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WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 01-123

AN ORDER to create chapter VFF-EMT 1, relating to a length of service award program for volunteer firefighters and emergency medical technicians.

Submitted by **DEPARTMENT OF ADMINISTRATION**

10-25-01 RECEIVED BY LEGISLATIVE COUNCIL.

11-21-01 REPORT SENT TO AGENCY.

RS:MM:jal;ksm

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO



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Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

I. Statutory Authority

a. It appears that s. VFF-EMT 1.03 (16) is in conflict with s. 16.25 (3) (b) Stats., because it provides that first responders may participate in the program. The statute provides that only volunteer fire fighters (VFFs) and emergency medical technicians (EMTs) may participate. “Emergency medical technician,” as defined in s. 146.50 (1) (e), Stats., does not include first responders.

b. It is not clear whether s. VFF-EMT 1.07 (2), which allows a fully vested VFF-EMT who has already received a length-of-service award upon reaching age 60 to receive additional amounts under the program, complies with the statute. Section 16.25 (3) (g), Stats., does not appear to provide for any length-of-service contributions on behalf of, or awards to, a VFF-EMT who has already received a length-of-service award upon becoming fully vested and reaching age 60. In essence, the rule provision appears to provide for the capture of federal funds for immediate payment to a VFF-EMT without applying any new vesting requirements to the new account. What statutory authority exists for this provision?

c. Section VFF-EMT 1.12 (1) appears to limit the board to contracting with only one entity to act as a program administrator. Is this the intention of the rule? If not, the rule should clearly state that the board may contract with more than one entity. It appears that the statute contemplates that the board will contract with several entities to serve as program administrators, to ensure that municipalities have several plans from which to choose. See s. 16.257 (3) (c),

Stats., which states that “the municipality may select from among the plans offered by individuals or organizations under contract with the board”

d. It appears that s. VFF-EMT 1.12 (2), which states that the board “may consider” the financial strength of a program administrator or an entity affiliated with the program administrator, does not meet the requirement, set forth in s. 16.25 (4) (a), Stats., that the board “. . . shall develop criteria of financial stability that each individual and organization must meet in order to offer the services and plans under the program.”

e. Section VFF-EMT 1.17 should be expanded to establish a process by which a VFF or EMT may appeal to the board any decision made by the department or by an individual or organization under contract with the board that affects a substantial interest of the VFF or EMT under the program, as required by s. 16.25 (5), Stats.

2. Form, Style and Placement in Administrative Code

a. Each provision of rule text in a SECTION should be preceded with the notation “VFF-EMT.”

b. The rule should be reviewed to ensure that terms are used consistently. For example, s. VFF-EMT 1.03 (1) refers to “a VFF-EMT” while s. VFF-EMT 1.03 (2) refers to “an eligible VFF-EMT,” even though it appears that both provisions are referring to the same type of person. Another example can be found in s. VFF-EMT 1.12 (1) (a) to (c), which appear to use the terms “investment products” and “investment options” interchangeably. Also, some provisions of the rule refer to the “program administrator” while other provisions refer to the “administrator.” Note that the term “program administrator” is a defined term in s. VFF-EMT 1.03 (13); this is the term that should be used.

c. In ss. VFF-EMT 1.05 and 1.07, the phrase “program administrator or designee” is used. The definition of the term “program administrator” should be amended to include the program administrator’s designee. If this action is taken, the phrase “or designee” can be deleted.

d. In s. VFF-EMT 1.05 (2) (c), “shall” should be changed to “may.”

e. In s. VFF-EMT 1.05 (3), the word “section” should be replaced by the notation “s.”

f. In s. VFF-EMT 1.06 (1) (d), the word “must” should be replaced by the word “shall.”

g. In s. VFF-EMT 1.07 (7), the phrase “in the event that” should be replaced by the word “if.”

h. The title to s. VFF-EMT 1.08 (2) does not accurately describe the contents of that subsection and should be changed. Also, the phrase “that municipality” should be replaced by the phrase “a participating municipality.”

- i. In s. VFF-EMT 1.08 (3), the word "must" should be replaced by the word "shall."
- j. The phrase "and officially supported by the board," in s. VFF-EMT 1.12 (1), is unnecessary and should be deleted.
- k. In s. VFF-EMT 1.12 (1) (intro.), the final phrase should read: "The program administrator awarded the contract shall comply with all of the following:". The following paragraphs all should begin with a verb; for example, par. (a) should begin with the phrase "Have at least five years experience"
- l. Many of the items set forth in s. VFF-EMT 1.12 (1) (b) and (c) appear to be required elements of program administration and therefore should be moved to s. VFF-EMT 1.13.
- m. In s. VFF-EMT 1.14 (1), the phrase "is responsible to" should be replaced by the word "shall."
- n. In s. VFF-EMT 1.16, "such" should be changed to "the" and "must" should be replaced by "shall."
- o. In s. VFF-EMT 1.17 (1), the phrase "in its discretion" is unnecessary and should be deleted.

4. Adequacy of References to Related Statutes, Rules and Forms

- a. Section VFF-EMT 1.03, which should be renumbered as s. VFF-EMT 1.01, should list s. 16.25 (5), Stats., as a source of statutory authority for promulgation of the rule.
- b. Section VFF-EMT 1.04 (2) refers to a form. The requirements of s. 227.14 (3), Stats., should be met.
- c. In s. VFF-EMT 1.07 (5), the correct rule citation is s. VFF-EMT 1.06 (1) (a).
- d. In s. VFF-EMT 1.09 (4) (b), the reference "s. VFF-EMT 1.09 (3) (c)" should be replaced by a reference to "sub. (3) (c)."
- e. The citation in s. VFF-EMT 1.12 (1) (a) should be changed to "section 457 of the internal revenue code."
- f. The citations in ss. VFF-EMT 1.13 (1) (b) and 1.14 (3) are incorrect and should be changed.

5. Clarity, Grammar, Punctuation and Use of Plain Language

- a. In s. VFF-EMT 1.02, it appears that the phrase "participants, which provides" should be replaced by the phrase "participants who provide."

b. In s. VFF-EMT 1.04 (4), "jointly" should be inserted before "authorize."

c. Should s. VFF-EMT 1.06 specify that the number of years of prior service for which a participating municipality may contribute may not exceed the number of years of service provided by the VFF-EMT to that municipality prior to the time that the municipality began participation in the program?

d. In s. VFF-EMT 1.06 (1) (c), it appears that the first occurrence of the word "in" should be replaced by the word "on."

e. Section VFF-EMT 1.06 (1) (e) refers to "the schedule of payments required under its agreement with a program administrator." It does not appear that the rule requires a municipality and program administrator to establish a schedule of payments for contributions made for prior service.

f. Section VFF-EMT 1.07 (1) uses the term "credited service." It is unclear what is meant by this term, since it is not defined.

g. In s. VFF-EMT 1.07 (3) (b), it appears that the word "section" in the last sentence should be replaced by the word "subsection." In sub. (3) (c), the word "that" should be replaced by the word "who."

h. Section VFF-EMT 1.07 (7) is unclear. Does it mean that a VFF-EMT who has met all requirements for one year of service for two different municipalities in the same year may receive a year of credit from only one of those municipalities? If so, what is the statutory basis for this limitation? This point should be clarified.

i. Is there any limitation on the length of a leave of absence under s. VFF-EMT 1.09 (2) (a)?

j. In s. VFF-EMT 1.09 (3) (b), the notation "par." should be replaced by the notation "s."

k. Section VFF-EMT 1.09 (3) (c) should state the conditions under which the administrator of a frozen account must make payments from a frozen account.

l. In s. VFF-EMT 1.10 (1), "immediately" is unnecessary and should be deleted.

m. In s. VFF-EMT 1.10 (2), "held by the VFF-EMT" should be inserted after "account."

n. What is the "site" referred to in s. VFF-EMT 1.11 (2)?

o. The rule should specify what is to be done with accounts held by a program administrator that ceases to provide administrative services for any reason.

p. Section VFF-EMT 1.12 should set forth timelines for the requests for proposal process.

- q. To whom must the opinions referred to in s. VFF-EMT 1.13 (1) (k) be provided?
- r. Section VFF-EMT 1.15 should clarify what it means to "amend a program."
- s. The reference to s. VFF-EMT 1.06 (1) (e), in s. VFF-EMT 1.16, provides meager guidance for a participating municipality that terminates a program. Section VFF-EMT 1.16 should set forth in detail the steps which must be followed by the municipality that terminates a program.
- t. Section VFF-EMT 1.17 provides that determinations are to be made "within 30 days" and "within 90 days." The rule should clearly state the event that triggers the running of the 30- or 90-day period. Presumably, these periods begin running when the appropriate authorities receive fully documented appeals.

PROPOSED ORDER

The Volunteer Fire Fighter and Emergency Medical Technician Service Award Board proposes an order to create Chapter VFF-EMT 1 of the Wisconsin Administrative Code.

Analysis prepared by the Department of Administration:

Statutory authority: ss. 16.004(1) and 16.25(2), (3), (4) and (5), Stats.

Statutes interpreted: s. 16.25 *et seq.*, Stats.

