CITY OF LOVELAND
HUMAN RESOURCES DEPARTMENT
Civic Center · 500 East Third · Loveland, Colorado 80537
(970) 962-2371 · FAX (970) 962-2919 · TDD (970) 962-2620

AGENDA ITEM:	**1**
MEETING DATE:	1/24/2012
TO:	City Council
FROM:	Julia Holland, Human Resources Director
PRESENTERS:	Julia Holland and/or Rita Chandler, Human Resources Bob Weesner, Police Pension Board Chair John Spreitzer, Police Pension Board Co-Chair Moses Garcia, Assistant City Attorney Ray Miller, Plan Participant

TITLE:
Police Retirement Benefit Plan Amendments

DESCRIPTION: The Police Retirement Board is requesting approval of three (3) amendments to the Police Retirement Plan:

1) Allow any Plan participant who has reached normal retirement age of fifty-five (55) to access his or her vested Plan balance, subject to applicable tax penalties
2) Permit a Plan participant to make a withdrawal from his or her vested Plan balance, if the withdrawal qualifies as a hardship withdrawal under the Internal Revenue Code (IRS) and corresponding regulations, including applicable tax penalty
3) Allow Plan participants to make additional voluntary after-tax contributions to the Plan, subject to the IRS maximum limits

RECOMMENDATION: Review and give direction to staff for preparation of action on plan amendments.

BUDGET IMPACT:
☐ Positive
☐ Negative
☒ Neutral or negligible

No change in benefit is proposed. There is no immediate budget impact.

SUMMARY:
On May 17, 2011, 80% of the Police Retirement Board voted to amend the Plan to: (1) allow any Plan participant who has reached normal retirement age of fifty-five (55) to access his or her vested Plan balance, (2) permit a Plan participant to make a withdrawal from his or her vested Plan balance, if the withdrawal qualifies as a hardship withdrawal under the Internal Revenue Code and corresponding regulations, and (3) allow Plan participants to make additional voluntary after-tax contributions to the Plan, subject to the IRS maximum federal limits.

In September, the Plan amendments were approved by at least sixty five (65%) of active Plan participants. The final step in Plan amendment approval is approval by the City Council, which is the Plan sponsor.

Amendments #2 and #3 are not uncommon in defined contribution plans and due to the parameters associated with each of these, there are no foreseeable negative impacts or implications which would affect the City. Human Resources staff and Plan participants agree on these two amendments.

Amendment #1 will allow anyone that has reached the age of fifty-five (55) to receive in-service withdrawals on vested balances. "In-service" means that the employee is still working for the City of Loveland. Although the IRS does impose a tax penalty (unless participant is at least 59 ½), this option may allow for participants to withdraw retirement assets instead of building retirement income at a critical phase in their career. This amendment raises more significant issues and is brought to the Council for discussion and direction.

<u>Context:</u> The IRS amended its regulations in 2007, allowing in-service withdrawals as proposed in this amendment. However, different employers have various situations affecting their employees.

The retirement plan proposed for amendment is the sole retirement plan for the Police Retirement Plan participants provided by the City of Loveland which requires employee participation. The City of Loveland Police Plan participants do not participate in Social Security, so unless employees have Social Security from other employment during their lives, this Plan may be their sole source of pension income.

Staff have surveyed other jurisdictions' plans to determine whether there is broad acceptance in the marketplace of allowing withdrawal of pension assets while the employee is still in service. The results are attached in Appendix E. The market signals are mixed – some employers have moved to allow this, and others have not. Generally, most employers have discouraged employees from removing their assets from retirement plans.

The attachments to this cover sheet include: Council's role and responsibilities in the City of Loveland Retirement Plans, market data, and the advantages and disadvantages of in-service withdrawals.

Police Retirement Board Recommendation: The Police Retirement Board Chair is recommending all three plan amendments be approved by City Council. The Police Retirement Chair and a Police Retirement Participant recommendations and rationale are enclosed; please refer to Appendix D for additional information.

Human Resources Concerns: Human Resources recommends City Council approve amendments two (2) and three (3) as proposed.

Due to the impacts that Amendment #1 may have upon the Police Retirement Plan and the implications it may have upon the Police Department workforce, Human Resources suggests that Council consider approving Amendment #1 with a modification.

HR suggests that Amendment #1 be modified to read "Allow any Plan participant who has reached normal retirement age of fifty-five (55) to access his or her vested Plan balance, if participant has a reduction in annual compensation of at least 25%".

