

FIRE AND POLICE PENSION ASSOCIATION (FPPA) - LEGISLATIVE MANDATES AND DISCUSSION OF CHANGES

November 17, 2020

SUMMARY OF DISCUSSION ITEMS

Statewide police pension plan - legislative changes increase contribution rates for

- Rule of 80
- Reentry - hired before 2005
- New - hired after 2005
- Death and Disability Plan

INCREASED CONTRIBUTION RATE

- RULE OF 80

Definition of normal retirement has been expanded

Brighton contribution rates must increase to cover cost

Example: 52 years old, 28 years of service, \$5,833 Salary

	Before	After
Benefit %	50.28%	65.00%
Monthly Benefit	\$2,933	\$3,792

INCREASED CONTRIBUTION RATES REENTRY

- WHAT IS CHANGING?

Year	HIRED BEFORE 2005		
	Employee	Employer	Total
2020	13.00%	10.00%	23.00%
2021	13.00%	10.00%	23.00%
2022	13.00%	10.00%	23.00%
2023	13.00%	10.00%	23.00%
2024	13.00%	10.00%	23.00%
2025	13.00%	10.50%	23.50%
2026	13.00%	11.00%	24.00%
2027	13.00%	11.50%	24.50%
2028	13.00%	12.00%	25.00%
2029	13.00%	12.50%	25.50%
2030	13.00%	13.00%	26.00%

INCREASED CONTRIBUTION RATES NEW

- WHAT IS CHANGING?

Year	HIRED AFTER 2005			
	Employee	COB-SWDB	COB-457	Total
2020	11.00%	8.00%	1.00%	20.00%
2021	11.50%	8.50%	0.50%	20.50%
2022	12.00%	9.00%	0.00%	21.00%
2023	12.00%	9.50%	0.00%	21.50%
2024	12.00%	10.00%	0.00%	22.00%
2025	12.00%	10.50%	0.00%	22.50%
2026	12.00%	11.00%	0.00%	23.00%
2027	12.00%	11.50%	0.00%	23.50%
2028	12.00%	12.00%	0.00%	24.00%
2029	12.00%	12.50%	0.00%	24.50%
2030	12.00%	13.00%	0.00%	25.00%

INCREASED CONTRIBUTION RATE - STATEWIDE DEATH & DISABILITY

Contribution rate increase 0.2% in 2021

Legislature gave FPPA authority to increase contribution rates 0.2% in future years as needed to keep plan funded

	Current	Future
Brighton	2.80%	2.80%
Employee	0.00%	0.20%
Total	2.80%	3.00%

Questions?
Discussion