

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 887 Session of
2003

INTRODUCED BY MARSICO, PIPPY, SOLOBAY, ADOLPH, BAKER, BARD,
BARRAR, BEBKO-JONES, BELFANTI, BUXTON, CAPPELLI, CAWLEY,
CORRIGAN, COY, CRAHALLA, CURRY, FABRIZIO, FICHTER, GEIST,
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SATHER, SAYLOR, SCRIMENTI, SHANER, B. SMITH, STABACK,
R. STEVENSON, THOMAS, TRUE, WANSACZ, WOJNAROSKI AND ZUG,
MARCH 13, 2003

REFERRED TO COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY
PREPAREDNESS, MARCH 13, 2003

AN ACT

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

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Section 3 of the act of June 11, 1968 (P.L.149,
14 No.84), known as the Volunteer Firefighters' Relief Association
15 Act, amended December 22, 1993 (P.L.547, No.78), is amended to
16 read:

17 Section 3. Statement of Purpose.--The purpose of the

1 Legislature in enacting this statute is to encourage individuals
2 to take part in the fire service as volunteer firefighters, by
3 establishing criteria and standards for the orderly
4 administration and conduct of the affairs of firefighters'
5 relief associations, so as to ensure, as far as circumstances
6 will reasonably permit, that funds shall be available for the
7 protection of volunteer firefighters and their heirs:

8 (1) To provide financial assistance to volunteer
9 firefighters who may suffer injury or misfortune by reason of
10 their participation in the fire service;

11 (2) To provide financial assistance to the widow, children,
12 and/or other dependents of volunteer firefighters who lose their
13 lives as a result of their participation in the fire service;

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

20 (4) To provide safeguards for preserving life, health and
21 safety of volunteer firefighters, so as to ensure their
22 availability to participate in the fire service;

23 (5) To provide financial assistance to volunteer
24 firefighters who, after having actively participated in the fire
25 service for a specified minimum term, are no longer physically
26 able to continue such participation and are in need of financial
27 assistance;

28 (6) To provide funds to aid the rehabilitation of volunteer
29 firefighters who have suffered an impairment of their physical
30 capacity to continue to perform their normal occupations; [and]

1 (6.1) To provide retirement benefits to current and future
2 active volunteer firefighters upon their separation from active
3 participation in the fire service on account of attainment of a
4 designated age or acquisition of credit for a designated period
5 of service through the establishment and maintenance of a
6 volunteer firefighters' retirement benefit plan; and

7 (7) In any event, to provide sufficient funds to ensure the
8 efficient and economical handling of the business of the
9 association in accomplishing the objectives hereinabove set
10 forth.

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

12 Section 3.1. Volunteer Firefighters' Retirement Benefit Plan
13 Definitions and Minimum Standards.--As used in section 3(6.1),
14 this section and sections 3.2 through 3.6, unless the context
15 clearly indicates otherwise:

16 (1) Accrued retirement benefits is the amount of the
17 retirement benefit which would be payable to a volunteer
18 firefighter if the firefighter discontinued volunteer fire
19 service based on the defined benefit formula in effect or the
20 individual account balance, whichever is applicable, without
21 reference to a minimum vesting requirement or normal retirement
22 age requirement.

23 (2) Chief administrator of the volunteer firefighters'
24 relief association is the person who has primary responsibility
25 for the execution of the administrative, business or financial
26 affairs on behalf of the volunteer firefighters' relief
27 association, as indicated by the factual situation or as
28 designated by the relief association.

29 (3) Defined benefit plan is a retirement benefit plan which
30 provides a retirement benefit that is definitely determinable

1 pursuant to the plan document without reference to the amount
2 contributed to the plan on the participant's behalf or to
3 income, expenses, gains or losses or forfeitures of other
4 participants covered by the plan.

5 (4) Defined contribution plan is a retirement benefit plan
6 which provides for an individual account for each participant
7 and for benefits which are based solely upon the amounts
8 allocated to the accounts of participants and upon investment
9 income, administrative or realized expenses, gains and losses
10 which may be allocated to those accounts.

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

19 (6) Fiduciary is a person who exercises discretionary
20 authority or control with respect to the administration of the
21 plan or the management or disposition of plan assets or who
22 renders investment advice for a fee to the plan.

23 (7) Nonforfeitable right is the unconditionally and legally
24 enforceable entitlement to receive benefits from a retirement
25 benefit plan attributable to service as a volunteer firefighter
26 participating in the plan.

