

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 2438** Session of  
1990

INTRODUCED BY MAYERNIK AND VEON, APRIL 4, 1990

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 4, 1990

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  
20 reasonably permit, that funds shall be available for the

1 protection of volunteer firemen and their heirs:

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

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

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

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

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

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

25 (6.1) To provide retirement benefits to current and future  
26 active volunteer firemen upon their separation from active  
27 participation in the fire service on account of attainment of a  
28 designated age or acquisition of credit for a designated period  
29 of service through the establishment and maintenance of a  
30 volunteer firemen's retirement benefit plan; and

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

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

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

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

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

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

28 (4) Defined contribution plan is a retirement benefit plan  
29 which provides for an individual account for each participant  
30 and for benefits which are based solely upon the amounts

1 allocated to the accounts of participants and upon investment  
2 income, administrative or realized expenses, gains and losses  
3 which may be allocated to those accounts.

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

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

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

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

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

30 (10) Retirement benefit is the amount, at the time of

retirement, payable or potentially payable to a former volunteer fireman at or after normal retirement age, which (amount) is computed pursuant to the applicable formula if the retirement benefit plan is a defined benefit plan or which (amount) is the balance of the account of the former volunteer fireman if the retirement benefit plan is a defined contribution plan.

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

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

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

Section 3.2. Establishment of Volunteer Firemen's Retirement Benefit Plan.--A volunteer firemen's relief association which has met the requirements of section 6 may establish and maintain a retirement benefit plan for the volunteer firemen who are members of the relief association under this act. No volunteer

firemen's relief association shall be required, under this act,  
to establish a retirement benefit plan. No more than one  
retirement benefit plan may be established or maintained by a  
single volunteer firemen's relief association.

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

(b) Eligibility to participate shall be as follows:

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

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

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

(c) A volunteer fireman shall have a nonforfeitable right to

1 a retirement benefit that is not less than a percentage  
2 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>

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

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

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

24 (1) A volunteer firemen's retirement benefit plan shall be  
25 subject to maximum retirement benefit requirements as specified  
26 in subclause (i) or (ii), whichever is applicable.

27 (i) If the volunteer firemen's retirement benefit plan is a  
28 defined benefit plan, the maximum benefit amount payable to a  
29 participating volunteer fireman entitled to a benefit shall be  
30 determined on the basis of an actuarial valuation which takes

1 into account the age, and other factors as the actuary deems  
2 appropriate, of the eligible participating firemen and the  
3 amount of financing available per active covered fireman. The  
4 maximum retirement benefit under a retirement benefit plan that  
5 is a defined benefit plan shall not exceed ten dollars per month  
6 for each year of fire service credited under the terms of the  
7 plan.

8 (ii) If the volunteer firemen's retirement benefit plan is a  
9 defined contribution plan, the maximum retirement income  
10 contribution, exclusive of any investment earnings, for a  
11 participating fireman shall not exceed one thousand dollars for  
12 each year of fire service.

13 (2) A retirement benefit plan shall be funded in accordance  
14 with the provisions of section 3.5 by the volunteer firemen's  
15 relief association.

16 (3) Unless otherwise specified by the volunteer firemen's  
17 relief association, all years of volunteer fire service for  
18 retirement benefit amount purposes shall be years of volunteer  
19 fire service completed after the establishment of the retirement  
20 benefit plan and after completion of minimum eligibility  
21 requirements to participate in the retirement benefit plan. If  
22 the volunteer firemen's relief association so specifies, years  
23 of volunteer fire service performed prior to the establishment  
24 of the retirement benefit plan may be included as specified in  
25 subclauses (i), (ii) and (iii) as follows:

26 (i) for those volunteer firemen who complete at least one  
27 year of active service after establishment of the retirement  
28 benefit plan, up to five years of prior service may be included;

29 (ii) for those volunteer firemen who complete at least two  
30 years of active service after establishment of the retirement



1 benefit plan, up to seven years of prior service may be  
2 included; and

3 (iii) for those volunteer firemen who complete at least  
4 three years of active service after establishment of the  
5 retirement plan, up to nine years of prior service may be  
6 included.

7 (4) The provisions of this subsection, permitting the  
8 inclusion of years of service accrued prior to the establishment  
9 of a retirement benefit plan under this act, shall expire five  
10 years after the effective date of this act, except that those  
11 volunteer firemen who because of active service in the military  
12 service of the United States, or who because of a physical  
13 injury or disability cannot initiate active service as a  
14 volunteer fireman during this five-year period, shall be  
15 permitted to initiate the active volunteer fire service required  
16 to be eligible for accrual of past service at any time during a  
17 period commencing five years from discharge from the military  
18 service or from the determination of a physician of the  
19 volunteer fire company's choosing that the injured or disabled  
20 volunteer fireman is able to perform the duties required of  
21 active service defined in this act.