This modification would allow participants to phase into retirement and access funds if a participant chooses to continue to work for the City at a reduced schedule and/or lower level position and access retirement benefits at the same time.

Key Factors to Consider: Essentially, the issue for Amendment #1 is whether to allow employees still working for the City to withdraw their retirement assets at the same time. Appendix E contains a listing of "pros" and "cons" supplied by Innovest, the City's advisor.

The most important of these factors include:

- Potential depletion of a participant's retirement assets for non-retirement purposes; especially important because this plan is the sole retirement provided by the City. However, it is also possible for a participant to deplete their retirement accounts by investment choices within the plan.

- Freedom of choice for the participant is maximized by the Amendment.

- If significant withdrawals are made from the plan as a whole, it may reduce investment options or increase operating costs for the plan as a whole.

- If retirement resources are depleted and employees therefore elect to work longer, there are long-term implications for the Police Department's workforce.

REVIEWED BY CITY MANAGER: William D Cahill

LIST OF ATTACHMENTS:

APPENDIX A: Role and Responsibility of City Council
APPENDIX B: Retirement Plan Terminology
APPENDIX C: In-service Withdrawals Pros and Cons
APPENDIX D: Police Recommendations
APPENDIX E: Retirement Market Data

Roles and Responsibilities:

City Council represents the City of Loveland Plans and acts as the "Plan Sponsor" and delegates day-to-day plan administration to respective Board members.

Board member responsibilities include:

- Daily operations completed as required by law
- Record keepers provide accurate records
- Plan offers reasonable investment vehicles with reasonable fees
- Investment options are monitored, reviewed and replaced as needed
- Plan document recordkeeping

City Council holds the responsibilities of reviewing, approving or denying changes that affect the scope of the plan such as:

- Contribution levels
- Withdrawal options
- Board composition
- Substantial plan changes

Fiduciary Responsibility:

Since City Council members act as the plan sponsor for the City of Loveland Retirement plans, they are consider fiduciaries of the plans.

Under the Employee Retirement Income Security Act (ERISA), A fiduciary is a person (or a business like a bank or stock brokerage) who has the power and obligation to act for another (often called the beneficiary) under circumstances which require total trust, good faith and honesty.

Fiduciaries have important responsibilities and are subject to standards of conduct because they act on behalf of participants in a retirement plan and their beneficiaries. These responsibilities include:

- Acting solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them;
- Carrying out their duties prudently;
- Following the plan documents;
- Diversifying plan investments; and
- Paying only reasonable plan expenses

The duty to act prudently is one of a fiduciary's central responsibilities under ERISA. It requires expertise in a variety of areas, such as investments. City Council delegates these actions to Board members since they typically hold the expertise needed to run the day to day operations of the plan (or hire such experts to advise them). However, when plan changes or decisions come to the council, they must fulfill their duty to act prudently in their review and subsequent approval or denial of such changes.

Boards:
There are several boards for which the Council is ultimately responsible for:

- Employee Retirement Board (general employee plan)
- Police Retirement Plan
- Fire Retirement Plan
- Loveland and Rural Fire Pension Board

Employee Retirement Board (general employee plan)

- 401(a) Money Purchase Plan
- Employee contributions of 3% begin at 6 months of employment
- City contributions of 5% begin at 6 months of employment and increases with longevity to a maximum of 9%
- 100% vested at 3 years of service
- Distributions available at separation of service
- IRS guidelines include tax penalties for early distribution
- No loans, nor hardship withdrawals are offered on this plan
- Recordkeeper: Great-West Retirement Services

Current Board Members:

Voting members:

Employee & Chair:	Bill Thomas
Citizen (City Council approved) and Vice Chair:	Jeff Barnes
Employee:	Jim Wedding
Citizen (City Council approved):	Richard Barton
Finance Designee:	Alan Krcmarik

Non-voting members:

Human Resources Designee, Plan Admin:	Rita Chandler/Julia Holland
City Attorney Designee:	Moses Garcia

Plan Assets (12/31/11):

- 401: $42,418,711.52
- 457: $15,479,888.51
    - combined assets are $57,898,600.03

