

**CROTON VOLUNTEER
FIRE DEPARTMENT
SERVICE AWARD PROGRAM**

PLAN DOCUMENT

**Restated by Penflex Actuarial Services, LLC
November 2023**

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1. **Purpose:** In accordance with Article 11-A of the New York State General Municipal Law, the Village of Croton-on-Hudson adopted a volunteer firefighter “Service Award Program” for active volunteer firefighters of the Croton Volunteer Fire Department. The provisions of a service award program regarding firefighter participation, benefits earned and paid, and program operation must be formally stated in a written “Plan Document”. This document is the Croton Volunteer Fire Department Service Award Program Plan Document (the “Plan Document”). When formally adopted by the Village Board of Trustees of the Village of Croton-on-Hudson, it shall replace any and all other documents previously adopted by the Village Board of Trustees which could be considered to be written Plan Documents and it shall be the Plan Document.
2. **Type of Program:** Defined Benefit Plan.
3. **Program Sponsor:** Village of Croton-on-Hudson.
4. **Program Administrator:** Village of Croton-on-Hudson/Board of Trustees of the Village of Croton-on-Hudson (the “Board”).
5. **Effective Date of Program:** January 1, 2004.
6. **Program Year:** The twelve (12) consecutive month period beginning each January 1 and ending each December 31.
7. **Eligibility to Participate in the Service Award Program:** Any person who is at least 18 years old and is an active volunteer firefighter of the Croton Volunteer Fire Department (i.e. “Active Member” as that term is defined under the By-Laws of the Croton Volunteer Fire Department) shall be eligible to become a Participant in the Service Award Program (called an “Eligible Firefighter”).
8. **When an Eligible Firefighter Shall Become a Participant in the Service Award Program:** Unless participation is waived, any Eligible Firefighter shall become a Participant on the last day of the Program Year beginning after 2003 during which they first earn a year of Service Credit (see #13a).
9. **Waiver of Participation in the Service Award Program:** An Eligible Firefighter may voluntarily waive his/her right to be enrolled in the Croton Volunteer Fire Department Service Award Program in writing to the Board. Once such waiver is received by the

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Board and noted for the record, such Eligible Firefighter shall permanently forfeit (see #17) any and all Service Credit (see #13) and Accrued Monthly Service Award (see #12) earned to the date of receipt of the waiver. At any time thereafter, such individual may withdraw the waiver in writing to the Board and may again earn Service Credit and Service Awards in accordance with the terms of this Plan Document from the date the written request is received by the Board.

10. **Entitlement Age:** The later of age 60 or the Eligible Firefighter's age on date he or she becomes a Participant.
11. **Monthly Service Award:** Effective January 1, 2024, \$30 per year of Service Credit. For years prior to 2024, \$20 per year of Service Credit
12. **Accrued Monthly Service Award:** A Participant's Accrued Monthly Service Award equals a Participant's years of Service Credit times the Monthly Service Award and shall be paid after attainment of the Entitlement Age at the Participant's Benefit Commencement Date in accordance with provision #20 and provision #21 of this Plan Document. The Accrued Monthly Service Award shall be adjusted for Service Credit earned after attainment of the Entitlement Age in accordance with provision #14.
13. **Service Credit:** An Eligible Firefighter earns Service Award Program points under the Croton Volunteer Fire Department Service Award Program Point System (i.e. the "Point System"), which is explained in a separate document. The Point System may be amended from time to time by the Board. In addition, points can be awarded for Military Leave (see #13b) and Line of Duty Disability (see #13c). Service Credit must be certified, posted and approved in accordance with the Article 11-A of the New York State General Municipal Law.
 - a. **Service Credit On or After Effective Date:** To earn a year of Service Credit during a Program Year beginning on or after the Effective Date of the Service Award Program, an Eligible Firefighter must earn 50 or more points during the Program Year.
 - b. **Service Credit for Military Leave:** A Participant whose volunteer fire service is interrupted by full-time extended obligatory military service or by a single voluntary enlistment not to exceed four years in the armed forces of the United States shall be considered on military leave. During such period of military leave, the Participant shall be eligible to be earn a year of Service Credit under the Point System (50 points) for each complete Program Year on military leave. For periods

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of military leave of less than one Program Year, the Participant shall be eligible to be awarded pro-rated points. Provided, however, such Participant on military leave must again become an Eligible Firefighter of the Croton Volunteer Fire Department within one year after his military leave expires and subsequently earns one year of Service Credit under the Point System before any Service Credit shall be granted for military leave. Military leave Service Credit shall be automatically granted to any Participant on military leave from the Croton Volunteer Fire Department who dies or is totally and permanently disabled while in active military duty.