22 (5) If the volunteer firemen's relief association so  
23 specifies, the retirement benefit accrual rate with respect to  
24 years of volunteer fire service rendered prior to establishment  
25 of a retirement benefit plan may be less than the retirement  
26 benefit accrual rate with respect to years of volunteer fire  
27 service rendered after the establishment of a retirement benefit  
28 plan. A retirement benefit plan may be amended after its  
29 establishment to increase or decrease the retirement benefit  
30 accrual rate applicable to volunteer firemen with respect to

years of volunteer fire service completed after the date of that amendment. An amendment which decreases the retirement benefit accrual rate may not affect benefits accrued prior to the amendment; the amendment may only decrease prospectively the retirement benefit accrual rate applicable to a volunteer fireman under the retirement benefit plan prospectively.

(6) Notwithstanding any other provision of this section, no volunteer fireman may receive credit for a year of volunteer fire service in a retirement benefit plan which is a defined benefit plan if the minimum funding requirements as set forth in section 3.5 have not been met by the volunteer firemen's relief association in a timely fashion.

(f) The volunteer firemen's relief association shall specify the normal retirement age applicable to a retirement benefit plan. The normal retirement age shall not be earlier than age sixty. No retirement benefit plan may provide for the payment of benefits prior to the date on which the person attains age fifty-five, whether or not the benefits are reduced to take into account payment before the normal retirement age, except in the case of the death or disability of the volunteer fireman. A retirement benefit plan may provide for the payment of retirement benefits to an actively serving volunteer fireman who has attained at least the normal retirement age specified in the retirement benefit plan, but no additional years of volunteer fire service may be credited to the volunteer fireman who is receiving retirement benefits.

(g) In addition to retirement benefits, a volunteer fireman's retirement benefit plan may provide for the payment of benefits in the event of the disability or death of a volunteer fireman who has become disabled or has died prior to beginning

1 to receive benefits under a retirement benefit plan. Death  
2 benefits may be either in the form of survivor annuity payments  
3 or lump-sum benefits.

4 (h) A retirement benefit payable from a retirement benefit  
5 plan to an individual receiving or entitled to receive a  
6 retirement benefit may not be assigned by the volunteer fireman;  
7 nor shall it be subject to garnishment, judgment, execution or  
8 other legal process other than legally obligated support of  
9 minor children or a spouse.

10 (i) Plan assets shall be held in trust by the volunteer  
11 firemen's relief association or by a qualified third party under  
12 contract with the volunteer firemen's relief association for the  
13 purpose of providing benefits to participants and their  
14 beneficiaries in conformance with this act or for the purpose of  
15 defraying the necessary and reasonable expenses of the operation  
16 and administration of the plan. If the retirement benefit plan  
17 and the related trust are not tax qualified within the meaning  
18 of sections 401 and 501 of the Internal Revenue Code of 1986  
19 (Public Law 99-514, 26 U.S.C. §§ 401 and 501), the trust  
20 referred to in this subsection may provide that the assets held  
21 thereunder may be subject to the claims of general creditors, if  
22 any, of the volunteer firemen's relief association or may  
23 contain any other terms and provisions which are necessary to  
24 insure that the participation by a volunteer fireman in the  
25 retirement benefit plan does not result in taxable income under  
26 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.  
27 § 1 et seq.) prior to the payment of retirement benefits.

28 (j) A fiduciary of a retirement benefit plan shall act  
29 solely in the interest of the plan's participants and  
30 beneficiaries. Subject only to the provisions of this act and

1 the plan document, a fiduciary may accept, hold, invest in and  
2 retain an investment as long as the fiduciary exercises the  
3 degree of judgment and care, under the circumstances then  
4 prevailing, which persons of prudence and intelligence exercise  
5 in the management of their own affairs, not in regard to  
6 speculation but in regard to permanent disposition of their  
7 funds, considering the probable income to be derived and the  
8 probable safety of the capital.

