

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

**HOUSE BILL****No. 1854** Session of  
1987

---

INTRODUCED BY HUTCHINSON, LETTERMAN, PETRARCA, DOMBROWSKI, FEE,  
CALTAGIRONE, COY, STEIGHNER, CLARK, FOX AND DeLUCA,  
OCTOBER 14, 1987

---

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF  
REPRESENTATIVES, AS AMENDED, FEBRUARY 22, 1988

---

## AN ACT

1 Amending the act of June 11, 1968 (P.L.149, No.84), entitled "An  
2 act relating to volunteer firemen's relief associations,  
3 clarifying their purposes and objectives, establishing  
4 criteria and standards for the conduct of their affairs,  
5 providing for their formation, recognition, continuing  
6 operation, and for their dissolution in appropriate  
7 circumstances and the distribution of their funds," further  
8 providing for volunteer firefighters' retirement plans.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

11 Section 1. Section 3 of the act of June 11, 1968 (P.L.149,  
12 No.84), known as the Volunteer Firemen's Relief Association Act,  
13 is amended to read:

14 Section 3. Statement of Purpose.--The purpose of the  
15 Legislature in enacting this statute is to encourage individuals  
16 to take part in the fire service as volunteer firemen, by  
17 establishing criteria and standards for the orderly  
18 administration and conduct of the affairs of firemen's relief  
19 associations, so as to ensure, as far as circumstances will

1 reasonably permit, that funds shall be available for the  
2 protection of volunteer firemen and their heirs:

3 (1) To provide financial assistance to volunteer firemen who  
4 may suffer injury or misfortune by reason of their participation  
5 in the fire service;

6 (2) To provide financial assistance to the widow, children,  
7 and/or other dependents of volunteer firemen who lose their  
8 lives as a result of their participation in the fire service;

9 (3) To provide, either by insurance or by the operation of a  
10 beneficial fund, for the payment of a sum certain to the  
11 designated beneficiaries of a participating member in such fund  
12 following the death of such member for any cause, and to  
13 establish criteria which members must meet in order to qualify  
14 as participants in such death benefit fund;

15 (4) To provide safeguards for preserving life, health and  
16 safety of volunteer firemen, so as to ensure their availability  
17 to participate in the fire service;

18 (5) To provide financial assistance to volunteer firemen  
19 who, after having actively participated in the fire service for  
20 a specified minimum term, are no longer physically able to  
21 continue such participation and are in need of financial  
22 assistance;

23 (6) To provide funds to aid the rehabilitation of volunteer  
24 firemen who have suffered an impairment of their physical  
25 capacity to continue to perform their normal occupations; [and]

26 (6.1) To provide retirement benefits to current and future  
27 active volunteer firemen upon their separation from active  
28 participation in the fire service on account of attainment of a  
29 designated age or acquisition of credit for a designated period  
30 of service through the establishment and maintenance of a

1 volunteer firemen's retirement benefit plan; and

2 (7) In any event, to provide sufficient funds to ensure the  
3 efficient and economical handling of the business of the  
4 association in accomplishing the objectives hereinabove set  
5 forth.

6 Section 2. The act is amended by adding sections to read:

7 Section 3.1 Volunteer Firemen's Retirement Benefit Plan  
8 Definitions and Minimum Standards.--As used in section 3(6.1),  
9 this section and sections 3.2 through 3.6, unless the context  
10 clearly indicates otherwise:

11 (1) Accrued retirement benefits is the amount of the  
12 retirement benefit which would be payable to a volunteer fireman  
13 if the fireman discontinued volunteer fire service based on the  
14 defined benefit formula in effect or the individual account  
15 balance, whichever is applicable, without reference to a minimum  
16 vesting requirement or normal retirement age requirement.

17 (2) Chief administrator of the volunteer firemen's relief  
18 association is the person who has primary responsibility for the  
19 execution of the administrative, business or financial affairs  
20 on behalf of the volunteer firemen's relief association, as  
21 indicated by the factual situation or as designated by the  
22 relief association.