- c. Service Credit for Line of Duty Disability Provision:** In the event that any Active Member of the Croton Volunteer Fire Department is either totally and temporarily disabled, or partially and permanently disabled, as certified by the Workers' Compensation Board or other competent authority approved by the Board, and the disability occurs during the course of service as a volunteer, while actively engaged in providing line of duty services, as defined in subdivision one of section five of the 'Volunteer Firefighter' Benefit Law, the firefighter shall receive five points for each complete calendar month that such disability remains either totally and temporarily or partially and permanent as certified by the Workers' Compensation Board or other competent authority approved by the Board.
- 14. Service Credit Earned After Entitlement Age:** Eligible Firefighters who continue to be Active Members of the Croton Volunteer Fire Department after attaining the Entitlement Age and commencement of payment of their Accrued Monthly Service Award shall continue to have the opportunity to earn Service Credit. The additional Monthly Service Award (see #11) earned for each year of Service Credit earned during or after the Program Year of a Participant's Benefit Commencement Date (see #20) shall be added to the Participant's Accrued Monthly Service Award effective the January 1st following the Program Year in which the Service Credit was earned.
- 15. Maximum Years of Service Credit:** Effective January 1, 2024, the maximum number of years of Service Credit that shall be earned by any Participant is forty (40) years. Service credited in years prior to January 1, 2024 is limited to a maximum of twenty (20) years.
- 16. Vesting of Accrued Monthly Service Award:** A Participant's Accrued Monthly Service Award shall become 100% Vested (i.e. he or she shall earn a nonforfeitable right to 100% of his or her Accrued Monthly Service Award) after he or she meets one of the following criteria:

 - a.** Earns and does not forfeit five years of Service Credit; or,

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- b.** Attains the Entitlement Age while an Eligible Firefighter; or,
- c.** Is awarded a finding of Total and Permanent Disability by the Board.

17. When Accrued Monthly Service Award and Service Credit Shall Be Forfeited:
Forfeiture shall occur after one of the following conditions is met:

- a.** The earned Service Credit and Accrued Monthly Service Award of a non-vested Participant shall be forfeited as of December 31 of the year the non-vested Participant ceases to be an Eligible Firefighter (i.e. is no longer an “Active Member” as that term is defined under the By-Laws of the Croton Volunteer Fire Department). However, if such former non-vested Participant again becomes an Eligible Firefighter within five years of the effective date of the forfeiture and subsequently earns at least one year of Service Credit under the Service Award Program Point System during a Program Year after having again become an Eligible Firefighter, the former non-vested Participant’s forfeited Service Credit and Accrued Monthly Service Award shall be restored effective the December 31st of the Plan Year the additional Service Credit is earned.
- b.** A Participant who is convicted of the crime of arson in any degree as defined in the penal law shall not be eligible to receive benefits from a Service Award Program and shall forfeit any and all rights he or she may have had to past or future benefits pursuant to a Service Award Program.
- c.** An Eligible Firefighter waives his/her right to be enrolled in the Croton Volunteer Fire Department Service Award Program (see #9).

18. Pre-Entitlement Age Total and Permanent Disability:

- a. Definition of Total and Permanent Disability:** A Pre-Entitlement Age Participant shall be awarded a Total and Permanent Disability by the Board only if he or she is awarded benefits before attaining the Entitlement Age and before the Participant’s “Benefit Commencement Date” (see #20) for a total and permanent disability from the Social Security Administration, any entity which pays benefits under the Volunteer Firefighters' Benefit Law or from any other authority approved by the Board.
- b. Total and Permanent Disability Benefit:** If a Participant is awarded a Total and Permanent Disability by the Board in accordance with 18(a), a lump-sum shall be

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paid to the Participant equal to the discounted actuarial present value of the Participant's Accrued Monthly Service Award earned as of the date such disability payment is awarded by the Board. For the purposes of determining discounted actuarial present value, the actuarial assumptions used shall be the same as those used to determine the annual cost of the Service Award Program. Participants who are paid for a Total and Permanent Disability Benefit who subsequently recover from their disability and again become Eligible Firefighter of shall be considered new members as of the day they again become an Eligible Firefighter and except for vesting purposes shall not again receive Service Credit for volunteer firefighter service prior to that date.

19. **Pre-Entitlement Age Vested Participant Death:** If a vested Participant dies before attaining the Entitlement Age and before the Participant's "Benefit Commencement Date" (see #20), a lump-sum shall be paid to the Participant's Designated Beneficiary (or estate if no beneficiary is designated) equal to the discounted actuarial present value of the Participant's Accrued Monthly Service Award earned as of the date of death. To determine the discounted actuarial present value, the same actuarial assumptions shall be used as those used to determine the cost of the Service Award Program.
20. **Commencement of Payments:** In the case of Pre-Entitlement Age Total and Permanent Disability or Pre-Entitlement Age Death, the payment of the lump-sum shall be made as soon as possible after a completed application from a Participant or a Participant's beneficiary and the required point certification are received by Penflex, Inc. Upon attainment of the Entitlement Age, the "Benefit Commencement Date" shall be the first day of the month coinciding with or next following the date the Participant attained the Entitlement Age. Payment of the Accrued Monthly Service Award shall commence effective on the Benefit Commencement Date.
21. **Form of Payment of Accrued Monthly Service Award:** At Benefit Commencement Date, a Participant's Accrued Monthly Service Award shall be paid on the first day of every month for the lifetime of a Participant or for ten years (i.e., 120 payments), whichever is greater. If a Participant dies before 120 monthly payments have been made from the Benefit Commencement Date, monthly payments shall continue to the Participant's Designated Beneficiary until 120 payments have been paid altogether between the Participant and the Designated Beneficiary (i.e., payments shall cease after the 120th payment). The Designated Beneficiary may elect to be paid in one single lump sum payment equal to the discounted actuarial present value of the payments owed to the Designated Beneficiary. All payments due to a Participant's or a Designated Beneficiary's Estate shall be made as an actuarially equivalent lump sum. For the

