

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

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 a retirement benefit that is not less than a percentage 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>

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

(d) A retirement benefit plan shall provide that a volunteer fireman who has acquired credit for a sufficient number of years of volunteer fire service to obtain a nonforfeitable right to all or a portion of the accrued retirement benefit and who has terminated volunteer fire service with the applicable 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 fireman attains at least the normal retirement age.

(e) Retirement benefit amount requirements are as follows:

(1) A volunteer firemen's 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 fire company, and by a volunteer

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firemen's 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 firemen's retirement benefit plan is a
defined benefit plan, the maximum benefit amount payable to a
participating volunteer fireman 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 firemen and the
amount of financing available per active covered fireman. 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 firemen's retirement benefit plan is a
defined contribution plan, the maximum retirement income
contribution, exclusive of any investment earnings, for a
participating fireman shall not exceed two thousand dollars for
each year of fire service.

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

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

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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.

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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:

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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.

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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:

<u>Total number of calls</u>	<u>Minimum number of calls</u>
<u>volunteer fire company</u>	<u>volunteer fireman must</u>
<u>responds to annually</u>	<u>run annually in order</u>
<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.