

Forfeitures

Forfeitures occur when:

- A member withdraws his/her member account contributions before meeting the age-60-plus-five-years-of-service threshold for distribution of the department account,
- A member withdraws his/her member account after age 60 having between five and 10 years of service for distribution of the general fund account. To date, there have been no general fund contributions to VOLSAP, or
- A member forfeits his/her membership by becoming six months delinquent in submitting quarterly payments, including if a member's delinquency is the result of the cessation of operations by the member's department or squad and the member does not volunteer with another department or squad.

A member who has fewer than five years of service upon attaining age 60 is entitled to withdraw his/her own contributions plus any earnings or losses, but is not entitled to any contributions made on his/her behalf by his/her department or squad, any local government, or from the general fund.

Funds in a member's account that have remained unclaimed for more than five years after the forfeiture of his/her membership may be transferred to the Virginia Unclaimed Property Program operated by the Virginia Department of the Treasury.

Tax Considerations

Members pay contributions with after-tax dollars. Members' contributions are tax-free when withdrawn from the fund. Any other contributions and all earnings will be subject to state and federal income taxes upon distribution. Taxable payments exceeding \$600 will be reported to the Internal Revenue Service on IRS Form 1099.

NOTE: The information in this document should not be used in any actual transaction without the advice and guidance of a professional tax adviser. Although the information contained here is presented in good faith and believed to be correct, it is general in nature and is not intended as tax advice.

Tracking Account Balances

Each member has up to three sub-accounts:

- **Member Contribution Account:** Credited with the member's personal contributions and associated earnings or losses.
- **Department Contribution Account:** Credited with department, squad, local government or other funding source contributions, if any, and associated earnings or losses, including contributions made on behalf of a member in lieu of the member's required contribution.

- **General Fund Contribution Account:** Credited with general fund contributions, if appropriated, and associated gains or losses. *NOTE: To date, there have been no general fund contributions to VOLSAP.*

Service Awards

The fund is intended to reward long-term service as an eligible volunteer. The contributions made during the service period by a member and by others on behalf of the member, if any, will accumulate over the years and be combined with investment gains and/or losses. Therefore, the actual amount of the service award will be determined by the balances in the member's accounts (see Tracking Account Balances) at the time the distribution is made.

Distributions from the accounts are made in a single lump sum following the end of the plan year on June 30. Distributions are typically made in October of each year. This is the only distribution method under the program. To make sure that you meet the deadline for the single annual distribution, please submit your Distribution Election Form (VOLSAP-6) by June 10, in time to be processed before June 30 of the year in which you want the distribution.

Distribution in the Event of a Member's Death

Upon the death of the member, account balances are payable first to the spouse; if there is no spouse, to the member's living children equally; if there are no living children, the member's heirs-at-law as may be determined by the board, or, if there are no heirs-at-law, to the member's estate.

If a member wishes to change the default beneficiary designation described above, which is part of the Application for Membership (VOLSAP-1), he or she may file a Beneficiary Election Form (VOLSAP-4) with the VOLSAP Plan Administrator naming a specific beneficiary or beneficiaries.

Questions?

If you have questions after reviewing this brochure, refer to the Procedures Guide available in your department or squad, as well as online at volsap.org, or to your representative who files the forms for the program. You may email questions to volsap@varetire.org.

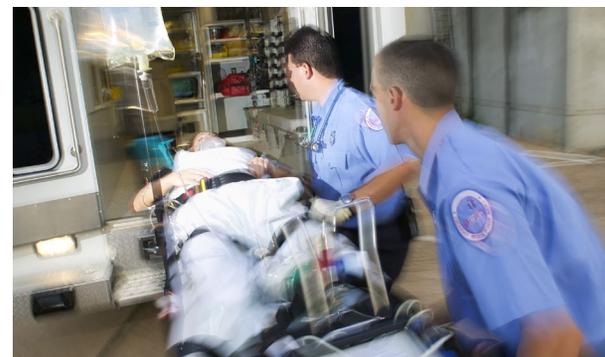
You also may contact the VOLSAP Plan Administrator, USI, at volsap@usi.com or toll-free at 844-749-1819.

Regular and Overnight Mail:
Principal Custody Solutions/VOLSAP
510 N. Valley Mills Dr., Suite 400
Waco, TX 76710



COMMONWEALTH OF VIRGINIA

Volunteer Firefighters' and Rescue Squad Workers' Service Award Program (VOLSAP)



Program Information



Volunteer Firefighters' and Rescue Squad

Workers' Service Award Fund Board

The Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund Board is created by state statute and is composed of 10 members. The director of the Virginia Retirement System (VRS) serves as chairman. The Governor appoints six members, the House of Delegates two and the Senate one. The board adopts policies and procedures and may contract for administrative services related to the service awards provided to plan members.