27 (8) Normal retirement age is the earliest age at which a
28 former volunteer firefighter who participated in the retirement
29 benefit plan and who has an entitlement to receive a retirement
30 benefit pursuant to the terms of the plan document may receive

1 that retirement benefit.

2 (9) Prior volunteer fire service is the service rendered by
3 a volunteer firefighter to the applicable volunteer fire
4 companies associated with the volunteer firefighters' relief
5 association which established and maintained the retirement
6 benefit plan prior to the establishment of that retirement
7 benefit plan.

8 (10) Retirement benefit is the amount, at the time of
9 retirement, payable or potentially payable to a former volunteer
10 firefighter at or after normal retirement age, which amount is
11 computed pursuant to the applicable formula if the retirement
12 benefit plan is a defined benefit plan or which amount is the
13 balance of the account of the former volunteer firefighter if
14 the retirement benefit plan is a defined contribution plan.

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

21 (12) Survivor of a volunteer firefighter is the surviving
22 spouse of the volunteer firefighter at the time of the death of
23 the volunteer firefighter, or if none, the natural or adopted
24 children, including posthumous children, of the volunteer
25 firefighter.

26 (13) Year of volunteer fire service is the twelve-month
27 period, which need not be twelve consecutive months, during
28 which a volunteer firefighter who is eligible to participate in
29 the retirement benefit plan meets the minimum volunteer fire
30 service requirements established under section 3.6 and meets

1 additional minimum requirements established by the volunteer
2 firefighters' relief association and during which the minimum
3 obligation of the volunteer firefighters' relief association
4 with respect to the retirement benefit plan under section 3.5
5 has been met.

6 Section 3.2. Establishment of Volunteer Firefighters'
7 Retirement Benefit Plan.--A volunteer firefighters' relief
8 association which has met the requirements of section 6 may
9 establish and maintain a retirement benefit plan for the
10 volunteer firefighters who are members of the relief association
11 under this act. No volunteer firefighters' relief association
12 shall be required, under this act, to establish a retirement
13 benefit plan. No more than one retirement benefit plan may be
14 established or maintained by a single volunteer firefighters'
15 relief association.

16 Section 3.3. Minimum Participating and Benefit Standards for
17 Volunteer Firefighters' Retirement Benefit Plans.--(a) A
18 retirement benefit plan established and maintained under this
19 act by a volunteer firefighters' relief association for
20 volunteer firefighters who are members of the relief association
21 and disbursements made by a retirement benefit plan shall be
22 governed by the applicable provisions of this act.

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

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

29 (2) If the retirement benefit plan is a defined benefit
30 plan, the volunteer firefighters' relief association may provide

1 for the exclusion from participation of a volunteer firefighter
2 who initially begins to provide volunteer fire services for the
3 respective volunteer fire company at an age which is less than
4 five years prior to the normal retirement age of the retirement
5 benefit plan.

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

11 (c) A volunteer firefighter shall have a nonforfeitable
12 right to a retirement benefit that is not less than a percentage
13 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>

18 Notwithstanding the preceding table, a participant shall have a
19 one hundred per cent nonforfeitable right to a retirement
20 benefit upon attainment of normal retirement age under the
21 retirement benefit plan. A volunteer firefighters' relief
22 association may establish a percentage table that provides for a
23 faster rate of becoming nonforfeitable in the event of the death
24 or disability of a volunteer firefighter.

25 (d) A retirement benefit plan shall provide that a volunteer
26 firefighter who has acquired credit for a sufficient number of
27 years of volunteer fire service to obtain a nonforfeitable right
28 to all or a portion of the accrued retirement benefit and who
29 has terminated volunteer fire service with the applicable
30 volunteer fire company prior to attaining the applicable normal

retirement age is entitled to a deferred retirement benefit payable upon application when the former volunteer firefighter attains at least the normal retirement age.

(e) Retirement benefit amount requirements are as follows:

(1) A volunteer firefighters' retirement benefit plan shall be subject to maximum retirement benefit requirements as specified in subclause (i) or (ii), whichever is applicable. In determining whether the maximum benefit requirements have been satisfied, all benefits provided under all retirement benefit plans sponsored by a volunteer firefighters' relief association which allocates funds to the company under Chapter 7 of the act of December 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding Standard and Recovery Act," shall be considered as one plan.

