

**STATE OF MAINE LOSAP
DEFERRED COMPENSATION PLAN**

ARTICLE I. INTRODUCTION

- 1.01 Establishment of Plan. Maine Length of Service Award Program Board of Trustees (hereinafter the "Sponsoring Agency"), a governing body of either a municipality (in the case of municipal volunteer organizations) or fire district (in jurisdictions where fire districts operate), or emergency service squad, hereby establishes the State of Maine LOSAP Deferred Compensation Plan (hereinafter the "Plan"). The Plan is intended to qualify as a length of service award plan excluded under section 457(e)(11) of the Internal Revenue Code of 1986, as amended ("Code"), from being treated as a plan providing for the deferral of compensation.
- 1.02 Purpose of the Plan. The purpose of this Plan is to enhance the Sponsoring Agency's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads. Nothing contained in this Plan shall be deemed to constitute an employment agreement between any Participant and the Sponsoring Agency and nothing contained herein shall be deemed to give any Participant any right to be retained in the service of the Sponsoring Agency.

ARTICLE II. PLAN ELECTIONS

2.01 Plan Effective Date. (Check one.)

- This Plan is being established by the Sponsoring Agency effective August 1, 2022 _____, _____.
- This Plan replaces the Plan previously established by the Sponsoring Agency and is effective on _____, _____ (hereinafter the "Effective Date").

2.02 Contribution Sources (Check one or more, as applicable; plan may provide accounts for separate contribution sources):

- State contributions
 Municipal contributions (fire)
 Municipal contributions (other)
 Federal contributions

2.03 Sponsoring Agency-Directed Accounts. The Sponsoring Agency shall direct the investment of amounts that are remitted to the issuer, trustee or custodian prior to the date on which the Participant or Beneficiary exercises his/her right to direct the investment of his/her account as described in section 9.05. (Check one.)

Yes.

No. Section 9.05 shall not apply to this Plan.

2.04 In-service Distributions. (Check one.)

[] Yes. Withdrawals under section 10.05 shall be available under this Plan.

[x] No. Withdrawals under section 10.05 shall not be available under this Plan.

2.05 Unforeseeable Emergency Withdrawals. (Check one.)

[] Yes. Withdrawals under section 10.06 shall be available under this Plan.

[x] No. Withdrawals under section 10.06 shall not be available under this Plan.

ARTICLE III. DEFINITIONS

3.01 Account: The Plan account maintained for each Participant reflecting the cumulative amount of each Participant's length of service awards, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's length of service awards, and further reflecting any amounts accepted as a transfer under section 10.01, any distributions to the Participant or the Beneficiary, and any fees or expenses charged against the Participant's length of service awards.

3.02 Accounting Date: The annual date at the close of the fiscal year when the Sponsoring Agency provides an accounting of its length of service award agreement and apprises all Participants of the value of their Accounts.

3.03 Accrued Service Award: The total value, as of a given date, of a Participant's Account.

3.04 Ambulance Service: An ambulance service licensed by the Emergency Medical Services Board pursuant to Title 32, section 88.

3.05 Beneficiary: The person, persons or legal entity designated by a Participant to receive any undistributed benefit that becomes payable in the event of a Participant's death. If more than one designated Beneficiary survives the Participant, payments shall be made equally to the surviving Beneficiaries, unless otherwise provided in the Agreement. If no Beneficiary is designated in the Agreement or if no designated Beneficiary survives the Participant, then the estate of the Participant shall be the Beneficiary. However, a Participant may designate a contingent Beneficiary (or Beneficiaries) who shall become the primary Beneficiary (or Beneficiaries) under this Plan in the event that no primary Beneficiary survives the Participant.

3.06 Board: The Maine Length of Service Program Board of Trustees

3.07 Code: The Internal Revenue Code of 1986, as amended.

3.08 Contractor: A service provider authorized to do business in Maine designated by the Sponsoring Agency to provide investments or perform administrative services or

both under this Plan. One or more affiliates of the Contractor also may provide services, where authorized by agreement with the Sponsoring Agency.