Pursuant to section 16.25(2) through (5), Stats., the Volunteer Fire Fighter and Emergency Medical Technician Service Award Board ("Board") is required to establish by rule a program ("Length of Service Awards Program" or "Program") to provide length of service awards, as described in 26 USC 457 (e)(11), to volunteer firefighters ("VFF") and municipalities that operate volunteer fire departments or contract with volunteer fire companies, and to volunteer emergency medical technicians ("EMT"). To the extent permitted by federal law, the Program is to be designed to treat length of service awards as a tax-deferred benefit under the Internal Revenue Code. The rules are to include design features for the Program, the requirements for and the qualifications of private sector entities that are eligible to provide administrative services and investment plans under the Program, and an appeal. Significant features of the rule are addressed below:

Section VFF-EMT 1.04 describes eligibility requirements for municipalities wishing to participate in the program, such as adopting a resolution or ordinance authorizing participation, developing standards for determining the service required of the individuals it sponsors in order to qualify for municipal contributions and providing for circumstances where municipalities wish to jointly operate, or contract with, the same volunteer fire department or volunteer fire company.

Section VFF-EMT 1.05 sets forth requirements and procedures for municipal contributions made on behalf of eligible volunteers, and for the state's matching contribution (up to \$250 per eligible individual annually).

Section VFF-EMT 1.06 sets forth the parameters for municipal contributions for prior service rendered before the municipality began participating in the Program. The minimum contribution for prior service is set at \$100, and those contributions may spread over a number of years. A separate accounting is required for these prior service payments.

Section VFF-EMT 1.07 sets forth the Program's vesting requirements and the various permutations possible between full and partial vesting periods and the minimum age requirement (age 60) for payout. Section VFF-EMT 1.07(1) establishes that 20 years service is required to fully vest and, upon reaching

age 60, the award must be paid. (This requirement insures that the benefit maintains its tax deferred status.) Section VFF-EMT 1.07(2) provides that a fully vested individual age 60 or older may continue to provide service toward a new length of service award under a new account but, for IRS rule purposes, contributions must be paid immediately and cannot accumulate. Section VFF-EMT 1.07(3) provides for partial vesting after 10 years' service. Should the individual perform more than 10 but less than 20 years' service, upon reaching age 60, he or she will receive only 50% of the net asset value of the benefit account for the first 10 years of service rendered, and an additional 5% for each year thereafter, up to 19 years. Section VFF-EMT 1.07(7) allows an individual to provide simultaneous service to two or more separate municipalities but, in such cases, only one year of service credit may be earned.

Section VFF-EMT 1.09 details the notice and procedure for when a VFF-EMT ceases performing service for one participating municipality and begins performing service for another municipality, which utilizes a different program administrator or vendor. Such a transfer is allowed, but the account will be frozen and a new one started with the new program administrator. However, any accumulated years of credited service will continue to count toward the vesting requirements. Section VFF-EMT 1.10 allows for benefits to be received both upon disability, or to the beneficiaries upon death of the VFF-EMT.

Section VFF-EMT 1.12 sets forth minimum program administrator qualifications. These include five years of experience providing a length of service award program, adequate marketing and enrollment services capabilities, various accounting and record keeping procedures and abilities, membership in good standing in various organizations customary in the program administrator's or investment manager's industry that provides protection against loss, and overall financial strength.

Section VFF-EMT 1.13 provides for the administration of plans offered by a program administrator under a contract with the Board, and standard provisions to be included. These include compliance with all pertinent state and federal statutes, rules and regulations, mandatory full disclosure to the Board of all fees and commissions earned directly and indirectly on the operations of the program, audits, and data processing system failure and administrative service interruption contingency plans. Also important are the required annual statements to participating municipalities and the individuals they sponsor, detailing all contributions made and the fees, commissions, and charges paid that affect the individual's account.

Section VFF-EMT 1.17 provides for a two-step appeals process in which a VFF-EMT may first protest service credit issues to the participating municipality, which may consult with the program administrator. Any decision of the municipality may be reviewed at the Board's discretion. An individual who has a substantial interest affected by a Board decision may appeal directly in writing to the Board. All Board decisions are final.

Initial Regulatory Flexibility Analysis:

Pursuant to section 227.114, Stats., the rule herein is not expected to negatively impact small businesses.

TEXT OF RULE:

chapter
SECTION 1: VFF-EMT 1 is created to read.

VFF-EMT 1

**VOLUNTEER FIRE FIGHTER-EMERGENCY MEDICAL TECHNICIAN
SERVICE AWARD BOARD ADMINISTRATIVE RULE**

and (5) (4)
1.03 Authority. Sections 16.004 (1), and 16.25(2), (3) and (4), Stats., authorize the Board to promulgate rules for establishing a length of service award program for volunteer fire fighters and emergency medical technicians.

is? is? also?
1.02 Purpose. The purposes are to establish a program for length of service awards to VFF-EMT participants, which provides services to municipalities that operate volunteer fire departments or volunteer fire companies, or authorize emergency medical and technical services, and to establish qualifications and requirements for private sector individuals and organizations eligible to provide administrative and investment services for length of service award programs.

1.03 Definitions. In this chapter:

(1) "Account" means a statement or record of all state and municipal length of service award contributions, including all applicable earnings, redistributions and deductions made on behalf of a VFF-EMT maintained by a program administrator.

(2) "Beneficiary" means a person, trust or entity designated by an eligible VFF-EMT to receive benefits under a program.

- (3) "Board" has the meaning specified in s. 16.25(1)(a), Stats.
- (4) "Credit" means the recognition of the fulfillment of the requirements for performing service toward a length of service award under the program.
- (5) "Emergency medical services" means medical care that is rendered to a sick, disabled or injured individual based on signs, symptoms or complaints, prior to the individual's hospitalization or while transporting the individual between health care facilities and that is limited to the use of the knowledge, skills and techniques received from training required under s. 146.50, Stats., and chs. HFS 110, 111, 112 or 113, as a condition for being issued an emergency medical technician license.
- (6) "Fire fighting services" means the organized suppression and prevention of fires.
- (7) "Fiscal year" means the period beginning on July 1 and ending on June 30.
- (8) "Length of service award program" or "program" means a program as described in section 457 of the internal revenue code that is implemented and administered by a program administrator approved by the board, and that to the extent allowed by federal law, provides a tax-deferred benefit to an eligible VFF-EMT consistent with the internal revenue code, s.16.25 Stats., and this chapter.
- (9) "Municipality" has the meaning specified in s. 16.25(1)(c), Stats.
- (10) "Net asset value" means the value of an individual length of service award determined by adding the municipal contributions and the state matching contributions, all earnings thereon, and any redistributions as provided in s. VFF-EMT 1.08, less investment expenses.

(11) "Participating municipality" means a municipality that meets the program eligibility requirements of s. VFF-EMT 1.04 and elects to participate in a program.

*- is this same as
credit union
10/31/2016?*

(12) "Prior service" means the service performed by a VFF-EMT for a participating municipality before that municipality began participation in a program.

(13) "Program administrator" means a non-governmental individual or organization in the private sector that provides and administers a program.

(14) "Service" includes fire fighting, emergency medical, or rescue services provided to a participating municipality by a volunteer fire fighter or volunteer emergency medical technician.

(15) "State" means the state of Wisconsin.

(16) "Volunteer emergency medical technician" or "EMT" means all emergency medical service personnel, including first responders, licensed or certified under s. 146.50, Stats.

(?)

*2/18/12
see def of
EMT in
146.50(1)(e)*

(17) "Volunteer fire company" means one that is organized under s. 213.05, Stats.

*including
2/18/12*

(18) "Volunteer fire department" has the meaning specified in s. 213.08, Stats.

(19) "Volunteer fire fighter" or "VFF" means a person that renders fire fighting or rescue services to a participating municipality and does not receive compensation under a contract of employment as a fire fighter.

(20) "VFF-EMT" means a volunteer fire fighter or emergency medical technician.

1.04 Participating Municipalities. (1) A municipality that operates a volunteer fire department or that contracts with a volunteer fire company organized under Ch. 181 or 213, or that authorizes volunteer emergency medical technicians to provide emergency medical services, is eligible to become a participating municipality.

technical" - see 16.25(2)

A "p. m." may/engage operate

(2) ~~An eligible municipality may participate in~~ a program by adopting a resolution or ordinance stating that it shall abide by all statutes, administrative rules, regulations and procedures pertaining to a length of service award program. The adopted resolution or ordinance shall be on a form approved by the board and provided to the program administrator or the board upon request.

forms provided to the board. o.k.

(3) Each participating municipality shall develop standards for determining the service required of the volunteer fire fighters and emergency medical technicians it sponsors under the program in order to qualify for an annual contribution.

delegated

(4) Municipalities that jointly operate or contract with a volunteer fire department or a volunteer fire company or that ^{jointly} authorize volunteer emergency medical technicians, may operate as a single participating municipality under the program, and may be required to do so by the program administrator.

5

(5)(a) A VFF-EMT may perform service for credit toward a length of service award to more than one volunteer fire department, volunteer fire company or entity authorized to provide volunteer emergency medical services.

