

LOCAL FINANCE NOTICE

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LOSAP Rule Update

The Local Finance Board recently adopted amendments to the Length of Service Award Program Rules that addresses eligibility issues where a volunteer is a salaried employee of a municipality or fire district. The new language is at [N.J.A.C. 5:30-14.63](#) and replaces the original text of that section.

The key elements of the rule are as follows:

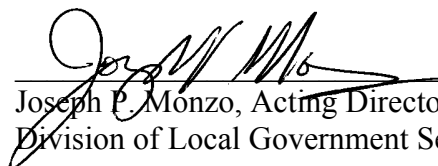
- The issue is those circumstances where an otherwise LOSAP-eligible volunteer is a salaried employee of the same agency that sponsors the LOSAP (i.e., a municipality or fire district).
- The volunteer **is not** eligible for a LOSAP award if the employee volunteers to perform, work that **is typically performed** by the employee during normal work hours.
- Conversely, an employee **is eligible** for the sponsor's LOSAP award if the volunteer service work is **not typically performed** during normal work hours.

The meaning of "typically performed" must be decided locally using the plain language of the law. The Board does not plan on making additional rules on this point. The LOSAP eligibility rules provide for a local appeal process if anyone believes an award has been improperly awarded.

The rule also makes it clear that notwithstanding an employee's compensation with a sponsoring agency, an employee may provide volunteer services to **another sponsoring** agency and be eligible for LOSAP contributions from that sponsoring agency.

Finally, the rule defines "compensation" as payments received by the employee that are subject to statutory pension contributions. Compensation shall not include any stipends or other allowances received by an employee, pursuant to N.J.A.C. 5:30-14.7(b).

Sponsoring agency officials should share this information with the emergency service organizations that are part of their LOSAP. Questions on this can be sent to the Division at dlgs@dca.state.nj.us or by calling 609-292-7843.



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Enclosure

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