FPPA | Fire & Police Pension Association of Colorado

Statewide Death & Disability Plan

Fire & Police Pension Association of Colorado

Disclaimer

This plain language presentation is intended for informational purposes only. Official interpretations or determinations are based upon the Colorado Revised Statutes and the rules and regulations that govern this Plan.

Statewide Death & Disability Plan Overview

266
Participating Departments

14,835
Active Members
Police Officers & Firefighters Across Colorado

98.8%
Funding Status

PS1

FPPA Retirement Plans

Members Enrolled in These Retirement Plans May be Covered by SWDD

FPPA Defined Benefit System

Defined Benefit

SRP
Statewide Retirement Plan

CSNHPP
Colorado Springs New Hire Pension Plan

Money Purchase

SRP: MP
Statewide Retirement Plan: Money Purchase Component

Not Included in FPPA Defined Benefit System

Locally Administered Money Purchase Plans

FPPA Statewide Money Purchase Plan

Contributions

- Members hired before January 1, 1997
  - State funded
- Members hired on or after January 1, 1997
  - Legislation allows the Board to increase contributions each year by 0.2% of Member’s base salary
  - 4.0% contribution through December 31, 2026
  - 4.2% contribution starting January 1, 2027

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Death & Disability Benefits

CW2

Coverage Details

- Members are covered
  - 24 hours per day
  - 7 days per week
  - On and off the job
  - 365 days after last day on payroll to apply
- Disability and off-duty survivor benefits
  - Until eligible for Normal Retirement
    - Age 55 **and** 25 years of accumulated service (or Rule of 80), or
    - Member starts receiving retirement benefits, including DROP
- On-duty survivor benefits
  - Covered, while an active employee, regardless of retirement eligibility

Definition: Occupational Disability

- Member is unable to perform regular, assigned duties due to a medical condition
- Condition is expected to exist for at least one year

Types: Occupational Disability

- Temporary Occupational Disability
  - Prognosis for improvement or recovery
  - 40% of Pensionable Earnings
  - Limited to 5 years (or reach Normal Retirement eligibility)
  - Periodic reviews
- Permanent Occupational Disability
  - No prognosis for improvement or recovery
  - Member not able to return to their occupation
  - Ability to engage in substantial, gainful activity
  - 50% of Pensionable Earnings

Definition: Total Disability

- Inability to engage in any substantial, gainful activity*
- Condition expected to last at least 1 year and/or life expectancy may be shortened
- 70% of Pensionable Earnings

*As of 1/1/2026, the definition for substantial gainful activity was updated to include that, generally, a Member is not engaged in substantial gainful activity if the Member is able to earn, on a monthly basis, less than 20% of the Members' pre-disability earnings, indexed annually at the CPI-W. CW1

Benefit Payment Options

For Both Permanent Occupational and Total Disability

- Single-Life Option
- 100% Survivor Benefit
- 50% Survivor Benefit
- 100% Family Benefit*

*Applies to Members with spouses and/or dependent children at the time of disability retirement.

Offsets

Defined Benefit Members receive a disability benefit in lieu of a retirement benefit. Offsets equalize the payment of SWDD benefits for Members in different pension plans.

Offsets Apply To	No Offset For
• Money Purchase Plan funds • Defined Benefit through another Colorado department	• 457 Deferred Compensation • Workers Compensation • Insurance awards • Social Security

Applies to Permanent Occupational, Total Disability, or Survivor Benefits.

