

**WORCESTER COUNTY
LENGTH OF SERVICE AWARD PROGRAM
FOR VOLUNTEER MEMBERS OF
CHARTERED FIRE AND AMBULANCE COMPANIES**

I. Establishment of Program

There is hereby established, effective July 1, 2000, a Worcester County Length of Service Award Program for Volunteer Members of Chartered Fire Companies and Ambulance Companies approved by the Trustees, eligible under the provisions of Subtitle I of Title I of the Public Safety Article of the Code of Public Local Laws of Worcester County, governed by this resolution herein sometimes referred to as "volunteer." This Program may be referred to as the LOSAP.

II. Trustees – Appointment, Powers and Restrictions

A. Appointment - The Worcester County Commissioners will serve ex officio as the LOSAP Trustees.

B. Powers - The Trustees shall have the following powers in addition to any other powers provided by statutory law or common law:

1. To retain any and all stocks, bonds, notes, securities and other property comprising a part of any trust fund created hereunder without liability for any decrease in the value thereof;
2. To sell, at public or private sale, exchange for like or unlike property, convey, lease for longer or shorter terms than the trusts created hereunder, and otherwise dispose of any and all property, real and personal, held hereunder for such price and upon such terms and credit as the Trustees may deem proper;
3. To invest any money held hereunder and available for investment in any and all kinds of securities or property, whether or not of the kind authorized by the common law or by the laws of any state or country to which the Trustees would, in the absence of this provision, be subject;
4. To form or join in forming any corporation and subscribe for or acquire stock in any corporation in exchange for money or other property;
5. To retain cash included in any trust fund created hereunder without investment thereof for such period of time as they shall deem advisable, whenever the Trustees shall determine that it is inadvisable to invest such cash because of market conditions or for any other reasons;
6. To vote, directly or by proxy, at any election or stockholders' meeting any shares of stock held hereunder;
7. To exercise or dispose of or reject any purchase rights arising from or issued in connection with any stock, securities or other property held hereunder;
8. To bid for and become the purchasers of any real or personal property sold at any foreclosure or other sale in which the Trustees may have a mortgage or other interest hereunder and to hold or resell the same without liability for any loss resulting therefrom;
9. To repair, alter or demolish any existing building or structure and to erect any building or structure on any real estate held hereunder;
10. To effect fire, liability, casualty title or other insurance of such nature and in such form and amount as may be desirable upon any property held hereunder;
11. To participate in any plan or proceeding for protecting or enforcing any right, obligation or interest arising from any stock, bond, note, securities or property held hereunder or for reorganizing, consolidating, merging or adjusting the finances of any corporation issuing the same; to accept in lieu thereof any new property; to pay any assessment or expense incident thereto; to join in any voting trust agreement; and to do any other act or thing which the Trustees may deem necessary or advisable in connection therewith;
12. To employ, upon such terms and with such discretionary powers as the Trustees may approve, servants, agents and attorneys-at-law or in-fact, and to obtain the advice of any investment counsel or other institution or individual;