23 (3) Defined benefit plan is a retirement benefit plan which  
24 provides a retirement benefit that is definitely determinable  
25 pursuant to the plan document without reference to the amount  
26 contributed to the plan on the participant's behalf or to  
27 income, expenses, gains or losses or forfeitures of other  
28 participants covered by the plan.

29 (4) Defined contribution plan is a retirement benefit plan  
30 which provides for an individual account for each participant

1 and for benefits which are based solely upon the amounts  
2 allocated to the accounts of participants and upon investment  
3 income, administrative or realized expenses, gains and losses  
4 which may be allocated to those accounts.

5 (5) Fair market value is the amount or price which, in all  
6 reasonable probability, on a specified date, would have been  
7 realized through the disposition of an investment in the course  
8 of business by a willing seller to a willing buyer as indicated  
9 in the most recent closing daily results of a national market or  
10 exchange for that type of investment or, if no national market  
11 or exchange exists, the book value or actual purchase price,  
12 whichever is applicable, of the investment.

13 (6) Fiduciary is a person who exercises discretionary  
14 authority or control with respect to the administration of the  
15 plan or the management or disposition of plan assets or who  
16 renders investment advice for a fee to the plan.

17 (7) Nonforfeitable right is the unconditionally and legally  
18 enforceable entitlement to receive benefits from a retirement  
19 benefit plan attributable to service as a volunteer fireman  
20 participating in the plan.

21 (8) Normal retirement age is the earliest age at which a  
22 former volunteer fireman who participated in the retirement  
23 benefit plan and who has an entitlement to receive a retirement  
24 benefit pursuant to the terms of the plan document may receive  
25 that retirement benefit.

26 (9) Prior volunteer fire service is the service rendered by  
27 a volunteer fireman to the applicable volunteer fire companies  
28 associated with the volunteer firemen's relief association which  
29 established and maintained the retirement benefit plan prior to  
30 the establishment of that retirement benefit plan.

1       (10) Retirement benefit is the amount, at the time of  
2 retirement, payable or potentially payable to a former volunteer  
3 fireman at or after normal retirement age, which (amount) is  
4 computed pursuant to the applicable formula if the retirement  
5 benefit plan is a defined benefit plan or which (amount) is the  
6 balance of the account of the former volunteer fireman if the  
7 retirement benefit plan is a defined contribution plan.

8       (11) Retirement benefit plan is the plan or program  
9 established and maintained by a volunteer firemen's relief  
10 association pursuant to this act to provide retirement benefit  
11 coverage for volunteer firemen of the associated volunteer fire  
12 companies, irrespective of the manner in which the plan is  
13 administered.

14       (12) Survivor of a volunteer fireman is the surviving spouse  
15 of the volunteer fireman at the time of the death of the  
16 volunteer fireman, or if none, the natural or adopted children,  
17 including posthumous children, of the volunteer fireman.

18       (13) Year of volunteer fire service is the twelve-month  
19 period, which need not be twelve consecutive months, during  
20 which a volunteer fireman who is eligible to participate in the  
21 retirement benefit plan meets the minimum volunteer fire service  
22 requirements established under section 3.6 and meets additional  
23 minimum requirements established by the volunteer firemen's  
24 relief association and during which the minimum obligation of  
25 the volunteer firemen's relief association with respect to the  
26 retirement benefit plan under section 3.5 has been met.

27       Section 3.2. Establishment of Volunteer Firemen's Retirement  
28 Benefit Plan.--A volunteer firemen's relief association which  
29 has met the requirements of section 6 may establish and maintain  
30 a retirement benefit plan for the volunteer firemen who are

1 members of the relief association under this act. No volunteer  
2 firemen's relief association shall be required, under this act,  
3 to establish a retirement benefit plan. No more than one  
4 retirement benefit plan may be established or maintained by a  
5 single volunteer firemen's relief association.

6 Section 3.3. Minimum Participating and Benefit Standards for  
7 Volunteer Firemen's Retirement Benefit Plans.--(a) A retirement  
8 benefit plan established and maintained under this act by a  
9 volunteer firemen's relief association for volunteer firemen who  
10 are members of the relief association and disbursements made by  
11 a retirement benefit plan shall be governed by the applicable  
12 provisions of this act.

