

**Summary of Program Provisions**

**IOWA FIREMEN’S ASSOCIATION (IFA)  
SERVICE AWARD PROGRAM**

**Summary of Program Provisions**

**Name of Volunteer Fire Company Adopting IFA Service Award Program:**

See #1 in the Adoption Agreement: \_\_\_\_\_

**Name of Political Subdivision Sponsoring the Service Award Program:**

See #1 in the Adoption Agreement: \_\_\_\_\_

1. **Type of Program:** The IFA Service Award Program shall be a Defined Contribution Plan.
  
2. **Effective Date of Adoption of Program by Volunteer Fire Company:** See #2 in the Adoption Agreement
  
3. **Service Award Program Administration:** The IFA Service Award Program shall be administered by the Iowa Firemen’s Association. The IFA shall retain Edward Holohan/Penflex, Inc. and David Rogers/RBC Dain Rauscher to assist the IFA to administer this Program and to invest the Program assets. This Service Award Program shall be locally administered by a Service Award Program Committee (i.e., the “SAC”). The local SAC may consist of representatives from the adopting volunteer fire company and the local political subdivision which sponsors the Program.
  
4. **Eligibility to Participate in the IFA Service Award Program:** All members of the Iowa Firemen’s Association who are active members of an adopting volunteer fire company shall be eligible to participate in the Service Award Program.
  
5. **When Participation Commences:** Unless they waive participation, all eligible persons shall become Service Award Program Participants on the last day of the first twelve month period ending June 30, during which they shall meet the following requirements but not before June 30, 2007 .

The requirements are:

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- a) Be at least 18 years old; and
- b) Earn a year of Service Award Program service credit (see #11) for a twelve month period ended June 30<sup>th</sup>.

6. **Annual Contribution (i.e., the annual “Service Award”):** For each twelve month period ending June 30<sup>th</sup> and beginning on or after July 1, 2006, an annual contribution may be paid into the Service Award Program Trust Fund by the adopting volunteer fire company and/or the program sponsor. The Service Award Program account of each Participant who earned a year of Service Award Program service credit (see #11) during a July 1<sup>st</sup> through June 30<sup>th</sup> period shall each be credited with the same share of the amount contributed by the adopting volunteer fire company/sponsor for such twelve month period. The minimum contribution to be allocated in total to a Participant’s account for a twelve-month period ending June 30<sup>th</sup> shall be \$300. The annual contribution for a twelve-month period ending June 30<sup>th</sup> must be deposited with RBC Dain Rauscher by the November 1<sup>st</sup> next following such June 30<sup>th</sup>.

7. **Alternative Allocation of Annual Contribution:** If the “Yes” box is checked in #3 of the Adoption Agreement, the amount contributed in any one twelve month period ending June 30<sup>th</sup> by the volunteer fire company and/or the program sponsor shall be allocated to the individual Participant accounts as follows:

<u>Participants Years of Service Credit</u>	<u>Amount Allocated to Participant’s Account</u>
1 – 5	BASE AMOUNT
6 – 10	1.5 X BASE AMOUNT
11 +	2.0 X BASE AMOUNT

In determining an individual Participant’s Years of Service Award Program Service Credit for the purpose of determining the allocation of the annual contribution amount, all years of volunteer firefighter service rendered after the active member’s date of membership with the adopting volunteer fire company shall be counted (see #12).

The base amount shall be re-determined after the end of each and every twelve month period ending

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June 30<sup>th</sup> and shall be based upon the funds made available by the volunteer fire company/sponsor to contribute to the Service Award Program for that twelve month period ending June 30<sup>th</sup>.

Except for the limit on the annual contribution to a Participant's Service Award Program account set forth in Section 457 of the Internal Revenue Code, there shall be no other limit or restriction on the amount contributed to a Program Participant's account for any twelve month period ending June 30<sup>th</sup> except for the \$300 minimum requirement set forth above in #6.

8. **Accrued Service Award:** Each Participant shall have an individual Service Award Program account balance. The total annual Service Award Program contributions credited to a Participant's account plus a proportionate share of the investment income earned on the Service Award Program Trust Fund allocated to the Participant's account less any allocated Service Award Program investment or administrative related expenses paid from such Trust Fund shall be the Participant's Accrued Service Award at any given time. In the case of a Participant who becomes an active member of an adopting fire company after having been an active member of another adopting volunteer fire company and before terminating his or her participation in the IFA Service Award Program, separate "sub-accounts" shall be maintained for such Participant. Each separate sub-account maintained for a Participant shall be derived from his or her active member service with a specific adopting volunteer fire company. The total balance of all such sub-accounts at any time for a Participant shall be the Participant's Accrued Service Award.