13. To collect, pay, abandon, contest, compromise or submit to arbitration any claim in favor of or against the trust property or any part thereof or the Trustees;
14. To determine, in accordance with generally accepted trust accounting principles. Whether receipts and disbursements shall be credited to or charged against principal or income, or partly to or against principal and partly to or against income, which determination shall be conclusive and binding upon all interested parties;
15. To make any allotment or distribution herein provided for in cash or in kind, or partly in cash or partly in kind, in separate or undivided shares, and fairly and reasonable to value and apportion the property so allotted or distributed, which values and apportionments shall be conclusive and binding upon all interested parties;
16. To borrow money for such periods of time and upon such terms and conditions as the Trustees may deem advisable for any purpose whatsoever and to mortgage or pledge such part or the whole of the trust property as may be required to secure such loan or loans;
17. To lend money to any beneficiary then entitled to receive income from any trust fund created hereunder on the secured note of such beneficiary or on security;
18. To hold stocks and other assets and open bank accounts in the name of the Trustees with full disclosure of the fiduciary relationship, or in the name of such nominee as may be appointed exclusively by a bank or trust company acting as custodian for the trust;
19. To appoint from time to time, by instrument in writing, any one of the Trustees as the representative of all in the performance and execution of all acts and the exercise of all judgement and discretion in connection with the administration or performance of the trusts hereby created, and any trustee may from time to time delegate any or all of his powers and duties, whether of an administrative or fiduciary nature, to any other Trustee or Trustees hereunder;
20. For fair and adequate consideration, to purchase or sell any property, real or personal, from or to any Trustee, or from or to the estate of any Trustee, and such purchases or sales shall be as valid and binding as purchases or sales from or to any other person or estate;
21. To invest the whole or any part of any trust fund created hereunder in any single security or asset or any single type of security or other asset without liability for an loss resulting from such lack of diversification;
22. To construe the provisions and terms of this trust, whenever necessary, and to act upon the advice of counsel in relation thereto; and
23. From time to time, to change the situs of the trust or trust property or any part thereof to any city or place in the United States or any other country without permission or order of any court, it being the intention and purpose of the donor that the Trustees shall have sole and absolute discretion as to here the situs of the trust or trust property or an part thereof shall be located. Any such change in situs shall be effected in any manner deemed by the Trustees to be suitable to accomplish the desired change.

C. Restrictions - Notwithstanding any powers conferred upon the Trustees or any successor Trustees elsewhere in this resolution, no Trustee hereunder or any other person shall have at any time, or in any manner or capacity, either directly or indirectly, the power to do any of the following with respect to any of the trusts or trust funds created hereunder.

1. To revest title to any part of the principal in the donor;
2. To hold or accumulate any part of the income for future distribution to the donor;
3. To distribute any part of the income to the donor;
4. To enable any person to purchase, exchange, or otherwise deal with or dispose any part of or all of the principal or income for less than adequate and full consideration in money or money's worth;
5. To enable the donor, directly or indirectly, to borrow any part or all of the principal or income;
6. To exercise any power of administration over any trust created hereunder, without the approval or consent of any person in a fiduciary capacity, other than a fiduciary capacity for the benefit of the beneficiaries hereunder, which powers shall include specifically, but without limitation of the foregoing:

- (a) a power to vote or direct the voting of stock or other securities held hereunder,
 - (b) a power to control investment of any trust fund by directing investments or reinvestments, or by vetoing proposed investments, or reinvestments, and a power to enable anyone to acquire trust corpus by substituting other property of any equivalent value;
7. To engage in any act of self-dealing as defined in Section 4941 (d) of the Internal Revenue Code of 1986, which would give rise to any liability for the tax imposed by Section 4941 (a) of the Internal Revenue Code of 1986;
 8. To retain any undistributed income as defined in Section 4942 of the Internal Revenue Code of 1986 which would give rise to any liability of the tax imposed by Section 4942 (a) of the Internal Revenue Code of 1986;
 9. To retain any excess business holdings as defined in Section 4943 (c) of the Internal Revenue Code of 1986, which would give rise to any liability for the tax imposed by Section 4943 (a) of the Internal Revenue Code of 1986;
 10. To make any investments which would jeopardize the carrying out of any of the exempt purposes of the trust, within the meaning of Section 4944 of the Internal Revenue Code of 1986 so as to give rise to any liability for the tax imposed by Section 4944 (a) of the Internal Revenue Code of 1986;
 11. To make any taxable expenditures as defined in Section 4945 (d) of the Internal Revenue Code of 1986, which would give rise to any liability for the tax imposed by Section 4945 (a) of the Internal Revenue Code of 1986.

III. Plan Administrator and Investment Manager

The plan administrator and investment manager shall be determined, from time to time, by the Trustees. The first plan administrator and investment manager shall be KSG Securities, Inc., whose address is 228 N. Division St., Salisbury, MD 21801.

IV. Plan Dates

The plan year shall coincide with the Worcester County fiscal year, beginning on July 1st and ending the following June 30th. The service year will begin on January 1st prior to the plan year, and end on the following December 31st.