(b) A VFF-EMT may have only one account for each volunteer fire department, volunteer fire company or entity authorized to provide volunteer emergency medical services to which the VFF-EMT provides service.

1.05 Contributions to a program. (1) MUNICIPAL CONTRIBUTIONS. A participating municipality shall determine the amount it will contribute on behalf of each eligible VFF-EMT it sponsors under a program. A participating municipality shall cause an account to be opened with the program administrator for each sponsored VFF-EMT. A participating municipality's contributions shall be paid at least annually to the program administrator ^{or} ~~its~~ ^{put in del.} designee.

(2) MATCHING CONTRIBUTIONS. (a) On a calendar year basis, the board shall match a participating municipality's annual contributions made on behalf of its VFF-EMT participants during that calendar year up to a maximum of \$250 per eligible VFF-EMT, subject to any annual adjustment under sub. (3). The board shall pay all amounts matched under this section directly to the program administrator or designee, up to a maximum of \$2,000,000 in a fiscal year.

(b) Subject to the time period for a protest or appeal under s. VFF-EMT 1. 17, a participating municipality shall pay all contributions for a calendar year to the program administrator or designee on or before January 31 of the following year in order to receive a matching contribution from the board.

^{will} (c) The board shall not match contributions made by a participating municipality for prior service. X (2)

(3) ANNUAL ADJUSTMENT. Annually on July 1, the board shall make any adjustments necessary to the matched funds to be paid in the subsequent calendar year to reflect changes in U.S. consumer price index for all urban consumers, using the method set forth in section 16.25 (3)(d), Stats. X

1.06 Contributions for prior service. (1)(a) A participating municipality may make contributions for prior service provided that the VFF-EMT has performed *prior to what? creation of program*

at least five years of service to that municipality, which may include a combination of prior service and service performed after the municipality began participating in a program. The number of years of prior service for which the participating municipality may contribute shall not exceed the number of years of total service provided by the VFF-EMT to that municipality. A participating municipality may impose additional eligibility requirements for accepting prior service.

may

JK

as of the date mun. begins to participate (B)

(b) Subject to applicable internal revenue code restrictions as determined by the program administrator, the minimum contribution payable by a participating municipality for each year of prior service credited to a VFF-EMT shall be \$100. A participating municipality may pay a different amount for credited prior service than the amount paid for credited service performed after the municipality began participating in a program.

JK

(c) Subject to applicable internal revenue code restrictions as determined by the program administrator, a participating municipality that makes contributions for prior service may pay those contributions over a number of years not to exceed 20, and may include interest in such payments to reflect the fact that they are being added for prior service over a number of years in lieu of a lump sum payment.

(d) For purposes of determining the board's matching contribution under s. VFF-EMT 1.05 (2), any contributions made by a participating municipality for prior service must be accounted for separately from contributions for credited service performed after the municipality began participating in a program.

X

(e) If a participating municipality ceases to exist or ceases its participation in a program, it shall pay the balance owed on any account for contributions made for prior service no later than under the schedule of payments required under its agreement with the program administrator.

5
? ~~5~~
why is mun. obligated?

no
contribution reflects
and so to service -

(2) If a municipality's records are insufficient to establish eligibility for the purchase of prior service for a VFF-EMT, the municipality shall conduct a thorough investigation and, using the standards for determining the service required to qualify for annual contributions under s. VFF-EMT 1.04(3), shall make a decision based upon good faith belief and the best information available as to the prior service claimed.

(5) W/Account - may this include prior service?

1.07 Vesting and Receipt of Length of Service Award. (1) VESTING. A VFF-EMT is required to provide 10 years of credited service before the VFF-EMT may receive any benefits under the program. A VFF-EMT that has provided 20 years of credited service to a participating municipality shall be fully vested and paid a length of service award upon reaching age 60.

(2) FULLY VESTED. (a) Upon receiving payment of a length of service award, a fully vested VFF-EMT age 60 or older may continue to provide credited service toward a length of service award under a new account, but shall be paid any subsequent contributions made on the VFF-EMT's behalf by the participating municipality or the board immediately after they are received by the program administrator or designee.

(1) W/Account - if this is statutory permission stat. act INS?

(b) A fully vested VFF-EMT age 60 or older shall notify the program administrator and the participating municipality of the VFF-EMT's request to receive their length of service award within the time period required by the program administrator or the applicable program.

what is the notice? (3)(b)?

(3) PARTIALLY VESTED. (a) Upon reaching age 60, a VFF-EMT may request and receive their length of service award at any time after performing a minimum of 10 years of credited service and discontinue providing eligible service.

amount? (5) specified in (b)

(5) must they discontinue in order to receive award? how tie into (2)(a)?

(b) Upon reaching the age of 60, a VFF-EMT requesting to receive their length of service award after performing 10 years, but less than 20, of credited service

③ Assume the VFF-EMT gets the service when requesting award

shall receive 50% of the net asset value of their account at the time of the request for the first 10 years of creditable service provided. For each year of credited service more than 10, but less than 20, performed by the VFF-EMT, five percent of the net asset value of the account at the date of the request shall be added. The amounts not paid to a VFF-EMT under this section shall be forfeited and equally distributed among all other open VFF-EMT accounts sponsored by that municipality at the time of the forfeiture.

move?

who remains in a VFF-EMT's account

(c) A VFF-EMT that has reached age 60 but is not fully vested may continue to perform service for credit toward a length of service award.

(4) NEW ACCOUNTS. At any time a VFF-EMT receives a length of service award associated with an account, they may discontinue providing eligible service and accruing service credit under that account, and begin providing eligible service under a new account. ③ must they meet vesting reqs again?

(5) PRIOR SERVICE CREDIT. For vesting purposes under this section and s. 16.25, Stats., credit for service performed by a VFF-EMT may include prior service credited under s. VFF-EMT 1.06. (1)(a) ④

(6) FORM OF BENEFIT DISTRIBUTION. A VFF-EMT may receive their length of service award payment either in a lump sum or by any other method offered by the program administrator and approved by the board. The form of benefit distribution shall be determined by the program administrator and approved by the board. The chosen form shall be stated in the specific plan documents provided by the program administrator.

(7) SIMULTANEOUS SERVICE. For purposes of determining vesting under this section and s. 16.25, Stats. ^{it} (in the event that) a VFF-EMT simultaneously renders service to two or more separate and distinct municipalities, no more than one year of service may be credited toward any length of service award in any calendar year the VFF-EMT provided multiple service.

? ⑤ X
unclear

July one year of ^{service} maybe earned by VFF-EMT?
comply w/ 16.25(3)(b)?

1.08 Forfeiture and leaves of absence. (1) **NON-VESTED FORFEITURE.**(a) A VFF-EMT that has performed less than 10 years of service under a program shall forfeit any accumulated years of service if they cease to perform creditable service for more than six months in any calendar year, unless a supervisor has granted the VFF-EMT a leave of absence for that period.

Oh

(b) A participating municipality may determine the conditions under which a leave of absence shall be granted. A participating municipality shall grant a leave of absence in writing on or before December 31 of the calendar year in which it is to take effect.

(2) **LEAVE OF ABSENCE.** A forfeited account shall be equally distributed among all other open VFF-EMT accounts sponsored by that municipality at the time of the forfeiture. Forfeitures may not be distributed to an account frozen under s. VFF-EMT 1.09(1).

↑ P.M. def.

① does this comply w/ 16.25(3)?

is it fair to smaller services?

ie, is it "equitable"

④ Move

(3) **NOTICE UPON TRANSFER OF SERVICE.** For vesting purposes under s. VFF-EMT 1.07, upon joining or exiting a program, a VFF-EMT must notify the new program administrator and any previous program administrator before forfeiture is to occur in order to qualify for transfer of their credited service years.

1.09 Transfer of service to a different program administrator. (1) **FROZEN ACCOUNTS.** When a VFF-EMT ceases performing service for one participating municipality and begins performing service for another that utilizes a different program administrator, their account shall be frozen. No contributions or forfeiture distributions may be made to a frozen account, but a frozen account shall continue to accrue earnings.

what if diff. del. min.?

what if 6 mo. pay?

(2) **SERVICE TRANSFER.** Any service credited to a VFF-EMT associated with a frozen account shall count toward vesting under s. VFF-EMT 1.07, provided the VFF-EMT meets the notice requirements of this section, and either of the following occurs:

what if 70 yrs?

(a) If the VFF-EMT has accumulated less than 10 years of service, the participating municipality, for which the service was provided and the account opened, has granted the VFF-EMT a leave of absence.

this is a transfer situation? (S)
length of leave?

(b) The VFF-EMT begins performing creditable service for a subsequent participating municipality within 6 months of ceasing to perform creditable service for VFF-EMT's former participating municipality.

(3) VFF-EMT NOTICE. (a) A VFF-EMT shall provide a copy of the leave of absence granted under s. VFF-EMT 1.08(1)(b) to the current participating municipality's program administrator within 6 months of beginning their new service.

w

(S) new or old?

(b) A VFF-EMT wishing to transfer service under this section shall provide the current program administrator with the most recent annual statement of service issued under par VFF-EMT 1.11(2) by their former participating municipality.