9. **Entitlement Age:** The Entitlement Age shall be the later of age 62 or the Participant's age on the next July 1<sup>st</sup> after becoming a Participant in the Service Award Program. A Participant who shall have attained a 100% fully vested status (see #14) in the Service Award Program shall be paid his or her Accrued Service Award upon attainment of the Entitlement Age provided, however, a Participant who shall earn twenty (20) or more years of vesting service credit before attaining the Entitlement Age may apply for immediate payment of his or her Accrued Service Award before attaining the Entitlement Age. An active volunteer firefighter Participant who attains the Entitlement Age before attaining a fully vested status shall be paid the vested portion of his or her Accrued Service Award upon the earlier of attaining a fully vested status or no longer being an active member of any adopting volunteer fire company. Participants who attain the Entitlement Age before attaining a fully vested

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status and after no longer being an active member of any adopting volunteer fire company shall be paid the vested portion of their Accrued Service Award upon attainment of the Entitlement Age

10. **Form of Payment of Accrued Service Award to Participants:** All payments to Participants who have attained the Entitlement Age (see #9) shall be made in a single lump sum.

11. **To Earn Service Credit For a Year Commencing On or After the Effective Date of the adoption of the IFA Service Award Program:** For July 1 to June 30 twelve month periods of active member service beginning on or after the effective date of the adoption of the Iowa Firemen's Association Service Award Program by a volunteer fire company, a Participant shall earn one year of Service Award Program service credit for each such twelve month period during which the Participant was a member of the IFA and an active member of an adopting volunteer fire company. Such service credit shall be granted only for volunteer firefighter service as an active member of an adopting volunteer fire company and shall be included in determining a Participant's vesting service credit. A listing of the names of all persons who were active members of an adopting volunteer fire company during a twelve-month period ending June 30<sup>th</sup> shall be submitted by the volunteer fire company to Penflex by November 1<sup>st</sup> following such June 30<sup>th</sup>. Such list shall indicate which active members earned a year of service credit for such twelve-month period ended June 30<sup>th</sup>. Such list shall be certified under oath by the chief executive officer of the adopting volunteer fire company.

12. **To Be Granted Service Credit For Service Prior to the Effective Date of the adoption of the IFA Service Award Program:** To be eligible to receive credit for vesting and contribution allocated purposes (if applicable – see #7) for service prior to the Effective Date of the adoption of the IFA Service Award Program with an adopting volunteer fire company, a Participant must first earn one year of Service Award Program service credit for a July 1<sup>st</sup> to June 30<sup>th</sup> period beginning on or after the Effective Date of the adoption of the IFA Service Award Program by a volunteer fire company. For each twelve month period ending June 30<sup>th</sup> before the Effective Date of the adoption of the IFA Service Award Program during which a firefighter was at least 18 years old, a year of vesting service credit shall be earned by an eligible Participant for each such July 1<sup>st</sup> through June 30<sup>th</sup> twelve month period during which the Participant met the adopting volunteer fire company's active member requirements as certified by the adopting volunteer fire company's chief executive officer.

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13. **Military Duty:** A Participant whose volunteer fire service is interrupted by full-time extended obligatory military service or by a voluntary enlistment in the armed forces of the United States shall be considered on military leave. Such Participant shall be credited with a year of IFA Service Award Program service credit for each full year on military leave. No more than five years shall be credited for a voluntary enlistment. For military service of less than a year, a participating active member shall be awarded prorated service credit. Provided, however, such person must again become an active member of an adopting volunteer fire company within one year after his military leave expires and subsequently earns one year IFA of Service Award Program service credit before any service credit shall be granted for military service. Military service credit shall be automatically granted to any participating active member on military service leave who shall die or become totally and permanently disabled while in active military duty.

