an employer affiliated with the association pursuant to ~~the provisions of~~ section 24-51-309 and that is assigned to the local government division may make application to the board to terminate the affiliation of the employer with the association. The application shall be made by submitting to the board an ordinance or resolution that has been adopted by the governing body of the employer and that has been approved by at least sixty-five percent of the employees of the employer who are members. Such employee members of the employer shall be notified in writing of the provisions of section 24-51-321 prior to a vote on an ordinance or resolution to terminate the affiliation of the employer with the association. NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION (1), ANY SUCH EMPLOYER THAT CEASES OPERATIONS OR CEASES TO PARTICIPATE IN THE ASSOCIATION FOR ANY REASON SHALL BE DEEMED TO HAVE TERMINATED ITS AFFILIATION WITH THE ASSOCIATION AND MUST COMPLY WITH THE PROVISIONS OF SECTIONS 24-51-315 THROUGH 24-51-319.

**SECTION 7.** In Colorado Revised Statutes, 24-51-315, **amend** (1) and (2); and **add** (5) and (6) as follows:

**24-51-315. Termination of affiliation - reserves requirement.** (1) The board ~~shall~~ HAS THE AUTHORITY TO determine the amount of reserves required as of the effective date of termination of affiliation to:

(a) Maintain current benefits payable by the association to benefit recipients and to preserve the vested rights of inactive members; ~~The amount of reserves shall be determined by the board utilizing certified actuarial reports prepared by the actuary. The actuarial report shall also certify that the termination of affiliation shall not have an adverse financial~~

## **§ 24-51-313. Termination of affiliation - employer assigned to local government division - requirements**

- (1) Any political subdivision within the state of Colorado or any public agency created by such a political subdivision that is an employer affiliated with the association pursuant to section [24-51-309](#) and that is assigned to the local government division may make application to the board to terminate the affiliation of the employer with the association. The application shall be made by submitting to the board an ordinance or resolution that has been adopted by the governing body of the employer and that has been approved by at least sixty-five percent of the employees of the employer who are members. Such employee members of the employer shall be notified in writing of the provisions of section [24-51-321](#) prior to a vote on an ordinance or resolution to terminate the affiliation of the employer with the association. Notwithstanding the provisions of this subsection (1), any such employer that ceases operations or ceases to participate in the association for any reason shall be deemed to have terminated its affiliation with the association and must comply with the provisions of sections [24-51-315](#) to [24-51-319](#).
- (2) All applications for termination of affiliation shall comply with the requirements set forth in this section, and, except as otherwise provided in this part 3, all applications meeting such requirements shall be approved by the board. Applications which do not meet the requirements of this section shall not be approved by the board. Upon approval of such application, the effective date of termination of affiliation shall not occur earlier than sixty days or later than ninety days after the date upon which such application is submitted to the board.

## **§ 24-51-315. Termination of affiliation - reserves requirement**

- (1) The board has the authority to determine the amount of reserves required as of the effective date of termination of affiliation to:
  - (a) Maintain current benefits payable by the association to benefit recipients and to preserve the vested rights of inactive members; and
  - (b) Fully fund the liability for benefits payable by the association from the health care trust fund created by section [24-51-1201\(1\)](#) to current and future benefit recipients pursuant to part 12 of this article 51.

## **§ 24-51-316. Inadequate reserves - excess reserves - nonpayment**

- (1) (a) In the event that the amount of the reserves required pursuant to section [24-51-315\(1\)\(a\)](#) exceeds the amount of the employer's share of the employer contribution reserve in the local government division trust fund as calculated by the actuary, then the employer shall make an additional payment as of the effective date of termination of affiliation in an amount equal to the difference between the amount of reserves required and the amount of reserves on deposit.

## **Q17 | If a department enters the FPPA Defined Benefit System is that decision irrevocable, or can they opt out at a later date?**

Colorado Revised Statute (CRS) 31-31-1101(4) states that FPPA shall adopt rules that contain a provision specifying that an employer that opts to participate in the FPPA Defined Benefit System shall not be permitted to opt out of such plan at any later date.

This mandate was incorporated into the Statewide Hybrid Plan Rules and Regulations 2.02 (a)(7). As part of the Employer's Resolution to cover its members in the FPPA Defined Benefit System, the Employer acknowledges that election for coverage under the FPPA Defined Benefit System is irrevocable.

The long-term viability of a defined benefit plan requires stability and consistency in its membership base. Allowing members or departments to enter and withdraw at will weakens the stability of the plan and increases the cost of benefits. There is also the issue of determining the appropriate amount of funding that a member or department can take upon withdrawing from a defined benefit plan, particularly if they want to withdraw after an especially good or bad period of market returns, since a defined benefit plan is funded based on a long term, not short-term, average rate of return.

There was little, if any, discussion on the part of the task force for allowing free entry into and exit from the FPPA Defined Benefit System. When creating the opportunity to allow re-entry, an over-riding concern was to in no way harm the plan for its existing members by allowing new members to join. For the 24 departments that have re-entered to date, the lack of a disaffiliation option was not an issue.

At this point in time it would take legislation to allow for withdrawal from the FPPA Defined Benefit System except that certain departments may be allowed to withdraw into the Statewide Money Purchase Plan.

If members are unsure as to whether or not they want a defined benefit plan, current, existing members will be given an individual choice to stay in the Money Purchase Component only of the Plan. Currently, Fidelity Investments is the service provider and record keeper. The FPPA Board may change providers if Fidelity is not providing the quality of services expected for the membership.