The Division has prepared the basis for a resolution for the adoption of a Length of Service Award Plan document plan and authorization to execute a service agreement with a third party to administer the investment of the LOSAP awards. The plan and service agreement may be combined into one document.

SUBMISSION OF DOCUMENTATION

An original signed, sealed and dated copy of the resolution **MUST** be forwarded to the Division for review and approval prior to the investment of any funds.

A copy of the Division’s approval will be forward to the third party administrator and to the sponsoring agency. Therefore, the transmittal documentation should contain the name and address of the sponsoring agency’s local plan administrator.

Should you have any questions, please contact the Division at:

NJ Department of Community Affairs
LOSAP Program
Division of Local Government Services
PO Box 803
Trenton, NJ 08816-4544

Phone: 609-292-7842
Fax: 609-633-6243

E-mail: losap@dca.state.nj.us
The implementation of a Length of Service Award Plan shall only be accomplished through the adoption of a resolution of the governing body of the sponsoring agency.

The specific areas of concern which MUST be addressed in the resolution are set forth in Length of Service Award Program at N.J.A.C. 5:30-14.25. Below is a narrative description and exposition of those elements.

A resolution is composed of two types of clauses --- “WHEREAS” and the “BE IT RESOLVED.” The “WHEREAS” clauses describe why the governing body is undertaking a particular activity. The “BE IT RESOLVED” clauses specify actions being implemented through the adoption of the resolution.

WHEREAS

In setting forth the rationale for the adoption and implementation of a Length of Service Award Plan, it is recommended that the resolution reflect some of the following concerns:

The desire to ensure the retention of existing volunteers and to provide incentives for recruiting new volunteer firefighters/first aid organization members.

The accrual of tax benefits to eligible volunteer firefighters and first aid organization members.

NOW, THEREFORE BE IT RESOLVED

The following MUST be addressed in the resolution. An example to the type of language that might be incorporated into the resolution follows each item in italic type.

Plan Adoption (N.J.A.C. 5:30-14.25)

When adopting a Prototypical Length of Service Award Plan Document, the resolution MUST identify the full name of the contractor and list the plan's identifier that was assigned to it by the Director of the Division of Local Government Services.

The governing body hereby adopts a length of service award plan document provided by [identify contractor and plan identifier].

Selection of Contractor (N.J.A.C. 5:30-14.37)

The resolution MUST: (1) describe the method used to solicit proposals, (2) identify the responding vendors and (3) state the rationale for selecting the successful vendor.

Solicit Proposals

A request for proposals for a Length of Service Award Plan was prepared and made available to providers of such services.

Responding Vendors:

The vendors responding to the request for proposals were [identify responding vendors].

Selection Rationale:

The successful vendor is [identify vendor]. The governing body reviewed all of the proposals submitted and met with representatives of the responding companies. The [identify vendor] was selected because [detail reason for selection].

Local Plan Administrator (N.J.A.C. 5:30-14.35)

The resolution MUST identify the local plan administrator. This is best implemented by identifying the person(s) to serve as Administrator by title(s) rather than by name.

The [title(s)] is/are hereby designated as the Local Plan Administrator for the administration of the Plan.

Execution of a Length of Service Award Plan and Contractor Identification

The resolution MUST contain specific language related to an authorization for the execution of a Length of Service Award Plan with the contractor. The person(s) authorized to execute the Plan has to be identified.
The [title(s)] is/are authorized to execute a Length of Service Award Plan with [identify contractor and Prototypical Plan Identifier] and to submit all necessary documents to the Director of the Division of Local Government Services within the State Department of Community Affairs for approval.

**Statement of Non-Collusion (N.J.A.C. 5:30-14.29)**

The resolution **MUST** contain a statement that there was no collusion, or evidence or appearance of collusion, between any local official and a representative of the contractor in the selection of a contractor to provide services under the Length of Service Award Plan.

_There has been no collusion, or evidence or appearance of collusion, between any local official and a representative of the contractor in the selection of a contractor for the administration of a Length of Service Award Plan pursuant to N.J.A.C. 5:30-14.29._

**USE THE FOLLOWING CLAUSE ONLY FOR PLANS BASED UPON AN OPINION OF COUNSEL**

**Statement of Compliance (N.J.A.C. 5:30-14.55)**

The resolution **MUST** contain an acknowledgment that the Length of Service Award Plan being adopted is based upon one for which the contractor has an opinion of counsel.

_The [insert name of sponsoring agency] is adopting a length of service award plan document on which the [insert name of contractor] has a favorable opinion of counsel indicating that the funds contributed for the benefit of the volunteers shall not be taxable for the purposes of the Internal Revenue Service until the actual receipt of such funds by the volunteer due to retirement, termination after vesting, death or disability._

**USE THE FOLLOWING CLAUSE ONLY FOR PLANS BASED UPON A PRIVATE LETTER RULING FROM THE INTERNAL REVENUE SERVICE**

**Private Letter Ruling (N.J.A.C. 5:30-14.57)**

If you are adopting a Length of Service Award Plan that has received a Private Letter Ruling from the Internal Revenue Service, the resolution must also state include the language set forth below.

_The [insert name of sponsoring agency] is adopting a length of service award plan document substantially similar to one on which a favorable Private Letter Ruling has been received from the Internal Revenue Service. The use of the Ruling is for guidance only and acknowledges that for Internal Revenue Service purposes, the Ruling of another sponsoring agency is not be considered precedent._