Taxability of Benefits

- On-duty disability
  - Benefits reported as non-taxable
  - Member must support on-duty claim
  - Presumption of on-duty for disability of a firefighter caused by certain cancers
- Off-duty disability
  - Benefits are subject to state and federal income taxes

Application Process

- Must apply within 365 days of last day on payroll
  - Condition must have existed prior to termination
  - Contributions must have been made during any leave of absence
- Disability process can take 120 days to complete
- Member’s responsibilities:
  - Ensuring all parts of the application are complete (Member’s section, Employer’s section, Physicians’ Statements of Disability)
  - Submitting medical records. Records must demonstrate that Member is unable to perform duties for at least one year

Application Process (cont'd)

- Medical Advisor selects panel for independent medical evaluation(s)
- Third-party administrator schedules appointments
- Summary of medical report(s) is presented to Death & Disability Review Committee (DDRC)
- DDRC determines disability and duty status (if applicable)

Verification of Eligibility

- Annual Process
  - For Permanent Occupational and Temporary Occupational, survey reviews type of work
  - For Total Disability, survey reviews work type and earned income
  - Random selection of Members must provide copies of federal tax returns, W2s, and 1099s
- FPPA Review Authority
  - FPPA has authority to review eligibility at any time
  - If notified that a Member may no longer be disabled/meet the definition of disability, reevaluations may be conducted
  - Notifications often provided by the Member, other Members, Employers, or people familiar with the Member's situation

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Survivor Benefits

Survivor Benefits: Active Death

On Duty

70%

of Pensionable Earnings payable to spouse and/or dependent children

- Offsets apply
- Applicant must provide documentation to support on-duty claim

Off Duty

40%

of Pensionable Earnings payable to spouse only; or spouse and one dependent child

50%

of Pensionable Earnings payable to spouse with two or more dependent children

- Offsets apply

Only payable to spouse and/or dependent children. Benefit split if children live in separate households.

CW1

Duration of Benefits: Active Death

- Spouse: payable for lifetime regardless of remarriage
- Dependent children: payable until age of 23 or the dependent child get married
- Incapacitated, dependent children: can be extended beyond 23 regardless of marital status CW1
    - Documentation required demonstrating incapacitation

