



SERVICE AWARD PROGRAM STANDARD SERVICES

1. Prepare an annual Service Award Program statement for each Service Award Program participant, including those who are in payment status.
2. Prepare for the record and **for audit purposes** an annual Service Award Program report which:
 - a. shows and completely documents the calculation (defined benefit plans) or allocation (defined contribution plans) of the annual Program cost.
 - b. accounts for changes in the Program's assets.
 - c. lists the earned Service Awards (defined benefit plans) or accounts for changes in the Program account (defined contribution plans) for each participant.
 - d. summarizes the major provisions of the Program.
 - e. lists current payment recipients.
 - f. includes a service credit listing for current participants.
 - g. includes a written description of the actuarial methods and assumptions used to calculate the annual program costs (defined benefit plans).
 - h. For members of the Sponsor's Governing Board or Officials, prepare:
 - i. "Fact Sheet" which includes current year important information about their Program.
 - ii. "Annual Report Commentary" correspondence which alerts officials about emerging issues and/or explains changes in the Program (such as increase/decrease in Program funding costs).
3. One meeting upon request, first with officials and then with volunteers to review the Annual Report, to answer questions from volunteers about their annual statements, and to provide updates on Service Award Program related legislation and on their own Program.
4. Provide pertinent forms for participants to apply for payment upon eligibility, elect or change beneficiaries, etc.
5. At year-end, provide written instructions about how to prepare the required certified listings to be approved by the Sponsor's Governing Board and Department/Company officials, posted by the Department/Company, and sent to Penflex Actuarial Services, LLC.
6. Project the Program's cash flow needs in order to plan and formulate investment strategy.
7. Prepare written notification/explanation to be sent to persons who cease to participate in the Program.
8. During normal business hours, have trained staff available to answer questions from officials and designated client contact persons.
9. Throughout the year, receive, review and reconcile financial statements from custodian and/or investment and/or insurance providers.
10. Process Service Award payment applications, certify payment amounts and eligibility, prepare payment directives and communicate directly with the payment recipient and/or custodian and/or paying agent when necessary.
11. Answer routine questions from Sponsor's auditors about the Program and the Annual Report.
12. When required, prepare vouchers for payments to the Program Trust Fund.