(3) (2) (4)

(c) In order to receive payment of a length of service award under section s. VFF-EMT 1.07 from a frozen account, a VFF-EMT shall notify their former program administrator of any service credited by a subsequent program administrator.

why? vesting?

(4) PROGRAM ADMINISTRATOR NOTICE. (a) A program administrator shall accept a statement of service provided by a VFF-EMT under this section, and record the number of whole years stated and the associated account identifier on the new account opened for the VFF-EMT.

comment

request to open?

(b) For purposes of vesting and payment of a length of service award under s. VFF-EMT 1.07, a program administrator shall accept all service credited to a VFF-EMT by any subsequent program administrator, provided it has received notice from the VFF-EMT as required by s. VFF-EMT 1.09(3)(c).

sub. (3)(c).

X

1.10 Disability and death benefits. (1) **DISABILITY.** If a VFF-EMT becomes permanently disabled as determined by the Wisconsin worker's compensation program under ch. 102 Stats., while actively on duty performing service, the VFF-EMT may immediately apply to the program administrator for payment of the net asset value of each of the disabled VFF-EMT participant's accounts. Upon request, the program administrator shall make payment as soon as administratively possible.

must still be vested o.k.

(2) **DEATH.** If a VFF-EMT dies while actively on the rolls of a volunteer fire department, volunteer fire company, or an emergency medical service that provides services to a participating municipality under a program, the VFF-EMT's designated beneficiary shall be paid an amount equal to the net asset value of each account designating that beneficiary. Upon request, the program administrator shall make payment as soon as administratively possible.

must be acct of the person who died.

1.11 Records and certification of service. (1) Each participating municipality shall maintain and submit to the program administrator as required under a program, detailed and accurate records of every VFF-EMT providing fire fighting or emergency medical services to that municipality

(2) Annually, on or before January 31, a participating municipality shall submit under oath a statement of service to the program administrator listing all VFF-EMT members that have performed service for that municipality for the preceding calendar year, and post the statement of service in a conspicuous place on site for a minimum of 30 days thereafter.

what site?

1.12 Program administrator qualifications. (1) Based upon a request for proposal process, the board shall contract with a program administrator to offer a length of service award program that is approved and officially supported by the board. The program administrator awarded the contract shall have all of the following:

↓
qualifications

meet
(2)

only one

check stats 16.25(3)(c)

Have *④ bad cite*
(a) At least 5 years experience administering a length of service award program as described in internal revenue code section 457, or a deferred compensation program as provided for therein. The program administrator's experience shall include administering at least one program that has a participation level of 1,000 or more individual members, multiple participating jurisdictions, and consolidated record keeping for all investment products offered.

*Some of this
could be moved to
1.13 -
same is redundant
in those 1/4 net.*

Provide?
(b) Marketing and enrollment services that include the following: *all of*

1. At least annual contacts to each participating municipality and VFF-EMT describing the program and the investment products offered by the program administrator. *how about...? VFF Marketing*

presentation?
2. Presentations to all participating municipalities and VFF-EMT participants that include full disclosure of all direct and indirect fees and costs of the program as well as advantages and disadvantages of participating investment options offered by the program administrator. *has to need? "presentation available" and? 2)*

2
3. Literature and forms regarding the program and the investment products offered by the program administrator to be distributed to all participating municipalities and VFF-EMT participants that are in a format approved by the board. *services? board or part?*

⑤ reasonable? for whom? insurance? ⑤
Provide
(c) Services that provide unlimited opportunities to increase or decrease contributions and to redirect contributions to other investment options offered by the program administrator.

Provide Operate under
(d) Accounting procedures and consolidated record keeping for account transactions that maintain all participating municipalities' and VFF-EMT participants' records and submits deposits, transfers and withdrawals to the investment companies offering investment products under the program.

*5) very difficult
business?*

Maintain

is to ensure that the administrator is qualified

not to be a...
5/16/10
10/10/10
10/10/10

(e) Membership in good standing by the administrator or the manager of any investment products offered in an organization customary in the program administrator's or investment manager's industry that provides protection against loss.

Be involved in

(2) not satisfied - pa?

(f) No litigation risks or involvement in pending regulatory action deemed by the board or the department to be material to the continued operations of the administrator

(1) - see 1025(4)(a)
criteria of financial stability
what else may be considered?

(2) The board may consider the financial strength of a program administrator or an entity affiliated with the program administrator for purposes of operating a program, on the basis of its net worth and the ratio of net worth to present or projected assets under management.

1.13 Program administration. (1) A program administrator awarded a contract to provide a length of service award program shall sign a contract with the board in which the program administrator agrees to do all of the following:

(a) Comply with all statutes, rules and regulations governing the program and share pertinent information, such as municipal contributions and state matching funds, with the board and any other program administrator under contract with the board to ensure compliance with the state and federal law and regulations.

(b) Obtain pre-approval by the board of the mandatory disclosures to participating municipalities set forth in s. VFF-EMT 1.12(1)(b)(1).

update (4)
10/10/10

(c) At least annually, provide full disclosure to the board of all fees and commissions earned directly or indirectly on operations of the program by the program administrator, and other financial information relative to a VFF-EMT account maintained by a program administrator, including municipal and state contributions, forfeitures, and disbursements.

provide

(d) Provide, at the administrator's expense, an annual independently audited financial statement of the affiliated entity providing the investment or insurance plan to a participating municipality under the program to the board within 120 days following the end of each calendar year.

board ... hold the ... admin is selected

(e) Submit to the board an acceptable contingency plan to address both data processing systems failures and administrative service interruptions.

(f) Upon request, provide a copy of the fund prospectus and annual report for each investment product offered by the program administrator to participating municipalities and enrolled VFF-EMT participants.

(g) Cooperate with other program administrators to provide for service credit portability between program administrators under s. VFF-EMT 1.09.

11/15/07

(h) At least annually, provide statements to participating municipalities and enrolled VFF-EMT participants detailing contributions made on behalf of a VFF-EMT by a participating municipality, account balance information, and disclosure of all fees, commissions and charges affecting that account's earnings or balances.

(i) Provide an annual report to all participating municipalities, VFF-EMT participants and the board illustrating the investment performance of all investment products offered.

(j) Cooperate with any successor program administrator, including extending the term of the contract for a reasonable period of time as may be necessary, to ensure a smooth transition of program administrators.

how to obtain?

(k) Provide opinions of tax counsel or other legal counsel as necessary.

(2) The program administrator, its agents, and the investment products offered, shall meet all applicable state and federal laws, rules and regulations including

the internal revenue code, security and exchange commission regulations, and state and federal insurance laws and ^{rules and} regulations.

1.14 Participating municipality obligations. (1) In fulfillment of its responsibility as a fiduciary of the program, a participating municipality ^{shall} is responsible to review information provided by the program administrator including the mandatory disclosures described in s. VFF-EMT 1.12(1)(b)(1).

(2) A participating municipality shall sign a contract with the program administrator for program services provided under s.16.25, Stats., and ch. VFF-EMT 1.

(3) A participating municipality shall sign a memorandum of understanding with the program administrator prior to selecting any investment product offered stating that all requirements and regulations pertinent to that product have been clearly explained by that program administrator and that the participating municipality has received an explanation by the program administrator or its representatives of the mandatory disclosures described in s. VFF-EMT 1.12(1)(b)(1).

1.15 Program amendment. A participating municipality may amend a program in compliance with all applicable statutes and rules, and the requirements of the program administrator and the board.

1.16 Program termination. A participating municipality may terminate a program by adopting and filing a resolution to that effect with the board. The board shall promptly submit a copy of ^{the} such-resolution to the program administrator. A termination must comply with all applicable statutes and rules, and the requirements of the program administrator and the board. All accounts of VFF-EMT participants in a terminated program shall be treated in the same manner as accounts in a program in which the sponsoring participating municipality ceased to exist as set forth in s. VFF-EMT 1.06 (1)(e).

for subject

2013

5?

sec 101(9)

the board

the board shall submit a copy of such-resolution to the program administrator. A termination must comply with all applicable statutes and rules, and the requirements of the program administrator and the board. All accounts of VFF-EMT participants in a terminated program shall be treated in the same manner as accounts in a program in which the sponsoring participating municipality ceased to exist as set forth in s. VFF-EMT 1.06 (1)(e).
14

1.17 Appeals. (1) PROTEST TO MUNICIPALITY. A VFF-EMT may protest an issue of service credit in writing to the sponsoring participating municipality. The participating municipality shall review the documentation and other submissions and make a determination within 30 days. ^{of?} The participating ^{needed?} municipality may consult with the program administrator as required. The protest determination shall be in writing and returned to the protesting party.

Upon request, the board ~~in its discretion~~ may review a participating municipality's decision.

of how?

reverse? time limits?

(2) APPEAL TO THE BOARD. An individual who has a substantial interest affected by a board decision may appeal in writing to the board. The board shall review the documentation and other submissions and make a determination within 90 days. ^{of?} The appeal decision shall be in writing and returned to the appealing party. All decisions of the board shall be final.