14. **Vesting Schedule:** A Participant's Accrued Service Award shall become vested in accordance with the following schedule:

33 1/3% after earning five (5) years of vesting service credit

66 2/3% after earning eight (8) years of vesting service credit

100% after earning twelve (12) years or more of vesting service credit

15. **When Accrued Service Award and Years of Service Credit Shall be Forfeited:** The non-vested portion of a Program Participant's Accrued Service Award shall be forfeited effective as of June 30<sup>th</sup> of the second July 1<sup>st</sup> through June 30<sup>th</sup> twelve month period during which the non-vested Program Participant shall no longer be an active member of an adopting volunteer fire company. The portion of a Participant's Service Award Program Accrued Service Award which shall be forfeited as of June 30<sup>th</sup> of a year shall be added to the contribution made to the IFA Service Award Program for such twelve month period ending June 30<sup>th</sup> and allocated to Participant accounts as of such June 30<sup>th</sup> in the same manner as the amount otherwise contributed to the IFA Service Award Program for such twelve month period ending June 30<sup>th</sup>. In the event that a Participant's Accrued Service Award consists of more than one account (with each sub-account associated with a different adopting volunteer fire company), the forfeited portion of each separate sub-account shall be added to the contribution made during such July 1<sup>st</sup> to June 30<sup>th</sup> period by the adopting volunteer fire company associated with the sub-account. The

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forfeited portion of a Participant or a former Participant's Accrued Service Award shall be restored as of the June 30<sup>th</sup> he or she first earns a year of IFA Service Award Program service credit after the effective date that the not-vested portion of his or her Accrued Service Award was forfeited; provided, however, there shall be no restoration of such Participant's or former Participant's Accrued Service Award if he or she fails to again earn one year of service credit within the ten year period ending June 30<sup>th</sup> immediately following the effective date of such forfeiture. A Participant whose Accrued Service Award shall have been 100% completely forfeited shall no longer be a Participant in the IFA Service Award Program as of the effective date of such forfeiture and shall then be a former Participant.

16. **Pre-Entitlement Age Death Benefit:** A lump-sum shall be payable to a Participant's designated beneficiary (or estate if no beneficiary shall be designated) if the Participant shall die before attaining the Entitlement Age. Such lump sum shall equal to the Participant's Accrued Service Award (see #7) as of the June 30<sup>th</sup> following death.

17. **Pre-Entitlement Age Total and Permanent Disability Benefit:** Upon application and approval by Edward Holohan/PenfleX, Inc. a lump-sum payment equal to the Accrued Service Award (see #7) as of the June 30<sup>th</sup> following the date the Total and Permanent Disability (see #18) benefit shall be awarded and paid to a disabled Participant. Disabled Participants who shall be paid a total and permanent disability benefit payment from the IFA Service Award Program who shall subsequently recover from their disability and shall again become active members of an adopting volunteer fire company shall be considered a new member as of the day they again become an active member of the volunteer fire company and shall not again receive service credit for service prior to that date except for vesting and (if applicable) contribution allocation purposes.

18. **Definition of Total and Permanent Disability:** The term "disabled" shall mean awarded benefits before attaining the entitlement age for a total and permanent disability from: the Social Security Administration, any entity which pays benefits for total and permanent disability for volunteer firefighter line of duty disablements or any other entity approved by Edward Holohan/PenfleX Inc., due to a disablement which shall first prevent a Participant from earning a year of service credit after the Effective Date of the adoption of the IFA Service Award Program by the volunteer fire company in which the Participant was an active volunteer firefighter member.

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19. **Commencement of Payment of Accrued Service Award:** After each individual participant's Service Award Program record has been updated through the end of a twelve month period ended June 30<sup>th</sup>, Participants who, during the year shall have become eligible for payment of the vested portion of their Accrued Service Award (see #9), shall be paid their Accrued Service Award as of the next succeeding July 1<sup>st</sup>. The designated beneficiaries of Participants who died in the same twelve month period ending June 30<sup>th</sup> shall be paid under the same schedule as well as Participant's who were awarded a IFA Service Award Program Total and Permanent Disability benefit by Edward Holohan/Penflex Inc. during such twelve month period ending June 30<sup>th</sup>; provided, however, a totally and permanently disabled Participant as well as the designated beneficiary of a deceased Participant may apply for immediate payment of an Accrued Service Award to Penflex, Inc. at any time in which case the Accrued Service Award as of the preceding June 30<sup>th</sup> shall be paid and any additional payment due shall effectively be made as of the next succeeding June 30<sup>th</sup>.