(i) If the volunteer firefighters' retirement benefit plan is a defined benefit plan, the maximum benefit amount payable to a participating volunteer firefighter entitled to a benefit shall be determined on the basis of an actuarial valuation which takes into account the age, and other factors as the actuary deems appropriate, of the eligible participating firefighters and the amount of financing available per active covered firefighter. The maximum retirement benefit under a retirement benefit plan that is a defined benefit plan shall not exceed twenty dollars per month for each year of fire service credited under the terms of the plan.

(ii) If the volunteer firefighters' retirement benefit plan is a defined contribution plan, the maximum retirement income contribution, exclusive of any investment earnings, for a participating firefighter shall not exceed two thousand dollars for each year of fire service.

1 (2) A retirement benefit plan shall be funded in accordance
2 with the provisions of section 3.5 by the volunteer
3 firefighters' relief association.

4 (3) Unless otherwise specified by the volunteer
5 firefighters' relief association, all years of volunteer fire
6 service for retirement benefit amount purposes shall be years of
7 volunteer fire service completed after the establishment of the
8 retirement benefit plan and after completion of minimum
9 eligibility requirements to participate in the retirement
10 benefit plan. If the volunteer firefighters' relief association
11 so specifies, years of volunteer fire service for retirement
12 benefit amount purposes may include up to ten years of volunteer
13 fire service prior to the establishment of the retirement
14 benefit plan, but only with respect to those volunteer
15 firefighters who complete at least one year of volunteer fire
16 service after establishment of the retirement benefit plan. If
17 the volunteer firefighters' relief association so specifies, the
18 retirement benefit accrual rate with respect to years of
19 volunteer fire service rendered prior to establishment of a
20 retirement benefit plan may be less than the retirement benefit
21 accrual rate with respect to years of volunteer fire service
22 rendered after the establishment of a retirement benefit plan. A
23 retirement benefit plan may be amended after its establishment
24 to increase or decrease the retirement benefit accrual rate
25 applicable to volunteer firefighters with respect to years of
26 volunteer fire service completed after the date of that
27 amendment. An amendment which decreases the retirement benefit
28 accrual rate may not affect benefits accrued prior to the
29 amendment; the amendment may only decrease prospectively the
30 retirement benefit accrual rate applicable to a volunteer

1 firefighter under the retirement benefit plan prospectively.

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

8 (f) The volunteer firefighters' relief association shall
9 specify the normal retirement age applicable to a retirement
10 benefit plan. The normal retirement age shall not be earlier
11 than age fifty-five. No retirement benefit plan may provide for
12 the payment of benefits prior to the date on which the person
13 attains age fifty-five, whether or not the benefits are reduced
14 to take into account payment before the normal retirement age,
15 except in the case of the death or disability of the volunteer
16 firefighter. A retirement benefit plan may provide for the
17 payment of retirement benefits to an actively serving volunteer
18 firefighter who has attained at least the normal retirement age
19 specified in the retirement benefit plan, but no additional
20 years of volunteer fire service may be credited to the volunteer
21 firefighter who is receiving retirement benefits.

22 (g) In addition to retirement benefits, a volunteer
23 firefighter's retirement benefit plan may provide for the
24 payment of benefits in the event of the disability or death of a
25 volunteer firefighter who has become disabled or has died prior
26 to beginning to receive benefits under a retirement benefit
27 plan. Death benefits may be either in the form of survivor
28 annuity payments or lump-sum benefits.

29 (h) A retirement benefit payable from a retirement benefit
30 plan to an individual receiving or entitled to receive a

retirement benefit may not be assigned by the volunteer firefighter nor shall it be subject to garnishment, judgment, execution or other legal process other than legally obligated support of minor children or a spouse.

(i) Plan assets shall be held in trust by the volunteer firefighters' relief association or by a qualified third party under contract with the volunteer firefighters' relief association for the purpose of providing benefits to participants and their beneficiaries in conformance with this act or for the purpose of defraying the necessary and reasonable expenses of the operation and administration of the plan. If the retirement benefit plan and the related trust are not tax qualified within the meaning of sections 401 and 501 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §§ 401 and 501), the trust referred to in this subsection may provide that the assets held thereunder may be subject to the claims of general creditors, if any, of the volunteer firefighters' relief association or may contain any other terms and provisions which are necessary to insure that the participation by a volunteer firefighter in the retirement benefit plan does not result in taxable income under the Internal Revenue Code of 1986 prior to the payment of retirement benefits.

