

CROTON VOLUNTEER FIRE DEPARTMENT SERVICE AWARD PROGRAM

SUMMARY OF PROGRAM PROVISIONS

This is a summary of the Croton Volunteer Fire Department Service Award Program provisions. The Croton Volunteer Fire Department Service Award Program Plan Document contains the complete written explanation of the Service Award Program. For a copy of that document or a copy of the written explanation of the Service Award Program Point System, please contact the Village Clerk.

- **Effective Date:** The effective date of the Service Award Program is January 1, 2004.
- **Participation:** In order to participate in the Service Award Program, an individual must be an active volunteer firefighter member of the Croton Fire Department in accordance with the Fire Department by-laws, be at least age 18 and earn a year of Service Credit during a calendar year beginning on or after January 1, 2003.
- **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. Under the Service Award Program Point System, an active volunteer firefighter earns points for attending drills and company meetings, responding to calls, being an officer, etc. In addition, an active volunteer firefighter may, with restrictions, be awarded points during periods of line-of-duty disablement and military leave.

After the end of each calendar year, a listing of active volunteer firefighter indicating the points earned by each member during the calendar year is posted at the fire department for a minimum of thirty days. During this thirty day period, if a firefighter is listed as not having earned the required 50 points to earn a year of service credit, he or she has the right to appeal prior to the end of the 30 day period. After it is posted for the mandated 30 day period, the Village sends the points listing to Penflex. Penflex updates each member's service accrual and then prepares an Annual Report for the Village and a Service Award Program statement for each participant. These statements are mailed to the Village to be distributed to the participants.

Effective January 1, 2024, the maximum number of years of Service Credit that can be earned by any Participant is forty (40) years, including years of Prior Service credit. Service credited in years prior to January 1, 2024 is limited to a maximum of twenty (20) years.

- **Entitlement Age:** The Program Entitlement Age (EA), the age at which a participant becomes eligible to start receiving his/her Accrued Monthly Service Award, is the later of age 60 or the age he/she first becomes a Participant.

- **Accrued Monthly Service Award:** Effective January 1, 2024, a participant's Accrued Monthly Service Award is equal to \$20 per year of Service Credit earned during a calendar year (including Prior Service Credit) earned before 2024 plus \$30 per year of Service Credit earned after 2023. The Accrued Monthly Service Award is paid to the participant each month for life beginning on the first day of the month on or after the participant's EA. A minimum of 120 payments are guaranteed to be made.
- **Vesting:** A participant becomes 100% vested in their Accrued Monthly Service Award by accruing five years of non-forfeited Service Credit, attaining the Entitlement Age while an active volunteer firefighter or being awarded a total and permanent disability.
- **Forfeiture:** If a participant ceases to be an Active Member of the Croton Fire Department in accordance with their By-Laws and prior to becoming 100% vested, the participant will forfeit his/her Accrued Monthly Service Award and Service Credit. In addition, an individual who is convicted of arson in any degree shall forfeit any and all rights he/she has to past or future Service Award Program benefits.
- **Post-Entitlement Age:** Participants who remain active volunteer firefighter members after EA (age 60) and earn a year of Service Credit during years after they attain their EA shall have their Accrued Monthly Service Award payment increased by \$30 (but only by \$20 for years prior to 2024) effective the January 1st of the year following the year in which the additional Service Credit was earned (this includes the year the participant turned age 60). The actual increase in payments will not take place until Penflex receives the certified points listing sometime after January 1st, however the increase will be retroactive to January 1st.
- **Disability Benefit:** If a participant becomes totally and permanently disabled before the EA, he/she will be eligible to be paid a lump-sum equal to the discounted actuarial present value of the participant's Accrued Monthly Service Award as of the date the disability is awarded by the Village Board.
- **Death Benefit:** If a vested participant dies before the EA and prior to the commencement of his/her Accrued Monthly Service Award payments, a lump-sum is paid to the participant's designated beneficiary equal to the discounted actuarial present value of the vested participant's Accrued Monthly Service Award as of the date of death. No benefit is payable upon the death of a non-vested participant. Each participant should complete a beneficiary designation form and file it with the Village. If a beneficiary form is not completed, upon death, payments must be made to the estate, which will cause delays in payment.
- **Trustee:** The Board of Trustees of the Village of Croton-on-Hudson 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 Village.

This Summary was prepared by Penflex Actuarial Services, LLC, the firm retained by the Village of Croton-on-Hudson to assist the Village in the administration of the Croton Volunteer Fire Department Service Award Program.