Administration of the Fund

The board has oversight of fund operations. However, VRS staff and an administrative services contractor assist with the maintenance of the program and fund. The VRS Board of Trustees, through its investment staff, invests the funds. The fund is required to reimburse VRS annually for all costs incurred and associated directly or indirectly with the administration and investment of the fund.

Member

An active member must be an eligible volunteer, defined as follows:

- an active rescue squad member or volunteer firefighter
- recognized as an active member of a bona fide volunteer fire department or bona fide volunteer rescue or emergency medical squad

Active members may include those who are actively engaged in performing firefighting and prevention services or emergency medical and ambulance services, or they may be serving as dispatchers or in certain other positions that do not require actual response to an emergency scene. In any event, an active member must be essential to the performance of fire and rescue services. For example, individuals who service equipment used in firefighting and/or rescue efforts are eligible for membership.

Members may transfer from one department or squad to another and continue membership, but members may only participate in the fund based on one membership.

Auxiliary members and individuals engaged strictly in fundraising are not eligible.

Falsification of Records

Any person who knowingly makes any false statements, or falsifies or permits the falsification of any record related to eligibility for membership in the fund, in any attempt to defraud the fund shall be guilty of a Class 1 misdemeanor.

Enrollment in the Fund

Application forms are available in the individual departments and squads, as well as online at volsap.org. Members complete the application and submit it with a check for \$30, \$60, or \$90 (first quarterly contribution) to the department or squad's fund representative. Once per quarter, the department or squad writes one check payable to VOLSAP for all members' contributions and sends it to the VOLSAP Plan Administrator. Only one fund membership is allowed per member; therefore, if eligible under more than one position, the member must choose the position upon which membership will be based.

Plan Year

The VOLSAP plan year is July 1 through June 30.

Effective Date of Membership

Membership is effective on the date the application, accompanied by the department or squad check, is received in good order by the VOLSAP Plan Administrator. Quarterly payments and forms must be received by the VOLSAP Plan Administrator by February 28, May 31, August 31 and November 30 annually.

Enrollment and Contribution Acknowledgment

New members receive enrollment confirmation from their department or squad.

Contributions

The required member contribution is \$30, \$60, or \$90 per quarter. Departments, squads and/or local governments or other sources submit the required contributions from the members and may make additional contributions to the fund to be credited to members' accounts.

If specifically appropriated, general fund contributions may be made to the fund and credited to members' accounts.

Investment of Contributions

Contributions are invested within five business days of the close of the quarter. Members do not select investment options. Though tracked separately, contributions are pooled with VRS funds for investment purposes, which keeps member costs at a minimum. The VRS Board of Trustees monitors the investment of VRS funds. Quarterly investment reports are available for viewing online at varetire.org/investments. Please note that investment returns for a specific account may vary from the quarterly returns reported on the website due to the timing of deposits and withdrawals.

Members' Statements

At the close of the fund year, June 30, the VOLSAP Plan Administrator mails annual statements to members' departments or squads.

Service Credit

The individual departments or squads validate service credit for members when they enroll by checking the appropriate block on the enrollment application, thus certifying eligibility. Thereafter, on a form provided by the VOLSAP Plan Administrator, eligibility will be certified on the list of members' names, which accompanies the contribution check from the various departments or squads.

Members with eligible service credit before their effective date of membership may purchase prior service upon certification of the department or squad. The member may purchase up to 10 years of prior service, but may only purchase one year of service credit for every two years of prior volunteer service. The current cost to purchase one year of prior service is \$120. Service credit is not affected by transferring between departments or squads, provided that the member gives notice to the board or its designee.

Default

A member who ceases to maintain eligibility and becomes six months delinquent in submitting quarterly payments to his/her account forfeits membership. Once membership is forfeited, members must submit a written request to the board, or its designee, seeking reinstatement. A \$25 fee will be deducted from the member's account upon reinstatement. Additional charges and/or other fees may apply.

If after a default a member does not reinstate his/her membership, the member's account shall be forfeited as described in the Forfeitures section no later than the December 31 following the end of the Plan Year in the which the member's default occurs.

A member in good standing who notifies the board or its designee, on the VOLSAP-5 form, of his/her intention to cease contributions and resume at a later date, can reapply and will be reinstated without paying the \$25 fee. A member who submits the VOLSAP-5 shall not be considered to have forfeited his/her membership.

The information contained in this document is governed by Title 51.1 of the *Code of Virginia*. This information is intended to be general. It cannot be complete in all details and cannot supersede or restrict the authority granted by the *Code of Virginia*, which may be amended from time to time. Participation in VOLSAP does not entitle a member to any other benefits administered by the Virginia Retirement System.