1999 DRAFTING REQUEST

Bill

Received: **03/2/99**

Received By: **champra**

Wanted: **As time permits**

Identical to LRB:

For: **David Zien (608) 266-7511**

By/Representing: **Bob Seitz**

This file may be shown to any legislator: **NO**

Drafter: **champra**

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Subject: **Employ Pub - employe benefits**
Employ Pub - miscellaneous

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No specific pre topic given

Topic:

Volunteer Fire Fighter and Emergency Medical Technician Service Award Program

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Instructions:

Companion to 99-1094/4; jacket for Assembly

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1999 – 2000 LEGISLATURE

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1999 BILL

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AN ACT ***to amend*** 40.03 (1) (d) (intro.), 40.03 (2) (i), 40.03 (5) (c) and 40.04 (5) (e); and ***to create*** 13.94 (1) (p), 15.165 (5), 20.515 (2), 25.85, 40.03 (2) (im) and 40.03 (10) of the statutes; **relating to:** establishing a service award program for volunteer fire fighters and emergency medical technicians, creating a volunteer fire fighter and emergency medical technician service award board, requiring the exercise of rule–making authority and making appropriations.

Analysis by the Legislative Reference Bureau

This bill creates a volunteer fire fighter and emergency medical technician service award board (board), attached to the department of employe trust funds (DETF). The board consists of the secretary of employe trust funds or his or her designee, three members who are volunteer fire fighters and three members who represent municipalities that operate volunteer fire departments.

Under the bill, the board must establish by rule a volunteer fire fighter and emergency medical technician service award program for volunteer fire fighters and emergency medical technicians in municipalities that operate volunteer fire departments or that contract with volunteer fire companies and in any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality. To the extent permitted by federal law, the award must be treated as a tax–deferred benefit under the federal income tax code. The board must promulgate rules to include the following design features for the program:

1. All municipalities that operate volunteer fire departments or that contract with volunteer fire companies and any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality may voluntarily participate in the program.

2. Annual contributions must be paid by municipalities for each volunteer fire fighter and emergency medical technician in an amount determined by the municipalities.

3. The state must match all annual municipal contributions paid for volunteer fire fighters and emergency medical technicians up to $250 per year. This amount is to be adjusted annually to reflect changes in the cost of living.

4. A municipality may purchase additional years of service for volunteer fire fighters and emergency medical technicians who have at least five years of service.

5. A vesting period of ten years of volunteer fire fighting or emergency medical technical service for a municipality is required before a volunteer fire fighter or emergency medical technician qualifies to receive any benefits under the program.

6. A requirement that a volunteer fire fighter or emergency medical technician must be paid a lump sum, consisting of all municipal and state contributions made on behalf of the fire fighter or emergency medical technician and all earnings on the contributions, less any amounts used to fund the general program operations of the program, after the fire fighter or emergency medical technician attains 20 years of service for a municipality and reaches the age of 60. If a volunteer fire fighter or emergency medical technician has satisfied all vesting requirements but has less than 20 years of service with a municipality or has not reached the age of 60, the program must provide for a reduced lump sum payment.

7. A requirement that a volunteer fire fighter or emergency medical technician must forfeit his or her rights to all contributions under the program if he or she should cease providing volunteer fire fighting or emergency medical technical services for six months or more for a municipality and he or she has not provided volunteer fire fighting or emergency medical technical service for a municipality for at least ten years, unless the board finds good cause for the period of separation.

Under the bill, the board must contract with an individual or organization in the private sector for all administrative and investment services required for the volunteer fire fighter and emergency medical technician service award program.

Finally, under the bill, the volunteer fire fighter and emergency medical technician service award board must submit the proposed rules to the legislative council staff no later than February 1, 2001. In addition, the legislative audit bureau must prepare a performance evaluation audit of the volunteer fire fighter and emergency medical technician service award program no later than February 1, 2006.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.94 (1) (p) of the statutes is created to read:

2 13.94 **(1)** (p) No later than February 1, 2006, prepare a performance evaluation
3 audit of the volunteer fire fighter and emergency medical technician service award
4 program established under s. 40.03 (10). The legislative audit bureau shall file a copy
5 of the audit report under this paragraph with the distributees specified in par. (b).

6 **SECTION 2.** 15.165 (5) of the statutes is created to read:

7 15.165 **(5)** VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE
8 AWARD BOARD. (a) There is created in the department of employe trust funds a
9 volunteer fire fighter and emergency medical technician service award board
10 consisting of the secretary of employe trust funds or his or her designee and the
11 following members appointed for 3–year terms:

12 1. Three members who are volunteer fire fighters.

13 2. Three members who represent municipalities that operate volunteer fire
14 departments or that contract with volunteer fire companies organized under ch. 181
15 or 213.

16 (b) 1. In appointing the members under par. (a) 1., the governor shall appoint
17 one member who is a member of the Wisconsin State Fire Chiefs Association and at
18 least one member who is a member of the Wisconsin State Fire Fighters Association.

19 2. In appointing the members under par. (a) 1. and 2., the governor shall seek
20 to appoint members from different regions of the state and municipalities of different
21 sizes.