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SWDD Experience

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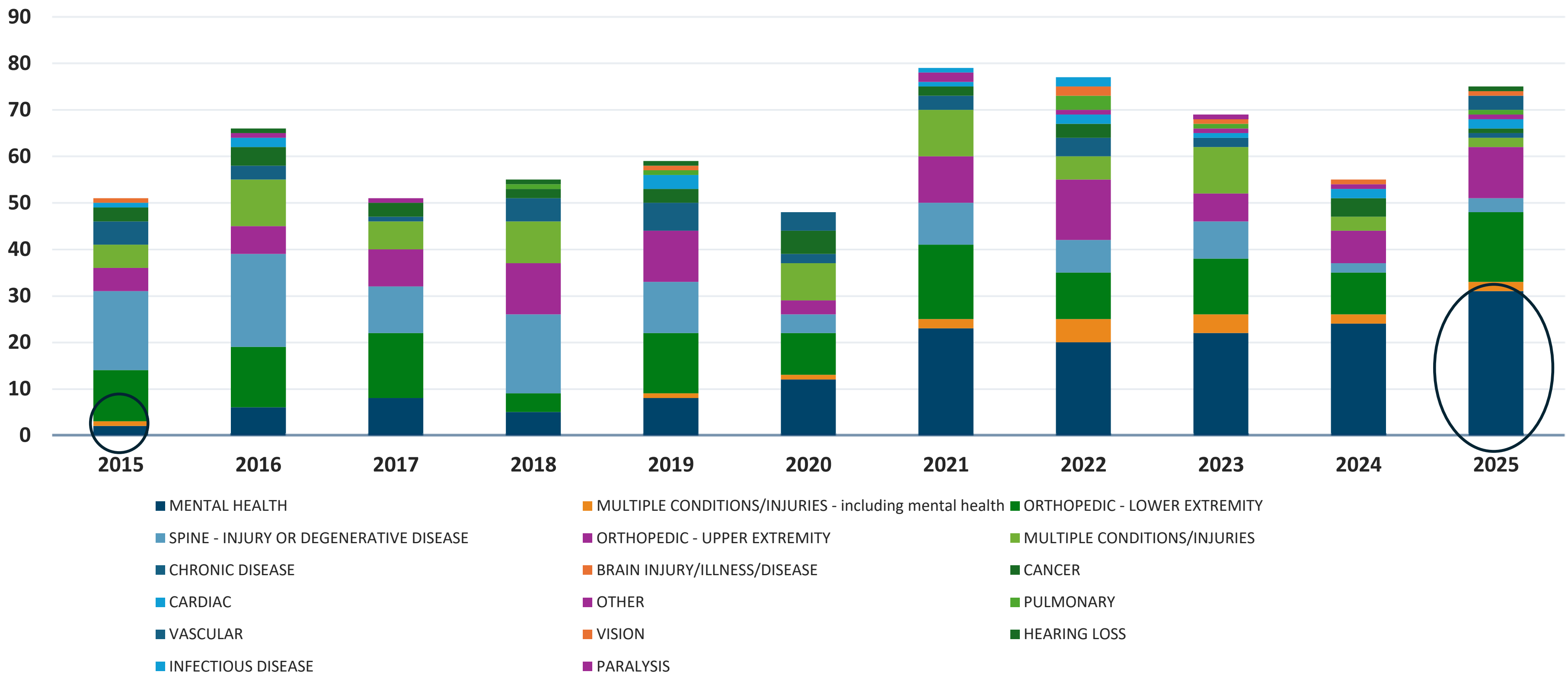
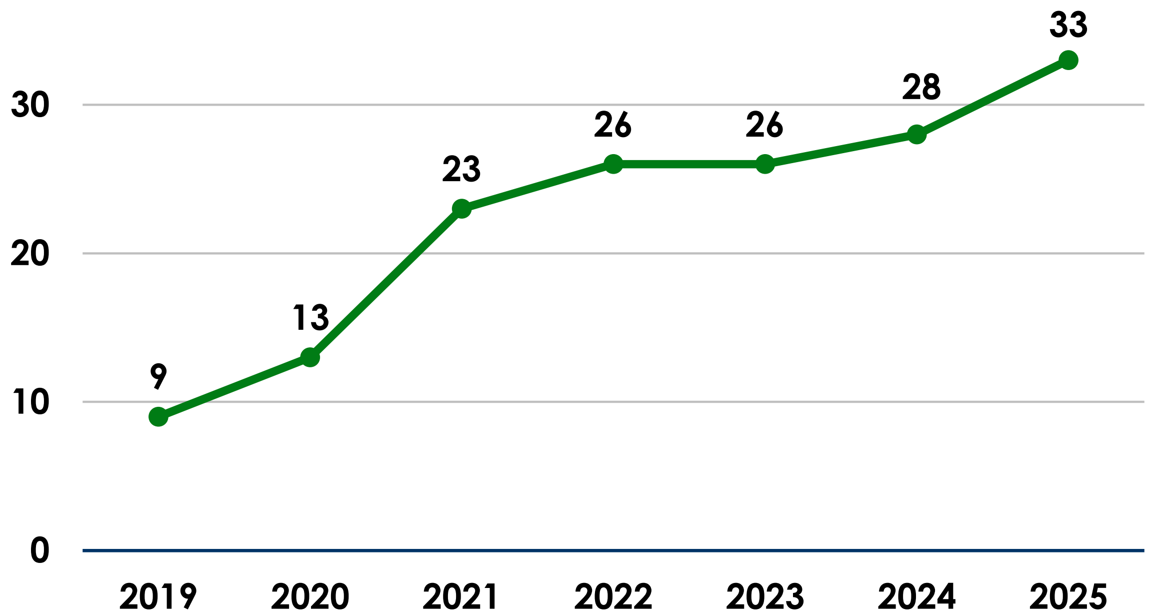
Initial Disability Applications by Year

