

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
115TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 926, L.D. 1323, Bill, "An Act to Establish the Maine Volunteer Firefighters Retirement System"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

Sec. 1. 5 MRSA §12004-F, sub-§16 is enacted to read:

|                           |                 |                |
|---------------------------|-----------------|----------------|
| <u>16.</u>                | <u>Expenses</u> | <u>5 MRSA</u>  |
| <u>Board of Trustees,</u> | <u>Only</u>     | <u>\$18905</u> |
| <u>Maine Volunteer</u>    |                 |                |
| <u>Firefighters</u>       |                 |                |
| <u>Retirement System</u>  |                 |                |

Sec. 2. 5 MRSA §12004-I, sub-§88-A is enacted to read:

|                     |                        |                 |                |
|---------------------|------------------------|-----------------|----------------|
| <u>88-A.</u>        | <u>Maine Volunteer</u> | <u>Expenses</u> | <u>5 MRSA</u>  |
| <u>Maine</u>        | <u>Firefighters</u>    | <u>Only</u>     | <u>\$18915</u> |
| <u>Volunteer</u>    | <u>Retirement</u>      |                 |                |
| <u>Firefighters</u> | <u>Board of</u>        |                 |                |
| <u>Retirement</u>   | <u>Directors</u>       |                 |                |
| <u>System</u>       |                        |                 |                |

Sec. 3. 5 MRSA §17152, as amended by PL 1989, c. 409, §§3 and 12, is further amended to read:

§17152. Funds

All of the assets of the retirement system shall must be credited according to the purpose for which they are held among 7 & funds, namely:

**COMMITTEE AMENDMENT**



2           A. A member firefighter does not accrue qualified service  
4           while on active duty as a member of the Armed Forces of the  
6           United States, but upon again becoming a member of a member  
8           fire department within 90 days of separation from the Armed  
          Forces, qualified service before and after active duty in  
          the Armed Forces is deemed to be continuous;

10           B. A member firefighter who terminates service with a  
12           member fire department and resumes service with the same  
14           member fire department within 60 days does not accrue  
          qualified service during the interim, but qualified service  
          before and after that period of time is deemed to be  
          continuous; and

16           C. A member firefighter who terminates service with a  
18           member fire department and resumes service with another  
20           member fire department within 6 months does not accrue  
22           qualified service during the interim, but qualified service  
          before and after that period of time is deemed to be  
          continuous.

24           5. Firefighter. "Firefighter" means a call firefighter as  
26           defined in subsection 1 or a volunteer firefighter as defined in  
          Title 30-A, section 3151, subsection 4.

28           6. Governing body. "Governing body" means the legislative  
30           body of any municipality within which a municipal fire department  
32           subject to the provisions of this chapter is situated or the  
          board of directors of an incorporated volunteer firefighters  
          association.

34           7. Member fire department. "Member fire department" means  
36           a municipal fire department or an incorporated volunteer  
          firefighters association that participates in the system.

38           8. Member firefighter. "Member firefighter" means a  
          firefighter who participates in the system.

40           9. Municipal fire department. "Municipal fire department"  
42           has the same meaning as defined in Total 30-A, section 3151,  
          subsection 1.

44           10. Prior service. "Prior service" means qualified service  
46           before the date of establishment of the system.

48           11. Qualified service. "Qualified service" means  
          firefighting service rendered by a member firefighter who  
          participates in at least 36 hours of recorded training, as

2 described in Title 26, section 2102, during a calendar year while  
3 a member in good standing of a member fire department.

4 12. Retirement age. "Retirement age" means age 60.

6 13. System. "System" means the Maine Volunteer  
7 Firefighters Retirement System.

8  
9 **§18902. Name; date of establishment; purpose**

10 The system is established and has the powers and privileges  
11 of a corporation. The system provides retirement benefits under  
12 this chapter for member firefighters.

14  
15 **§18903. Fund established**

16 The Maine Volunteer Firefighters Retirement System Fund is  
17 established in which must be accumulated all money credited by  
18 the State required for the payment of pension benefits as  
19 described in section 18919.

21  
22 **§18904. Exemption from taxation and execution**

23 A person's right to a retirement allowance, any optional  
24 benefit or death benefit or any other right accrued or accruing  
25 to any person under this chapter and the money in the fund  
26 created under this chapter are exempt from any state, county or  
27 municipal tax to the same extent that exists in the Maine State  
28 Retirement System and are not subject to execution, garnishment,  
29 attachment or other process, except as provided by this section.  
30 These rights are unassignable, except as provided by this chapter.

