ARLINGTON FIRE DISTRICT
SERVICE AWARD PROGRAM

SUMMARY OF PROGRAM PROVISIONS

This is a summary of the provisions of the Arlington Fire District Service Award Program. The Arlington Fire District Service Award Program Plan Document contains the complete written explanation of the Program and supersedes this Summary in the event there is a conflict between this Summary and the Plan Document. For a copy of that document or a copy of the Service Award Program Point System, please contact the Fire District.

- **Effective Date:** Program provisions in this summary are effective as of January 1, 2017. The original Effective Date of the Program is January 1, 1992.

- **Participation:** In order to participate in the Service Award Program, an individual must be an Active Member of one of the four Fire Companies within the Arlington Fire District in accordance of the Fire Company by-laws, be at least age 16, and earn a year of Service Credit during a calendar year beginning after January 1, 1992.

- **Service Credit:** To earn a year of Service Credit, an eligible individual must earn 50 or more points under the Service Award Program Point System during a calendar year. An Active Member earns points for attending drills, training, and Fire Company meetings, responding to calls, being an officer, and other activities covered by the Volunteer Firefighters’ Benefit Law. In addition, an Active Member may, with restrictions, be awarded points during periods of military leave or line of duty disability.

After the end of each calendar year, a list of Active Members indicating the points earned by each during the calendar year is reviewed and approved by the Board of Fire Commissioners, then posted for a minimum of 30 days. During this 30-day period, if a firefighter is listed as not having earned the required 50 points to earn a year of Service Credit, he/she has the right to appeal prior to the end of the 30-day period. The appeal should be in writing and mailed to the Fire District Secretary. After it is posted for the mandated 30 days, the Board sends the points listing to Penflex. Penflex updates each Member’s Service Credit accrual and then prepares an Annual Report for the Board and a Service Award Program statement for each Participant. These statements are mailed to the Board for distribution.

A Participant was eligible to earn Service Credit for years prior to 1992 (“Prior Service Credit”) if he/she was an Active Member during 1992 and earned a year of Service Credit during 1992, 1993, or 1994. Up to five years of Prior Service Credit can be earned for years in which the Participant was at least 16 years old and was a member in good standing for the entire year based on the requirements of the Fire Company by-laws.

The maximum number of years of Service Credit that can be earned by any Participant is 40 years.

- **Entitlement Age:** The Program Entitlement Age (EA) is age 60. Payment commences the January 1st following attainment of the Entitlement Age, provided the Participant has earned at least 2 years of Service Credit.

- **Accrued Monthly Service Award:** A Participant’s Accrued Monthly Service Award is equal to $20 for each year of Service Credit earned. The Accrued Monthly Service Award is paid to the Participant each month for life beginning on the January 1st on or after the date the Participant attains the Entitlement Age. A minimum of 120 payments are guaranteed to be made.

Page 1 of 2
August 2017

- **Vesting:** A Participant becomes 100% vested in his/her Accrued Monthly Service Award by accruing five (5) years of non-forfeited Service Credit. In addition, an Active Member who attains age 60 automatically becomes 100% vested provided the Participant has accrued at least two (2) years of Service Credit. A Participant also becomes 100% vested upon being awarded a Total and Permanent Disability Benefit by the Board or dying while an Active Member.

- **Forfeiture:** If a Participant ceases to be an Active Member of any of the four Fire Companies of the Arlington Fire District in accordance with the Fire Company by-laws prior to becoming 100% vested, the Participant will forfeit his/her Accrued Monthly Service Award and Service Credit. In addition, if a non-vested Participant fails to earn 50 points in five consecutive calendar years, the Participant will forfeit his/her Accrued Monthly Service Award and Service Credit. Further, an individual who is convicted of arson in any degree shall forfeit all rights he/she has to past or future Service Award Program benefits.

- **Post-Entitlement Age:** An Active Member who has attained age 60 continues to have the opportunity to earn Service Credit. Such Participant shall have his/her Accrued Monthly Service Award payment increased by $20 effective the January 1st following the year in which the Service Credit is earned. The actual increase in payment will not take place until Penflex receives the certified points listing; however the increase will be retroactive to the effective date as specified above.

- **Disability Benefit:** If a Participant becomes totally and permanently disabled before age 60, a lump sum is paid to the Participant equal to the present-day lump-sum value of the Participant’s Accrued Monthly Service Award.

- **Death Benefit:** If a Participant dies before age 60, a lump-sum is paid to the Participant’s designated beneficiary equal to the present-day lump-sum value the Participant’s Accrued Monthly Service Award. If the Participant was an Active Member of any of the four Fire Companies of the Arlington Fire District at the time of death, the minimum benefit payable will be $10,000 if the Participant has earned Service Credit (50 points) during one of the 5 calendar years prior to death.

  If a Participant dies after age 60, but prior to receiving 120 monthly payments, his/her designated beneficiary will be paid a one-time lump sum equal to the discounted present-day value of the remaining guaranteed 120 monthly payments. If a Participant dies after having collected 120 monthly payments, no additional payments will be made to the beneficiary.

  Each Participant should complete a beneficiary designation form and file it with the Board. If a beneficiary form is not completed, upon death, payments must be made to the estate, which can cause delays in payment. Please seek legal advice before naming a minor as a beneficiary.

- **Income Tax:** As of the date this summary was prepared, all benefits paid from the Program, including death benefits, are subject to Federal income tax. Monthly payments made to a Participant who has attained age 59½ are not subject to New York State income tax. Payments made to an individual under age 59½, or paid as a one-time lump sum, are subject to New York State income tax. Each individual’s tax situation is unique and any questions regarding the taxation of a payment should be directed to a qualified tax advisor.

- **Trustee:** The Board of Fire Commissioners is the Trustee of the Program and has adopted an investment policy for the investment of the Program assets. For more information, please contact the Fire District.

This Summary was prepared by Penflex, Inc., the firm retained by the Board of Fire Commissioners to assist in the administration of Arlington Fire District Service Award Program.