Police Retirement Plan

- 401(a) Money Purchase Plan for Police Officers
- Employee contributions of 7% begin immediately
- City contributions of 11% begin immediately
- 100% vested at 5 years of service
- Distributions available at separation of service
- IRS guidelines include tax penalties for early distribution
- No loans, nor hardship withdrawals are offered on this plan
- Additional after-tax contributions up to 7% allowed
    - After-tax contributions are eligible for in-service distribution
- Recordkeeper: Principal Financial

Current Board Members:

Voting members:

Employee and Chair:	Bob Weesner
Employee and Vice Chair:	John Spreitzer
Citizen Advisory member:	Bev Cardarelli
Finance Designee:	Alan Krcmarik
Human Resources Designee/Liaison:	Rita Chandler/Julia Holland

Non-voting members:

City Attorney Designee/Liaison:	Moses Garcia

Plan Assets (12/31/11):

401: $18,107,525.00

Fire Retirement Plan

- 401(a) Money Purchase Plan for Certified Fire employees
- Employee contributions of 9% begin immediately
- City contributions of 11% begin immediately
- 100% vested after 6 years of service (20% at 2 yr; 40% at 3 yr; 60% at 4 yr; 80% at 5 yr)
- Distributions available at separation of service
- IRS guidelines include tax penalties for early distribution
- Loans are available on this plan
- Recordkeeper: Nexus

Current Board Members:

Voting members:

Employee and chair:	Todd Heasty
Employee and vice chair:	Mark Lyons
Employee and secretary:	Greg Gilbert

If City Council approves the addition of two new voting members:

Fire Admin/Fire Chief Appointee:	Ned Sparks
Citizen/Subject Matter Expert:	Chris Klaas

Non-voting members:

Finance Designee:	Alan Krcmarik
Human Resources Designee/Liaison:	Rita Chandler/Julia Holland
City Attorney Designee/Liaison:	Moses Garcia

Plan Assets (12/31/11):

401: $11,014,538.74

Loveland and Rural Fire Pension Board

- A defined benefit plan for members of the Loveland Volunteer Fire Department and the Loveland Rural Fire Protection District. This plan also covers 3 retiree's from the City's Old Pension Plan
- Funded by the City of Loveland and the Loveland Rural Fire Protection District
- Recordkeeper: Fire and Police Pension Association

Current Board Members:

Voting members:

Rural Board/President:	Mike McKenna
Rural Board:	Barry Gustafson
City Council Appointed:	Mike Alexander
City Council Appointed:	Arthur Erickson
Volunteer Board:	John Stuart
Volunteer Board:	Vacant
Volunteer Board:	Chris Sandoli

Non-voting members:

Finance Designee/City Liaison:	Alan Krcmarik
Secretary:	Rita Chandler

Plan Assets (12/31/11):

Current Volunteers & Rural: $ 2.64 million
Old Hire Pension: $ .27 million

Additional Plans:

457 Plan

- Plan available to all general, police and fire employees
- Voluntary deferred compensation contributions allowed up to IRS maximums
- 457 Roth after-tax option contributions allowed up to IRS maximums
- Distributions available at separation of services
- No IRS penalties on early distribution of deferred compensation
- Special IRS rules apply to 457 Roth distributions
- Loans are available on this plan
- Recordkeeper: Great-West Retirement Services

Police and Fire FPPA 457 Plan

- Voluntary deferred compensation contributions allowed up to IRS maximums for police and fire employees only
- Distributions available at separation of services OR at age 70 1/2
- No IRS penalties on early distribution of deferred compensation
- Recordkeeper: Fire and Police Pension Association

Defined Benefit Plans:
Typically a mandatory participation plan. An employer-sponsored retirement plan where the employer and the employee contribute a certain percentage of money into the plan. At time of retirement the employee is guaranteed a certain income, often for life, based on length of employment and salary history. Investment risk and portfolio management are entirely under the control of the company. There are also restrictions on when and how you can withdraw these funds without penalties.

401 (a) Defined Contribution Plans:
Typically a mandatory participation plan. A retirement plan in which a certain amount or percentage of money is contributed tax deferred each pay period by the organization. Typically, employees also contribute a specified amount or percent of tax deferred money. There are IRS restrictions as to when and how you can withdraw these funds without penalties. Taxes are paid at time of distribution. Please refer to Tax Penalties on page 2.

457 Deferred Compensation:
Typically a voluntary participation plan. A retirement plan in which employees can contribute a tax deferred amount of earned income into the plan, based on IRS maximums. Taxes are paid at time of distribution, no IRS penalties apply regardless of age.