- 3.09 Department: A fire department, an ambulance service or non-transporting emergency medical service.
- 3.10 Eligible Volunteer: A "bona fide volunteer" within the meaning of Code section 457(e)(11)(B)(i), performing qualified services in a Department if that bona fide volunteer is:
- (1) A firefighter who is an active part-time or on-call member of a municipal fire department or a volunteer firefighter; or
 - (2) An emergency medical services person or an emergency medical ambulance operator who is duly licensed under rules and protocols established by the Emergency Medical Services Board pursuant to Title 32, section 88 and who provides on-call, part-time or volunteer emergency medical treatment under the direction of the chief of a -fire department and or for an ambulance service or a nontransporting emergency medical service.
- 3.11 Emergency Medical Service Board: The Emergency Medical Services Board established pursuant to Title 5, section 12004-A, subsection 15.
- 3.12 Emergency Medical Service Person: Any person who routinely provides emergency medical treatment to the sick or injured.
- 3.13 Emergency Medical Treatment: The skills, techniques and judgments, as defined by the Emergency Medical Services Advisory Board, which are directed to maintaining, improving or preventing the deterioration of the medical condition of the patient and which are appropriate to be delivered by trained persons at the scene of a patient's illness or injury outside the hospital and during transportation to the hospital.
- 3.14 Emergency Service Squad: A duly incorporated volunteer first aid, emergency or volunteer ambulance or rescue squad association.
- 3.15 Independent Auditor: A state auditor or a certified public accountant selected by the county commissioners pursuant to M.R.S. 30A, Ch.3, 951(1).
- 3.16 Investment Option: A form of investment made by the Administrator on behalf of the Sponsoring Agency and approved by the Board and approved for sale by the Maine Insurance Department of one or more of the following types: (1) a group fixed annuity contract issued by an insurance company authorized to do business in the State of Maine; (2) a group variable annuity contract issued by an insurance company authorized to do business in the State of Maine; (3) a combination group fixed and variable annuity contract issued by an insurance company authorized to do business in the State of Maine; or (3) shares of regulated investment company stock (*i.e.*, mutual fund shares). Except for individual annuities, amounts awarded

shall be pooled for investment in authorized Investment Options and the return on investments apportioned on a prorated basis among all Participants in the Plan after deductions for reasonable administrative costs.

- 3.17 Joinder Agreement: The document signed by a Participant to authorize participation in the Plan. Such Joinder Agreement shall specify the amount to be awarded, specify the Participant's Investment Option or Investment Options with respect to his/her award, designate the Participant's Beneficiary or Beneficiaries, and incorporate the terms, conditions, and provisions of this Plan by reference. Once a Joinder Agreement is signed, the Participant and Beneficiary waive all claims and rights to commute, sell, assign, or otherwise use or transfer rights to receive any payments under the Plan, which payments and rights are expressly declared to be nonassignable and nontransferable.
- 3.18 Local Plan Administrator: The person or group of local public officials or employees, including the local governing body, appointed by the Sponsoring Agency to act as the agreement representative with respect to the Contractor and to perform the agreement duties, if any, that are not to be performed by the Contractor under the terms of a length of service award plan agreement.
- 3.19 Municipal Fire Department: An organized firefighting unit established under municipal charter, ordinance or bylaw to prevent and extinguish fires and, if authorized by charter, ordinance or bylaw, to provide emergency services.
- 3.20 Nontransporting Emergency Medical Service: A nontransporting emergency medical service licensed by the Emergency Medical Services' Board pursuant to Title 32, section 88.
- 3.21 Participant: An Eligible Volunteer member who is eligible for benefits under the Plan and who has enrolled in this Plan pursuant to the requirements of Article V. Notwithstanding any other provision of this Plan, an individual shall not be treated as a Participant in this Plan for any period unless such individual is a "bona fide volunteer" within the meaning of Code section 457(e)(11)(B)(i).
- 3.22 Program Trust Fund: A trust fund established by the Board into which all contributions to the Plan are deposited.
- 3.23 Sponsoring Agency: The governing body of a municipality or fire district.
- 3.24 Termination of Service: For purposes of this Plan, a Participant will have terminated service as of the first day of the calendar month after which the Participant fails to complete a Year of Active Emergency Service.
- 3.25 Year of Active Emergency Service: A 12-month period during which an Eligible Volunteer participates in the fire or first aid service and satisfies the minimum requirements of participation established by the Sponsoring Agency on a consistent and uniform basis. Notwithstanding any other provision of this Plan, no period shall be treated as a Year of Active Emergency Service with respect to an Eligible Volunteer unless the services rendered by such Eligible Volunteer during such

period are “qualified services” within the meaning of Code section 457(e)(11)(C).

ARTICLE IV. ADMINISTRATION

4.01 Duties of the Local Plan Administrator. This Plan shall be administered under the direction of the Local Plan Administrator who shall represent the Sponsoring Agency in all matters concerning the administration of this Plan and who shall ensure the sound and proper administration of the Plan, which shall include, but not be limited to, the proper, accurate and adequate accounting and reporting of all funds. The Local Plan Administrator shall have responsibility for the transfer of awarded funds to the Contractor for investment. The Local Plan Administrator shall have full power and authority to issue directives affecting the administration of the Plan or to otherwise interpret the provisions of same, provided such action is not inconsistent with - PL 2015, c. 352, §1, and regulations promulgated thereunder. Any decision of the Local Plan Administrator with respect to the administration of the Plan shall be final. The Administrator shall have the authority to make any discretionary decisions affecting the rights or benefits of Participants which may be required in the administration of this Plan; provided, however, that no person acting as Administrator may participate in any discretionary decision directly affecting his/her individual participation in the Plan.

