
BOARD FOR VOLUNTEER FIREFIGHTERS AND RESERVE OFFICERS

January 2007

A Word from the Executive Secretary

Brigette K. Smith

One of the most frequently asked questions we receive is whether administrative staff or auxiliary personnel can participate in the BVFF & RO. As mentioned in the December 2004 Newsletter, only active volunteer firefighters, EMT's, and commissioned reserve law enforcement officers are allowed to participate. There are several court cases that all support that view.

That's not to say that either our staff, Board, or your department value these volunteers any less. In fact, I can think of several times when I was convinced that our department could not function without our secretary. When I was training to be a teacher, a very wise professor told me that I should get over the idea that the principal ran the school (I apologize to all the principals reading this newsletter). He stated that the people that I really needed to make friends with were the janitor and the school secretary. The janitor was important because he/she cleaned up the gross by-products sometimes left behind by students and the swiftness of the response was proportional to how much he/she liked me. The school secretary was an essential ally because he or she really ran the school. It was a lesson I took to heart. I believe that all departments run much better with a good secretary or administrative assistant, and my staff really values the hard work they put in to make our jobs easier.

We certainly understand the concerns expressed by departments about caring for these unique volunteers. As a result, we will dedicate a majority of this newsletter to providing some help to ensure we can show these volunteers that they really are appreciated.

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Participation Standards Update

As many of you know, the Board has been struggling with the issue of "Standards" for pension participation. We just wanted to take a little section of the newsletter to give you an update on where the Board is at in its process.

The Board is currently seeking input and recommendations from the Fire Service Leadership Forum. The Fire Service Leadership Forum is made up of the major fire service organizations: the Chief's Association, the Commissioner's Association, the Firefighter's Association, the Fire Marshal's Office, the State Council of Firefighters, the DNR, and the Fire Protection Policy Board. That group has formed a smaller focus group of constituents and invited members of the law enforcement community to participate in the discussions. The focus group is tasked with talking with their membership and reporting back to the group to develop a recommendation on how the standards should be written.

Once the group reaches a consensus (and they are close to that point now), they will present their recommendations to the State Board. The State Board will review the recommendations, as well as all input received to date, and begin to work on a new (and hopefully improved) draft of a WAC.

Of course, that isn't the end of the process! Once a new version is drafted, the Board will work on gathering input on the new version. The Board does not plan to even begin the formal WAC process until it has a document that is acceptable to the majority of the fire service. The Board plans to keep returning to "the drawing board" until that point.

Please feel free to contact the Board staff at any time for additional updates.

Deferred Compensation and Volunteers

This is an OFTEN overlooked program that volunteers can participate in. It doesn't matter if the volunteers are firefighters, secretaries, commissioners, or auxiliary personnel. The only real requirement is that you have some form of volunteer reimbursement that you give them at least once a year.

We've heard for years that departments can participate in this program, but we didn't really understand how until we prepared for this article. Nichole Plass from Department of Retirement Systems and Lisa Brengan from Mason County Fire District # 4 were both instrumental in helping us understand how to make the program work for your department.

In order to participate in Deferred Compensation, your department must pass a resolution allowing its members/employees to participate. Once the department allows it, the individual member must opt into the program. Volunteers can access downloadable forms to do so at the Department of Retirement Systems' website, www.drs.wa.gov (Look under Quick Clicks & Deferred Compensation, then go to the drop down menu for "Select an Option", then scroll down to forms. You do not need to sign in). That paperwork only needs to be completed once in the employee's lifetime unless the volunteer changes their deferral amount, beneficiary, etc. Volunteers can also stop their contributions at any time.

From here, different departments can do things a little differently depending on their own needs. There are a few basic concepts to understand, however:

1. Volunteers must receive some form of "payment" from the department, since contributions are deducted from their "pay".
2. Volunteers opt how much of their "paycheck" to be put into their account. They can put up to 50% of their check into Deferred Compensation. They can either designate a percentage or a specific dollar amount, just as long as it does not exceed the 50% limit.
3. Contributions are limited to \$1,291 a month.
4. Minimum amount is \$30 a month.
5. Volunteers are unable to participate if they already are participating in Deferred Compensation in their

regular job.

6. Volunteers would choose one of 12 different investment options, and could go online to change that option once a month.
7. All investments are managed by the State Investment Board and vary in risk levels.

It is possible for a volunteer to name an amount that they want deducted from their "pay" and for the department to match that amount. This is the case with Mason # 4. Volunteers can allot up to 25% of their annual reimbursement check to be deposited into their Deferred Compensation account and the department will match their contribution.

Departments can participate in the program whether their volunteers receive annual, quarterly, semi-annually, or monthly reimbursement checks. How labor intensive the program is varies depending on the number of volunteers in your department and the frequency in which they are "paid".

There are some tricks to learn when using the program because it is usually geared to workers that are paid weekly. However, the rewards for your volunteers are many. Deferred Compensation allows departments that may have a little more money to contribute toward a retirement do so. It also allows departments to set up a recruitment and retention tool for administrative volunteers.