31  
32 A member firefighter's retirement allowance is available to  
33 satisfy any child support obligation that is otherwise  
34 enforceable by execution, garnishment, attachment, assignment or  
35 other process.

36  
37 **§18905. Board of trustees**

38 The board of trustees consists of those persons who are  
39 members of the Board of Trustees of the Maine State Retirement  
40 System. The board of trustees is responsible for the proper  
41 operation and implementation of the system under this chapter.

42  
43 1. Duties. The board of trustees has the same duties with  
44 respect to the system as the Board of Trustees of the Maine State  
45 Retirement System has with respect to the Maine State Retirement  
46 System, including, but not limited to, those powers and duties  
47 enumerated in chapter 421, subchapters III to V.

2           2. System administration. The board of trustees shall  
3 administer the system and may adopt and publish, in accordance  
4 with the Maine Administrative Procedure Act, chapter 375,  
5 subchapter II, any rules necessary and proper to give effect to  
6 the intent, purposes and provisions of this chapter.

8           3. Expenses. Trustees are entitled to compensation from  
9 system funds as provided in chapter 379.

10           4. Oath. Each trustee shall, within 10 days after the  
11 effective date of this chapter and, thereafter, within 10 days  
12 after the trustee's appointment or election, take an oath of  
13 office to faithfully discharge the duties of a trustee, in the  
14 form prescribed by the Constitution of Maine. The oath must be  
15 subscribed to by the trustee making it, certified by the officer  
16 before whom it is taken and immediately filed in the office of  
17 the Secretary of State.

18           5. Quorum. Each voting trustee is entitled to one vote on  
19 the board of trustees. Four trustees constitute a quorum for the  
20 transaction of any business. Four votes are required for any  
21 resolution or action by the board of trustees at any meeting of  
22 the board of trustees.

23           §18906. Executive director

24           The Executive Director of the Maine State Retirement System  
25 is the executive director of the system, referred to in this  
26 chapter as the "executive director." The executive director has  
27 the same powers and duties with respect to the system as the  
28 executive director has with the Maine State Retirement System,  
29 except as provided in this chapter.

30           §18907. Actuary

31           The actuary of the Maine State Retirement System is the  
32 actuary of the system. The actuary has the same duties with  
33 respect to the system as the actuary has with the Maine State  
34 Retirement System, except as provided in this chapter.

35           §18908. Administrative procedures

36           Appeal from the executive director's decision is the same as  
37 provided for the Maine State Retirement System in section 17451.

38           §18909. Legal advisor

39           The Attorney General or an assistant designated by the  
40 Attorney General is the legal advisor of the board of trustees.

2 **§18910. Control of funds**

4 The board of trustees is the trustee of the funds created by  
6 this chapter and shall administer those funds in the same manner  
8 as is provided for the administration of the Maine State  
10 Retirement System in accordance with chapter 421, subchapters III  
12 and IV. The board of trustees may establish separate funds or  
14 accounts within a fund, as necessary.

16 **§18911. Custodian of funds**

18 Except as otherwise provided, the Treasurer of State is the  
20 custodian of the funds of the system. Upon receipt of vouchers  
22 signed by a person or persons designated by the board of  
24 trustees, the State Controller shall draw a warrant on the  
26 Treasurer of State for the amount authorized. A duly attested  
28 copy of the resolution of the board of trustees designating those  
30 persons and bearing on its face their specimen signatures must be  
32 filed with the State Controller as the State Controller's  
34 authority for making payments upon the vouchers.

36 **§18912. Expenses**

38 The State shall pay all the administrative expenses of the  
40 system.

42 1. Estimate funds biennially. Biennially, the board of  
44 trustees shall estimate the amount of money determined necessary  
46 by the Board of Trustees to provide for the expenses of  
48 administration and operation of the system during the ensuing  
50 biennium. The State shall pay that amount, for that purpose,  
into the fund established for that purpose.

2. Balance. Any unexpended balance does not lapse, but  
constitutes a continuous carrying account.

**§18913. Investments**

The board of trustees may combine funds from the system and  
the Maine State Retirement System for investment purposes. The  
assets and the funds of the Maine State Retirement System and the  
assets and the funds of the system may not be combined for  
benefit payment purposes or for administrative expenses.