457 Roth:
A new retirement option within the 457 Deferred Compensation plans that require taxes to be paid prior to contribution. There are IRS restrictions as to when and how you can withdraw these funds in order to benefit from the goal of tax-free earnings. Please refer to Tax Penalties on page 2.

In-Service Distribution:
The ability to withdraw funds from a retirement plan prior to leaving employment.
*Refer to Tax Penalties on page 2.

Hardship Withdrawal:
The ability to initiate an emergency withdrawal from a retirement plan that otherwise may not allow distribution for that employee at the given time. According to IRS sources, a retirement plan may (but is not required to) allow participants to receive hardship distributions. A distribution from a participant's elective deferral account can only be made if the distribution is:

- because of an **immediate and heavy financial need**, and
- limited to the **amount necessary** to satisfy that financial need.

Taxes and penalties apply if distribution does not meet certain IRS guidelines. *Refer to Tax Penalties on page 2.

Tax Penalties for Early Distribution:

According to the IRS sources the following applies to early distributions, this includes early withdrawal for qualified plans and hardship withdrawals:

To discourage the use of pension funds for purposes other than normal retirement, the law imposes additional taxes on early distributions of those funds and on failures to withdraw the funds timely. Ordinarily, participants are not subject to these taxes if participants roll over all early distributions received, as explained earlier, and begin drawing out the funds at a normal retirement age, in reasonable amounts over the participant's life expectancy.

Most distributions from qualified retirement plans made to participants before they reach age 59½ are subject to an additional tax of 10%.

An exception is made under most governmental plans allowing for penalty free withdrawals if the participant "retires" from their employer at age 55 or older.

Distribution on 457 Roth Accounts:

457 Roth accounts have specific IRS regulations in regards to distribution. In order to gain the advantage of a Roth 457, tax-free earnings, the participant is required to maintain the 457 Roth account for a minimum of 5 years and may not withdraw until after age 59 1/2. 457 Roth contributions are made with after tax dollars at time of deposit and therefore only the earnings are subject to taxation if the above requirements are not met. No additional penalties are applied by the IRS.

Appendix C – In-service Withdrawals Pro's and Con's

An in-service withdrawal can have serious impacts on a participants retirement account. The purpose of a retirement account is to accumulate savings to provide income at the time of and during retirement. If a participant is allowed to withdraw money during accumulation it may result in a lack of monies to retire and/or available to participants during retirement. The following information was provided to Human Resources by Innovest Solutions, the General Plan Retirement's Consultant, in an effort to retain a third party expert opinion.

1. Pro's and Con's of allowing in-service distributions.

   Pro's
   - Allows participant to access retirement plan money without terminating employment.
   - Allows participant to phase into retirement, continue to work for employer at reduced schedule and access retirement benefits at the same time.
   - Gives participant more control over account, freeing them from restrictions that an employer-sponsored plan can impose.
   - Allows participant opportunity to move retirement plan money to an IRA, providing a person with a greater number of investment choices and greater opportunity for diversification.
   - Allows participant to move assets to an IRA which allowing them to work with their private financial advisor.

   Con's
   - Once a participant takes an in-service withdrawal, they cannot return or repay the money that has been removed from the plan (permanently depletes retirement savings unless rolled over into an IRA).
   - An in-service withdrawal is typically treated as ordinary income and could trigger a tax liability (unless rolled over into an IRA).
   - If participant is under age 591/2, they could be subject to 10% early withdrawal penalty (unless rolled over into an IRA).
   - Liability and risk for the City. Depleted retirement balances may influence participants to deter their retirement due to a lack of assets available for retirement. This may pose a risk to the City, as it may cause participants to work beyond their physical capabilities. The City's Sworn Officer positions are subject to bona fide occupational qualifications, due to the physical nature of their jobs, and it is important that our officers are physically capable to perform their jobs safely.