(j) A fiduciary of a retirement benefit plan shall act solely in the interest of the plan's participants and beneficiaries. Subject only to the provisions of this act and the plan document, a fiduciary may accept, hold, invest in and retain an investment as long as the fiduciary exercises the degree of judgment and care, under the circumstances then prevailing, which persons of prudence and intelligence exercise

in the management of their own affairs, not in regard to speculation but in regard to permanent disposition of their funds, considering the probable income to be derived and the probable safety of the capital.

(k) The volunteer firefighters' relief association or the designated plan administrator, whichever is applicable, shall provide volunteer firefighters who participate in a retirement benefit plan maintained under this act with a summary of the plan's provisions, including the plan's provisions relating to the participation requirements, the rate at which a nonforfeitable right in plan benefits is obtained and increases and the plan's retirement benefit or contribution formula. This summary shall be provided to each retirement benefit plan participant within six months from the date on which plan participation commences. In addition, a material modification to the plan provisions shall be provided in writing to each participant within six months after the date the modification is adopted or the date on which it is effective, whichever is later. A copy of the plan, the summary of the plan, and relevant documents related to the funding or investment of the assets of the plan and of contracts or agreements with service providers to the plan shall be made available for inspection or copying by a plan participant, a beneficiary or a member of the public at the office of the volunteer firefighters' relief association.

Section 3.4. Volunteer Firefighters' Retirement Benefit Plan Actuarial Reporting.--(a) Actuarial reporting shall be as follows:

(1) The plan administrator defined in the retirement benefit plan document or the chief administrator of the volunteer firefighters' relief association, if no plan administrator is

1 defined in the plan document, shall, every three years, cause
2 actuarial reporting for the retirement benefit plan to be
3 prepared and to be provided to the Department of the Auditor
4 General in conjunction with the routine audits performed under
5 section 7. A copy of the report shall be submitted to the
6 governing body or chief elected official of the municipality
7 where the volunteer fire company is located at the same time the
8 report is transmitted to the Auditor General. Actuarial
9 reporting is a public record and shall be made available to
10 active members or benefit recipients of the retirement benefit
11 plan. Under a defined benefit plan, the report shall disclose
12 the actuarial assumptions and methods used in determining
13 actuarial costs and liabilities.

14 (2) The actuarial reporting for retirement benefit plans
15 which are defined benefit plans shall be pursuant to subsection
16 (c). The actuarial reporting for retirement benefit plans which
17 are defined contribution plans shall be pursuant to subsection
18 (d).

19 (b) If a retirement benefit plan fails to comply with this
20 section, allocation of proceeds of the premium tax on foreign
21 fire insurance pursuant to Chapter 7 of the act of December 18,
22 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan
23 Funding Standard and Recovery Act," otherwise payable with
24 respect to the relief association or fire company shall be
25 withheld until compliance occurs.

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

28 (1) The actuarial reporting shall be prepared and certified
29 by a certified actuary.

30 (2) The actuarial reporting shall be prepared in accordance

1 with the frozen entry age actuarial cost method with costs
2 allocated on the basis of future years of fire service of plan
3 participants. The actuarial cost method shall be used to value
4 all aspects of the retirement benefit plan. The actuarial
5 reporting shall use actuarial assumptions which are, in the
6 judgment of the actuary and the governing body of the plan,
7 reasonable in the aggregate. The actuarial reporting shall
8 measure the aspects of the retirement benefit plan in accordance
9 with modifications in plan benefits which, as of the valuation
10 date, are known or can reasonably be expected to be in force
11 during the ensuing year. The actuarial reporting shall contain:
12 (i) an exhibit setting forth the normal cost accrual rate
13 and the amount for each plan year;
14 (ii) in the case of a retirement benefit plan that provides
15 for credit for years of fire service prior to the effective date
16 of the retirement benefit plan for the purpose of computing the
17 amount of benefits under the plan or for amendments increasing
18 benefits, a separate statement of the retirement benefit plan's
19 actuarial accrued liability;
20 (iii) an exhibit of the total administrative cost of the
21 retirement benefit plan for the preceding year;
22 (iv) an exhibit summarizing the actuarial cost methods and
23 the actuarial assumptions used in preparation of the actuarial
24 exhibits;
25 (v) an exhibit of the present value of accumulated plan
26 benefits;
27 (vi) an exhibit of the assets of the plan at fair market
28 value or, if the assets are valued differently from fair market
29 value, a statement of the basis for determining the value of
30 assets for purposes of this section and section 3.5;

1 (vii) a summary of the pertinent participant data; and
2 (viii) a summary of the principal provisions of the benefits
3 of the retirement benefit plan upon which the actuarial exhibit
4 is based.

