

12/29/2022

Hello everyone,

I hope you're all having a safe and happy holiday season. Thankfully, this year's been very quiet on the Old Hire Police Pension front (finally!). For those of you who are new to the retiree association, I am the Pension Plan Administrator for the Old Hire retirees and widows, and the following applies to them only. The census and rank escalation calculations are just part of the Old Hire retiree group.

I am currently working through all the censuses, thank you to everyone who returned those! If you did not return it yet, feel free to still do so even if you have no changes.

The main reason I'm writing is the new Denver Police Collective Bargaining Agreement (CBA) for 2023- 2025 has several salary changes, so I wanted to send an explanation with some examples. The two major changes from the CBA that affect you all are:

- Article 27.2: Increase Longevity to \$20/per month/per year of service & cap premium at 30 years of service.
  - The 2022 CBA states: Officers entitled to longevity shall be paid at the rate of twelve dollars (\$12.00) per month for each year of service
  - For those unaware, longevity is extra salary pay for any active office with more than 5 YOS. The more YOS you have, the more longevity pay you receive in addition to the Base Salary pay for your rank and years of service (YOS). Since it affects active salary, it also affects the Old Hire calculations.
- Article 27.1: Increase 2023 Salaries by 4.0%; 2024 by 4.0%; 2025 by 4.0%

As you can see, the main change is the salary increase of 4% each January for the next three years. With just that change, your calculations would increase about 4%. However, with the longevity change also from \$12 per month to \$20 per month per year of service, everyone's salary increase is higher than 4%. The salary increase range is about 4.9% to 6.7%.

For example: for a retired Detective with 25 YOS and a 50% retirement percentage, their monthly payment calculations total:

2022: \$4,644.63

2023: \$4,919.91

The raise here for 2023 is \$275 per month, which is a 5.9% increase. Without the longevity increase, just a 4% salary increase would be about \$100 less per month.

The increase varies for everyone based on your total YOS, retirement percentage, and if you are a widow and receiving a further reduction. However, as noted everyone will receive between about 5% to 7% increase in January 2023. These changes will begin on the January 21 pension deposit.

I sent all the changes to FPPA this week so they can get to work on updating your pension payments next month. When there is a net pension change, FPPA does mail out notices to their members with the new amounts who have that option elected or

defaulted, even though they no longer mail monthly pension stubs. Most of you will receive a notice in the mail from FPPA in January. (Another reason to return your census with any address changes! Any address changes I get, I also send to FPPA). FPPA also sends out the annual 1099R tax forms, they'll send the 2022 tax forms by January 31.

Note: since the longevity pay change goes into effect in 2023, that will already be included in the calculations in the following years. In 2024 and 2025, you'll just see the regular about 4% increase each January.

If anyone has further questions, please let me know. Happy New

Year to you all! Regards,

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