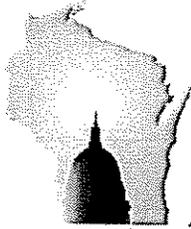
can discuss appeal...
10/25/01

all parties

This rule shall take effect on the first day of the month commencing after the date of publication in the Wisconsin Administrative Register as provided in s. 227.22(2)(intro.), Stats.


Robert H. Seitz, Chairperson
Volunteer Fire Fighter and Emergency
Medical Technician Service Award Board

Date 10/25/01



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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September 26, 2001

Wisconsin Legislators
Wisconsin Senate and Assembly
State Capitol
Madison, Wisconsin

RE: Volunteer Fire Fighter and Emergency
Medical Technician Service Award Board

Dear Legislator:

Enclosed is a copy of an emergency rule creating Chapter VFF-EMT 1 of the Wisconsin Administrative Code relating to length of service award program for volunteer fire fighter and emergency medical technicians. The emergency rule was published in the Wisconsin State Journal on Friday, September 21, 2001. Certified copies of the rule were also filed with the Revisor of Statutes and Secretary of State on September 21, 2001.

If you have any questions, please do not hesitate to contact me at (608) 266-9810.

Sincerely,

Mark Saunders
Deputy Legal Counsel

Enclosure

ORDER ADOPTING EMERGENCY RULE

The Volunteer Fire Fighter and Emergency Medical Technician Service Award Board creates Chapter VFF-EMT 1 of the Wisconsin Administrative Code.

EXEMPTION FROM FINDING OF EMERGENCY:

(Section 10(3)(a), 1999 Wis. Act 105.)

This rule shall take effect upon publication in the official state newspaper pursuant to s. 227.24, Stats.

Analysis prepared by the Department of Administration:

Statutory authority: ss. 16.004(1) and 16.25(2), (3), (4) and (5), Stats.

Statutes interpreted: s. 16.25 *et seq.*, Stats.

Pursuant to section 16.25(2) through (5), Stats., the Volunteer Fire Fighter and Emergency Medical Technician Service Award Board ("Board") is required to establish by rule a program ("Length of Service Awards Program" or "Program") to provide length of service awards, as described in 26 USC 457 (e)(11), to volunteer firefighters ("VFF") and municipalities that operate volunteer fire departments or contract with volunteer fire companies, and to volunteer emergency medical technicians ("EMT"). To the extent permitted by federal law, the Program is to be designed to treat length of service awards as a tax-deferred benefit under the Internal Revenue Code. The rules are to include design features for the Program, the requirements for and the qualifications of private sector entities that are eligible to provide administrative services and investment plans under the Program, and an appeal. Significant features of the rule are addressed below:

Section VFF-EMT 1.04 describes eligibility requirements for municipalities wishing to participate in the program, such as adopting a resolution or ordinance authorizing participation, developing standards for determining the service required of the individuals it sponsors in order to qualify for municipal contributions and providing for circumstances where municipalities wish to jointly operate, or contract with, the same volunteer fire department or volunteer fire company.

Section VFF-EMT 1.05 sets forth requirements and procedures for municipal contributions made on behalf of eligible volunteers, and for the state's matching contribution (up to \$250 per eligible individual annually).

Section VFF-EMT 1.06 sets forth the parameters for municipal contributions for prior service rendered before the municipality began participating in the Program. The minimum contribution for prior service is set at \$100, and those

contributions may spread over a number of years. A separate accounting is required for these prior service payments.

Section VFF-EMT 1.07 sets forth the Program's vesting requirements and the various permutations possible between full and partial vesting periods and the minimum age requirement (age 60) for payout. Section VFF-EMT 1.07(1) establishes that 20 years service is required to fully vest and, upon reaching age 60, the award must be paid. (This requirement insures that the benefit maintains its tax deferred status.) Section VFF-EMT 1.07(2) provides that a fully vested individual age 60 or older may continue to provide service toward a new length of service award under a new account but, for IRS rule purposes, contributions must be paid immediately and cannot accumulate. Section VFF-EMT 1.07(3) provides for partial vesting after 10 years' service. Should the individual perform more than 10 but less than 20 years' service, upon reaching age 60, he or she will receive only 50% of the net asset value of the benefit account for the first 10 years of service rendered, and an additional 5% for each year thereafter, up to 19 years. Section VFF-EMT 1.07(7) allows an individual to provide simultaneous service to two or more separate municipalities but, in such cases, only one year of service credit may be earned.

Section VFF-EMT 1.09 details the notice and procedure for when a VFF-EMT ceases performing service for one participating municipality and begins performing service for another municipality, which utilizes a different program administrator or vendor. Such a transfer is allowed, but the account will be frozen and a new one started with the new program administrator. However, any accumulated years of credited service will continue to count toward the vesting requirements. Section VFF-EMT 1.10 allows for benefits to be received both upon disability, or to the beneficiaries upon death of the VFF-EMT.

Section VFF-EMT 1.12 sets forth minimum program administrator qualifications. These include five years of experience providing a length of service award program, adequate marketing and enrollment services capabilities, various accounting and record keeping procedures and abilities, membership in good standing in various organizations customary in the program administrator's or investment manager's industry that provides protection against loss, and overall financial strength.

Section VFF-EMT 1.13 provides for the administration of plans offered by a program administrator under a contract with the Board, and standard provisions to be included. These include compliance with all pertinent state and federal statutes, rules and regulations, mandatory full disclosure to the Board of all fees and commissions earned directly and indirectly on the operations of the program, audits, and data processing system failure and administrative service interruption contingency plans. Also important are the required annual statements to participating municipalities and the individuals they sponsor, detailing all contributions made and the fees commissions, and charges paid that affect the individual's account.

Section VFF-EMT 1.17 provides for a two-step appeals process in which a VFF-EMT may first protest service credit issues to the participating municipality,

which may consult with the program administrator. Any decision of the municipality may be reviewed at the Board's discretion. An individual who has a substantial interest affected by a Board decision may appeal directly in writing to the Board. All Board decisions are final.

Final Regulatory Flexibility Analysis:

Pursuant to section 227.114, Stats., the rule herein is not expected to negatively impact small businesses.

TEXT OF RULE:

SECTION 1: VFF-EMT 1 is created to read.

VFF-EMT 1

**VOLUNTEER FIRE FIGHTER-EMERGENCY MEDICAL TECHNICIAN
SERVICE AWARD BOARD ADMINISTRATIVE RULE**

1.03 Authority. Sections 16.004 (1), and 16.25(2), (3) and (4), Stats., authorize the Board to promulgate rules for establishing a length of service award program for volunteer fire fighters and emergency medical technicians.

1.02 Purpose. The purposes are to establish a program for length of service awards to VFF-EMT participants, which provides services to municipalities that operate volunteer fire departments or volunteer fire companies, or authorize emergency medical and technical services, and to establish qualifications and requirements for private sector individuals and organizations eligible to provide administrative and investment services for length of service award programs.

1.03 Definitions. In this chapter:

(1) "Account" means a statement or record of all state and municipal length of service award contributions, including all applicable earnings, redistributions and deductions made on behalf of a VFF-EMT maintained by a program administrator.

- (2) "Beneficiary" means a person, trust or entity designated by an eligible VFF-EMT to receive benefits under a program.
- (3) "Board" has the meaning specified in s. 16.25(1)(a), Stats.
- (4) "Credit" means the recognition of the fulfillment of the requirements for performing service toward a length of service award under the program.
- (5) "Emergency medical services" means medical care that is rendered to a sick, disabled or injured individual based on signs, symptoms or complaints, prior to the individual's hospitalization or while transporting the individual between health care facilities and that is limited to the use of the knowledge, skills and techniques received from training required under s. 146.50, Stats., and chs. HFS 110, 111, 112 or 113, as a condition for being issued an emergency medical technician license.
- (6) "Fire fighting services" means the organized suppression and prevention of fires.
- (7) "Fiscal year" means the period beginning on July 1 and ending on June 30.
- (8) "Length of service award program" or "program" means a program as described in section 457 of the internal revenue code that is implemented and administered by a program administrator approved by the board, and that to the extent allowed by federal law, provides a tax-deferred benefit to an eligible VFF-EMT consistent with the internal revenue code, s.16.25 Stats., and this chapter.
- (9) "Municipality" has the meaning specified in s. 16.25(1)(c), Stats.
- (10) "Net asset value" means the value of an individual length of service award determined by adding the municipal contributions and the state

matching contributions, all earnings thereon, and any redistributions as provided in s. VFF-EMT 1.08, less investment expenses.

(11) "Participating municipality" means a municipality that meets the program eligibility requirements of s. VFF-EMT 1.04 and elects to participate in a program.

(12) "Prior service" means the service performed by a VFF-EMT for a participating municipality before that municipality began participation in a program.

(13) "Program administrator" means a non-governmental individual or organization in the private sector that provides and administers a program.

(14) "Service" includes fire fighting, emergency medical, or rescue services provided to a participating municipality by a volunteer fire fighter or volunteer emergency medical technician.

(15) "State" means the state of Wisconsin.

(16) "Volunteer emergency medical technician" or "EMT" means all emergency medical service personnel, including first responders, licensed or certified under s. 146.50, Stats.