- By removing assets from the retirement plan, a participant may lose protection of those assets from creditors (creditor protection is stronger in a retirement plan than an IRA).
- If a person rolls over the in-service distribution to an IRA they cannot borrow from it, unlike staying in a retirement plan which offers loans.
- If a person rolls over the in-service distribution to an IRA, Required Minimum Distributions (RMDs) must begin at age 701/2, RMDs do not start in a retirement plan until you stop working.
- An individual may pay higher investment management expenses with a private advisor versus the advisor in the retirement plan.
- Allowing participant's easier access and movement of plan assets to an IRA could encourage and allow financial advisor predators the opportunity to harm a person's retirement account.
- Possibility of negative impacts to the retirement plan from in-service withdrawals.
    1. Large balance participants exiting plan, lowers total plan assets and average participant account balances. This could negatively impact the Plan's service and fee leverage it might have with the retirement plan record-keepers and administrators. Potentially making the plan more expensive with less plan services provided to the remaining retirement plan participants and plan sponsor.
    2. Lower total plan assets could prevent the plan from qualifying to use institutionally priced mutual fund share classes as investment options ultimately increasing the total cost of the plan and negatively affecting the remaining participants.
    3. Participants who have taken in-service distributions may come back at a later date blaming their lack of retirement income on the plan for allowing them access to withdraw their money.

To: Mayor Gutierrez and Loveland City Council

From: Officer Bob Weesner, Police Pension Board Chairperson

Subject: Loveland Police Plan Amendments

Mayor and Council:

Before you are three plan amendments to the Police Pension Plan that I, representing the pension board, would ask you to vote in favor of and amending our plan document.

In 2011, several police officers age fifty five or higher, (our plan's normal retirement age) began to research financial options outside our plan for their future. Our pension plan document was reviewed and our plan provider consulted for direction to assist our participants. As a result of the board's investigation, the pension board voted in favor of three amendments to our plan document.

The plan participants (sworn officers) were contacted and presented with the plan amendments. Per the plan document requirements, the participants voted and in this instance voted unanimously in favor of the three amendments.

I can ensure you that all of the Pension Board members have the best interest of the participants in mind. Much discussion had taken place surrounding one amendment, that allowing a participant who has reached normal retirement age to be able to make an in-service withdrawal of his or her vested account balance.

I will be available to discuss the amendments further and/or answer any of your questions.

Thank you,

Bob Weesner

Bob Weesner

Loveland Police Department
Interoffice
Memorandum

To: **Mayor Cecil Gutierrez and Loveland City Council**
From: **Ray Miller – Loveland Police Pension Partcipant**
Subject: **Amendments to the Loveland Police Pension Plan**
Date: **Jan. 4, 2012**

During the past 33 years that I have been employed by the City of Loveland as a Police Officer, I have had the opportunity to sit on the Police Pension Board for 6 years and have seen many changes in the plan.

Almost 30 years ago the Police Pension Plan (referred hereafter as the "Plan") was changed from a Defined Benefit (DB) Plan to a Defined Contribution (DC) Plan. This DC plan has been a "Self Directing" plan requiring participants to be responsible for making their own investment decisions, with respect to asset allocations and investment direction, and living with the consequences of those decisions since its inception.

Now the Police Pension Board has approved 3 amendments to the Plan, one of which would permit for "in-service" withdrawals from the Plan once a participant has reached retirement age and is still employed as a Police Officer. This amendment has been met with some objection by the City Manager's Office and the Human Resources Department. Among the objections is the stated concern that a participant of the Plan could potentially withdraw his/her money from the plan and end up without enough money to "retire" thus forcing the participant to remain employed beyond their productive service years. It has been further stated that this would force the City of Loveland to deal with an aging workforce and not allow for upward advancement within the Police Department. I would submit that the <u>age</u> of the employee or potential movement within the Police Department should not be a concern as long as the employee is meeting performance standards.

Also with regards to the potential that an employee could drain their account to the point that they could not retire; this could happen anyway if the employee were to make poor investment decisions even <u>before</u> reaching retirement age. Are we to believe that now, just because and employee reaches "retirement age" and may still be employed as an officer, that he/she now will no longer be able to make sound decisions with respect to his/her funds and investments? Does the City want to take on the responsibility for making these decisions for the employee; and deal with the consequences of restricting certain investment opportunities? If so, maybe the plan should be restructured as a DB Plan?

If a person can have access to all of his/her funds at age 55 when he/she goes into retirement; why can't they have access to the funds while still "in-service"? As of 2007, the Federal Treasury Department has said they can. Federal Dept. of the Treasury Rules have been amended for such a withdrawal.

