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**For use only in connection with DEFINED CONTRIBUTION
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 [insert date], which is the most recent plan year for which complete information is available.

Length of Service Awards Program - LOSAP

The (Fire District/ Town/ Village/ City) established a defined contribution 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

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 nonforfeitable 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

A participant's benefit under the program is the amount resulting from the contributions made by the sponsor on behalf of the participant, plus interest and/or other earnings resulting from the investment of the contributions, less necessary administrative costs, forfeitures and losses resulting from the investment of contributions. Contributions in the amount of \$_____ are made on behalf of each participant who is credited with a year of firefighting service. The maximum number of years of firefighting service for which a participant may receive a contribution is forty years. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandatory disability and death benefits. [The program also provides optional line-of-duty disability benefits in the amount of \$_____, and optional line-of-duty death benefits in the amount of \$_____].

Fiduciary Investment and Control

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 [insert name of 3rd party program administrator] to assist in the administration of the program. The designated program administrator's functions include [list functions performed by designated program administrator]. Disbursements for the payment of benefits or administrative expenses must be approved [explain process for approving disbursements].

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. [The trust agreement is dated _____, and the trustee is _____.] [Program assets are not held in trust.]

Authority to invest program assets is vested in _____. [Program assets are invested in accordance with a statutory "prudent person" rule.] [Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule. The program document . . . (explain investment restrictions).]

Program Financial Condition

Assets and Liabilities

Assets Available for Benefits

	<u>% of total</u>	
Common Stock	_____ %	\$ _____
Government Securities	_____	_____
Corporate Bonds	_____	_____
Insurance Contracts	_____	_____
Certificates of Deposit	_____	_____
_____	_____	_____
Less: Liabilities		(_____)
Total Net Assets Available for Benefits		\$ _____
Unfunded Liability for Prior Service		\$ _____

Prior Service Costs

Prior service costs [have been] [are being] amortized over ___ years at a discount rate of ___%.

Receipts and Disbursements

Plan Net Assets, beginning of year \$ _____

Changes during the year:

+ Plan contributions _____

+ Investment income earned _____

+/- Changes in fair market value of investments _____

- Plan Benefit Withdrawals _____

- Administrative and Other Fees/Charges _____

Plan Net Assets, end of year \$ _____

Contributions

Amount of sponsor's required contribution: \$ _____

Amount of sponsor's actual contribution: \$ _____

Administration Fees

Fees paid to designated program administrator: \$ _____

Fees paid to trustee: \$ _____

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

Fee paid to actuary (if any): \$ _____

Other administration fees [list] \$ _____