4.02 Duties of the Contractor. The Contractor appointed by the Sponsoring Agency shall perform such nondiscretionary administrative functions in connection with the Plan as shall be set forth in its agreement with the Sponsoring Agency, including the maintenance of Participants’ accounts and the provision of periodic reports, not less frequently than annually, of the status of each Account and the value or balance of the entire Plan to the Local Plan Administrator, which reports shall remain the property of the Sponsoring Agency.

All records regarding participation, the amount of awards, account balances, withdrawals, and any other information regarding a Participant’s account shall be held confidential by the Contractor, the Local Plan Administrator, and any other persons performing services in connection with the Plan. Summary plan information, including, but not limited to, cash flow analysis, investment reports, audits and annual reports, shall be made available by the Local Plan Administrator and Contractor upon a written request from a Participant or the Board.

The Contractor shall post a bond obtained from an organization duly authorized and licensed to provide such bond in the State of Maine, to protect the Plan and Sponsoring Agency from any loss resulting from fraud or dishonesty by the Contractor. The amount of the bond shall not be less than 100 percent of the amount of funds managed by the Contractor.

4.03 Contractor Disclosure. The Contractor must fully disclose to the Sponsoring Agency, and to the Participants where appropriate, the fees charged by the Contractor, the fee and commission structure of the Contractor, the investment program offered by the Contractor, and any other pertinent information that the Sponsoring Agency may need in evaluating the Contractor’s fee and service.

All service agreements or contracts entered into by the Sponsoring Agency shall contain termination clauses with respect to transfers of assets or responsibility under the Plan.

The Local Plan Administrator shall retain in a safe and secure place the original policies, contracts, or other legal documents executed by the Sponsoring Agency and the Contractor. Such documents shall be retained in accordance with the State of Maine record retention requirements as found in M.R.S. Title 30(A) §2701.

- 4.04 Annual Audit. The Sponsoring Agency shall have a review of the Plan as part of the annual audit of its books, accounts and financial transactions. The initial review of the Plan shall cover the period from Plan initiation to the end of the fiscal year for the local unit and thereafter, the fiscal year of the Plan shall conform to the fiscal year of the Sponsoring Agency. The review of the Plan shall be made in accordance with the AICPA's Statements on Standards for Accounting and Review Services (codification of Statements on Standards for Accounting and Review Services as of January 1, 1999, as may be amended), subject to such qualitative inquiry and analytical procedures selected and performed, causing attention to questionable items, procedures or practices of a material nature, constituting a need for balances to be adjusted or creating a need for further auditing.

The Contractor shall transmit to the Sponsoring Agency a compilation of financial data in a statement form providing a full accounting of all Plan transactions occurring during the Sponsoring Agency's fiscal year, including beginning and ending fund balances. The accounting for these transactions must reflect each volunteer's award and date the funds were received, the beginning fund balance by Investment Option, earnings and/or losses incurred, administrative charges and fees assessed, any transfers made among Investment Options, all deposits and withdrawals, and the ending fund balance, including any and all adjustments. The Contractor shall also submit to the Sponsoring Agency applicable Plan statements, together with the opinion from its most recent audit report prepared by its independent public accountant.

The Contractor shall furnish a letter to the Board from its independent public accountant attesting to the adequacy of the Contractor's internal controls.

The Contractor shall certify to the Board that the annual accounting data supplied to the Sponsoring Agency is accurate and complete.

The Independent Auditor shall then evaluate the Sponsoring Agency's records of the funds awarded to the volunteers and the Joinder Agreements against the information transmitted by the Contractor. The independent registered municipal accountant shall make an appropriate statement and express limited assurances thereon. These assurances shall be made a part of the Sponsoring Agency's annual audit pursuant to M.R.S. Title 30(A), Ch.3 951(1).

- 4.05 Conflict of Interest and Related Matters. No employee or official of the Sponsoring Agency (or any family member of such person or business in which such person has a 10% or greater proprietary interest) shall have any interest, financial or otherwise,

in any contract entered into by the Sponsoring Agency relating to the administration of the Plan. The Sponsoring Agency may not enter into a contract with a Contractor that pays money to an organization of which the Sponsoring Agency is a member for endorsement of the Contractor's Plan.

There shall be no collusion, or evidence or appearance of collusion, between any official, employee or participant of the Sponsoring Agency and any official, employee or representative of any contractor, vendor, insurance company, bank, consultant, brokerage firm or any other profit making or nonprofit firm in solicitation or award of a length of service award plan with the Sponsoring Agency. No organization seeking to be a contractor shall solicit an Eligible Volunteer for participation in any length of service award plan or solicit an Eligible Volunteer to support the efforts of the contractor to secure such a contract.