**§18914. Funding by State**

1. Payment. The State shall pay annually into the Maine  
Volunteer Firefighters Retirement System Fund an amount known as  
the employer contribution.

2           2. Employer contribution amount. The amount of the  
3           employer contribution is fixed on the basis of the assets and  
4           liabilities of the system as shown by actuarial valuation. The  
5           amount of the employer contribution is determined on actuarial  
6           bases adopted by the board of trustees. The amount is determined  
7           by the board of trustees after each valuation and is in force  
8           until a new valuation is made.

10           3. State contribution procedure. The board of trustees  
11           shall submit budget estimates to the State Budget Officer in  
12           accordance with section 1665. The State Controller shall cause a  
13           charge to be made against funds collected under the fire  
14           insurance premium tax each month of an amount in payment of the  
15           state costs of all charges related to the system. The charge  
16           must be credited to the appropriate accounts of the fund.

18           4. Minimum amount of employer contribution. The aggregate  
19           payment by the State into the fund must be at least sufficient,  
20           when combined with the amount in the fund, to provide the  
21           benefits payable out of the fund during the current year.

22           5. Contributions not compensation. Any contributions made  
23           and any benefits provided pursuant to this chapter may not be  
24           considered compensation and member firefighters are not deemed to  
25           be in the paid service of any governing body.

28           §18915. Maine Volunteer Firefighters Retirement Board of  
29           Directors

30           1. Membership. The board of directors consists of 7 voting  
31           members appointed as follows:

34           A. Three members appointed by the Maine Fire Chiefs  
35           Association;

36           B. Three members appointed by the Maine Federation of  
37           Firefighters; and

38           C. One member appointed by Maine Fire Training and  
39           Education Program.

40           2. Appointment; terms. Members of the board of directors  
41           are appointed to 3-year terms of office.

42           3. Duties. The duties of the board of directors are to:

43           A. Certify to the executive director the names of  
44           departments and firefighters' associations that have been  
45           accepted to be member fire departments;



2 B. Certify to the executive director the names, dates of  
4 birth, sex and any other information required by the  
6 executive director for the proper administration of the  
8 plan, of persons qualified to be member firefighters;

10 C. Certify by June 30th of each year to the executive  
12 director the number of years of continuous qualified service  
14 of each member firefighter;

16 D. Appoint up to 2 member firefighters from each county who  
18 shall fulfill the responsibilities set forth in section  
20 18916; and

22 E. Hear appeals from its decision relating to eligibility  
24 and qualified services. After a decision has been appealed  
26 and a hearing has been held the decision of the board of  
28 directors is final and is not subject to further appeal.

30 4. Expenses. Directors are entitled to compensation from  
32 system funds as provided in chapter 379.

34 5. Quorum. Each director is entitled to one vote on the  
36 Board of directors. Four directors constitute a quorum for the  
38 transaction of any business. Four votes are required for any  
40 resolution or action by the Board of Directors at any meeting of  
42 the Maine Volunteer Firefighters Board of Directors.

44 §18916. County member firefighters

46 The county member firefighters shall provide the board of  
48 directors with a list of those member firefighters who have  
50 completed the training requirements in their respective counties  
52 no later than May 1st of each year.

54 §18917. Participation

56 Participation in the system is optional. Any governing body  
58 may submit to the appropriate county member firefighter a request  
60 that its department or firefighters association be permitted to  
62 participate in the system. Upon acceptance of the application by  
64 the regional board and the board of directors and notification of  
66 the executive director, the department or association is deemed  
68 to be a member fire department.

70 §18918. Prior service

72 Upon full payment of the required contributions, a member  
74 firefighter must be granted credit for one year of qualified

2 service for each year of prior service, including service accrued  
3 before the effective date of this chapter, approved by the board  
4 of directors.

6 1. Amount of contributions. The amount of contributions is  
7 based upon the rate of contributions, plus interest, made by the  
8 State during the first year of the system.

10 A. Payment or payments must be made as provided in section  
11 17701, subsection 4 for members of the Maine State  
12 Retirement System.

14 B. Interest must be at the same rate members of the Maine  
15 State Retirement System are required to pay with relation to  
16 payment of back contributions by section 17704, subsection 3.

18 C. Interest is computed from the date of establishment of  
19 the system to the date of payment.

20 2. Continuous service. A member firefighter must have  
21 completed 5 continuous years of qualifying service to be eligible  
22 for prior service credit.

