



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0595/1
MES:amn&jld

2017 BILL

1 **AN ACT to amend** 16.25 (3) (d) 1., 16.25 (3) (g) and 20.505 (4) (er) (title) of the
2 statutes; **relating to:** revising the length-of-service awards program in the
3 Department of Administration for volunteer emergency response personnel.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

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:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the Joint Legislative Council's Study Committee on Volunteer Firefighter and Emergency Medical Technician (EMT) Shortages. The bill makes certain modifications to the service award program, which is a program that provides a financial benefit to recognize length of service by volunteer firefighters, first responders, and EMTs in participating municipalities. The program is administered by the Department of Administration (DOA).

Participation in the service award program is voluntary. A municipality can choose to participate by resolution or ordinance. Each volunteer in a participating municipality receives an individual account that is funded annually. The service award is a tax-deferred benefit to the extent permitted by federal law, and the volunteer may only

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collect funds from the account after vesting requirements are met. This bill modifies funding and vesting rules applicable to the program.

Funding. Under current law, each volunteer in a participating municipality receives an individual account, which is funded by contributions from the municipality and DOA. Federal law limits these contributions to a total of \$3,000 per year of service. The municipality chooses how much it contributes. DOA is required to match the municipality's contribution up to a yearly maximum, which is \$250 per volunteer, adjusted annually based on the Consumer Price Index. In 2015, the match amount was \$343.77. The total amount appropriated for the program cannot exceed \$2.5 million per fiscal year. If the funds are not sufficient, the awards must be prorated.

The bill modifies DOA's annual payment responsibility. It requires DOA to double rather than match all annual contributions paid by the municipality on behalf of a volunteer, up to \$500 rather than \$250 per fiscal year. The maximum DOA contribution amount is still adjusted annually based on the Consumer Price Index. The bill does not modify the total amount that may be appropriated for the program.

Vesting rules. Under current law, a vesting period of 10 years is required before an individual may receive any benefits under the service award program. A volunteer who has served for 20 years and reaches age 60 is considered fully vested and receives the full amount contributed on his or her behalf. A volunteer who reaches age 60 and has served for more than 10 but less than 20 years is considered partially vested and, by administrative rule, is entitled to half of his or her account plus 5% of the value for each additional year above 10 that was served.

The bill modifies the requirements for full vesting in the program. Under the bill, a volunteer who has served for 15 years and reaches age 53 is considered fully vested and will receive the full amount contributed to the individual's account. The bill does not modify the partial vesting requirements.

1 **SECTION 1.** 16.25 (3) (d) 1. of the statutes is amended to read:

2 16.25 (3) (d) 1. Subject to subd. 2., the department shall match double all
3 annual municipal contributions paid for volunteer fire fighters, first responders, and
4 emergency medical technicians up to ~~\$250~~ \$500 per fiscal year, other than
5 contributions paid for the purchase of additional years of service under par. (e), to be
6 paid from the appropriation account under s. 20.505 (4) (er). This amount shall be
7 adjusted annually on July 1 to reflect any changes in the U.S. consumer price index
8 for all urban consumers, U.S. city average, as determined by the U.S. department of
9 labor, for the 12-month period ending on the preceding December 31. The
10 department shall pay all amounts that are ~~matched~~ doubled under this paragraph
11 to the individuals and organizations offering the plans selected by the
12 municipalities.

