

SC State Firefighters' Association Length of Service Awards Program For Volunteer Firefighters

Eligibility: All persons who are carried on the membership roll of a participating fire department and who perform fire fighting and prevention services as a bona fide volunteer, are eligible to participate in the plan upon completing one (1) Year of Service with the fire department, as determined by the plan administrator on a uniform and consistent basis. For purposes of this plan, a bona fide volunteer means any individual whose compensation received from the participating fire department is in the form of reimbursements for expenses and reasonable benefits and nominal fees in connection with the provision of fire fighting and prevention services. Any bona fide volunteer firefighter on the roster of the department for one year of service, as defined as a consecutive 12 month period ending on December 31, shall meet eligibility requirements.

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.

Termination of a Firefighter: Upon termination, 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. Upon the occurrence, a taxable distribution will be distributed.

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, your benefits will be paid to your estate.

Method of Distribution: 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).