24 3. Limitation. A member firefighter may purchase up to 5  
25 years of prior service credit.

26 **§18919. Retirement benefits**

28 A member firefighter is entitled to receive a monthly  
29 retirement benefit upon reaching retirement age, subject to the  
30 vesting provisions in section 18920.

32 1. Monthly benefit payments. The monthly benefits payments  
33 are made for the number of continuous years of qualified service  
34 as follows:

36 A. For 5 years, \$18.75;

38 B. For 6 years, \$22.50;

40 C. For 7 years, \$26.25;

42 D. For 8 years, \$30.00;

44 E. For 9 years, \$33.75;

46 F. For 10 years, \$37.50;

48 G. For 11 years, \$45.00;

- 2           H. For 12 years, \$52.50;
- 4           I. For 13 years, \$60.00;
- 6           J. For 14 years, \$67.50;
- 8           K. For 15 years, \$75.00;
- 10          L. For 16 years, \$77.50;
- 12          M. For 17 years, \$80.00;
- 14          N. For 18 years, \$82.50;
- 16          O. For 19 years, \$85.00; and
- 18          P. For 20 years, \$87.50.

20        **§18920. Vesting of benefits**

22           The right to retirement benefits vests only when 5  
24        continuous years of qualified service are completed.

26            Sec. 5. 25 MRSA §2399-A is enacted to read:

28        **§2399-A. Volunteer firefighters retirement assessment**

30            1. Imposition of tax. In addition to the tax imposed in  
32        section 2399, every fire insurance company or association  
34        required to pay a tax under that section shall pay to the State  
          Tax Assessor a tax equal to 0.8% of the same tax base specified  
          in section 2399 to fund the Maine Volunteer Firefighters  
          Retirement System.

36            2. Administration. This tax must be collected in the  
38        same manner as taxes collected under section 2399. The State Tax  
40        Assessor shall pay receipts monthly to the Treasurer of State who  
42        shall deposit the portion of the funds collected for fire  
44        insurance on property located in municipalities with no career  
46        fire departments in the Maine Volunteer Firefighters Retirement  
          System Fund established in Title 5, section 18903. The portion  
          of the funds collected for property located in municipalities  
          with career fire departments must be paid to the Maine State  
          Retirement System and used to reduce the employer contribution  
          required for those participating local districts with career  
          firefighters as members.

2 **Sec. 6. Allocation.** The following funds are allocated from  
 4 Other Special Revenue to carry out the purposes of this Act.

1992-93

6 **TREASURER OF STATE,**  
 8 **OFFICE OF**

10 **Firefighter Retirement Funding**

12 All Other \$1,040,000

14 Provides for the allocation of funds to make  
 16 payments to the Maine State Retirement  
 18 Firefighter Retirement System and other  
 20 firefighter retirement costs as authorized  
 by Maine Revised Statutes, Title 25, section  
 2399-A.

22 **FISCAL NOTE**

|    | 1991-92                           | 1992-93     |
|----|-----------------------------------|-------------|
| 24 |                                   |             |
| 26 |                                   |             |
| 28 | <b>APPROPRIATIONS/ALLOCATIONS</b> |             |
| 30 | Other funds                       | \$1,040,000 |
| 32 | <b>REVENUES</b>                   |             |
| 34 | Other funds                       | \$1,040,000 |

36 The additional dedicated revenue generated by the 0.8%  
 38 increase in the fire insurance premium tax is estimated at  
 40 \$1,040,000 in fiscal year 1992-93. This additional revenue is  
 allocated to make payments to the Maine State Retirement System  
 42 to cover the costs of the Maine Volunteer Firefighters Retirement  
 System and other firefighter retirement costs.'

44 **STATEMENT OF FACT**

46 This amendment makes changes to clarify the intent of the  
 48 original bill, improve the administration of the Maine Volunteer  
 Firefighters Retirement System, eliminate the death benefit  
 50 option and provide for funding of volunteer firefighter  
 retirement through an additional assessment on the fire insurance

COMMITTEE AMENDMENT "A" to H.P. 926, L.D. 1323

2 premium tax. The additional tax collected in municipalities with  
career fire departments would be used to reduce the employer  
4 contribution for the participating local districts covering those  
career firefighters.

Reported by Report B of the Committee on Aging, Retirement and Veterans  
Reproduced and distributed under the direction of the Clerk of the  
House

2/14/92

(Filing No. H-935)