§ 218. Requirements and benefits under a defined contribution plan service award program. (a) An active volunteer firefighter's service award program that is a defined contribution plan shall be subject to minimum and maximum contribution requirements as set forth in subdivision (b) of this section. In determining whether such minimum and maximum contribution requirements have been satisfied, all benefits provided under all service award programs instituted by a sponsor shall be considered as one program.

(b) The sponsor of a defined contribution plan shall contribute to the plan a fixed amount of money, as determined by the sponsor, on behalf of each participant who is credited with a year of service. The minimum and maximum contribution requirements for a defined contribution service award program shall be as follows. The minimum contribution shall be one hundred twenty dollars per year of service. The maximum contribution shall be twelve hundred dollars per year of service. The maximum number of years of service for which a participant may receive a contribution shall be forty years. The sponsor shall appropriate annually an amount sufficient to pay the contributions. The governing board of a political subdivision may extend the maximum number of years of service for which a participant may receive a contribution for up to an additional ten years, to a maximum of fifty years, and such increases in the number of years may be added in multiple increments or in a single action, pursuant to the adoption of the required resolution or resolutions of the governing board, receiving the affirmative vote of at least sixty percent of the governing board of the political subdivision, and the approval of any mandatory referendum or referenda authorizing the extension of benefits under the program by eligible voters within such political subdivision.

(c) The benefit payable to a participant in a defined contribution plan shall be the resulting amount from a defined annual contribution made by the sponsor less necessary administrative costs and shall include interest and/or other earnings resulting from investment of the annual contribution. The governing board of the sponsor may retain an actuary to provide advice with respect to the investment of annual contributions or any other aspect of the program and the cost thereof shall constitute a necessary administrative cost of the program. Benefits shall be available when the participating volunteer firefighter

reaches entitlement age or at the time permanent total disability is established.

(d) In the event that any active volunteer firefighter becomes disabled and in the event that the disability prevents the active volunteer firefighter from pursuing such volunteer's normal occupation and if the disability is total and of a permanent nature as certified by the workers' compensation board or other competent authority approved by the sponsor of the service award program, the volunteer firefighter is entitled to receive the benefits described in this section, regardless of age or length of service. Such benefits shall begin on the first day of the first month following the establishment of such disability.

At the option of the sponsor of the service award program, the sponsor may provide an additional disability benefit in the event that any active volunteer firefighter becomes disabled during the course of service as a volunteer while actively engaged in providing a line of duty services, as defined in subdivision one of section five of the volunteer firefighters' benefit law. The additional disability benefit shall be an amount equal to an amount stated in the referendum under which the program was established or amended and payable to the disabled firefighter monthly for life. The plan sponsor shall provide the plan annually with the additional funds necessary to accommodate this additional disability benefit or the sponsor may purchase an annuity or make other provisions to effectuate the additional disability benefit.

(e) A volunteer firefighter's retirement income plan shall provide that, in the event of the death of an active volunteer firefighter who has a right to a nonforfeitable percentage of retirement income pursuant to subdivision (b) of this section, the designated beneficiaries of such active volunteer firefighter (or his estate if no beneficiary is so designated) shall be entitled to receive death benefits under the service award plan. Such benefits shall be equal to the amount of benefits earned by the volunteer firefighter under the plan at the date of death.

At the option of the sponsor of the services award program, if the active volunteer firefighter dies during the course of service as a volunteer while actively engaged in providing line of duty services, as

defined in subdivision one of section five of the volunteer firefighters' benefit law, additional death benefits may be provided by the sponsor. The amount of such death benefit shall be stated in the referendum under which the program was established or amended. In the event of the death of an active volunteer firefighter during the course of service as a volunteer while actively engaged in providing line of duty services, as defined in subdivision one of section five of the volunteer firefighters' benefit law, such death benefit amount shall be paid by the sponsor to the plan for distribution to the beneficiary or the estate if no beneficiary is designated.

(f) In the case of a state-administered service award program, a service award shall be paid only after an application is made to the program administrator and the administrator approves the application.