Qualifying for the Firefighters' Association Retirement System

Several participants, and potential participants, have asked for definition of the process by which a person becomes qualified for distribution and the time frame that coincides with that participation.

The process is governed by two entities. Primarily, the choice of the State Trustees in the design of the plan and the desire to manage the expenses of that plan; and secondly the IRS regulations governing LOSAPs and Qualified Government Plans. Therefore, when asked who does this or how, participants are referred to the plan document and its amendments or to IRS rules.

As such, typically, the process would run as follows:

1) The department must have established upon joining the retirement program a vestment schedule that dictates from that point forward the number of years required to participate and become fully vested to retain earnings and contributions. This varies from department to department. Ask your local trustees for the vestment schedule for your department.

2) An individual must be a member of the local fire department for one year from the date of hire before being eligible to participate in the retirement system.

3) An individual, after that one full year of employment, is then added to the next roster, annually generated by the department, which will be forwarded to the retirement systems' administrator from that department. Typically, this roster is completed in the last three months of the calendar year.

4) Typically, in those latter portions of the year, the department will offer a single check of 1% annual budgeted contributions to the system investor on behalf of all the members listed on the roster. This budgeted amount, not to be confused or inter-related by timetables, was approved (again typically) in the previous budget cycle. For example, a department 1% budget set in the fall will state a dollar amount allocated to retirement; the budget is approved by the Association; the budget goes into effect; the retirement contribution is then made the following year. The key here is that the budget is set, not based on an individual getting particular funds, but a department setting aside funds for those that qualify and are eligible by this governance. You approve a dollar amount due to just the fact that rosters change; persons retire; persons leave; and the eligible persons change. This process allows that change is inevitable. The process gives it time to change.

5) The roster is utilized by the system administrator on the following January 1 and contributions that were made by the department are allocated to the members listed on that most recent of rosters.

This process is not new. The program has always had valuation dates and dates that members were added. The valuation dates are decided upon by the State Trustees and are set due to cost controls for all participants and the need to allow for time to process the roster changes. This process has never been differentiated between the LOSAP and the Qualified plan. All participants are managed the same. The Association and its Retirement System Administrator would welcome questions that you may have to further clarify this process.