By Medical Category



Mental Health Claims

2019 - 2025



3.7x

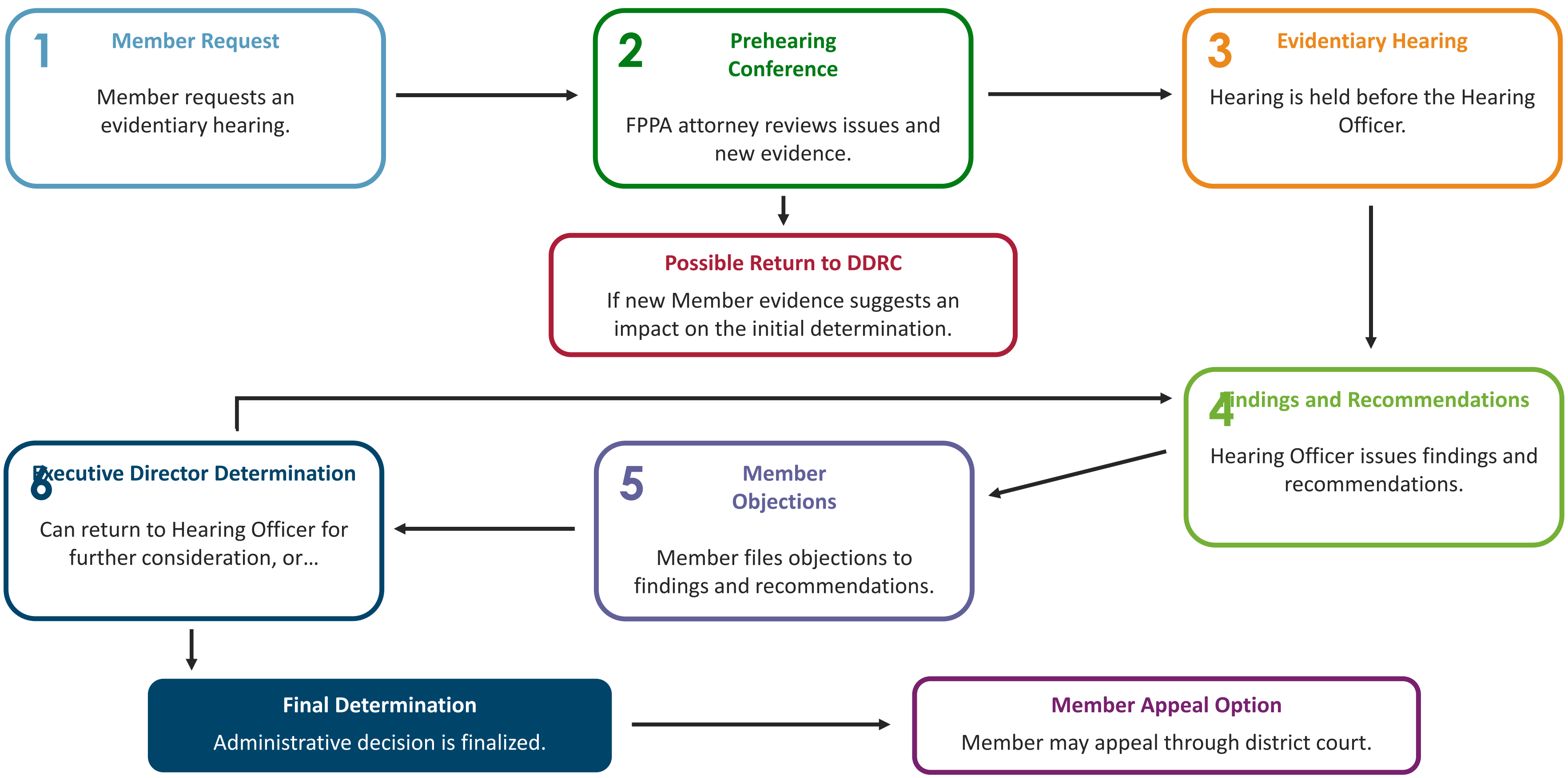
more annual claims than in 2019

33

claims in 2025—an all-time high

Evidentiary Hearing Workflow

Member Request Through Final Determination and District Court Appeal Option



Evidentiary Hearings

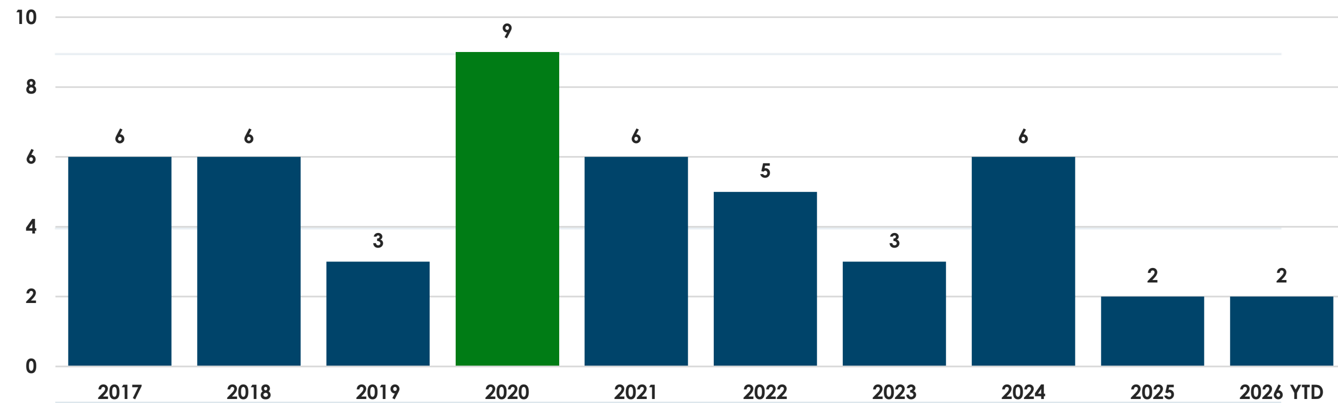
2017 – 2026 YTD

48
Total Hearings

9 Highest Year 2020

2 Hearings 2026 YTD

Hearings by Year



Hearing by Type

13	Denial of Benefits*
9	On-duty Status
13	Benefit Level Granted
2	Benefit Calculation
5	Change to Total Disability
6	Other

*Includes ineligible to apply; pre-existing condition; and found not disabled.

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Retiree Insurance

Retiree Insurance Options

- Optional Insurance Programs
  - FPPA can make direct premium deductions for the following programs
    - Employer-sponsored retiree group health plans
    - FPPA-sponsored dental and vision programs
    - FPPA-sponsored supplemental Medicare programs for those age 65+
  - Free discount prescription drug card
- Support
  - HUB International helps retirees find individual policies
    - Travel insurance
    - Long-Term Care
    - Norton Lifelock Identity Theft Protection
    - Life Insurance, etc.

Questions?

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Reference Slides

Base Salary

- Total rate of pay, including:
  - "Picked Up" contributions to qualified retirement plans
  - Longevity
  - Sick leave taken in normal course of employment
  - Vacation leave taken in normal course of employment
  - Shift differential
  - Mandatory overtime that is part of fixed, periodic compensation

Example

Application Information	Calculation Details
Member: John Doe	45 years old
Base Salary	$80,000
Disability Status Granted	Permanent Occupational
Money Purchase/SRA Balance	$250,000
Retirement Plan Contribution Rate	20%
Spouse	44 years old
Youngest Child	10 years old
Years With Department	15

Example

Payment Option	Monthly Benefit*	Benefit to Beneficiary
Single-Life Option	$2,193.58	NA
100% Survivor Benefit	$1,936.19	$1,936.19
50% Survivor Benefit	$2,056.79	$1,028.40
Family Benefit Option	$1,907.05	$1,907.05**

*Monthly benefit figures represent benefit after offset of $1,139.76 per month
**Payable only to spouse and/or dependent children.

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Thank You!