

SC State Firefighters' Association Retirement Plan and Trust For Paid Firefighters

Eligibility: All persons who are carried on the membership roll of a participating fire department, excluding any unpaid (i.e., volunteer) firefighters, are eligible to participate in the Plan upon completing one (1) Year of Service with their department, as determined by the Plan Administrator on a uniform and consistent basis.

Entry Date into the Plan: The participant will enter the plan as of the first day of the plan year coinciding with or next following the completion of a year of service which eligibility was met.

Vested Balance: The participant's balance that is non-forfeitable and is owned by the participant as calculated per the vesting schedule. Also, normal retirement, disability or death will result in the participant being 100% vested.

Vesting Schedule: A schedule chosen by the department which assigns a vested percentage to each year of service with the fire department. Although not entirely clear in the IRS Code, the attorney takes a conservative approach and highly recommends that no department adopts a schedule longer than 6 years.

Department Contributions: Can be deposited into the fund any time during the plan year. However, they must be allocated in the same plan year in which they are deposited. So, deposits received after December 31 will be allocated in the new plan year.

Allocation of Contributions: All eligible participants of the department shall receive an equal allocation and must be employed as of 9/30 of the plan year during which such contributions are paid to the plan.

Voluntary Contributions: May be made by individual participants with after tax dollars for up to 10% of compensation. The earnings on these funds will be tax free until distributed to the owner. The participant is always 100% vested in these funds.

Termination of a Firefighter: Upon termination, a firefighter can elect to rollover their retirement plan benefits to another qualified retirement plan or an IRA, or the distribution of the termination benefit shall be postponed until the earliest of the following occurrence: the attainment of Normal Retirement Age, Disability or Death.

Normal Retirement Age: Between age 55 and 62 as chosen by the department or 20 years of service, whichever is earlier.

Death or Disability of a Firefighter: 100% vested in the account balance.

Beneficiary Designation: The person listed on the beneficiary designation will receive the death benefit of a deceased firefighter. Unless the spouse waives their right to the benefit, the spouse must be the beneficiary. A new beneficiary form must be completed upon divorce, marriage or death of the beneficiary or death of the spouse. If you do not designate a beneficiary or if the beneficiary you have named dies before you do, you will be treated as having designated a beneficiary in accordance with the following order: your spouse; your children, including adopted children, in equal shares; your natural parents in equal shares; your brothers or sisters; however, any children of a deceased brother or sister will be entitled to split their parents share; and your estate.

Method of Distribution: Upon termination, a participant may elect a rollover distribution of vested benefits to an IRA or another qualified plan. The vested benefits can be paid in a single lump sum taxable distribution or installment payments upon termination of the fire department and meeting one (1) eligibility requirement of Normal Retirement Age, 20 years of service, Disability or Death (Benefits payable to Beneficiary).