

**For use only in connection with DEFINED BENEFIT volunteer
firefighter service award programs**

The (Fire District/Town/Village/City) financial statements are for the year ended _____ . However, the information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on _____ , which is the most recent plan year for which complete information is available.

Length of Service Awards Program – LOSAP

→ *(All necessary information comes from Plan Adoption Agreement)*

The (Fire District/Town/Village/City) established a defined benefit LOSAP for the active volunteer firefighters of the (insert name of fire department, fire company or fire companies). The program took effect on (insert effective date). The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The (Fire District/Town/Village/City) is the sponsor of the program.

Program Description

→ *(All information may be found in the Plan Adoption Agreement or the Plan Specifications page of the Actuarial Valuation)*

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of _____ and who have completed _____ years of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with _____ years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age _____. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for _____ years of firefighting service rendered prior to the establishment of the program.

Benefits

→ *(All necessary information may be found in the Plan Specifications page of the Actuarial Valuation)*

A participant's benefit under the program is the monthly payment for life with 120 payments guaranteed equal to \$_____ multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty. Benefits are not payable until the first day of the month following entitlement age. Except in the case of disability or death, benefits are payable when a participant reaches Entitlement Age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

→ *(Enclose a copy of the VFIS Service Agreement)*

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained and designated VFIS to assist in the administration of the program. The designated program administrator’s functions include duties outlined in the **attached Service Fee Agreement**. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Plan Administrator defined as the (Fire District/Town/Village/City).

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are held in compliance with NY GML Article 11-A (j).

Authority to invest program assets is vested in Sponsor name in compliance with NY GML Article 11-A 217 (k). Program assets are invested in accordance with a statutory “prudent person” rule. Assets are currently invested in a Group Annuity Contract.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. The actuary retained by the sponsor for this purpose is JF Actuarial Services. Portions of the following information are derived from a report prepared by the actuary dated (insert date).

Program Financial Condition

Assets and Liabilities

→ *(All necessary information may be found on the “Actuarial Values” page of the Actuarial Valuation)*

Actuarial Present Value of Projected Benefits at (insert date) \$ _____

Less: Assets Available for Benefits

	<u>% of total</u>	
Common Stock	_____	\$ _____
Government Securities	_____	\$ _____
Corporate Bonds	_____	\$ _____
Insurance Contracts	_____ 100%	\$ _____
Certificates of Deposit	_____	\$ _____
_____	_____	\$ _____

Less: Liabilities (\$ _____)

Total Net Assets Available for Benefits \$ _____

Total Unfunded Benefits \$ _____

Remaining Unfunded Liability for Prior Service \$ _____

Unfunded Accrued Benefits (PVAB less Assets) \$ _____

Unfunded Vested Accrued Benefits (PVVAB less Assets) \$ _____

Prior Service Costs

Prior service costs [have been] [are being] [were not] amortized over _____ years at a discount rate of _____%.

Receipts and Disbursements

→ *(All necessary information may be found on the Fund Balance Statement provided by VFIS)*

Plan Net Assets, beginning of year \$ _____

Changes during the year:

- + Plan contributions _____
- + Investment income earned _____
- + Cash Value of Life Policy Surrenders _____
- Plan Benefit Withdrawals _____
- Administrative and Other Fees/Charges _____
- Life Insurance Premium _____

Plan Net Assets, end of year \$ _____

Contributions

Amount of sponsor's contribution recommended by actuary: \$ _____

Amount of sponsor's actual contribution: \$ _____

Administration Fees

Fees paid to designated program administrator: \$ _____

Fees paid to trustee: \$ 0

Fees paid for investment management (if separate from fee paid to trustee): \$ 0

Fee paid to actuary: \$ 0

Other administration fees [list] \$ 0

Funding Methodology and Actuarial Assumptions

→ *(All necessary information may be found in the Actuarial Assumptions & Funding Methods section of the Actuarial Valuation)*

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is _____. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment _____

Mortality Tables used for
Withdrawal _____
Disability N/A
Retirement _____
Death (Actives) _____
Death (Inactives) _____

Other _____