

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 1323

H.P. 926

House of Representatives, March 27, 1991

Reference to the Committee on Aging, Retirement and Veterans suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative MITCHELL of Freeport.

Cosponsored by Senator CLARK of Cumberland, Senator GILL of Cumberland and Senator BUSTIN of Kennebec.

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STATE OF MAINE

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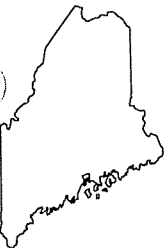
IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act to Establish the Maine Volunteer Firefighters Retirement System.**

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(EMERGENCY)



Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the creation and operation of the Maine Volunteer Firefighters Retirement System should take effect as soon as possible to provide retirement options for volunteer firefighters in this State; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §12004-I, sub-§88-A is enacted to read:

<u>88-A.</u>	<u>Maine Volunteer Firefighters Retirement System</u>	<u>Expenses Only</u>	<u>5 MRSA</u> <u>\$18914</u>
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Sec. 2. 5 MRSA c. 429 is enacted to read:

CHAPTER 429

MAINE VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM

§18901. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Board. "Board" means the Board of Trustees of the Maine Volunteer Firefighters Retirement System.

2. Call firefighter. "Call firefighter" means a person who is employed as a firefighter on a part-time basis or who is an on-call member of a member fire department.

3. Continuous service. "Continuous service" means qualified service without interruption, as certified by the Maine Volunteer Firefighters Retirement Board of Directors, except that:

A. A member firefighter does not accrue qualified service while on active duty as a member of the Armed Forces of the United States, but upon again becoming a member of a member fire department within 90 days of separation from the Armed

2 Forces, qualified service before and after active duty in  
3 the Armed Forces is deemed to be continuous;

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

10 C. A member firefighter who terminates service with a  
11 member fire department and resumes service with another  
12 member fire department within 6 months does not accrue  
13 qualified service during the interim, but qualified service  
14 before and after that period of time is deemed to be  
15 continuous.

16  
17 4. Firefighter. "Firefighter" means a call firefighter as  
18 defined in subsection 1 or a volunteer firefighter as defined in  
19 Title 30-A, section 3151, subsection 4.

20  
21 5. Governing body. "Governing body" means the legislative  
22 body of any municipality within which a municipal fire department  
23 subject to the provisions of this chapter is situated, or the  
24 board of directors of an incorporated volunteer firefighters  
25 association.

26  
27 6. Maine Volunteer Firefighters Retirement Board of  
28 Directors. "Maine Volunteer Firefighters Retirement Board of  
29 Directors" means the board established under section 18914 to  
30 oversee the granting of qualified service credit under this  
31 chapter.

32  
33 7. Member fire department. "Member fire department" means  
34 a municipal fire department or an incorporated volunteer  
35 firefighters association that participates in the system.

36  
37 8. Member firefighter. "Member firefighter" means a  
38 firefighter who participates in the system.

39  
40 9. Municipal fire department. "Municipal fire department"  
41 has the same meaning as defined in Title 30-A, section 3151,  
42 subsection 1.

43  
44 10. Prior service. "Prior service" means qualified service  
45 before the date of establishment of the system.

46  
47 11. Qualified service. "Qualified service" means  
48 firefighting service rendered by a member firefighter who  
49 participates in at least 36 hours of recorded training during a  
50 calendar year while a member in good standing of a member fire  
51 department.

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

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

§18902. Name; date of establishment; purpose

The Maine Volunteer Firefighters Retirement System is established and has the powers and privileges of a corporation. The system provides retirement benefits under this chapter for member firefighters.

§18903. Exemption from taxation and execution

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

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

§18904. Board of trustees

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

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

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

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

2           4. Oath. Each trustee shall, within 10 days after the  
3           effective date of this Act and, thereafter, within 10 days after  
4           the trustee's appointment or election, take an oath of office to  
5           faithfully discharge the duties of a trustee, in the form  
6           prescribed by the Constitution of Maine. The oath must be  
7           subscribed to by the trustee making it, certified by the officer  
8           before whom it is taken and immediately filed in the office of  
9           the Secretary of State.

10           5. Quorum. Each voting trustee is entitled to one vote on  
11           the board. Four trustees constitute a quorum for the transaction  
12           of any business. Four votes are required for any resolution or  
13           action by the board at any meeting of the board.

14           §18905. Executive director

15           The Executive Director of the Maine State Retirement System  
16           is the Executive Director of the Maine Volunteer Firefighters  
17           Retirement System. The executive director has the same powers  
18           and duties with respect to the system as the executive director  
19           has with the Maine State Retirement System, except as provided in  
20           this chapter.

21           §18906. Actuary

22           The Actuary of the Maine State Retirement System is the  
23           Actuary of the Maine Volunteer Firefighters Retirement System.  
24           The actuary has the same duties with respect to the system as the  
25           actuary has with the Maine State Retirement System, except as  
26           provided in this chapter.

27           §18907. Administrative procedures

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

30           §18908. Legal advisor

31           The Attorney General or an assistant designated by the  
32           Attorney General is the legal advisor of the board.