20. **Years of Service Rendered after the Entitlement Age:** Participants who shall continue to be active volunteer firefighter members of an adopting volunteer fire company after they shall be paid their fully 100% vested Accrued Service Awards shall continue to have the opportunity to earn Service Award Program service credit. The additional Service Award Program payment earned by a Participant during a year ended June 30<sup>th</sup> after the date on which they were effectively paid their fully vested Accrued Service Award shall be paid as of such June 30<sup>th</sup> in a single lump sum. Participants who were paid the vested portions of their IFA Service Award Program Accrued Service Award who again become active members of an adopting volunteer fire company shall again have the opportunity to earn IFA Service Award Program service credit; provided, however, their Service Award Program service credit for vesting and contribution allocation purposes shall include all years of service credit earned as a Participant in the IFA Service Award Program and the vested portion of their Accrued Service Award accumulated on their behalf after again becoming an active member of any adopting volunteer fire company as well as any portion of their account restored in accordance with provision #15) shall not be paid to them until the earlier of the June 30<sup>th</sup> on which they attain a 100% fully vested status or they again are no longer an active member of any adopting volunteer fire company.

21. **Administration Costs:** Unless paid by the adopting volunteer fire company and/or the

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program sponsor, the Service Award Program administration costs shall be paid from the IFA Service Award Program contributions made by the adopting volunteer fire company/program sponsor. The administration costs of the IFA Service Award Program shall be disclosed to all adopting volunteer fire companies/program sponsor and active members of such fire company. Fees/commissions/expenses paid to Penflex, Inc. and RBC Dain Rauscher shall be in accordance with contracts for services between the IFA and Penflex, Inc/RBC Dain Rauscher. The terms and fees set forth shall be disclosed within the disclosure of the administration costs referred to above.

22. **Investment of Service Award Program Funds:** A Trust Fund shall be created within which the funds paid into the IFA Service Award Program shall be deposited and invested. Distributions of Service Award's shall be made from the Trust Fund in accordance with the Program provisions. The Trust Fund shall be established and maintained in accordance with applicable sections of the Internal Revenue Code (IRC). The Iowa Firemen's Association shall be the Program Trustee. The Service Award Program Trust Fund investments shall be selected by the Iowa Firemen's Association.

23. **Amendment of the Iowa Firemen's Association Service Award Program by the IFA:** The Iowa Firemen's Association Service Award Program may be amended from time to time by the Iowa Firemen's Association. All amendments of the Program must be written and must be formally adopted by resolution of the governing body of the Iowa Firemen's Association. In the event that the Program is amended, a written explanation of the amendment shall be given to each Program Participant by the Iowa Firemen's Association within sixty days after the amendment shall be formally adopted by the Iowa Firemen's Association. Any costs associated with the adoption of such an amendment shall be paid by the IFA.

24. **Termination of the Iowa Firemen's Association Service Award Program by the IFA:** The Iowa Firemen's Association may terminate the Service Award Program at any time. In the event that the Program shall be terminated, the adopting volunteer fire companies and program sponsors shall pay all amounts owed to the Program as of the effective date of the Program termination by the Iowa Firemen's Association within six (6) months of the date the Iowa Firemen's Association governing body shall adopt a resolution to terminate the Program. Unless an adopting volunteer fire company directs the IFA to refund the funds held by the IFA for a volunteer fire company's active members

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directly to such volunteer fire company, within one (1) year of the date such resolution shall be adopted, each Program Participant shall be paid his or her entire Accrued Service Award, with investment income earned to the date of payment, in a single lump-sum. Beneficiaries of deceased Program Participants shall be paid any amount owed to them under the Program in the same manner within the same one (1) year period. The Iowa Firemen's Association shall pay any administrative expenses arising from the termination of the Service Award Program.

25. **Amendment of Adoption Agreement by Volunteer Fire Company:** Should a volunteer fire company which has adopted the IFA Service Award Program amend their program in a manner set forth and approved by the IFA, each active member of the volunteer fire company shall within sixty (60) days of the date of adoption of such amendment by the adopting volunteer fire company and subsequent approval thereof by the IFA of such amendment be provided with a written explanation of the amendment by the IFA. Any costs associated with the adoption of such amendment shall be paid by the adopting volunteer fire company.

26. **Termination of Participation in IFA Service Award Program by a Volunteer Fire Company:** Should an adopting volunteer fire company notify the IFA of the volunteer fire company's termination of participation in the IFA Service Award Program, an amount equal to the total account balances of the adopting volunteer fire company's IFA Service Award Program Participants shall be refunded to the volunteer fire company less any costs of administration associated with such termination of participation by the volunteer fire company in the IFA Service Award Program.

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