A representative of a contractor under contract shall not, without the expressed written consent and knowledge of the Sponsoring Agency, communicate with any prospective Participant.

- 4.06 Nondiscrimination. Contractor shall be in full compliance with all Federal and state laws regarding discrimination in its employment or investment policies and practices and shall so certify to the Board

ARTICLE V. PARTICIPATION IN THE PLAN; VESTING

- 5.01 Eligibility. An Eligible Volunteer shall be eligible to participate in the Plan on the last day of the first calendar year during which the Eligible Volunteer meets the service credit requirements set forth in Article VII during a calendar year beginning after December 31, 2015. Service credit is awarded for the calendar year during which the service is accrued. An Eligible Volunteer may waive the right of participation in the Plan pursuant to subsection 5.02.
- 5.02 Waiver of Participation. An Eligible Volunteer may waive the right to participate in the Plan by filing with the Board a written, signed and irrevocable waiver of participation that is signed by the chief of a Department of which the Eligible Volunteer is a member.
- 5.03 Service Credit Reporting: A Department shall submit a list of all persons who were Eligible Volunteers during a calendar year to the Board for review and approval by May 1st following the end of that calendar year. The list must indicate which Eligible Volunteers earned service credit during the calendar year and must be prepared, certified under oath by the chief of the Department, posted in the Department for at least 30 days and then submitted to and received by the Board by May 1st. During the 30-day posting period, an Eligible Volunteer must be given the opportunity to dispute the service credit shown for the Eligible Volunteer in accordance with law. The chief shall indicate in writing to the Board that the list was posted for at least 30 days and that all disputes regarding the service credit shown on the list as having been earned during the year have been resolved. The Board, at its sole discretion, may audit a list prepared by a Department under this subsection. If the list is not received by the Board by May 1st, a contribution may not be credited to the Account

of any Eligible Volunteer whose name was or should have been reported on the list as having earned one year of service credit during the calendar year. A Participant's Account is subject to the vesting schedule provided in subsection 5.04.

- 5.04 Vesting. A Participant's Accrued Service Award becomes vested as set out in this subsection.
- A. If the Participant has less than 5 years of service credit, the vested percentage is 0%.
 - B. If the Participant has 5 or more years of service credit, the vested percentage is 100%.
- 5.05 Forfeiture of Accrued Service Award. The nonvested portion of a Participant's Accrued Service Award is permanently forfeited effective as of December 31st of the calendar year during which the Participant has not been an Eligible Volunteer for 36 consecutive months. Service credit earned by a Participant is never forfeited, PL 2015, c. 352, §1 (NEW).
- 5.06 Initial Participation. An Eligible Volunteer becomes a Participant when he has executed and entered into a Joinder Agreement with the Sponsoring Agency.
- 5.07 Joinder Agreement. The Sponsoring Agency and a Participant may execute only one Joinder Agreement for purposes of enrolling in the Plan. If the Joinder Agreement expires pursuant to section 5.07, the Sponsoring Agency and Participant must execute another Joinder Agreement to re-enroll in the Plan.
- 5.08 Expiration of Joinder Agreement. The Joinder Agreement expires upon termination of service or revocation of awards.

ARTICLE VI. CONTRIBUTIONS

- 6.01 All Benefits Considered. Each Eligible Volunteer's Accrued Service Award shall be subject to contribution requirements as set forth in this Article. In determining whether contribution requirements have been satisfied, all benefits provided under all service award programs instituted by a Sponsoring Agency shall be considered as one program.
- 6.02 Minimum and Maximum Limitations. The Plan shall have minimum and maximum contribution requirements as follows: if any contributions are made during a year, the minimum contribution for each participating Active Volunteer Member for such calendar year shall be \$300; and the maximum contribution for such calendar year shall be [NA]; provided however that in any event contributions shall be subject to the limit on the amount of the annual contributions set forth in Code section 457(e)(11)(B)(ii) for any such calendar year. The Sponsoring Agency shall determine annually, in its sole discretion, the formula for allocating contributions, if any, to a Participant's account.

- 6.03 Withholding. Notwithstanding any other provision in the Plan, the amount of award contributions credited to a Participant's Account pursuant to his/her Joinder Agreement shall not be treated as compensation subject to Federal income tax withholding or Maine Gross Income Tax withholding.