- Rule 71.24 of I.R.S. Reg. 26 CFR Part 1 states …"Rev, Rul, 71-24 (1971-1 CB 114)(see 601.601 (d)(2) (ii)(b) provides guidance for the treatment of benefits under a pension plan for employees who continue employment after normal retirement age. Rev. Rul. 71-24 includes an example that indicates that benefits are permitted to commence during employment after normal retirement age."
- Section 1.401(a)-1(b)(2) of the 2007 regulations provides an exception to the rule that pension benefits be paid only after retirement by permitting a pension plan, as defined in 1.401-1(a)(2)(i) and 1.401-1(b)(1)(i), to commence payment of retirement benefits to a participant after the participant has attained normal retirement age even if the participant had not yet had a severance from employment with the employer maintaining the plan."

Why should our plan be more restrictive than Federal requirements?

This amendment to the Plan would provide the opportunity for those of retirement age to reallocate some funding into other investment streams that are not available in our current Plan. (i.e. real estate, brokerage accounts, indexed annuities, or maybe even paying off the mortgage, just to name a few.)

As previously stated, this amendment would only be available to those of "retirement age" as defined by the Plan and Federal Regulations. By the end of 2012, there will be only 14 current participants that would be eligible based on these guidelines.

If the City is concerned about employees withdrawing their funds indiscriminately to the point of bankrupting their accounts, I would like to remind everyone that these withdrawals come with tax consequences, and that many employees in the Police Department who have reached retirement age have already given considerable thought as to how to manage their funds based upon their own individual financial situations and tax levels.

In addition, the Police Pension Board provides council, guidance and education to Plan participants in regards to Plan provisions and options.

Finally, I would just like to ask the members of the City Council to support the recommendation of the Police Pension Board, which voted 4-1 in favor of these Plan amendments and to support the men and women of the Loveland Police Department, who voted UNANIMOUSLY in favor of these changes, by casting your vote in favor of <u>all</u> of these amendments.

We (Plan Participants) have been asked to be responsible for our retirement funds for the last 30 years. Please let us continue to make our own choices.

I would also like to let the Council know that I would be available to discuss this issue further at any Council Study Session or Meeting if the Council so chooses.

Mandatory Police Retirement Survey as of 12/31/2011

Organization	Participants	Plan Type	Employee Contribution Amount	Employer Contribution Amount	Also contribute to Social Security	Particpants also a part of FPPA Death and Disability	Vesting Schedule	Normal Retirement Age	In-service Distributions allowed	In-service stipulations	Hardship withdrawals allowed
Arvada	Police	401(a)	10%	10%	No	Yes	< 5 yr=0%; 5 yr=50%; 6 yr=75%; > 7 yr=100%	20 years of service	No		No
Aurora	Police	401(a)	5.75%	5.75%	No	Yes	100%	65	No	No	No
Boulder-City	Police - Old Hire	Defined Benefit Plan (FPPA)	2%	2%	No	No	< 9 yr=0% > 10 yr=100%	Age 50 or 25 years of service	No		
Boulder-City	Police - New Hire	401(a)	6.20%	13.80%	No	No	< 10 yrs graduated at approx 10% per year > 10 yr=100%	50	no		
Broomfield	Police	401(a)	10%	10%	No	Yes	increases 20% per yr > 5 yr =100%	Age 55 and 5 yrs of service	Yes	Age 50 and 5 yrs of service	No
Fort Collins	Police & Dispatcher	401(a)	8%	8%	No	Yes	< 3 yr=0% > 3 yr=100%	55	No	No	No
Greeley	Police	401(a)	9.50%	10.50%	No	Yes	5 yr graduated 0%, 25%, 25%, etc. > 5 yr=100%	55	Yes	Age 59 1/2; min distribution of $10,000 and allowed up to 2 times in a 12 month period.	No
Lakewood	Police	401(a)	8%	10%	No	No	< 1 yr=0% 1 yr=20% 2 yr=40% 3 yr=60% 4 yr=80% > 5 yr=100%	age 55 with 20 consecutive yrs of serv, or any age with 25 consecutive years of serv.	No		Yes
Larimer County	All Benefit Eligible employees	401(a)	0-5 years: 5%; 6-10 years: 7%; 10 plus: 8%	0-5 years: 5%; 6-10 years: 7%; 10 plus: 8%	Yes	No	< 5 yr=0% > 5 yr=100%	55	Yes	Age 62	No
Longmont	Police	401(a)	10%	10%	No	Yes	< 3 yr=0% 3 yr=60% 4 yr=80% > 5 yr=100%	50 with 5 yrs of service	No		No
Loveland	Police	401(a)	7%	11%	No	Yes	< 5 yr=0% > 5 yrs=100%	55	No		No
Thornton	Police	401(a)/RHS	9%	9%	No	Yes	< 3 yr=0% 3 yr=30% 4 yr = 40% >5 yr = 100%	55	Yes	Age 70 1/2	No
Westminster	Police	401(a)	10%	10.25% after 22 mos	No	No	100% at hire date	55	Yes	Age 62 and annual comp loss of 25%	No