13 (b) Eligibility to participate shall be as follows:

14 (1) A volunteer firemen's retirement benefit plan must  
15 provide that each volunteer fireman who is a member of the  
16 relief association and who has attained at least twenty-one  
17 years of age and has completed at least one year of fire service  
18 is eligible to participate in the retirement benefit plan.

19 (2) If the retirement benefit plan is a defined benefit  
20 plan, the volunteer firemen's relief association may provide for  
21 the exclusion from participation of a volunteer fireman who  
22 initially begins to provide volunteer fire services for the  
23 respective volunteer fire company at an age which is less than  
24 five years prior to the normal retirement age of the retirement  
25 benefit plan.

26 (3) A volunteer fireman, at the time of the establishment of  
27 the plan or at the time of the commencement of volunteer fire  
28 services, whichever occurs later, may elect not to participate  
29 in the retirement benefit plan. The election not to participate  
30 must be irrevocable.

1 (c) A volunteer fireman shall have a nonforfeitable right to  
2 a retirement benefit that is not less than a percentage  
3 determined under the following table:

<u>Years of Volunteer</u>	<u>Nonforfeitable</u>
<u>Fire Service</u>	<u>Percentage</u>
<u>Less than five</u>	<u>Zero</u>
<u>Five or more</u>	<u>One hundred</u>

8 Notwithstanding the preceding table, a participant shall have a  
9 one hundred percent nonforfeitable right to a retirement benefit  
10 upon attainment of normal retirement age under the retirement  
11 benefit plan. A volunteer firemen's relief association may  
12 establish a percentage table that provides for a faster rate of  
13 becoming nonforfeitable in the event of the death or disability  
14 of a volunteer fireman.

15 (d) A retirement benefit plan shall provide that a volunteer  
16 fireman who has acquired credit for a sufficient number of years  
17 of volunteer fire service to obtain a nonforfeitable right to  
18 all or a portion of the accrued retirement benefit and who has  
19 terminated volunteer fire service with the applicable volunteer  
20 fire company prior to attaining the applicable normal retirement  
21 age is entitled to a deferred retirement benefit payable upon  
22 application when the former volunteer fireman attains at least  
23 the normal retirement age.

24 (e) Retirement benefit amount requirements are as follows:

25 (1) A volunteer firemen's retirement benefit plan shall be  
26 subject to maximum retirement benefit requirements as specified  
27 in subclause (i) or (ii), whichever is applicable. In  
28 determining whether the maximum benefit requirements have been  
29 satisfied, all benefits provided under all retirement benefit  
30 plans sponsored by a volunteer fire company, and by a volunteer

<—

1 firemen's relief association which allocates funds to the  
2 company under Chapter 7 of the act of December 18, 1984  
3 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding  
4 Standard and Recovery Act," shall be considered as one plan.

5 (i) If the volunteer firemen's retirement benefit plan is a  
6 defined benefit plan, the maximum benefit amount payable to a  
7 participating volunteer fireman entitled to a benefit shall be  
8 determined on the basis of an actuarial valuation which takes  
9 into account the age, and other factors as the actuary deems  
10 appropriate, of the eligible participating firemen and the  
11 amount of financing available per active covered fireman. The  
12 maximum retirement benefit under a retirement benefit plan that  
13 is a defined benefit plan shall not exceed twenty dollars per  
14 month for each year of fire service credited under the terms of  
15 the plan.

16 (ii) If the volunteer firemen's retirement benefit plan is a  
17 defined contribution plan, the maximum retirement income  
18 contribution, exclusive of any investment earnings, for a  
19 participating fireman shall not exceed two thousand dollars for  
20 each year of fire service.

21 (2) A retirement benefit plan shall be funded in accordance  
22 with the provisions of section 3.5 by the volunteer fire company ←  
23 or the volunteer firemen's relief association.