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purposes of determining discounted actuarial present value, the actuarial assumptions used shall be the same as those used to determine the annual cost of the Service Award Program. Payment to the Designated Beneficiary shall not be extended past 120 payments from the Participant's Benefit Commencement Date for Service Credit earned after Entitlement Age.

22. **Program Costs:** The administration costs of operating the Croton Volunteer Fire Department Service Award Program can be paid from the general operating fund of the Village of Croton-on-Hudson or directly from the Service Award Program Trust Fund (see #24). The Village of Croton-on-Hudson shall contribute to the Croton Volunteer Fire Department Service Award Program Trust Fund an amount at least equal to the amount calculated by the actuary retained by the Board as owed to the Trust Fund for each Program Year beginning on or after the Effective Date of the Program, including reimbursement for any expenses (administrative costs, insurance premiums, investment management fees, etc.) paid from the Trust Fund.
23. **Calculation of Annual Program Cost:** The amount calculated by the actuary retained by the Board as the annual cost of the Service Award Program shall be based upon generally accepted actuarial funding methods, cost calculation procedures and assumptions appropriate for volunteer firefighter service award program funding cost calculations.
24. **Investment of Service Award Program Funds:** A Service Award Program Trust Fund shall be established and maintained by the Board. The Board shall be the Service Award Program Trustee and shall invest the trust fund assets.
25. **Service Award Program Administration:** The Croton Volunteer Fire Department Service Award Program shall be administered by the Village of Croton-on-Hudson in accordance with Article 11-A of the New York State General Municipal Law, the Plan Document and all other applicable statutes, rules and regulations. The Board may, at its discretion, establish a Service Award Program Committee (a "SAC") to assist the Board in the administration and operation of the Program. If established, the SAC will consist of representatives from both the Village of Croton-on-Hudson and the Croton Volunteer Fire Department. The SAC will report to the Board and assist the Board in the administration of the program. The Croton Volunteer Fire Department has the responsibility to maintain the Point System records and to certify the points earned by volunteer firefighters in any Program Year.
26. **Amendment of Service Award Program:** Unless voter approval is required by Article 11-A of the New York State General Municipal Law, amendments to this Service Award

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Program Plan Document shall be adopted by resolution of the Board. Within sixty days after the date of adoption by the Board of a resolution amending the Service Award Program or, after the date of approval by voters of a required referendum amending the Croton Volunteer Fire Department Service Award Program, a written notice and explanation of such amendment shall be distributed to all persons who participate or are eligible to participate in the Croton Volunteer Fire Department Service Award Program. Copies of such written notice and explanation shall be available upon request to the Board to all other persons.

- 27. Termination of the Service Award Program:** The Board may terminate the Croton Volunteer Fire Department Service Award Program at any time in accordance with Article 11-A of the New York General Municipal Law, which requires approval by eligible voters residing in the Village of Croton-on-Hudson. In the event that the Program shall be terminated, all benefits shall be paid in accordance with the resolution adopted by the Board and the proposition approved by such eligible voters of the Village of Croton-on-Hudson.
- 28. Compliance With Laws:** The Croton Volunteer Fire Department Service Award Program shall comply with Article 11-A of the New York State General Municipal Law and all applicable federal laws including but not limited to compliance with those provisions of the Internal Revenue Code that shall result in the payment of federal income tax by a participating volunteer only after the participating volunteer or his or her beneficiary shall actually be paid a Service Award. Any additional provision(s) of this Service Award Program required for such compliance not explicitly stated in this Plan Document shall be automatically included within these provisions. Any written program provision set forth in this Plan Document deemed to be prohibited by the law, rule or regulation shall be ineffective to the extent of any such prohibition without invalidating the remaining program provisions set forth in the Plan Document.

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EXECUTION

By their signatures affixed hereto, the Board of Trustees of the Village of Croton-on-Hudson does hereby, on behalf of said Village, adopt this Service Award Program Plan Document.

Trustee

Date

Trustee

Date

Trustee

Date

Trustee

Date

Trustee

Date

Signatures witnessed by:

Village Clerk

Date