(17) "Volunteer fire company" means one that is organized under s. 213.05, Stats.

(18) "Volunteer fire department" has the meaning specified in s. 213.08, Stats.

(19) "Volunteer fire fighter" or "VFF" means a person that renders fire fighting or rescue services to a participating municipality and does not receive compensation under a contract of employment as a fire fighter.

(20) "VFF-EMT" means a volunteer fire fighter or emergency medical technician.

1.04 Participating Municipalities. (1) A municipality that operates a volunteer fire department or that contracts with a volunteer fire company organized under Ch. 181 or 213, or that authorizes volunteer emergency medical technicians to provide emergency medical services, is eligible to become a participating municipality.

(2) An eligible municipality may participate in a program by adopting a resolution or ordinance stating that it shall abide by all statutes, administrative rules, regulations and procedures pertaining to a length of service award program. The adopted resolution or ordinance shall be on a form approved by the board and provided to the program administrator or the board upon request.

(3) Each participating municipality shall develop standards for determining the service required of the volunteer fire fighters and emergency medical technicians it sponsors under the program in order to qualify for an annual contribution.

(4) Municipalities that jointly operate or contract with a volunteer fire department or a volunteer fire company or that authorize volunteer emergency medical technicians, may operate as a single participating municipality under the program, and may be required to do so by the program administrator.

(5)(a) A VFF-EMT may perform service for credit toward a length of service award to more than one volunteer fire department, volunteer fire company or entity authorized to provide volunteer emergency medical services.

(b) A VFF-EMT may have only one account for each volunteer fire department, volunteer fire company or entity authorized to provide volunteer emergency medical services to which the VFF-EMT provides service.

1.05 Contributions to a program. (1) MUNICIPAL CONTRIBUTIONS. A participating municipality shall determine the amount it will contribute on behalf of each eligible VFF-EMT it sponsors under a program. A participating municipality shall cause an account to be opened with the program administrator for each sponsored VFF-EMT. A participating municipality's contributions shall be paid at least annually to the program administrator or designee.

(2) MATCHING CONTRIBUTIONS. (a) On a calendar year basis, the board shall match a participating municipality's annual contributions made on behalf of its VFF-EMT participants during that calendar year up to a maximum of \$250 per eligible VFF-EMT, subject to any annual adjustment under sub. (3). The board shall pay all amounts matched under this section directly to the program administrator or designee, up to a maximum of \$2,000,000 in a fiscal year.

(b) Subject to the time period for a protest or appeal under s. VFF-EMT 1. 17, a participating municipality shall pay all contributions for a calendar year to the program administrator or designee on or before January 31 of the following year in order to receive a matching contribution from the board.

(c) The board shall not match contributions made by a participating municipality for prior service.

(3) ANNUAL ADJUSTMENT. Annually on July 1, the board shall make any adjustments necessary to the matched funds to be paid in the subsequent calendar year to reflect changes in U.S. consumer price index for all urban consumers, using the method set forth in section 16.25 (3)(d), Stats.

1.06 Contributions for prior service. (1)(a) A participating municipality may make contributions for prior service provided that the VFF-EMT has performed at least five years of service to that municipality, which may include a combination of prior service and service performed after the municipality began participating in a program. The number of years of prior service for which the participating municipality may contribute shall not exceed the number of years of total service provided by the VFF-EMT to that municipality. A participating municipality may impose additional eligibility requirements for accepting prior service.

(b) Subject to applicable internal revenue code restrictions as determined by the program administrator, the minimum contribution payable by a participating municipality for each year of prior service credited to a VFF-EMT shall be \$100. A participating municipality may pay a different amount for credited prior service than the amount paid for credited service performed after the municipality began participating in a program.

(c) Subject to applicable internal revenue code restrictions as determined by the program administrator, a participating municipality that makes contributions for prior service may pay those contributions over a number of years not to exceed 20, and may include interest in such payments to reflect the fact that they are being added for prior service over a number of years in lieu of a lump sum payment.

(d) For purposes of determining the board's matching contribution under s. VFF-EMT 1.05 (2), any contributions made by a participating municipality for prior service must be accounted for separately from contributions for credited service performed after the municipality began participating in a program.

(e) If a participating municipality ceases to exist or ceases its participation in a program, it shall pay the balance owed on any account for contributions made

for prior service no later than under the schedule of payments required under its agreement with the program administrator.

(2) If a municipality's records are insufficient to establish eligibility for the purchase of prior service for a VFF-EMT, the municipality shall conduct a thorough investigation and, using the standards for determining the service required to qualify for annual contributions under s. VFF-EMT 1.04(3), shall make a decision based upon good faith belief and the best information available as to the prior service claimed.

1.07 Vesting and Receipt of Length of Service Award. (1) VESTING. A VFF-EMT is required to provide 10 years of credited service before the VFF-EMT may receive any benefits under the program. A VFF-EMT that has provided 20 years of credited service to a participating municipality shall be fully vested and paid a length of service award upon reaching age 60.

(2) FULLY VESTED. (a) Upon receiving payment of a length of service award, a fully vested VFF-EMT age 60 or older may continue to provide credited service toward a length of service award under a new account, but shall be paid any subsequent contributions made on the VFF-EMT's behalf by the participating municipality or the board immediately after they are received by the program administrator or designee.

(b) A fully vested VFF-EMT age 60 or older shall notify the program administrator and the participating municipality of the VFF-EMT's request to receive their length of service award within the time period required by the program administrator or the applicable program.

(3) PARTIALLY VESTED. (a) Upon reaching age 60, a VFF-EMT may request and receive their length of service award at any time after performing a minimum of 10 years of credited service and discontinue providing eligible service.

(b) Upon reaching the age of 60, a VFF-EMT requesting to receive their length of service award after performing 10 years, but less than 20, of credited service shall receive 50% of the net asset value of their account at the time of the request for the first 10 years of creditable service provided. For each year of credited service more than 10, but less than 20, performed by the VFF-EMT, five percent of the net asset value of the account at the date of the request shall be added. The amounts not paid to a VFF-EMT under this section shall be forfeited and equally distributed among all other open VFF-EMT accounts sponsored by that municipality at the time of the forfeiture.

(c) A VFF-EMT that has reached age 60 but is not fully vested may continue to perform service for credit toward a length of service award.

(4) NEW ACCOUNTS. At any time a VFF-EMT receives a length of service award associated with an account, they may discontinue providing eligible service and accruing service credit under that account, and begin providing eligible service under a new account.

(5) PRIOR SERVICE CREDIT. For vesting purposes under this section and s. 16.25, Stats., credit for service performed by a VFF-EMT may include prior service credited under s. VFF-EMT 1.06.

(6) FORM OF BENEFIT DISTRIBUTION. A VFF-EMT may receive their length of service award payment either in a lump sum or by any other method offered by the program administrator and approved by the board. The form of benefit distribution shall be determined by the program administrator and approved by the board. The chosen form shall be stated in the specific plan documents provided by the program administrator.

(7) SIMULTANEOUS SERVICE. For purposes of determining vesting under this section and s. 16.25, Stats., in the event that a VFF-EMT simultaneously renders service to two or more separate and distinct municipalities, no more

than one year of service may be credited toward any length of service award in any calendar year the VFF-EMT provided multiple service.

1.08 Forfeiture and leaves of absence. (1) NON-VESTED FORFEITURE.(a) A VFF-EMT that has performed less than 10 years of service under a program shall forfeit any accumulated years of service if they cease to perform creditable service for more than six months in any calendar year, unless a supervisor has granted the VFF-EMT a leave of absence for that period.

(b) A participating municipality may determine the conditions under which a leave of absence shall be granted. A participating municipality shall grant a leave of absence in writing on or before December 31 of the calendar year in which it is to take effect.

(2) LEAVE OF ABSENCE. A forfeited account shall be equally distributed among all other open VFF-EMT accounts sponsored by that municipality at the time of the forfeiture. Forfeitures may not be distributed to an account frozen under s. VFF-EMT 1.09(1).

(3) NOTICE UPON TRANSFER OF SERVICE. For vesting purposes under s. VFF-EMT 1.07, upon joining or exiting a program, a VFF-EMT must notify the new program administrator and any previous program administrator before forfeiture is to occur in order to qualify for transfer of their credited service years.

1.09 Transfer of service to a different program administrator. (1) FROZEN ACCOUNTS. When a VFF-EMT ceases performing service for one participating municipality and begins performing service for another that utilizes a different program administrator, their account shall be frozen. No contributions or forfeiture distributions may be made to a frozen account, but a frozen account shall continue to accrue earnings.

(2) SERVICE TRANSFER. Any service credited to a VFF-EMT associated with a frozen account shall count toward vesting under s. VFF-EMT 1.07, provided the VFF-EMT meets the notice requirements of this section, and either of the following occurs:

(a) If the VFF-EMT has accumulated less than 10 years of service, the participating municipality, for which the service was provided and the account opened, has granted the VFF-EMT a leave of absence.

(b) The VFF-EMT begins performing creditable service for a subsequent participating municipality within 6 months of ceasing to perform creditable service for VFF-EMT's former participating municipality.