ARTICLE VII. DETERMINATION OF YEAR OF ACTIVE EMERGENCY SERVICE

A Year of Active Emergency Service commencing after the establishment of the Plan shall be credited for each calendar year in which an Active Volunteer Member accumulates 30 points that are granted in accordance with a schedule adopted by the Sponsoring Agency. Points shall be granted for activities designated by the Sponsoring Agency, which activities may include the following:

Fire Department:

- (A) Training courses;
- (B) Drills;
- (C) Attendance at official meetings of the Sponsoring Agency; and
- (D) Participation in emergency responses;

Emergency Medical Service Department:

- (A) Training courses;
- (B) Drills;
- (C) Attendance at official meetings of the Sponsoring Agency; and
- (D) Participation in emergency responses;

ARTICLE VIII. PRIOR SERVICE CREDITING

- 8.01 Prior Service Crediting. All calendar years, up to 5 years, ending before January 1, 2016, during which the Participant was an Eligible Volunteer for the entire calendar year count toward vesting service credit pursuant to PL 2015, c. 352, §1 (NEW). Such credit may be granted to the Eligible Volunteer over as many years as deemed appropriate by the Sponsoring Agency, except that the total amount contributed in any one year shall not exceed the maximum amount allowed by law to be contributed by a Sponsoring Agency.

- 8.02 Review Membership Rosters. To provide credit for service prior to the establishment of the Plan, pursuant to section 8.01, the Sponsoring Agency shall review the prior membership rosters of the emergency service organizations subject to the Plan to determine the number of years' credit for each Participant who is entitled to credit. In making the analysis, the standard for active service set forth in Article VII and adopted by the Sponsoring Agency shall be used. The amount of the contribution provided to Participants for past service may differ from the amount of the current contribution provided under the Plan. The definition of years of active

emergency service shall be determined by the bylaws of the participating emergency service organization at the time service was earned. Approval for such prior service shall require certification by the duly designated persons, as determined and defined by the Sponsoring Agency of the participating emergency service organization.

If an Eligible Volunteer requests credit for service in more than one volunteer participating emergency service organization, each such emergency service organization shall provide a certification for the appropriate number of years. That credit may be awarded at the discretion of the Sponsoring Agency of the Plan in which the volunteer member seeks to apply the credit. In no event, however, shall a Participant be credited for the same year of active emergency service in more than one service award program. In computing credit for those Eligible Volunteers who also serve as paid employees within a local government unit of the State of Maine, credit shall not be given for activities performed during the individual's regularly assigned work periods.

- 8.03 Appeal of Exclusion from Certification List or Denial of Past Service Credit. An Eligible Volunteer whose name does not appear on the approved certification list or who is denied credit for service prior to the establishment of the Plan may appeal within 30 days of posting of the list or within 30 days of denial of past service credit. The appeal shall be in writing and mailed to the clerk or secretary of the governing body of that local government unit, which shall investigate the appeal. The decision of a participating emergency service organization shall be subject to appropriate judicial review.

ARTICLE IX. INVESTMENT OF AWARD CONTRIBUTIONS

- 9.01 Annuity Contracts and Other Plan Investments. For the purposes of measuring and satisfying its obligation to provide benefits under this Plan, the Sponsoring Agency shall invest the amount of each Participant's award contributions in an Investment Option or Investment Options as specified in the Participants' Joinder Agreements. Such investments shall be made within 72 hours, exclusive of Sundays and Holidays, from the time the Contractor receives the funds or is notified that the funds are available for investment.

Responsibility for the selection of Investment Options for Plan assets shall be retained by the Sponsoring Agency, and the Sponsoring Agency shall have the right to modify the selection of Investment Options from time to time. However, Participants and Beneficiaries may allocate amounts held in their accounts or otherwise credited for their benefit under the Plan among the Investment Options selected by the Sponsoring Agency, and the Sponsoring Agency shall cause such amounts to be so allocated within a reasonable time after the receipt of Participant instructions, or may instruct the issuer, trustee, or custodian to accept such allocation instructions directly from Participants and Beneficiaries as representatives of the Sponsoring Agency.

All amounts awarded under this Plan shall remain the asset of the Sponsoring Agency; the obligation of the Sponsoring Agency to Participants shall be contractual

only; and no preferred or special interest in the awards made shall accrue to such Participants. Such funds shall be subject to the claims of the Sponsoring Agency's general creditors until distributed to any or all Participants.

- 9.02 Crediting of Accounts. The Participant's Account shall reflect the amount and value of any investment of the Participant's award contributions. It is anticipated that the Sponsoring Agency's investments with respect to a Participant will conform to the Investment Option(s) selection made in the Participant's Joinder Agreement, but nothing herein shall be construed to require the Sponsoring Agency to make any particular investment of a Participant's award contributions; provided, however, that the Sponsoring Agency shall not cause any award contributions that have been invested in accordance with a Participant's selection of an Investment Option or Investment Options to be liquidated and reinvested under a different Investment Option except at the request of a Participant and in accordance with regulations or rulings promulgated under M.R.S Title 5, §3372.

The Contractor shall provide for a uniform system of accounting for each Participant and for the investment of the funds. Each Participant shall receive periodic reports, not less frequently than annually, showing: the Participant's Account balance as of the last Accounting Date; and the amount of income, gains or losses credited to the Participant's Account since the last report or Accounting Date. The Contractor shall credit to the Plan and to each Participant's Account the return or loss on investment no less than once per month, except for annuity programs.