24 (3) Unless otherwise specified by the volunteer firemen's  
25 relief association, all years of volunteer fire service for  
26 retirement benefit amount purposes shall be years of volunteer  
27 fire service completed after the establishment of the retirement  
28 benefit plan and after completion of minimum eligibility  
29 requirements to participate in the retirement benefit plan. If  
30 the volunteer firemen's relief association so specifies, years

1 of volunteer fire service for retirement benefit amount purposes  
2 may include up to ten years of volunteer fire service prior to  
3 the establishment of the retirement benefit plan. If the  
4 volunteer firemen's relief association so specifies, the  
5 retirement benefit accrual rate with respect to years of  
6 volunteer fire service rendered prior to establishment of a  
7 retirement benefit plan may be less than the retirement benefit  
8 accrual rate with respect to years of volunteer fire service  
9 rendered after the establishment of a retirement benefit plan. A  
10 retirement benefit plan may be amended after its establishment  
11 to increase or decrease the retirement benefit accrual rate  
12 applicable to volunteer firemen with respect to years of  
13 volunteer fire service completed after the date of that  
14 amendment. AN AMENDMENT WHICH DECREASES THE RETIREMENT BENEFIT ←  
15 ACCRUAL RATE MAY NOT AFFECT BENEFITS ACCRUED PRIOR TO THE  
16 AMENDMENT; THE AMENDMENT MAY ONLY DECREASE PROSPECTIVELY THE  
17 RETIREMENT BENEFIT ACCRUAL RATE APPLICABLE TO A VOLUNTEER  
18 FIREMAN UNDER THE RETIREMENT BENEFIT PLAN PROSPECTIVELY.

19 (4) ~~NO~~ NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, ←  
20 NO volunteer fireman may receive credit for a year of volunteer  
21 fire service in a retirement benefit plan which is a defined  
22 benefit plan if the minimum funding requirements as set forth in  
23 section 3.5 have not been met by the volunteer firemen's relief  
24 association in a timely fashion.

25 (f) The volunteer firemen's relief association shall specify  
26 the normal retirement age applicable to a retirement benefit  
27 plan. The normal retirement age shall not be earlier than age  
28 fifty-five. No retirement benefit plan may provide for the  
29 payment of benefits prior to the date on which the person  
30 attains age fifty-five, whether or not the benefits are reduced

1 to take into account payment before the normal retirement age,  
2 except in the case of the death or disability of the volunteer  
3 fireman. A retirement benefit plan may provide for the payment  
4 of retirement benefits to an actively serving volunteer fireman  
5 who has attained at least the normal retirement age specified in  
6 the retirement benefit plan, but no additional years of  
7 volunteer fire service may be credited to the volunteer fireman  
8 who is receiving retirement benefits.

9 (g) In addition to retirement benefits, a volunteer  
10 fireman's retirement benefit plan may provide for the payment of  
11 benefits in the event of the disability or death of a volunteer  
12 fireman who has become disabled or has died prior to beginning  
13 to receive benefits under a retirement benefit plan. Death  
14 benefits may be either in the form of survivor annuity payments  
15 or lump-sum benefits.

16 (h) A retirement benefit payable from a retirement benefit  
17 plan to an individual receiving or entitled to receive a  
18 retirement benefit may not be assigned by the volunteer fireman;  
19 nor shall it be subject to garnishment, judgment, execution or  
20 other legal process other than legally obligated support of  
21 minor children or a spouse.

22 (i) Plan assets shall be held in trust by the volunteer  
23 firemen's relief association or by a qualified third party under  
24 contract with the volunteer firemen's relief association for the  
25 purpose of providing benefits to participants and their  
26 beneficiaries in conformance with this act or for the purpose of  
27 defraying the necessary and reasonable expenses of the operation  
28 and administration of the plan. If the retirement benefit plan  
29 and the related trust are not tax qualified within the meaning  
30 of sections 401 and 501 of the Internal Revenue Code of 1986

1 (Public Law 99-514, 26 U.S.C. §§ 401 and 501), the trust  
2 referred to in this subsection may provide that the assets held  
3 thereunder may be subject to the claims of general creditors, if  
4 any, of the volunteer firemen's relief association or may  
5 contain any other terms and provisions which are necessary to  
6 insure that the participation by a volunteer fireman in the  
7 retirement benefit plan does not result in taxable income under  
8 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.  
9 § 1 et seq.) prior to the payment of retirement benefits.