5 (d) The actuarial reporting for a retirement benefit plan
6 which is a defined contribution plan shall include the total
7 balance of any member account applicable to the retirement
8 benefit plan, the procedures for establishing contribution rates
9 or requirements, the procedures for allocating amounts to member
10 accounts and additional relevant information.

11 Section 3.5. Volunteer Firefighters' Retirement Income Plan
12 Minimum Funding Standard.--(a) The plan administrator or chief
13 administrator of the volunteer firefighters' relief association
14 shall annually determine the financial requirements of the
15 retirement benefit plan for the following year on the basis of
16 the most recent actuarial reporting, and shall certify those
17 requirements to the governing body of the volunteer
18 firefighters' relief association which maintains the retirement
19 benefit plan. The requirements shall be certified no later than
20 two months prior to the start of the next following year.

21 (b) If the retirement benefit plan is a defined benefit plan
22 providing monthly benefits for the life of the recipients, the
23 financial requirement of the retirement benefit plan shall be
24 the normal cost plus, in the case of a defined benefit plan that
25 provides benefits based on years of fire service prior to the
26 effective date of the plan, the cost to amortize a liability
27 attributable to fire service over a period not to exceed ten
28 years from the plan's effective date or, in the case of an
29 amendment increasing benefits, ten years from the date of the
30 amendment.

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

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

15 (e) The minimum financial requirements of the retirement
16 benefit plan shall be the obligation of the volunteer
17 firefighters' relief association. The minimum financial
18 requirements of the retirement benefit plan shall be due no
19 later than twelve months following the start of the year. An
20 amount of the minimum financial requirements of the retirement
21 benefit plan which remains unpaid by the volunteer firefighters'
22 relief association which maintains the retirement benefit, as of
23 twelve months after the date on which the minimum financial
24 requirements are due, shall be added to the minimum financial
25 requirement for the current year, with interest, until the
26 payment is made at the actuarial valuation rate. If the amount
27 applicable to the prior year is not paid by the close of the
28 current year, the retirement benefit plan shall be liquidated;
29 and no further benefits may be earned by any volunteer
30 firefighter thereafter. Upon liquidation of the plan, the assets

1 shall be allocated among the participants and beneficiaries of
2 the plan in the following order:

3 (1) In the case of benefits payable as an annuity:

4 (i) in the case of the benefit of a participant or
5 beneficiary which was in pay status as of the beginning of the
6 three-year period ending on the date the plan is liquidated, the
7 lowest benefit based on the provisions of the plan as in effect
8 during the five-year period ending on the date the plan is
9 liquidated; and

10 (ii) in the case of a benefit of a participant or
11 beneficiary other than a benefit described in subclause (i)
12 which participant or beneficiary would have been in pay status
13 as of the beginning of the three-year period ending on the date
14 the plan is liquidated if the participant had retired prior to
15 the beginning of that period, the lowest benefit based on the
16 provisions of the plan, as in effect during the five-year period
17 ending on the date the plan is liquidated.

18 (2) In the case of other benefits, assets remaining after
19 the liabilities of the plan to participants and their
20 beneficiaries have been satisfied may be returned to the
21 volunteer firefighters' relief association.

22 (f) If a retirement benefit plan is liquidated under this
23 section, the volunteer firefighters' relief association that
24 previously sponsored the plan may not sponsor a retirement
25 benefit plan described in section 3(6.1) for the period of at
26 least ten years from the date the plan was liquidated. A plan
27 that is established after the ten-year period referred to in
28 this subsection may not credit as years of fire service years
29 during the ten-year period following the liquidation of the
30 plan.

1 (g) Except as provided in this act, a retirement benefit
2 plan established under this act shall not be subject to Chapters
3 1 through 6 or 8 of the act of December 18, 1984 (P.L.1005,
4 No.205), known as the "Municipal Pension Plan Funding Standard
5 and Recovery Act."