22 **SECTION 3.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
23 the following amounts for the purposes indicated:

			1999–00	2000–01
20.515 Employe trust funds, department of				
(2) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD PROGRAM				
(a) Volunteer fire fighter and emergency medical technician service award board; start–up costs	GPR	A	–0–	–0–
(q) Volunteer fire fighter and emergency medical technician service award program; general program operations	SEG	A	–0–	–0–

SECTION 4. 20.515 (2) of the statutes is created to read:

20.515 **(2)** VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD PROGRAM. (a) *Volunteer fire fighter and emergency medical technician service award board; start–up costs.* The amounts in the schedule for the start–up costs for the operations of the volunteer fire fighter and emergency medical technician service award board.

(b) *Volunteer fire fighter and emergency medical technician service award program; state matching awards.* A sum sufficient to make the transfers to the volunteer fire fighter and emergency medical technician service award fund that are required under s. 40.03 (10) (f).

(q) *Volunteer fire fighter and emergency medical technician service award program; general program operations.* From the volunteer fire fighter and emergency medical technician service award fund, the amounts in the schedule for

1 the general program operations of the volunteer fire fighter and emergency medical
2 technician service award program.

3 (r) *Volunteer fire fighter and emergency medical technician service award*
4 *program; service awards.* From the volunteer fire fighter and emergency medical
5 technician service award fund, a sum sufficient for the payment of volunteer fire
6 fighter and emergency medical technician service awards under s. 40.03 (10).

7 **SECTION 5.** 25.85 of the statutes is created to read:

8 **25.85 Volunteer fire fighter and emergency medical technician service**
9 **award fund.** There is established a separate nonlapsible trust fund designated as
10 the volunteer fire fighter and emergency medical technician service award fund,
11 consisting of moneys paid by municipalities on behalf of volunteer fire fighters and
12 emergency medical technicians covered by the volunteer fire fighter emergency
13 medical technician service award program established under s. 40.03 (10) and
14 moneys required to be transferred by the state to the fund under s. 40.03 (10) (f).

15 **SECTION 6.** 40.03 (1) (d) (intro.) of the statutes is amended to read:

16 40.03 **(1)** (d) (intro.) Shall select and retain an actuary or an actuarial firm,
17 under one or more contractual agreements which shall run to the department for the
18 purpose of performing all actuarial services which are necessary for the operation
19 and control of each of the insurance and benefit programs under this chapter, other
20 than the volunteer fire fighter and emergency medical technician service award
21 program established under sub. (10). Under this paragraph, the board shall:

22 **SECTION 7.** 40.03 (2) (i) of the statutes is amended to read:

23 40.03 **(2)** (i) Shall promulgate, with the approval of the board, all rules, except
24 rules promulgated under par. (ig), (im) or (ir), that are required for the efficient
25 administration of the fund or of any of the benefit plans established by this chapter.

In addition to being approved by the board, rules promulgated under this paragraph relating to teachers must be approved by the teachers retirement board and rules promulgated under this paragraph relating to participants other than teachers must be approved by the Wisconsin retirement board, except rules promulgated under s. 40.30.

SECTION 8. 40.03 (2) (im) of the statutes is created to read:

40.03 **(2)** (im) Shall promulgate, with the approval of the volunteer fire fighter and emergency medical technician service award board, all rules required for the establishment and administration of the volunteer fire fighter and emergency medical technician service award program under sub. (10).

SECTION 9. 40.03 (5) (c) of the statutes is amended to read:

40.03 **(5)** (c) Shall determine the proper rates of premiums and contributions required, or advise as to the appropriateness of premium rates proposed by independent insurers, for each of the benefit plans provided for by this chapter, other than the volunteer fire fighter and emergency medical technician service award program established under sub. (10).

SECTION 10. 40.03 (10) of the statutes is created to read:

40.03 **(10)** VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD BOARD. (a) The volunteer fire fighter and emergency medical technician service award board shall establish by rule a program to provide length–of–service awards, described in 26 USC 457 (e) (11), to volunteer fire fighters in municipalities that operate volunteer fire departments or that contract with volunteer fire companies organized under ch. 181 or 213 and to volunteer emergency medical technicians in any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality. To

1 the extent permitted by federal law, the volunteer fire fighter and emergency medical
2 technician service award board shall design the program so as to treat the
3 length–of–service awards as a tax–deferred benefit under the Internal Revenue
4 Code.

5 (b) The volunteer fire fighter and emergency medical technician service award
6 board shall promulgate rules to include the following design features for the
7 program:

8 1. All municipalities that operate volunteer fire departments or that contract
9 with volunteer fire companies organized under ch. 181 or 213 and any municipality
10 that authorizes volunteer emergency medical technicians to provide emergency
11 medical technical services in the municipality may voluntarily participate in the
12 program.

13 2. Annual contributions shall be paid by municipalities for each volunteer fire
14 fighter and emergency medical technician in an amount determined by the
15 municipalities.