10 (j) A fiduciary of a retirement benefit plan shall act  
11 solely in the interest of the plan's participants and  
12 beneficiaries. Subject only to the provisions of this act and  
13 the plan document, a fiduciary may accept, hold, invest in and  
14 retain an investment as long as the fiduciary exercises the  
15 degree of judgment and care, under the circumstances then  
16 prevailing, which persons of prudence and intelligence exercise  
17 in the management of their own affairs, not in regard to  
18 speculation but in regard to permanent disposition of their  
19 funds, considering the probable income to be derived and the  
20 probable safety of the capital.

21 (k) The volunteer firemen's relief association or the  
22 designated plan administrator, whichever is applicable, shall  
23 provide volunteer firemen who participate in a retirement  
24 benefit plan maintained under this act with a summary of the  
25 plan's provisions, including the plan's provisions relating to  
26 the participation requirements; the rate at which a  
27 nonforfeitable right in plan benefits is obtained and increases;  
28 and the plans's retirement benefit or contribution formula. This  
29 summary shall be provided to each retirement benefit plan  
30 participant within six months from the date on which plan

1 participation commences. In addition, a material modification to  
2 the plan provisions shall be provided in writing to each  
3 participant within six months after the date the modification is  
4 adopted or the date on which it is effective, whichever is  
5 later. A copy of the plan, the summary of the plan, and relevant  
6 documents related to the funding or investment of the assets of  
7 the plan and of contracts or agreements with service providers  
8 to the plan shall be made available for inspection or copying by  
9 a plan participant, a beneficiary or a member of the public at  
10 the office of the volunteer firemen's relief association.

11 Section 3.4. Volunteer Firemen's Retirement Benefit Plan  
12 Actuarial Reporting.--(a) Actuarial reporting shall be as  
13 follows:

14 (1) The plan administrator defined in the retirement benefit  
15 plan document or the chief administrator of the volunteer  
16 firemen's relief association, if no plan administrator is  
17 defined in the plan document, shall, every three years, cause  
18 actuarial reporting for the retirement benefit plan to be  
19 prepared and to be provided to the Department of the Auditor  
20 General in conjunction with the routine audits performed under  
21 section 7. A copy of the report shall be submitted to the  
22 governing body or chief elected official of the municipality  
23 where the volunteer fire company is located at the same time the  
24 report is transmitted to the Auditor General. Actuarial  
25 reporting is a public record and shall be made available to  
26 active members or benefit recipients of the retirement benefit  
27 plan. Under a defined benefit plan, the report shall disclose  
28 the actuarial assumptions and methods used in determining  
29 actuarial costs and liabilities.

30 (2) The actuarial reporting for retirement benefit plans

1 which are defined benefit plans shall be pursuant to subsection  
2 (c). The actuarial reporting for retirement benefit plans which  
3 are defined contribution plans shall be pursuant to subsection  
4 (d).

5 (b) If a retirement benefit plan fails to comply with this  
6 section, allocation of proceeds of the premium tax on foreign  
7 fire insurance pursuant to chapter 7 of the act of December 18,  
8 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan  
9 Funding Standard and Recovery Act," otherwise payable with  
10 respect to the relief association or fire company shall be  
11 withheld until compliance occurs.

12 (c) The actuarial reporting for a retirement benefit plan,  
13 which is a defined benefit plan, shall be as follows:

14 (1) The actuarial reporting shall be prepared and certified  
15 by a certified actuary.

16 (2) The actuarial reporting shall be prepared in accordance  
17 with the frozen entry age actuarial cost method with costs  
18 allocated on the basis of future years of fire service of plan  
19 participants. The actuarial cost method shall be used to value  
20 all aspects of the retirement benefit plan. The actuarial  
21 reporting shall use actuarial assumptions which are, in the  
22 judgment of the actuary and the governing body of the plan,  
23 reasonable in the aggregate. The actuarial reporting shall  
24 measure the aspects of the retirement benefit plan in accordance  
25 with modifications in plan benefits which, as of the valuation  
26 date, are known or can reasonably be expected to be in force  
27 during the ensuing year. The actuarial reporting shall contain  
28 (i) an exhibit setting forth the normal cost accrual rate and  
29 the amount for each plan year; (ii) in the case of a retirement  
30 benefit plan that provides for credit for years of fire service