9 (k) The volunteer firemen's relief association or the  
10 designated plan administrator, whichever is applicable, shall  
11 provide volunteer firemen who participate in a retirement  
12 benefit plan maintained under this act with a summary of the  
13 plan's provisions, including the plan's provisions relating to  
14 the participation requirements; the rate at which a  
15 nonforfeitable right in plan benefits is obtained and increases;  
16 and the plans's retirement benefit or contribution formula. This  
17 summary shall be provided to each retirement benefit plan  
18 participant within six months from the date on which plan  
19 participation commences. In addition, a material modification to  
20 the plan provisions shall be provided in writing to each  
21 participant within six months after the date the modification is  
22 adopted or the date on which it is effective, whichever is  
23 later. A copy of the plan, the summary of the plan, and relevant  
24 documents related to the funding or investment of the assets of  
25 the plan and of contracts or agreements with service providers  
26 to the plan shall be made available for inspection or copying by  
27 a plan participant, a beneficiary or a member of the public at  
28 the office of the volunteer firemen's relief association.

29 Section 3.4. Volunteer Firemen's Retirement Benefit Plan  
30 Actuarial Reporting.--(a) Actuarial reporting shall be as

1 follows:

2     (1) The plan administrator defined in the retirement benefit  
3 plan document or the chief administrator of the volunteer  
4 firemen's relief association, if no plan administrator is  
5 defined in the plan document, shall, every three years, cause  
6 actuarial reporting for the retirement benefit plan to be  
7 prepared and to be provided to the Department of the Auditor  
8 General in conjunction with the routine audits performed under  
9 section 7. A copy of the report shall be submitted to the  
10 governing body or chief elected official of the municipality  
11 where the volunteer fire company is located at the same time the  
12 report is transmitted to the Auditor General. Actuarial  
13 reporting is a public record and shall be made available to  
14 active members or benefit recipients of the retirement benefit  
15 plan. Under a defined benefit plan, the report shall disclose  
16 the actuarial assumptions and methods used in determining  
17 actuarial costs and liabilities.

18     (2) The actuarial reporting for retirement benefit plans  
19 which are defined benefit plans shall be pursuant to subsection  
20 (c). The actuarial reporting for retirement benefit plans which  
21 are defined contribution plans shall be pursuant to subsection  
22 (d).

23     (b) If a retirement benefit plan fails to comply with this  
24 section, allocation of proceeds of the premium tax on foreign  
25 fire insurance pursuant to Chapter 7 of the act of December 18,  
26 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan  
27 Funding Standard and Recovery Act," otherwise payable with  
28 respect to the relief association shall be withheld until  
29 compliance occurs.

30     (c) The actuarial reporting for a retirement benefit plan,

1 which is a defined benefit plan, shall be as follows:

2 (1) The actuarial reporting shall be prepared and certified  
3 by a certified actuary.

4 (2) The actuarial reporting shall be prepared in accordance  
5 with the frozen entry age actuarial cost method with costs  
6 allocated on the basis of future years of fire service of plan  
7 participants. The actuarial cost method shall be used to value  
8 all aspects of the retirement benefit plan. The actuarial  
9 reporting shall use actuarial assumptions which are, in the  
10 judgment of the actuary and the governing body of the plan,  
11 reasonable in the aggregate: Provided, however, That with regard  
12 to economic actuarial assumptions involving investment earnings,  
13 asset appreciation or depreciation and determination of the  
14 actuarial value of assets used in the preparation of actuarial  
15 valuations of the retirement benefit plan, the actuary and the  
16 governing body of the plan shall use economic actuarial  
17 assumptions issued by the Public Employee Retirement Study  
18 Commission for municipal pension plans pursuant to the  
19 "Municipal Pension Plan Funding Standard and Recovery Act." The  
20 actuarial reporting shall measure the aspects of the retirement  
21 benefit plan in accordance with modifications in plan benefits  
22 which, as of the valuation date, are known or can reasonably be  
23 expected to be in force during the ensuing year. The actuarial  
24 reporting shall contain (i) an exhibit setting forth the normal  
25 cost accrual rate and the amount for each plan year; (ii) in the  
26 case of a retirement benefit plan that provides for credit for  
27 years of fire service prior to the effective date of the  
28 retirement benefit plan for the purpose of computing the amount  
29 of benefits under the plan or for amendments increasing  
30 benefits, a separate statement of the retirement benefit plan's

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

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

20 Section 3.5. Volunteer Firemen's Retirement Benefit Plan  
21 Minimum Funding Standard.--(a) The plan administrator or chief  
22 administrator of the volunteer firemen's relief association  
23 shall annually determine the financial requirements of the  
24 retirement benefit plan for the following year on the basis of  
25 the most recent actuarial reporting, and shall certify those  
26 requirements to the governing body of the volunteer firemen's  
27 relief association which maintains the retirement benefit plan.  
28 The requirements shall be certified no later than two months  
29 prior to the start of the next following year.