- 9.03 Sponsoring Agency Liability. The benefits paid to a Participant or Beneficiary pursuant to Article X of this Plan shall be based upon the value of the Participant's Account. In no event shall the Sponsoring Agency's liability to pay benefits exceed the value of the Participant's Account, and the Sponsoring Agency, Local Plan Administrator and the Contractor shall not be liable for losses arising from depreciation or other decline in the value of any investments acquired under this Plan.
- 9.04 Contractor Indemnification. Contractor shall indemnify the Sponsoring Agency and the Local Plan Administrator from any cause of action, together with the reasonable costs of litigation, from acts or omissions by the Contractor.
- 9.05 Sponsoring Agency-Directed Accounts. Notwithstanding any provision of the Plan to the contrary, if so elected by the Sponsoring Agency, the Sponsoring Agency shall direct the issuer, trustee or custodian with respect to the investment of any contributions that are forwarded to the issuer, trustee or custodian prior to the date on which the Participant or Beneficiary completes the necessary paperwork with the issuer, trustee or custodian (or takes such other action or actions as may be necessary) to direct the investment of such amounts. Such direction shall be communicated to the issuer, trustee or custodian by means of a separate written agreement between the Sponsoring Agency and issuer, trustee or custodian, which agreement will include a default investment option and a default beneficiary designation. This direction shall be effective only until such time as the Participant or Beneficiary exercises his/her right to direct the investment of such amounts.

ARTICLE X. BENEFITS

10.01 Payment. Except as otherwise provided in this Article, the Participant shall be entitled to receive from the Sponsoring Agency payment of the vested portion of the Participant's Accrued Service Award upon the attainment of the entitlement age as described in section 10.02. A Participant who attains the entitlement age while an Eligible Volunteer and before attaining a 100% vested status must be paid the Participant's Accrued Service Award as of December 31st of the calendar year during which the Participant achieved a 100% vested status. A Participant who attains the entitlement age before 65 years of age may on or before attaining the entitlement age file a written election with the Board to defer payment of the Participant's Accrued Service Award until attainment of 65 years of age pursuant to PL 2015, c. 352, §1 (NEW). The vested portion of the Participant's Accrued Service Award must be paid to the Participant as of the last day of the first calendar year during which a Participant has no longer been an Eligible Volunteer for at least 36 consecutive months pursuant to PL 2015, c. 352, §1 (NEW).

The portion of the annual contribution credited to the Program Account of a post-entitlement age Participant must be immediately paid to the Participant if the Participant has achieved a 100% vested status in the program. If the post-entitlement age Participant has not achieved a 100% vested status in the Plan, that Participant's Accrued Service Award must be paid to the Participant as soon as administratively feasible after December 31st of the calendar year during which the Participant achieved a 100% vested status pursuant to PL 2015, c. 352, §1 (NEW).

10.02 Entitlement Age. The entitlement age for a participant is the earlier of:

A. 65 years of age or the person's age on the next January 1st after becoming a Participant in the Plan if the person is 65 years or older pursuant to PL 2015, c. 352, §1 (NEW); and

B. The age of a participant as of the end of the calendar year after earning 20 years of service credit pursuant to PL 2015, c. 352, §1 (NEW).

10.03 Payment to Beneficiary. Should the Participant die after he has begun to receive the benefits provided by section 10.01, the Sponsoring Agency, within thirty (30) days of receipt of satisfactory proof of death, shall continue to the Beneficiary any payments required under the benefit payment form selected by the Participant. If no Beneficiary is designated in the Agreement or if the designated Beneficiary does not survive the Participant, then the Sponsoring Agency shall make a lump sum payment to the estate of the Participant in an amount equal to the value of the then remaining payments, if any, payable under the benefit payment form specified in the Agreement. If the designated Beneficiary does not survive the period after the Participant's death during which such payment(s) are to be made, then the Sponsoring Agency shall make a lump sum payment to the estate of any such Beneficiary in an amount equal to the value to the remaining payments, if any, payable under the type of benefit payment form specified in the Agreement.

Should the Participant die before attaining the entitlement age, the Participant's designated beneficiary, or estate if no acceptable beneficiary designation form has been filed with the Board by the Participant, must upon application to the Board be paid the Participant's Accrued Service Award in a lumpsum as soon as administratively feasible after all required documentation is submitted to the Board. A Participant who dies in the line of duty or because of an injury in the line of duty shall become automatically vested in the Plan.