16 3. The state shall match all annual municipal contributions paid for volunteer
17 fire fighters and emergency medical technicians up to $250 per year, other than
18 contributions paid under subd. 4. This amount shall be adjusted annually to reflect
19 any changes in the U.S. consumer price index for all urban consumers, U.S. city
20 average, as determined by the U.S. department of labor.

21 4. A municipality may purchase any number of additional years of service for
22 volunteer fire fighters and emergency medical technicians who have at least 5 years
23 of service as a volunteer fire fighter or emergency medical technician. The number
24 of additional years of service that may be purchased under this subdivision may not
25 exceed the number of years of volunteer fire fighting or emergency medical technical

1 service performed by the volunteer fire fighter or emergency medical technician for
2 the municipality.

3 5. A vesting period of 10 years of volunteer fire fighting or emergency medical
4 technical service for a municipality shall be required before a volunteer fire fighter
5 or emergency medical technician qualifies to receive any benefits under the program.

6 6. A requirement that a volunteer fire fighter or emergency medical technician
7 shall be paid a lump sum, consisting of all municipal and state contributions made
8 on behalf of the volunteer fire fighter or emergency medical technician and all
9 earnings on the contributions, less any amounts to fund the general program
10 operations costs of the volunteer fire fighter and emergency medical technician
11 service award program, after the fire fighter or emergency medical technician
12 attains 20 years of service for a municipality and reaches the age of 60. If a volunteer
13 fire fighter or emergency medical technician has satisfied all vesting requirements
14 but has less than 20 years of service for a municipality or has not reached the age of
15 60, the program shall provide for the payment of a reduced lump sum, as determined
16 by the volunteer fire fighter and emergency medical technician service award board.

17 7. A requirement that a volunteer fire fighter or emergency medical technician
18 shall forfeit his or her rights to all contributions under the program if he or she should
19 cease providing volunteer fire fighting or emergency medical technical services for
20 a municipality for 6 months or more and he or she has not provided fire fighting or
21 emergency medical technical services for a municipality for at least 10 years, unless
22 the volunteer fire fighter and emergency medical technician service award board
23 finds good cause for the period of separation.

24 (c) The volunteer fire fighter and emergency medical technician service award
25 board may charge the volunteer fire fighter and emergency medical technician

1 service award fund for the general program operations costs of the volunteer fire
2 fighter and emergency medical technician service award program.
3 (d) The members of the volunteer fire fighter and emergency medical
4 technician service award board shall be the trustees of the volunteer fire fighter and
5 emergency medical technician service award fund and shall have all powers
6 necessary or convenient to perform any fiduciary duty required by law.
7 (e) The volunteer fire fighter and emergency medical technician service award
8 board shall contract with an individual or organization in the private sector for all
9 administrative and investment services required, other than services funded from
10 the appropriation account under s. 20.515 (2) (a), for the volunteer fire fighter and
11 emergency medical technician service award program.
12 (f) The volunteer fire fighter and emergency medical technician service award
13 board shall transfer from the appropriation account under s. 20.515 (2) (b) to the
14 volunteer fire fighter and emergency medical technician service award fund all
15 amounts necessary to match the municipal contributions under the volunteer fire
16 fighter and emergency medical technician service award program.
17 (g) The volunteer fire fighter and emergency medical technician service award
18 board shall accept timely appeals of determinations made by the department
19 affecting any right or benefit relating to the program established under par. (a).
20 (h) Annually, on or before December 31, the volunteer fire fighter and
21 emergency medical technician service award board shall submit a report to the chief
22 clerk of each house of the legislature under s. 13.172 (2) describing the activities of
23 the volunteer fire fighter and emergency medical technician service award board.
24 **SECTION 11.** 40.04 (5) (e) of the statutes is amended to read:

1 40.04 **(5)** (e) Credited all amounts waived, released or forfeited under any
2 provision of this chapter, other than s. 40.03 (10).

3 **SECTION 12. Nonstatutory provisions.**

4 (1) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD
5 BOARD. Notwithstanding the length of terms specified for the members of the
6 volunteer fire fighter and emergency medical technician service award board under
7 section 15.165 (5) (a) 1. and 2. of the statutes, as created by this act, the initial
8 members shall be appointed for the following terms:

9 (a) One member specified under section 15.165 (5) (a) 1. of the statutes, as
10 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
11 statutes, as created by this act, for terms expiring on May 1, 2002.

12 (b) One member specified under section 15.165 (5) (a) 1. of the statutes, as
13 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
14 statutes, as created by this act, for terms expiring on May 1, 2003.

15 (c) One member specified under section 15.165 (5) (a) 1. of the statutes, as
16 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
17 statutes, as created by this act, for terms expiring on May 1, 2004.

18 (2) SUBMISSION OF PROPOSED RULES ESTABLISHING A VOLUNTEER FIRE FIGHTER AND
19 EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD PROGRAM. No later than February 1,
20 2001, the department of employe trust funds shall submit in proposed form the rules
21 establishing the volunteer fire fighter and emergency medical technician service
22 award program under section 40.03 (10) of the statutes, as created by this act, to the
23 legislative council staff under section 227.15 (1) of the statutes.

24 **(END)**