1 prior to the effective date of the retirement benefit plan for  
2 the purpose of computing the amount of benefits under the plan  
3 or for amendments increasing benefits, a separate statement of  
4 the retirement benefit plan's actuarial accrued liability; (iii)  
5 an exhibit of the total administrative cost of the retirement  
6 benefit plan for the preceding year; (iv) an exhibit summarizing  
7 the actuarial cost methods and the actuarial assumptions used in  
8 preparation of the actuarial exhibits; (v) an exhibit of the  
9 present value of accumulated plan benefits; (vi) an exhibit of  
10 the assets of the plan at fair market value or, if the assets  
11 are valued differently from fair market value, a statement of  
12 the basis for determining the value of assets for purposes of  
13 this section and section 3.5; (vii) a summary of the pertinent  
14 participant data; and (viii) a summary of the principal  
15 provisions of the benefits of the retirement benefit plan upon  
16 which the actuarial exhibit is based.

17 (d) The actuarial reporting for a retirement benefit plan  
18 which is a defined contribution plan shall include the total  
19 balance of any member account applicable to the retirement  
20 benefit plan, the procedures for establishing contribution rates  
21 or requirements, the procedures for allocating amounts to member  
22 accounts and additional relevant information.

23 Section 3.5. Volunteer Firemen's Retirement Income Plan  
24 Minimum Funding Standard.--(a) The plan administrator or chief  
25 administrator of the volunteer firemen's relief association  
26 shall annually determine the financial requirements of the  
27 retirement benefit plan for the following year on the basis of  
28 the most recent actuarial reporting, and shall certify those  
29 requirements to the governing body of the ~~volunteer fire company~~ <—  
30 or volunteer firemen's relief association which maintains the

1 retirement benefit plan. The requirements shall be certified no  
2 later than two months prior to the start of the next following  
3 year.

4 (b) If the retirement benefit plan is a defined benefit plan  
5 providing monthly benefits for the life of the recipients, the  
6 financial requirement of the retirement benefit plan shall be  
7 the normal cost plus, in the case of a defined benefit plan that  
8 provides benefits based on years of fire service prior to the  
9 effective date of the plan, the cost to amortize a liability  
10 attributable to fire service over a period not to exceed ten  
11 years from the plan's effective date or, IN THE CASE OF AN <—  
12 AMENDMENT INCREASING BENEFITS, ten years from the date of an <—  
13 amendment increasing benefits THE AMENDMENT. <—

14 (c) If the retirement benefit plan is a defined benefit plan  
15 allowing lump-sum benefits to recipients, the financial  
16 requirements shall be the greater of the requirements  
17 established in subsection (b) or an amount determined by an  
18 actuary which will provide lump-sum benefits for all  
19 participants retiring during the current year.

20 (d) If the retirement benefit plan is a defined contribution  
21 plan, the financial requirements of the retirement benefit plan  
22 shall be determined pursuant to the terms of the retirement  
23 benefit plan or instrument establishing the retirement benefit  
24 plan. The Department of the Auditor General may specify  
25 procedures for determining the financial requirements of  
26 retirement benefit plans to which this subsection is applicable  
27 as need arises if those procedures are consistent with this act.

28 (e) The minimum financial requirements of the retirement  
29 benefit plan shall be the obligation of the ~~volunteer fire~~ <—  
30 ~~company or~~ volunteer firemen's relief association. The minimum

1 financial requirements of the retirement benefit plan shall be  
2 due no later than twelve months following the start of the year.  
3 An amount of the minimum financial requirements of the  
4 retirement benefit plan which remains unpaid by the volunteer ←  
5 ~~fire company or~~ volunteer firemen's relief association which  
6 maintains the retirement benefit, as of twelve months after the  
7 date on which the minimum financial requirements are due, shall  
8 be added to the minimum financial requirement for the current  
9 year, with interest, until the payment is made at the actuarial  
10 valuation rate. If the amount applicable to the prior year is  
11 not paid by the close of the current year, the retirement  
12 benefit plan shall be liquidated; AND NO FURTHER BENEFITS SHALL ←  
13 BE EARNED BY ANY VOLUNTEER FIREMAN THEREAFTER. Upon liquidation  
14 of the plan, the assets shall be allocated among the  
15 participants and beneficiaries of the plan in the following  
16 order:

17 (1) In the case of benefits payable as an annuity, (i) in  
18 the case of the benefit of a participant or beneficiary which  
19 was in pay status as of the beginning of the three-year period  
20 ending on the date the plan is liquidated, the lowest benefit  
21 based on the provisions of the plan as in effect during the  
22 five-year period ending on the date the plan is liquidated; and  
23 (ii) in the case of a benefit of a participant or beneficiary  
24 other than a benefit described in subclause (i) which  
25 (participant or beneficiary) would have been in pay status as of  
26 the beginning of the three-year period ending on the date the  
27 plan is liquidated if the participant had retired prior to the  
28 beginning of that period, the lowest benefit based on the  
29 provisions of the plan, as in effect during the five-year period  
30 ending on the date the plan is liquidated.

1       (2) In the case of other benefits, assets remaining after  
2 the liabilities of the plan to participants and their  
3 beneficiaries have been satisfied may be returned to the  
4 volunteer fire company or the volunteer firemen's relief       <—  
5 association.

6       (f) If a retirement benefit plan is liquidated under this  
7 section, the volunteer fire company or the volunteer firemen's       <—  
8 relief association that previously sponsored the plan may not  
9 sponsor a retirement benefit plan described in section 3(6.1)  
10 for the period of at least ten years from the date the plan was  
11 liquidated. A plan that is established after the ten-year period  
12 referred to in this subsection may not credit as years of fire  
13 service years during the ten-year period following the  
14 liquidation of the plan.

15       (g) Except as provided in this act, a retirement benefit  
16 plan established under this act shall not be subject to Chapters  
17 1 through 6 or 8 of the act of December 18, 1984 (P.L.1005,  
18 No.205), known as the "Municipal Pension Plan Funding Standard  
19 and Recovery Act."

20       Section 3.6. Standards for Years of Fire Service.--(a) A  
21 year of fire service shall be credited under a retirement  
22 benefit plan for each year after the establishment of the plan  
23 in which an active volunteer fireman accumulates at least fifty  
24 points. Points shall be granted in accordance with a system  
25 adopted by the plan sponsor EACH VOLUNTEER COMPANY COVERED BY A       <—  
26 PLAN ESTABLISHED BY THE VOLUNTEER FIREMEN'S RELIEF ASSOCIATION.  
27 The system shall provide that points shall be granted for  
28 activities designated by the plan sponsor EACH VOLUNTEER COMPANY       <—  
29 COVERED BY A PLAN ESTABLISHED BY THE VOLUNTEER FIREMEN'S RELIEF  
30 ASSOCIATION. Activities shall be selected from the following:

1       (1) Training courses, a maximum of twenty-five points shall  
2 be awarded as follows: (i) courses under twenty hours' duration,  
3 one point per hour, with a maximum of five points; (ii) courses  
4 of twenty to forty-five hours' duration, one point per hour for  
5 each hour over initial twenty hours, with a maximum of ten  
6 points; and (iii) courses over forty-five hours' duration,  
7 fifteen points per course.

8       (2) Drills of at least two hours, a maximum of twenty points  
9 shall be awarded, one point per drill (minimum two-hour drill).

10       (3) Sleep-in or standby, a maximum of twenty points shall be  
11 awarded for (i) sleep-in, one point each full night; (ii)  
12 standby, which is line-of-duty activity of the volunteer fire  
13 company, lasting for four hours, not falling under one of the  
14 other categories in this subsection, one point for each four  
15 hours.

16       (4) Elected or appointed position, a maximum of twenty-five  
17 points shall be awarded for (i) completion of one-year term in  
18 an elected or appointed position, and (ii) being elected, as an  
19 active volunteer fireman, to serve as a delegate to a firemen's  
20 convention, at the rate of one point per meeting.