So, while the BVFF & RO cannot allow administrative staff to participate in the pension plan, there is another viable option available to departments.

For more information, please call Katie Johnson, with the Department of Retirement Systems, at 360-664-7005.

*****One word of caution:** If you pay your volunteer administrative staff and insure them under L&I, you will probably be unable to insure them under the cheaper volunteer code (see the L&I article on the next page).

Legislative Update

As we sit down to write this newsletter, the 2007 Legislative Session is already under way. We thought it would be nice to take a few minutes to update you on what legislation has been introduced that could impact the BVFF & RO.

SENATE BILL 5177 & HOUSE BILL 1266— These companion bills are part of a package to add a Cost of Living Allowance (COLA) to most state Line of Duty Death benefits. The annual COLA amount would vary according to the Consumer Price Index (CPI), but could not exceed a 3% increase a year.

SENATE BILL 5593 & HOUSE BILL 1475— These companion bills would expand the Board from its current three members to five. It would also change the composition by allowing any participant to serve on the Board (thus allowing Reserve Officers and EMSD EMT's to serve). At least three of these members could not be receiving relief or pension benefits.

SENATE BILL 5724 — This bill would grant a joint survivor benefit to "domestic partners". "Domestic Partners" would be defined as two persons who have a close personal relationship, who share the same residence, share basic living expenses, receive benefits from another program or benefit based on their relationship, are not married to anyone, 18 or older, not related by close blood ties, and are mentally competent.

SENATE BILL 5752 & HOUSE BILL 1878 — This legislation would add a vocational rehabilitation benefit to the relief act. In some cases where a participant is unable to return to their previous career because of their fire service or law enforcement injury, the secretary could grant a \$4,000 maximum vocational rehabilitation benefit for retraining. This amount would have to be used within fifty-two weeks of being granted. It would also grant a maximum of \$5,000 that could be used for accommodations necessary for the participant to return to work.

PENSION PAYMENT BUY BACK — This legislation would allow participants to buy back payments that were missed prior to the member first joining the pension system. The participant and/or department would have to pay the actuarial cost, and all service would have had to be proven through documentary evidence accepted by the State Board.

Labor and Industries and Administrative Volunteers

Since the BVFF & RO is unable to insure administrative volunteers, we are often asked how departments are supposed to insure them.

Back in the 1930's, when this system first began, L&I did not provide any coverage for volunteers. The legislature recognized the dangers that volunteer firefighters faced and started the Volunteer Firemen's Relief Act to provide worker's compensation benefits to volunteer firefighters, since L&I was unable to do so.

Since that time, L&I has changed and evolved. They are now able to cover government and administrative volunteers under a special classification. The classification code is usually 6901 or 4904 depending on the job duties of the volunteer and whether they receive any form of payment. There could also be other additional codes. L&I would assist you in finding the correct code when you set up your account.

If you are a department that has never filed with L&I before, we called L&I to find out what steps a department would need to follow in order to insure their volunteers through L&I.

1. Contact the Department of Licensing to file a Master Business Application (we suspect most of you have already completed this step... you'll know that you have done this step at some time in the past if you have been assigned a UBN number).
2. Once you receive a UBN number, contact Labor and Industries at 360-902-4817. They can create an account for you and tell you all of the information you need to know.
3. Quarterly reports will need to be filed with L&I and payments made. The amount that needs to be paid will depend on the hours worked and the classification codes used.

It is very important that all members of your department be covered by some form of worker's compensation. We understand that working with L&I can sometimes seem like a daunting task, but it is worth it when you consider the liability that a department places on itself by not insuring all of your personnel. The most difficult part of insuring your non firefighting, EMS, or law enforcement personnel through L&I is the initial set up. Once that is complete, L&I sends reports and reminders.

Lowering the Retirement Age?

The Board is looking at potential legislation for the 2008 session (next year) that would lower the maximum age for pension from age 65 to age 60. This legislation would mean that participants as young as age 55 could draw a reduced pension and participants could receive the maximum pension amount at age 60.

In the past, a change like this was estimated to increase fees by hundreds of dollars per year per person. Thanks, in part, to the increase in the disability fee (which offset the increasing medical costs that were affecting the pension system), the fund can now affordably handle this change.

If the legislation were to pass, departments and members would see an increase in their fees. Fire department fees would increase from a \$30 member fee and \$30 municipality fee to a \$60 member fee and a \$60 municipality fee. EMSD's and police departments would also see a small increase in their fees.

The Board has a history of talking with departments before taking steps to introduce legislation that could have a financial impact on departments and their members. We would like to hear from firefighters, reserve officers, EMT's, commissioners, chiefs, and anyone else about this increase. Is it something that the fire service and law enforcement community would support? Would you be willing and able to bear the additional cost that the benefit would require? Do you like this change, or would you rather see a different type of benefit enhancement?

Please feel free to call us at 877-753-7318, email Brigette at bridgetted@bvff.wa.gov, or write us at PO Box 114, Olympia, WA 98507. We would appreciate getting as much feedback, positive and negative, as possible.

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