(3) VFF-EMT NOTICE. (a) A VFF-EMT shall provide a copy of the leave of absence granted under s. VFF-EMT 1.08(1)(b) to the current participating municipality's program administrator within 6 months of beginning their new service.

(b) A VFF-EMT wishing to transfer service under this section shall provide the current program administrator with the most recent annual statement of service issued under par. VFF-EMT 1.11(2) by their former participating municipality.

(c) In order to receive payment of a length of service award under section s. VFF-EMT 1.07 from a frozen account, a VFF-EMT shall notify their former program administrator of any service credited by a subsequent program administrator.

(4) PROGRAM ADMINISTRATOR NOTICE. (a) A program administrator shall accept a statement of service provided by a VFF-EMT under this section, and record the number of whole years stated and the associated account identifier on the new account opened for the VFF-EMT.

(b) For purposes of vesting and payment of a length of service award under s. VFF-EMT 1.07, a program administrator shall accept all service credited to a VFF-EMT by any subsequent program administrator, provided it has received notice from the VFF-EMT as required by s. VFF-EMT 1.09(3)(c).

1.10 Disability and death benefits. (1) **DISABILITY.** If a VFF-EMT becomes permanently disabled as determined by the Wisconsin worker's compensation program under ch. 102 Stats., while actively on duty performing service, the VFF-EMT may immediately apply to the program administrator for payment of the net asset value of each of the disabled VFF-EMT participant's accounts. Upon request, the program administrator shall make payment as soon as administratively possible.

(2) **DEATH.** If a VFF-EMT dies while actively on the rolls of a volunteer fire department, volunteer fire company, or an emergency medical service that provides services to a participating municipality under a program, the VFF-EMT's designated beneficiary shall be paid an amount equal to the net asset value of each account designating that beneficiary. Upon request, the program administrator shall make payment as soon as administratively possible.

1.11 Records and certification of service. (1) Each participating municipality shall maintain and submit to the program administrator as required under a program, detailed and accurate records of every VFF-EMT providing fire fighting or emergency medical services to that municipality

(2) Annually, on or before January 31, a participating municipality shall submit under oath a statement of service to the program administrator listing all VFF-EMT members that have performed service for that municipality for the preceding calendar year, and post the statement of service in a conspicuous place on site for a minimum of 30 days thereafter.

1.12 Program administrator qualifications. (1) Based upon a request for proposal process, the board shall contract with a program administrator to offer a length of service award program that is approved and officially supported by the board. The program administrator awarded the contract shall have all of the following:

(a) At least 5 years experience administering a length of service award program as described in internal revenue code section 457, or a deferred compensation program as provided for therein. The program administrator's experience shall include administering at least one program that has a participation level of 1,000 or more individual members, multiple participating jurisdictions, and consolidated record keeping for all investment products offered.

(b) Marketing and enrollment services that include the following:

1. At least annual contacts to each participating municipality and VFF-EMT describing the program and the investment products offered by the program administrator.

2. Presentations to all participating municipalities and VFF-EMT participants that include full disclosure of all direct and indirect fees and costs of the program as well as advantages and disadvantages of participating investment options offered by the program administrator.

3. Literature and forms regarding the program and the investment products offered by the program administrator to be distributed to all participating municipalities and VFF-EMT participants that are in a format approved by the board.

(c) Services that provide unlimited opportunities to increase or decrease contributions and to redirect contributions to other investment options offered by the program administrator.

(d) Accounting procedures and consolidated record keeping for account transactions that maintain all participating municipalities' and VFF-EMT participants' records and submits deposits, transfers and withdrawals to the investment companies offering investment products under the program.

(e) Membership in good standing by the administrator or the manager of any investment products offered in an organization customary in the program administrator's or investment manager's industry that provides protection against loss.

(f) No litigation risks or involvement in pending regulatory action deemed by the board or the department to be material to the continued operations of the administrator.

(2) The board may consider the financial strength of a program administrator or an entity affiliated with the program administrator for purposes of operating a program, on the basis of its net worth and the ratio of net worth to present or projected assets under management.

1.13 Program administration. (1) A program administrator awarded a contract to provide a length of service award program shall sign a contract with the board in which the program administrator agrees to do all of the following:

(a) Comply with all statutes, rules and regulations governing the program and share pertinent information, such as municipal contributions and state matching funds, with the board and any other program administrator under contract with the board to ensure compliance with the state and federal law and regulations.

(b) Obtain pre-approval by the board of the mandatory disclosures to participating municipalities set forth in s. VFF-EMT 1.12(1)(b)(1).

- (c) At least annually, provide full disclosure to the board of all fees and commissions earned directly or indirectly on operations of the program by the program administrator, and other financial information relative to a VFF-EMT account maintained by a program administrator, including municipal and state contributions, forfeitures, and disbursements.
- (d) Provide, at the administrator's expense, an annual independently audited financial statement of the affiliated entity providing the investment or insurance plan to a participating municipality under the program to the board within 120 days following the end of each calendar year.
- (e) Submit to the board an acceptable contingency plan to address both data processing systems failures and administrative service interruptions.
- (f) Upon request, provide a copy of the fund prospectus and annual report for each investment product offered by the program administrator to participating municipalities and enrolled VFF-EMT participants.
- (g) Cooperate with other program administrators to provide for service credit portability between program administrators under s. VFF-EMT 1.09.
- (h) At least annually, provide statements to participating municipalities and enrolled VFF-EMT participants detailing contributions made on behalf of a VFF-EMT by a participating municipality, account balance information, and disclosure of all fees, commissions and charges affecting that account's earnings or balances.
- (i) Provide an annual report to all participating municipalities, VFF-EMT participants and the board illustrating the investment performance of all investment products offered.

(j) Cooperate with any successor program administrator, including extending the term of the contract for a reasonable period of time as may be necessary, to ensure a smooth transition of program administrators.

(k) Provide opinions of tax counsel or other legal counsel as necessary.

(2) The program administrator, its agents, and the investment products offered, shall meet all applicable state and federal laws, rules and regulations including the internal revenue code, security and exchange commission regulations, and state and federal insurance laws and regulations.

1.14 Participating municipality obligations. (1) In fulfillment of its responsibility as a fiduciary of the program, a participating municipality is responsible to review information provided by the program administrator including the mandatory disclosures described in s. VFF-EMT 1.12(1)(b)(1).

(2) A participating municipality shall sign a contract with the program administrator for program services provided under s.16.25, Stats., and ch. VFF-EMT 1.

(3) A participating municipality shall sign a memorandum of understanding with the program administrator prior to selecting any investment product offered stating that all requirements and regulations pertinent to that product have been clearly explained by that program administrator and that the participating municipality has received an explanation by the program administrator or its representatives of the mandatory disclosures described in s. VFF-EMT 1.12(1)(b)(1).

1.15 Program amendment. A participating municipality may amend a program in compliance with all applicable statutes and rules, and the requirements of the program administrator and the board.

1.16 Program termination. A participating municipality may terminate a program by adopting and filing a resolution to that effect with the board. The board shall promptly submit a copy of such resolution to the program administrator. A termination must comply with all applicable statutes and rules, and the requirements of the program administrator and the board. All accounts of VFF-EMT participants in a terminated program shall be treated in the same manner as accounts in a program in which the sponsoring participating municipality ceased to exist as set forth in s. VFF-EMT 1.06 (1)(e).

1.17 Appeals. (1) **PROTEST TO MUNICIPALITY.** A VFF-EMT may protest an issue of service credit in writing to the sponsoring participating municipality. The participating municipality shall review the documentation and other submissions and make a determination within 30 days. The participating municipality may consult with the program administrator as required. The protest determination shall be in writing and returned to the protesting party. Upon request, the board in its discretion may review a participating municipality's decision.

(2) **APPEAL TO THE BOARD.** An individual who has a substantial interest affected by a board decision may appeal in writing to the board. The board shall review the documentation and other submissions and make a determination within 90 days. The appeal decision shall be in writing and returned to the appealing party. All decisions of the board shall be final.

Adopted at Madison, Wisconsin
this 21st day of September, 2001



Robert H. Seitz, Chairperson
Volunteer Fire Fighter and Emergency
Medical Technician Service Award Board

FISCAL ESTIMATE FORM Session

X ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #
INTRODUCTION #
 Admin. Rule # VFF-EMT 1

Subject Volunteer Fire Fighter-Emergency Medical Technician Service Award Board Admn Rule

Fiscal Effect
 State: X No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Decrease Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Create New Appropriation		

Local: No local government costs

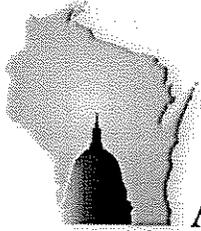
1. <input type="checkbox"/> Increase Costs X Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: X Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

Fund Sources Affected X GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	Affected Ch. 20 Appropriations 20.505 (4)(ec) and (er)
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Assumptions Used in Arriving at Fiscal Estimate:
 The rule establishes procedures for operation of the volunteer fire fighter EMT length of service award program. The program has been budgeted based on estimates of participation. The procedures permit the program to proceed and do not change the basis for participation in the program.

Long-Range Fiscal Implications:
 None known at this time.