V. Initial Application for Participation in the LOSAP

- A. Volunteer Responsibility - It shall be the responsibility of each volunteer to notify the Company Fire Chief or Fire President of the volunteer's initial eligibility for participation or re-entry into the LOSAP after a break in service, in writing, by completing a LOSAP Application and Notice of Change Form, no later than March 1st prior to the plan year. Forms submitted for initial application after March 1st will not be accepted.
- B. Late Applications - Volunteers who are denied entry on account of a late application may reapply for plan entry the following year. Prior year(s) of service certified active by the Fire Company Chief and President may count toward years of service required for receipt of benefits, however, no retroactive contribution shall be made for such year(s).

VI. Annual Certification of Service, Maintenance of Records & Appeals

- A. Annual Certification of Service - Beginning February 1, 2007, and no later than March 1st of each year thereafter, each Fire and Ambulance company shall furnish a copy of the Maryland State Fireman's Association Individual End of Year Points Report as certification of active service for the previous calendar year and eligibility to participate in LOSAP. Following submission of the reports, the Trustees shall furnish each Fire and Ambulance company with a list of active eligible members reported. Fire companies who do not submit the required reports by the deadline may not be funded for the LOSAP for the upcoming fiscal year.
- B. Notice of Certification - Beginning March 1, 1999, and each March 1st thereafter, each Volunteer Fire and Ambulance Company shall furnish the Trustees a statement, certifying under oath by the Company Chief and Company President, all volunteers of the company whose service for the previous calendar year has been certified under the LOSAP. Each statement shall contain each qualifying member's date of birth, age and total years of active service including certified active

service with other volunteer companies, and any other information as may be required by the Trustees.

- C. Approval – Upon receipt of this statement, the Trustees shall review and approve volunteers qualified under the LOSAP on the list and forward it to the Plan Administrator and Fire Companies.
- D. Records – It is the responsibility of each participating Volunteer Fire and Ambulance Company to maintain detailed and accurate records for each volunteer qualified under the LOSAP on forms prescribed by the Trustees.
- E. Appeal – A volunteer aggrieved by any decision of the Trustees with respect to credit qualification or benefit amounts, has the right to appeal to the Trustees within thirty (30) days following the transmittal of the list of approved volunteers to the Fire Companies. The appeal shall be in writing and addressed to the Trustees, who shall make a final and binding decision regarding the appeal. The appeal hearing shall be conducted by the Trustees within sixty (60) days of the request, but not less than (10) days after notifying the appellant of the scheduled hearing date. There shall be no appeal to any court.

VII. Eligible Service Requirement

In order for a year of service to be approved by the Trustees to count toward years of certified service required for LOSAP award, a volunteer must have service certified as active for the service year prior to the plan entry date by the Company Fire Chief and Company President, in accordance with the provisions of the Worcester County Volunteer Firemen's Association Point System for Determining Active Status, as adopted by Resolution of the Worcester County Commissioners on December 12, 1995 as from time to time amended.

VIII. Award Eligibility & Benefits

- A. Eligibility – Any volunteer who has served as a member of a Worcester County Volunteer Fire or approved Ambulance Company and has qualified under the LOSAP is eligible to receive the benefits as hereinafter set forth.
- B. Plan Election - Volunteers qualified for participation in the LOSAP may participate in either a Monthly Award Plan or Annual Contribution Award Plan as follows:
 - 1. Monthly Award Plan
 - a. Volunteers qualified under the LOSAP, age 45 or older on or before December 31, 1999, are eligible to elect, before September 30, 2000, a monthly award plan.
 - b. In order to receive a monthly award, a volunteer must:
 - 1) reach the age of sixty (60), and
 - 2) complete or have completed a minimum of twenty-five (25) years of certified active service; and
 - 3) submit an Award Distribution Application to the Trustees.
 - c. Benefits shall be in the amount of fifty dollars (\$50.00) per month, for a maximum of one hundred twenty (120) months for a total award of six-thousand dollars (\$6,000.00). Payments shall begin on the first day of the first month following thirty (30) days after application is made. Payments shall be made directly to the volunteer entitled to such benefits. Award payments shall cease upon death.
 - d. Once the election to participate in the Monthly Award Plan is made, the decision cannot be changed.
 - 2. Annual Contribution Plan
 - a. All volunteers qualified under the LOSAP, other than those enrolled in the Monthly Award Plan as specified in Section VIII.B.1. hereof, will be enrolled in the Annual Contribution Plan. An annual contribution in an amount determined by the Trustees will be made on behalf of each volunteer qualified under the LOSAP and enrolled in the Annual Contribution Plan for a period not to exceed thirty (30) years.
 - b. In order to receive an award a volunteer must:

- 1) reach the age of sixty (60), and
 - 2) complete or have completed a minimum of twenty-five years of certified active service, and
 - 3) submit an Award Distribution Application to the Trustees.
- c. Benefits shall be in an amount equal to the total of annual contributions made on behalf of the volunteer plus the investment earnings thereon as determined by the Trustees. Payments shall be made in accordance with the payment plan selected by the member from options offered by the Trustees and shall begin on the first day of the first month following thirty (30) days after election of award payment method.
- C. Disability Benefit – In the event that any active volunteer qualified under the LOSAP becomes disabled while actively engaged in the line of duty, providing volunteer firefighting or ambulance service, and in the event that the disability prevents the member from pursuing his or her normal occupation and in the event that the disability is of a permanent nature as certified by the Maryland Workers' Compensation Commission or other competent medical authority as designated by the Trustees, then the volunteer is entitled to receive the balance of any award not yet received, to which he or she may be entitled, regardless of age or length of service. These benefits shall begin on the first day of the month following thirty (30) days after establishment of the permanent disability.
- D. Death Benefit – In the event of the death of a volunteer qualified under the LOSAP prior to receiving an award, the volunteer's beneficiary of record shall receive a death benefit of three-thousand dollars (\$3,000.00), and a lump sum distribution in an amount equal to the amount to member would have received had the member become eligible for a benefit payment as of the date of death based upon contributions and earnings as determined by the Trustees. In the event of the death of a volunteer qualified under the LOSAP who is receiving an award, the beneficiary of record shall receive the balance of any payments due the deceased volunteer.
- IX. Special Provisions
- A. Break In Service -A volunteer whose service is interrupted by resignation or involuntary termination shall be deemed to have suffered a break in service. Service credit earned prior to the break in service will be lost unless the volunteer returns to certified active service within two (2) years of the termination date. Volunteers who leave service to join United States military forces shall not be deemed to have suffered a break in service if the volunteer member:
- (1) is released from military service under "honorable conditions," and
 - (2) returns to certified active service within two (2) years of discharge from the military.
- It shall be the responsibility of each volunteer to notify the Fire Chief or Fire President of the volunteer's initial eligibility for re-entry into the LOSAP after a break in service, in writing, by completing a LOSAP Application and Notice of Change Form, no later than March 1st prior to the plan year. Forms submitted for initial application after March 1st will not be accepted.
- B. Service Prior to January 1, 1999 - Volunteers may count years of service, certified active by the Fire Company Chief or President, prior to January 1, 1999 toward years of service required for receipt of benefits, but no retroactive award contributions shall be made for such years.
- C. Disqualification - Volunteers, Company Chiefs or Company Presidents who intentionally falsify information on any LOSAP document, in addition to criminal penalties, may be disqualified from participation in the LOSAP and forfeit all future benefits and prior award contributions.
- X. Funding
- A. Appropriations - Funding may be appropriated annually by the County Commissioners and shall be subject to budget procedures and constraints.
- B. Initial Funding – The initial appropriation shall be equal to:
1. Two hundred dollars (\$200) for each volunteer qualified under the LOSAP Annual Contribution Plan; and
 2. Sufficient funds to fund the Monthly Award Plan contemplated to be one hundred, twenty-two thousand dollars (\$122,000) for the first plan year.
- C. Annual Contributions - Annual contributions shall be made each year from the annual appropriations.

- D. Lapsed Contributions - Lapsed Contributions made on account volunteers who fail to become eligible for payment of benefits shall remain assets of the LOSAP trust and may be considered by the County Commissioners in annual funding and reduce the funding target per volunteer.

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