Voluntary Police Retirement Survey as of 12/31/2011

Organization	Participants	Plan Type	Employee Contribution Amount	Employer Contribution Amount	Also contribute to Social Security	Particpants also a part of FPPA Death and Disability	Vesting Schedule	Normal Retirement Age	In-service Distributions allowed	In-service stipulations	Hardship withdrawals allowed
Arvada	457 through FPPA for sworn police only	457	up to IRS regulations	None	No	Yes	100% at day one	59 1/2	No		Yes
Arvada	457 through Great West--all employees eligible to participate	457	up to IRS regulations	none	No	NA	100% at day one	59 1/2	No		Yes
Arvada	457 Roth though Great West--all employees eligible to participate	457 Roth	up to IRS regulations	None	No	N/A	100% at day one	55	No		Yes
Aurora	457 through FPPA for certified fire and sworn police only	457	up to IRS regulations	None	N/A	N/A	N/A	55.5	No	No	Yes
Aurora	457 through Nationwide--all employees eligible to participate	457	up to IRS regulations	none	N/A	N/A	N/A	55.5	No	No	Yes
Aurora	457 through Lincoln Financial--all employees eligible to participate	457	up to IRS regulations	None	N/A	N/A	N/A	55.5	No	No	Yes
Aurora	457 through ICMA--all employees eligible to participate	457	up to IRS regulations	None	N/A	N/A	N/A	55.5	No	No	Yes
Broomfield	Full-time and Benefited Part-time	457	up to IRS regulations	0	No		N/A	N/A	No		
Fort Collins	457 through FPPA for certified fire and sworn police only	457	Up to IRS regulations	Up to 3% match	No	Yes	100% at day one	55	No	No	Yes
Fort Collins	457 through ICMA-RC -- all employees eligible to participate	457	Up to IRS regulations	none	Yes	No	100% at day one	55	No	No	Yes
Fort Collins	Roth IRA through ICMA-RC, all employees eligible to participate	Roth	Up to IRS regulations	none	Yes & No	No	100% at day one	55	Yes	No	No
Greeley	all sworn police officers	401(k)	up to 50%	0%	no	yes	immediate	55	Yes	must be at least $10,000 and only 2 times in a 12 month period.	Yes
Greeley	457 - ICMA - all employees eligible	457	up to IRS regulations	0%	N/A	N/A	100% at day one	55	No	No	No

Appendix E - Retirement Market Data

Voluntary Police Retirement Survey as of 12/31/2011

Organization	Participants	Plan Type	Employee Contribution Amount	Employer Contribution Amount	Also contribute to Social Security	Particpants also a part of FPPA Death and Disability	Vesting Schedule	Normal Retirement Age	In-service Distributions allowed	In-service stipulations	Hardship withdrawals allowed
Greeley	457 - FPPA- all sworn Police and Fire	457	up to IRS regulations	100%	N/A	N/A	100% at day one	55	No	No	No
Greeley	457 - Nationwide - Sworn Fire	457	up to IRS regulations	200%	N/A	N/A	100% at day one	55	No	No	No
Larimer County	All Benefit Eligible employees	457	up to IRS regulations	None	Yes	N/A	100% at day one		No	No	Yes
Larimer County	Sheriff's Office sworn personnel	457 & 401(a)	See attached plan document	Yes	Yes	N/A		55	No		
Loveland	457 through FPPA for certified fire and sworn police only	457	up to IRS regulations	None	N/A	N/A	100% at day one				
Loveland	457 through Great West--all employees eligible to participate	457	up to IRS regulations	none	N/A	N/A	100% at day one	55	No		
Loveland	457 Roth though Great West--all employees eligible to participate	457 Roth	up to IRS regulations	None	N/A	N/A	100% at day one	55	No		
Westminster	All employees eligible to participate	457	up to IRS regulations	None	No	Fire	100% - day one		No	n/a	Yes