Prepared By: / Phone # / Agency Name R. Wagner DOA 608-266-0653	Authorized Signature / Telephone No. Paul McMahon 608-266-1359 	Date 9-13-01
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**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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January 31, 2002

Senator Judith Robson, Co-Chair
Joint Committee for Review of
Administrative Rules
15 South, State Capitol
Madison, WI 53702

Representative Glenn Grothman, Co-Chair
Joint Committee for Review of
Administrative Rules
15 North, State Capitol
Madison, WI 53702

RE: Clearinghouse Rule No. 01-123 - Chapter VFF-EMT 1

Dear Senator Robson and Representative Grothman:

On September 21, 2001, Chapter VFF-EMT 1 was adopted as an emergency rule by the Volunteer Fire Fighter and Emergency Medical Technician Service Award Board (Board), pursuant to s. 16.25, et seq., Stats. The rule establishes a Length of Service Award Program for volunteer firefighters and emergency medical technicians. The rule includes the design features for the Program, the requirements for the qualifications of private sector entities that are eligible to provide administrative services, and the investment plans under the Program.

On October 25, 2001, the Board submitted the proposed permanent rule, Chapter VFF-EMT 1, to the Legislative Rules Clearinghouse. A public hearing was held on both the emergency rule and the proposed permanent rule on December 27, 2001. After completing the necessary rule revisions based on the comments received from the Rules Clearinghouse and from the public hearing, the Board intends to submit the proposed rule to the Legislature in final draft form as provided in s. 227.19, Stats.

Emergency rule Chapter VFF-EMT 1 will expire on February 18, 2002. To ensure that there will be no gap in rule coverage, on behalf of the Board, we hereby request an extension of the effective period of the above-referenced emergency rule for 60 additional days under s. 227.24(2)(a), Stats.

January 31, 2002
Page 2

Thank you for your consideration in this matter. If you have any questions, please contact me at 266-9810.

Sincerely,

A handwritten signature in cursive script that reads "Mark Saunders". The signature is written in black ink and is positioned above the typed name.

Mark Saunders
Deputy Legal Counsel

Austin, David

From: Saunders, Mark - DOA
Sent: Friday, February 01, 2002 11:42 AM
To: Austin, David
Cc: Seitz, Robert; Lenz, Terri
Subject: RE: emergency rule VFF-EMT 1

Hi David: Thanks for your message. Of the five items of statutory authority raised by the Rules Clearinghouse in regard to VFF-EMT 1, three, (c), (d), and (e) have been directly addressed as per their suggestions. (As a matter of fact, nearly every comment or suggestion of the Rules Clearinghouse was adopted by the Length of Service Award Board (Board) and addressed in the proposed permanent rule.)

As for (b), the Board wasn't certain what the "capture of federal funds" comment meant, but it did understand the legislative intent to be to encourage continued volunteerism. For those who reach age 60, and are fully vested, but still want to volunteer, it appeared to act as a penalty if they could no longer receive benefits. The three program administrators (vendors) suggested that benefits could still be paid as long as the payout is annual--so that there would be no negative tax benefit. Because this treatment is an extenuation of the program offered by the vendors, and a logical extension of the statutory scheme, and there was no statutory language prohibiting it, the Board saw this as a reasonable inference drawn from the statute and the legislative intent, and hopes the Committee will entertain that position as well.

Section (a) presents a similar problem/situation. First Responders, unlike volunteer firefighters, must be certified by the state. In practice, many EMT's and Firefighters are FR's, but of course not all. 1999 Act 56 amended nearly 30 statutory sections to either include FR's or to clarify that they are to be treated consistently with EMT's. Because Act 56 was enacted in the same session as 1999 Act 44, which established the LOSA program, it seemed possible that there was a simple oversight in failing to include FR's in Act 44. This is because there is no obvious reason for a deliberate intention on the part of the Legislature to do so. While developing the Emergency Rules, the Board was literally inundated with questions (more like an outcry, actually) from firefighters, EMT's, FR's, fire departments and the various associations relative to this public service issue wanting to know why FR's weren't included in the Board's early draft language. After listening to these people and groups, and reviewing Act 56, the Act 44 drafting notes, and speaking with those who sponsored Act 44, it did appear to be an oversight. It also seemed a logical inference to draw from the statute, that FR's should be included in the LOSA Program. The Board proceeded accordingly, but we look forward to discussing this with the JCRAR at the hearing.

Board Chair Robert Seitz and I will be at the hearing to answer your questions regarding these and any other issues you have.

Mark

-----Original Message-----

From: Austin, David
Sent: Thursday, January 31, 2002 4:58 PM
To: Saunders, Mark - DOA
Subject: emergency rule VFF-EMT 1

Mark:

Thanks for submitting a request for extension of emergency rule VFF-EMT 1.

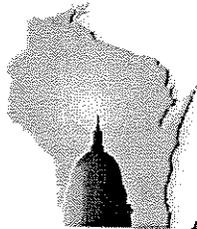
In the Rules Clearinghouse report on the permanent version of the rule, the clearinghouse raised five different questions relating to the statutory authority for various parts of the rule.

Can you please let me know how the final version of the rule addresses the statutory authority question? Since the emergency rule contains the same questionable provisions, deciding whether to extend the rule may hinge on resolution of the statutory authority issues.

JCRAR will meet on February 6 and an answer to this inquiry before then would be helpful.

Thanks for your assistance.

David Austin



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Length of Service Award Program
101 East Wilson Street, 3rd Floor
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Madison, WI 53708-8944
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LOSA@doa.state.wi.us

March 20, 2002

Honorable Fred Risser, President
Wisconsin State Senate
220 South, State Capitol
Madison, WI 53702

Honorable Scott Jensen, Speaker
Wisconsin State Assembly
211 West, State Capitol
Madison, WI 53702

RE: Rules Clearinghouse No. 01-123

Dear Senator Risser and Representative Jensen:

Enclosed, in final draft form, is Chapter VFF-EMT 1, Wis. Adm. Code, relating to a length of service award program for volunteer firefighters and emergency medical technicians. The fiscal estimate for this rule is also attached.

A copy of the Legislative Council Rules Clearinghouse Report is enclosed. All of the comments of the Clearinghouse have been addressed or incorporated into the rule. A public hearing was held on the proposed rule in Madison on December 27, 2001. The names of the persons who appeared at the hearing are provided on the enclosed hearing registration forms. Also enclosed is a transcript of the hearing testimony provided in response to the proposed rule.

The final enclosure is a summary of comments received by the Department and the Department's response to those comments. This document provides an explanation of the modifications made to the proposed rule as a result of the comments received by the Department.

We respectfully request submittal of the rule to the appropriate standing committees for review.

Sincerely,


Robert H. Seitz, Chairperson
VFF-EMT Service Award Board

cc: Revisor of Statutes
Joint Committee on Review of Administrative Rules *Senator Robson, Co-chair*

PROPOSED ORDER

The Volunteer Fire Fighter and Emergency Medical Technician Service Award Board proposes an order to create Chapter VFF-EMT 1 of the Wisconsin Administrative Code.

Analysis prepared by the Department of Administration:

Statutory authority: ss. 16.004(1) and 16.25(2), (3), (4) and (5), Stats.

Statutes interpreted: s. 16.25 *et seq.*, Stats.

Pursuant to section 16.25(2) through (5), Stats., the Volunteer Fire Fighter and Emergency Medical Technician Service Award Board ("Board") is required to establish by rule a program ("Length of Service Awards Program" or "Program") to provide length of service awards, as described in 26 USC 457 (e)(11), to volunteer firefighters ("VFF") and municipalities that operate volunteer fire departments or contract with volunteer fire companies, and to volunteer emergency medical technicians ("EMT"). To the extent permitted by federal law, the Program is to be designed to treat length of service awards as a tax-deferred benefit under the Internal Revenue Code. The rules are to include design features for the Program, the requirements for and the qualifications of private sector entities that are eligible to provide administrative services and investment plans under the Program, and an appeal process. Significant features of the rule are addressed below:

Section VFF-EMT 1.04 describes eligibility requirements for municipalities wishing to participate in the program, such as adopting a resolution or ordinance authorizing participation, developing standards for determining the service required of the individuals it sponsors in order to qualify for municipal contributions. This section also provides for joint operation of fire departments by multiple municipalities.

Section VFF-EMT 1.05 sets forth requirements and procedures for municipal contributions made on behalf of eligible volunteers, and for the state's matching contribution, which is up to \$250 per eligible individual annually.

Section VFF-EMT 1.06 provides for municipalities to make contributions to volunteers for prior service rendered before the municipality began participating in the Program. The minimum contribution for prior service is set at \$100, and those contributions may spread over a number of years. A separate accounting is required for these prior service payments.

Section VFF-EMT 1.07 sets forth the Program's vesting requirements and the various permutations possible between full and partial vesting periods and the minimum age requirement (age 60) for payout. Section VFF-EMT 1.07(1) establishes that 20 years service is required to become fully vested in the benefit and, that upon reaching age 60, the award must be paid. (This requirement insures that the benefit maintains its tax-deferred status.) Section VFF-EMT 1.07(2) provides that a fully vested individual age 60 or older may