<—

21       (5) Attendance at meetings, a maximum of twenty points shall  
22 be awarded for attendance at an official meeting of the  
23 volunteer fire company, at the rate of one point per meeting.

24       (6) Participation in department responses, fifteen points  
25 for responding on the minimum number of calls shall be awarded  
26 as outlined below:

27 <u>Total number of calls</u>	<u>Minimum number of calls</u>
28 <u>volunteer fire company</u>	<u>volunteer fireman must</u>
29 <u>responds to annually</u>	<u>run annually in order</u>
30 <u>other than emergency</u>	<u>to receive fifteen</u>

1	<u>rescue and first aid</u>	<u>points credit</u>
2	<u>squad calls (ambulance</u>	
3	<u>calls)</u>	
4	<u>    0    to    500</u>	<u>10%</u>
5	<u>    500    to    1000</u>	<u>7.5%</u>
6	<u>    1000    to    1500</u>	<u>5%</u>
7	<u>    1500 and up</u>	<u>2.5%</u>
8	<u>Total number of calls</u>	<u>Minimum number of calls</u>
9	<u>emergency rescue and</u>	<u>volunteer fireman must</u>
10	<u>first aid squad</u>	<u>run annually in order</u>
11	<u>(ambulance) responds</u>	<u>receive fifteen</u>
12	<u>to annually</u>	<u>points credit</u>
13	<u>    0    to    500</u>	<u>10%</u>
14	<u>    500    to    1000</u>	<u>7.5%</u>
15	<u>    1000    to    1500</u>	<u>5%</u>
16	<u>    1500 and up</u>	<u>2.5%</u>

17 (7) Miscellaneous activities, a maximum of fifteen points  
18 shall be awarded for participation in inspections and other  
19 activities covered by the act of July 15, 1976 (P.L.1036,  
20 No.208), known as the "Volunteer Fire Company, Ambulance Service  
21 and Rescue Squad Assistance Act," and not otherwise listed at  
22 the rate of one point per activity.

23 (b) The plan sponsor may designate less than all the  
24 activities specified in subsection (a) as activities for which  
25 points may be earned.

26 (C) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A ←  
27 VOLUNTEER FIREMAN MAY NOT ACCUMULATE POINTS WITH RESPECT TO  
28 ACTIVITIES DESCRIBED IN SUBSECTION (A)(2), (4) OR (5) WITH  
29 RESPECT TO MORE THAN ONE VOLUNTEER FIRE COMPANY IN ONE YEAR.

30 Section 3. Section 6(e) of the act is amended by adding a

1 clause to read:

2 Section 6. \* \* \*

3 (e) The funds of any volunteer firemen's relief association  
4 may be spent:

5 \* \* \*

6 (13) To establish and maintain a retirement benefit plan as  
7 defined in section 3.1. Prior to the establishment of a  
8 retirement benefit plan under this clause, the volunteer  
9 firemen's relief association shall provide the following minimum  
10 benefits: an accidental death benefit of thirty thousand dollars  
11 and a weekly disability income benefit of one hundred dollars  
12 for accidental deaths and disabilities suffered by member  
13 volunteer firemen and resulting from the performance of their  
14 duties with a volunteer fire company.

15 Section 4. Section 7(a) of the act is amended to read:

16 Section 7. Audits.--(a) The Department of the Auditor  
17 General shall have the power, and its duty shall be, to audit  
18 the accounts and records of every volunteer firemen's relief  
19 association receiving any money under [the act of June 28, 1895  
20 (P.L.408), as amended,] Chapter 7 of the act of December 18,  
21 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan  
22 Funding Standard and Recovery Act," as far as may be necessary  
23 to satisfy the department that the money received was expended  
24 or is being expended for no purpose other than that authorized  
25 by this act. Copies of all such audits shall be furnished to the  
26 Governor. Audits shall include expenditures relating to  
27 retirement benefit plans either solely or partially funded by  
28 funds obtained under the "Municipal Pension Plan Funding  
29 Standard and Recovery Act."

30 \* \* \*

1 Section 5. This act shall take effect immediately.