33           §18909. Control of funds

34           The board is the trustee of the funds created by this  
35           chapter and shall administer those funds in the same manner as is  
36           provided for the administration of the Maine State Retirement  
37           System in accordance with chapter 421, subchapters III and IV.  
38           The board may establish separate funds or accounts within a fund,  
39           as necessary.

2 **§18910. Custodian of funds**

4 Except as otherwise provided, the Treasurer of State is the  
6 custodian of the funds of the system. Upon receipt of vouchers  
8 signed by a person or persons designated by the board, the State  
10 Controller shall draw a warrant on the Treasurer of State for the  
12 amount authorized. A duly attested copy of the resolution of the  
14 board designating those persons and bearing on its face their  
16 specimen signatures must be filed with the State Controller as  
18 the State Controller's authority for making payments upon the  
20 vouchers.

22 **§18911. Expenses**

24 The State shall pay all the administrative expenses of the  
26 system.

28 1. Estimate funds biennially. Biennially, the board shall  
30 estimate the amount of money determined necessary by the board to  
32 provide for the expenses of administration and operation of the  
34 system during the ensuing biennium. The State shall pay that  
36 amount, for that purpose, into the fund established for that  
38 purpose.

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

44 **§18912. Investments**

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

56 **§18913. Funding by State**

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

64 2. Employer contribution amount. The amount of the  
66 employer contribution is fixed on the basis of the assets and  
68 liabilities of the system as shown by actuarial valuation. The  
70 amount of the employer contribution is determined on actuarial  
72 bases adopted by the board. The amount is determined by the  
74 board after each valuation and is in force until a new valuation  
76 is made.

78 3. State contribution procedure. The board shall submit  
80 budget estimates to the State Budget Officer in accordance with  
82 section 1665. The State Controller shall cause a charge to be

2 made against funds collected under the Fire Insurance Premium Tax  
4 each month of an amount in payment of the state costs of all  
6 charges related to the system. The charge must be credited to  
8 the appropriate accounts of the fund.

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

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

26 **§18914. Maine Volunteer Firefighters Retirement Board of**  
28 **Directors**

30 1. Appointment of members. The members of the Maine  
32 Volunteer Firefighters Retirement Board of Directors are  
34 appointed by the executive boards of the Maine Fire Chiefs  
36 Association and the Maine State Federation of Firefighters, Inc.

38 2. Duties. The duties of the board of directors are to:

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

46 B. Certify to the executive director the names, dates of  
48 birth, sex and any other information required by the  
50 executive director for the proper administration of the  
52 plan, of persons qualified to be members;

C. Certify to the executive director the number of years of  
continuous qualified service of each member as of each June  
30th;

D. Establish regional boards; and

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

46 **§18915. Participation**

48 Participation in the system is optional. Any governing body  
50 may apply to the appropriate regional board requesting that its  
52 department or firefighters association be permitted to  
participate in the system. Upon acceptance of the application by  
the regional board and the Maine Volunteer Firefighters



2 Retirement Board of Directors and notification of the executive  
3 director, the department or association shall be deemed to be a  
4 member fire department.

6 §18916. Prior service

8 Upon full payment of the required contributions, a member  
9 firefighter must be granted credit for one year of qualified  
10 service for each year of prior service approved by the board of  
11 directors.

12 1. Amount of contributions. The amount of contributions is  
13 based upon the rate of contributions, plus interest, made by the  
14 State during the first year of the system.

16 A. Payment or payments must be made as provided in section  
17 17701, subsection 4 for members of the Maine State  
18 Retirement System.

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

24 C. Interest is computed from the date of establishment of  
25 the system to the date of payment.

26 2. Continuous service. A member firefighter must have  
27 completed 5 continuous years of qualifying service to be eligible  
28 for prior service credit.

30 3. Limitation. No more than 5 years of service credit may  
31 be allowed.

34 §18917. Retirement benefits

36 A member firefighter is entitled to receive a monthly  
37 retirement benefit upon reaching retirement age, subject to the  
38 vesting provisions in section 18919. The monthly benefits  
39 payments are made for the number of continuous years of qualified  
40 service as follows:

42 A. For 5 years, \$18.75;

44 B. For 6 years, \$22.50;

46 C. For 7 years, \$26.25;

48 D. For 8 years, \$30.00;

50 E. For 9 years, \$33.75;

52 F. For 10 years, \$37.50;

- 2           F. For 11 years, \$45.00;  
4           G. For 12 years, \$52.50;  
6           H. For 13 years, \$60.00;  
8           I. For 14 years, \$67.50;  
10          J. For 15 years, \$75.00;  
12          K. For 16 years, \$77.50;  
14          L. For 17 years, \$80.00;  
16          M. For 18 years, \$82.50;  
18          N. For 19 years, \$85.00; and  
20          O. For 20 years, \$87.50.

22          §18918. Vesting of benefits

24                 No right to retirement benefits vests until 5 continuous  
26                 years of qualified service are completed.

28                 Emergency clause. In view of the emergency cited in the  
preamble, this Act takes effect when approved.

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STATEMENT OF FACT

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This bill establishes the Maine Volunteer Firefighters Retirement System to provide pension and death benefits for member firefighters.

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