

## Mississippi Defined Contribution LOSAP HB 521



A defined contribution LOSAP permits the state to establish a predefined contribution that it will make each year to the volunteer's LOSAP account. The funds in the volunteer's account grow until retirement age when the account is paid to the volunteer in a lump sum.

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### The Benefits

Defined contribution LOSAP typically provides the following benefits:

- Pre-entitlement disability benefit.
- Lump Sum Benefit payable at retirement.

Who benefits from LOSAP:

- **Community** - Establishing a LOSAP can provide significant incentive to municipal and county volunteer firefighters that are otherwise not eligible for any retirement benefits.
- **Emergency Service Organization** - Establishing service requirements to qualify for benefits promotes a better trained and managed team of volunteers.
- **Volunteers** - Establishing a LOSAP offers rewards to volunteers for community service and encourages volunteer retention.

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### The Advantages:

- Guarantee of principal.
- Minimum 3 percent interest rate.

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### The Investment:

- An annual contribution of \$500 per active volunteer provides an attractive program.