- 10.04 Disability. A Participant who has been determined to be totally and permanently disabled, as defined in section 72(m)(7) of the Internal Revenue Code, by the United States Social Security Administration, any workers' compensation board, any insurance company, any state retirement system, any pension plan administrator or any other entity approved by the Board, must be paid the Participant's Accrued Service Award in a lump sum as soon as administratively feasible after all documentation required by the Board to verify and determine total and permanent disablement is submitted to the Board and the disability payment is awarded by the Board. A Participant who becomes totally and permanently disabled because of an injury in the line of duty shall become automatically vested in the Plan.
- 10.05 In-service Distributions. If the Employer so elects under section 2.03, a Participant may elect to receive an in-service distribution of the total vested amount payable to him under the Plan. If the Participant elects a distribution under this section 10.05, then the Participant must thereafter complete at least five years of emergency service to vest in the Plan.
- 10.06 Unforeseeable Emergency. If the Employer so elects under section 2.04, a Participant may apply to the Sponsoring Agency to receive part of the vested value of his/her Account which is reasonably needed to satisfy an emergency need (including any amounts that may be necessary to pay any Federal, state or local income taxes or penalties reasonably anticipated to result from the distribution). If such application for withdrawal is approved by the Sponsoring Agency, the Sponsoring Agency shall direct the issuer, trustee or custodian to pay the Participant such value as the Sponsoring Agency deems reasonably necessary to meet the emergency need.

An unforeseeable emergency is a severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of the Participant or Beneficiary, the Participant or Beneficiary's spouse, or the Participant or Beneficiary's dependent (as defined in Code Section 152, without regard to Section 152(b)(1), (b)(2) and (d)(1)(B)); loss of the Participant or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. For example, the imminent foreclosure of or eviction from the Participant or Beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay

for medical expenses, including non-refundable deductibles, as well as for the costs of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent (as defined above) of a Participant or Beneficiary may also constitute an unforeseeable emergency. The purchase of a home and the payment of college tuition are not unforeseeable emergencies.

Whether a Participant or Beneficiary is faced with an unforeseeable emergency permitting a distribution is to be determined based on the relevant facts and circumstances. A distribution on account of unforeseeable emergency may not be made to the extent that the emergency is or may be relieved through reimbursement or compensation from insurance or otherwise or by liquidation of the Participant or Beneficiary's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

ARTICLE XI. TRANSFERS

- 11.01 Transfers from Other Plans. This Plan shall accept transfers of award contribution amounts of a participant under another length of service award program meeting the requirements of Maine law and the Code. In the event of a request by a Participant for a transfer to a plan under which amounts are not held in the manner described in section 9.01, such transfer shall be permitted only if otherwise permitted by the Plan and applicable law. In no event may the Sponsoring Agency cause such a transfer to be made, except at the request of a Participant. Any such transferred amount shall not be treated as an award contribution subject to the limitations of section 6.02, except that, for purposes of applying the limit of section 6.02, an award amount contributed during any taxable year under the plan from which the transfer is accepted shall be treated as if it had been awarded under this Plan during such taxable year. Notwithstanding the foregoing, transfers from other length of service award plans shall only be permitted if the Internal Revenue Service has issued a favorable private letter ruling concerning this Plan.
- 11.02 Transfers to Other Plans. A Participant may elect to have any portion of the amount payable to him transferred to another length of service award plan. This election must be made before the earliest date that award contribution amounts would otherwise be payable to the Participant under this Plan. Notwithstanding the foregoing, transfers to other length of service award plans shall only be permitted if the Internal Revenue Service has issued a favorable private letter ruling concerning this Plan.

ARTICLE XII. AMENDMENT OR TERMINATION OF PLAN

- 12.01 Amendment. The Sponsoring Agency may amend the Plan to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules. The Sponsoring Agency may at any time amend this Plan by resolution. The Sponsoring Agency shall notify all Participants in writing prior to making any amendment to the Plan. The notice shall state that an amendment will be made, what the amendment will be, why the Plan is being amended and what the impact, if any, will be on the Participants. The Participants shall have the right to modify the Joinder Agreement to reduce or eliminate any adverse impact on their accounts.
- 12.02 Termination. The Sponsoring Agency may at any time terminate this Plan by resolution or by legislation that includes the name of the Contractor and Plan identifiers. Subject to any additional restrictions imposed under the Code or regulations thereunder:
- A. Within 360 days after the effective date of legislation terminating the Plan, each Participant must be paid the Participant's entire Accrued Service Award to the date of payment in a single lump sum.
 - B. Beneficiaries of deceased Participants must be paid any amount owed to them under the Plan in the same manner within the same 360-day period.
- 12.03 Amendment and Restatement of Previously Adopted Plan. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Sponsoring Agency, the amendments contained herein shall be effective as of the Effective Date, and the terms of the preceding plan document shall remain in effect through such date.
- 12.04 Board Approval. Any amendment made to this Plan, whether or not it is necessary to maintain the plan as an eligible length of service award plan within the meaning of the Code, must be submitted to the Board for approval prior to implementation, together with the regulatory authority for the amendment and the specific language of the change.