6 Section 3.6. Standards for Years of Fire Service.--(a) A
7 year of fire service shall be credited under a retirement
8 benefit plan for each year after the establishment of the plan
9 in which an active volunteer firefighter accumulates at least
10 fifty points. Points shall be granted in accordance with a
11 system adopted by each volunteer company covered by a plan
12 established by the volunteer firefighters' relief association.
13 The system shall provide that points shall be granted for
14 activities designated by each volunteer company covered by a
15 plan established by the volunteer firefighters' relief
16 association. Activities shall be selected from the following:

17 (1) Training courses, a maximum of twenty-five points shall
18 be awarded as follows:

19 (i) courses under twenty hours' duration, one point per
20 hour, with a maximum of five points;

21 (ii) courses of twenty to forty-five hours' duration, one
22 point per hour for each hour over initial twenty hours, with a
23 maximum of ten points; and

24 (iii) courses over forty-five hours' duration, fifteen
25 points per course.

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

28 (3) Sleep-in or standby, a maximum of twenty points shall be
29 awarded for:

30 (i) sleep-in, one point each full night; and

1 (ii) standby, which is line-of-duty activity of the
2 volunteer fire company, lasting for four hours, not falling
3 under one of the other categories in this subsection, one point
4 for each four hours.

5 (4) Elected position, a maximum of twenty-five points shall
6 be awarded for:

7 (i) completion of one-year term in an elected position; and

8 (ii) being elected, as an active volunteer firefighter, to
9 serve as a delegate to a firefighters' convention.

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

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

16 <u>Total number of calls</u>	<u>Minimum number of calls</u>
17 <u>volunteer fire company</u>	<u>volunteer firefighter</u>
18 <u>responds to annually</u>	<u>must run annually in</u>
19 <u>other than emergency</u>	<u>order to receive fifteen</u>
20 <u>rescue and first aid</u>	<u>points credit</u>

21 squad calls (ambulance
22 calls)

23 <u>0 to 500</u>	<u>10%</u>
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24 <u>500 to 1000</u>	<u>7.5%</u>
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25 <u>1000 to 1500</u>	<u>5%</u>
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26 <u>1500 and up</u>	<u>2.5%</u>
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27 <u>Total number of calls</u>	<u>Minimum number of calls</u>
28 <u>emergency rescue and</u>	<u>volunteer firefighter</u>
29 <u>first aid squad</u>	<u>must run annually in</u>
30 <u>(ambulance) responds</u>	<u>order to receive fifteen</u>

1	<u>to annually</u>	<u>points credit</u>
2	<u>0 to 500</u>	<u>10%</u>
3	<u>500 to 1000</u>	<u>7.5%</u>
4	<u>1000 to 1500</u>	<u>5%</u>
5	<u>1500 and up</u>	<u>2.5%</u>

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

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

15 (c) Notwithstanding any other provision of this section, a
16 volunteer firefighter may not accumulate more than the maximum
17 number of points with respect to activities described in
18 subsection (a) in any one year under any single retirement
19 benefit plan, even if the firefighter performs such activities
20 as a member of different volunteer fire companies under a plan
21 established by the volunteer firefighters' relief association. A
22 firefighter may be a member of only one plan.

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

25 Section 6. Funds.--* * *

26 (e) The funds of any volunteer firefighters' relief
27 association may be spent:

28 * * *

29 (17) To establish and maintain a retirement benefit plan as
30 defined in section 3.1. No more than fifty per cent of the

1 annual disbursement of foreign fire insurance premiums to a
2 volunteer firefighters' relief association may be used for
3 retirement benefit plan purposes. Prior to the establishment of
4 a retirement benefit plan under this clause, the volunteer
5 firefighters' relief association shall provide the following
6 minimum benefits: an accidental death benefit of thirty thousand
7 dollars and a weekly disability income benefit of one hundred
8 dollars for accidental deaths and disabilities suffered by
9 member volunteer firefighters and resulting from the performance
10 of their duties with a volunteer fire company. Notwithstanding
11 any provision of this act to the contrary, no benefits accruing
12 to any member of a volunteer firefighters' retirement benefit
13 plan established under this act shall result in a contractual or
14 any other liability of the Commonwealth or its political
15 subdivisions.

16 Section 4. Section 7(a) of the act, amended December 22,
17 1993 (P.L.547, No.78), is amended to read:

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

1 * * *

2 Section 5. This act shall take effect immediately.