

An Act Establishing a Length of Service Awards Program (LOSAP) for the Clinton Volunteer Fire Department

Section I – Terminology

- **Defined Benefit** – monthly contributions after 20 years of service at 65 years of age as described in Section III-A
- **Defined Contribution** - \$1,000.00 contribution annually to a 457E plan as described in Section III-B.
- **The Plan** – As described in Section III and referenced throughout the document
- **Town** – The “Town of Clinton”
- **CVFD** – The “Clinton Volunteer Fire Department”
- **Participants** – Those enrolled in the “Plan”

Section II – Eligibility

Members of “CVFD” who have completed one (1) year of continuous service and meet the eligibility requirements set forth in the “CVFD Tax Abatement Ordinance” (attached), will be enrolled in the “Plan”.

Section III – The Plan

- A. Members, who elected to enroll in the “Defined Benefit” plan in May 2015, will be eligible to receive a benefit of \$400.00 a month, after completing 20 years of service and reaching the age of 65. Each year of service must comply with requirements of Section II.
The benefit will be paid to the member until he or she is deceased, there are no survivor benefits.
- B. Those members not electing to be in the “Defined Benefit” plan in May 2015 will be enrolled in a “Defined Contribution” (457E) plan.
 - Members will receive a \$1,000.00 contribution to this fund for each year they meet the eligibility requirements of Section II. Commencing at the adoption date of this ordinance.
 - Members must have five (5) years of eligibility to be vested in the “Defined Contribution”. *See Section VIII “Leave of Absence/Break in Service” for exceptions.
 - Members must designate a beneficiary who will take over ownership of the plan upon member’s death.
 - Members cannot contribute on their own behalf to this plan.

Section IV – Contributions

The Town will contribute the entire cost of the benefits and will retain an actuary to annually determine the appropriate amount necessary to fund the “Plan”.

Section V – Leave of Absence/Break in Service

- A. Leave of Absence

A CVFD member who has been an eligible “Plan” participant may request a leave of absence in accordance with CVFD by-laws. If granted the member will not lose any past service counting towards the “Defined Benefit” or vesting in the “Defined Contribution”. They, however, do not accumulate time during the “Leave of Absence”.

B. Break in Service

A CVFD member, who is a participant of either plan and has met the eligibility requirements of Section II in the previous year, can request a “Break in Service”. Upon their return, they will have their pre-break and post-break service aggregated for the purpose of eligibility and vesting.

*“Breaks in Service” must be approved in accordance with CVFD by-laws.

Section VI – Change, Suspension or Termination

The Town expects to continue the “Plan” indefinitely but, as future conditions cannot be foreseen, the Town reserves the right to; suspend or discontinue the contributions and or terminate the “Plan” at any time. This must be done by a vote of the Town’s legislative body following a public hearing.

At no time, however, may any part of the contributions made by the Town be used for purposes other than those provide for in the “Plan”.

Upon termination or partial termination of the “Plan” or upon suspension of contributions to the “Plan”, the assets of the “Plan” shall be allocated as follows;

First

Complete commitment to participants of the “Defined Benefit” already in pay status for that fiscal year.

Second

To participants of the “Defined Benefit” not in pay status: divide any remaining funds amongst them; pro-rated based on years of service and contribute that amount to a 457E, which they can convert via a 1035 rollover.

Third

Participants in “Defined Contribution” will be allowed to convert assets; if vested; via a 1035 rollover into personal ownership.

Any residual assets of the “Plan” remaining after all of the above conditions have been met, shall be returned to the Town.

Section VII – Miscellaneous

1. Participant Rights

All CVFD members participating in the “Plan” are volunteers in service of the CVFD. This “Plan” in no way shall be construed as a contract of employment between the Town and any CVFD

member.

2. Assignment

The interest of a participant in this "Plan" may not be assigned, sold, alienated, discounted or pledged as collateral for a loan or as a security for the performance of an obligation or for any other purpose whatsoever. No such interest shall be subject to attachment, garnishment, sequestration or other legal, equitable or other process.

3. Qualified Domestic Relations Order

Distribution to an "alternate payee" shall be permitted if such distribution is authorized by a "Qualified Domestic Relations Order" which will have the meaning as set forth under IRC section 414.

4. Applicable Law

This "Plan" shall be construed in accordance with the laws of the State of Connecticut, except when such laws are superseded by federal laws.

5. Important Plan Dates

- a) All benefits for plan A shall be retroactive to July 1, 2016 and based on member eligibility as of October 31, 2015 statistics.
- b) All benefits for plan B shall be deposited into the 457E member's account for year one (1) as soon as the accounts are established.
- c) For all following eligible years, the funds shall be deposited into the member's accounts by the third (3rd) week of July, of that calendar year.

In witness whereof, the Town of Clinton has adopted this "Length of Service Awards Program" on this ___ day of _____, 2016