ARTICLE XIII. RELATIONSHIP TO OTHER PLANS

This Plan serves in addition to any other retirement, pension or benefit plan or system presently in existence or hereinafter established.


ARTICLE XIV. APPLICABLE LAW

This Plan shall be construed under the laws of the State of Maine and is established with the intent that it meets the requirements of a "length of service award plan" under section 457(e)(11) of the Code. This Plan and every contract or agreement entered into by the Sponsoring Agency pursuant to this Plan is subject to the rules and regulations of the

Division of Local Government Services, Department of Community Affairs, State of Maine, and such rules and regulations to the extent applicable are made a part hereof.

IN WITNESS WHEREOF, the Sponsoring Agency has caused this Plan to be executed by its duly authorized officer on this 18 day of August, 2022.

Sponsoring Agency

By:  _____
DocuSigned by:
C318D9D7ED40474...
Name: Frederick Brewer

Title: Governors Appointee To LOSAP Board

ATTEST:

By:  _____
DocuSigned by:
5E2E69208ED0400...

**LENGTH OF SERVICE AWARD PLAN
JOINER AGREEMENT**

This Agreement is made by and between _____ (the "Sponsoring Agency") and _____ (the "Participant").

The parties agree to and acknowledge the following:

- A. The Participant confirms that he has received a copy of the Sponsoring Agency's Length of Service Award Plan and has reviewed and understands all of the terms, provisions and conditions of the Plan, all of which are hereby incorporated into this Agreement.
- B. Commencing _____, 20__, the Sponsoring Agency agrees to award contributions of \$ _____ per year to be credited to the Participant's Plan Account until such time as the Participant revokes his/her participation in the Plan.
- C. The Participant hereby elects the following deemed investments for amounts credited to the Participant's Plan account, this election to be effective at the earliest date permissible under and subject to all of the terms of, the Plan:

	Deemed Investment Options	Percentage of Plan Account
1.		%
2.		%
3.		%
4.		%
5.		%
6.		%
7.		%
8.		%

- D. The Sponsoring Agency agrees to pay benefits to the Participant in the amount and manner described in Paragraphs E and F below. The Participant shall be entitled to receive benefits that are attributable to amounts awarded under Paragraph B above on the first day of the month next following (check one):

Termination of Service
 Other Date (But not earlier than Termination of Service)

(Specify)

NOTE: The date specified in this Paragraph D may be changed by the Participant one time up until one year prior to Termination of Service at which time the date specified shall become irrevocable.

- E. The benefits paid to the Participant shall be in such amounts and manner as if the Participant had himself made purchase payments under Investment Options equal to the amounts specified in Paragraph B above.
- F. The Participant designates the following method of payment for benefits attributable to award contributions (as described in Paragraph B, above):

_____ Lump Sum
 _____ Periodic Payment

*Please see your VALIC Retirement Planning Specialist for further information on this option.

NOTE: The payment method specified in this Paragraph F may be changed by the Participant one time up until one year prior to Termination of Service at which time the payment method selected shall become irrevocable.

- G. The Participant designates the following Beneficiary (or Beneficiaries) in accordance with Articles III and X of the Plan (specify full name, relationship and address):

Primary

Name: _____
 SSN: _____
 Relationship: _____
 Address: _____

Name: _____
 SSN: _____
 Relationship: _____
 Address: _____

Contingent

Name: _____
 SSN: _____
 Relationship: _____
 Address: _____

Name: _____
 SSN: _____
 Relationship: _____
 Address: _____

- H. The Participant designates the following method of payment to the Beneficiary or Beneficiaries (specify one of the methods listed in Paragraph F; method need not be the same as that specified in Paragraph F):

_____.

Dated this the _____ day of _____, 20__.

Sponsoring Agency:

By: _____
Signature

Name (print): _____

Title: _____

Participant: _____
Signature

Name (print): _____

Address: _____

Soc. Sec. #: _____

DEEMED INVESTMENT ELECTION FORM

Please print in ink:

PARTICIPANT INFORMATION

Name: _____

Social Security Number: _____

Address: _____

Telephone Number: _____

I hereby revoke any prior elections of deemed investment designations for the amounts credited to my Plan account, and I hereby elect the following deemed investments for amounts credited to my Plan account, this election to be effective at the earliest date permissible under and subject to all of the terms of, the Plan:

	<i>Deemed Investment Options</i>	<i>Percentage of Plan Account</i>
1.	_____	_____ %
2.	_____	_____ %
3.	_____	_____ %
4.	_____	_____ %
5.	_____	_____ %
6.	_____	_____ %
7.	_____	_____ %
8.	_____	_____ %

Date

Participant Signature