30 (b) If the retirement benefit plan is a defined benefit plan

providing monthly benefits for the life of the recipients, the financial requirement of the retirement benefit plan shall be the normal cost plus, in the case of a defined benefit plan that provides benefits based on years of fire service prior to the effective date of the plan, the cost to amortize a liability attributable to fire service over a period not to exceed ten years from the plan's effective date or, in the case of an amendment increasing benefits, ten years from the date of the amendment.

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

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

(e) The minimum financial requirements of the retirement benefit plan shall be the obligation of the volunteer firemen's relief association. The minimum financial requirements of the retirement benefit plan shall be due no later than twelve months following the start of the year. An amount of the minimum financial requirements of the retirement benefit plan which remains unpaid by the volunteer firemen's relief association



1 which maintains the retirement benefit, as of twelve months  
2 after the date on which the minimum financial requirements are  
3 due, shall be added to the minimum financial requirement for the  
4 current year, with interest, until the payment is made at the  
5 actuarial valuation rate. If the amount applicable to the prior  
6 year is not paid by the close of the current year, the  
7 retirement benefit plan shall be liquidated; and no further  
8 benefits may be earned by any volunteer fireman thereafter. Upon  
9 liquidation of the plan, the assets shall be allocated among the  
10 participants and beneficiaries of the plan in the following  
11 order:

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

26 (2) In the case of other benefits, assets remaining after  
27 the liabilities of the plan to participants and their  
28 beneficiaries have been satisfied may be returned to the  
29 volunteer firemen's relief association.

30 (f) If a retirement benefit plan is liquidated under this

section, the volunteer firemen's relief association that previously sponsored the plan may not sponsor a retirement benefit plan described in section 3(6.1) for the period of at least ten years from the date the plan was liquidated. A plan that is established after the ten-year period referred to in this subsection may not credit as years of fire service years during the ten-year period following the liquidation of the plan.

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

(h) Notwithstanding any provisions of this act to the contrary, no benefits accruing to any member of a volunteer firemen's retirement benefit plan established under this act shall become the contractual obligation or liability of the Commonwealth or any of its political subdivisions.

Section 3.6. Standards for Years of Fire Service.--(a) A year of fire service shall be credited under a retirement benefit plan for each year after the establishment of the plan in which an active volunteer fireman accumulates at least fifty points. Points shall be granted in accordance with a system adopted by each volunteer company covered by a plan established by the volunteer firemen's relief association. The system shall provide that points shall be granted for activities designated by each volunteer company covered by a plan established by the volunteer firemen's relief association. Activities shall be selected from the following:

(1) Training courses, a maximum of twenty-five points shall

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

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

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

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

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

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

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

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

16     (7) Miscellaneous activities, a maximum of fifteen points  
17 shall be awarded for participation in inspections or other  
18 activities described in section 1 of the act of June 24, 1976  
19 (P.L.424, No.101), referred to as the Emergency and Law  
20 Enforcement Personnel Death Benefits Act, and not otherwise  
21 listed at the rate of one point per activity.

22     (b) Each volunteer company covered by a plan established by  
23 the Volunteer Firemen's Relief Association may designate less  
24 than all the activities specified in subsection (a) as  
25 activities for which points may be earned.

26     (c) Notwithstanding any other provision of this section, a  
27 volunteer fireman may not accumulate more than the maximum  
28 number of points with respect to activities described in  
29 subsection (a) in any one year under any single retirement  
30 benefit plan, even if the fireman performs such activities as a

1 member of different volunteer fire companies under a plan  
2 established by the volunteer firemen's relief association.

3 Section 3. Section 6(e) of the act is amended by adding a  
4 clause to read:

5 Section 6. \* \* \*

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

8 \* \* \*

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

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

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

1 funds obtained under the "Municipal Pension Plan Funding  
2 Standard and Recovery Act."

3 \* \* \*

4 Section 5. The act is amended by adding a section to read:

5 Section 7.1. Nonbinding referendum.--Whenever a volunteer  
6 firemen's relief association requests the governing body of any  
7 municipality to contribute moneys to fund a retirement benefit  
8 plan established under this act, the governing body may prepare  
9 a nonbinding, advisory referendum question on this issue and  
10 submit the question to the county board of elections. The county  
11 board of elections shall place this question before the voters  
12 of the municipality at the next primary, municipal, or general  
13 election occurring at least ninety days after receipt of the  
14 question from the governing body.

15 Section 6. This act shall take effect immediately.