

SUBJECT: Expanding participation in volunteer fire fighters retirement fund

COMMITTEE: Pensions and Investments — committee substitute recommended

VOTE: 6 ayes — Telford, Woolley, Goolsby, Rangel, Sadler, Serna

0 nays

3 absent — Berlanga, Tillery, Williams

WITNESSES: For — R. F. Sullivan, State Fireman's and Fire Marshall's Association of Texas; Bill Shanklin, Georgetown Fire Department

Against — None

On — Helen L. Campbell, Firefighters Pension Commission

BACKGROUND : The Statewide Volunteer Firemen's Retirement Fund was created in 1977 and is administered by the Texas Fire Fighters Pension Commission. The statewide fund has 147 participating fire departments and covers 5,000 individuals. Volunteer emergency services personnel and auxiliary personnel are prohibited from participating in the fund. Auxiliary personnel are individuals who receive partial compensation for their services.

DIGEST: CSHB 337 would redesignate the Texas Statewide Volunteer Fire Fighters Retirement Fund as the Texas Statewide Emergency Services Personnel Retirement Fund and expand eligibility to local emergency services departments staffed by at least 10 volunteer or partly paid (auxiliary) personnel and meeting certain drill requirements.

Participants also would have to meet certain service requirements. The bill would define “qualified service” as taking part in at least 40 percent of the minimum drill requirements and 25 percent of the department's emergencies, barring absences for military duty.

Local entities already participating in the fund to provide pensions for volunteer firefighters could elect to exempt themselves from providing additional coverage to other emergency services personnel, but would be

required to exercise the exemption within 60 days of the effective date of the bill.

CSHB 337 also would provide pension benefits to surviving spouses of participants who were vested in the fund but had not yet attained retirement age of 55 at the time of death. Under the bill, a surviving spouse would receive two-thirds of the monthly pension to which the participant would have been entitled, commencing on the date when the deceased would have attained the age of 55.

CSHB 337 specifies that it would not repeal statutory authority for any existing pension plan and that its provisions would affect only volunteer or auxiliary emergency services personnel, with no effect on pensions for fully paid emergency services personnel.

CSHB 337 would take effect September 1, 1997, except for the definition of qualified service, which would take effect January 1, 1998.

**SUPPORTERS
SAY:**

CSHB 337 would right an injustice currently suffered by volunteer and auxiliary emergency rescue and medical personnel, who are not eligible to participate in a pension plan like their counterparts in volunteer firefighting departments. In some rural communities, fire fighting and emergency medical services are provided by the same department. While the volunteer firefighters enjoy the opportunity to participate in a state-backed retirement plan, the EMS volunteers do not, even though they provide an equally valuable service to their community.

With CSHB 337, these civic-minded Texans and their spouses would have the same chance at a financially solid retirement plan and be eligible for the same retirement, disability and death benefits as volunteer firefighters. Adding related emergency services volunteer personnel to the retirement fund would likely have a neutral or positive actuarial impact on the fund.

While the retirement benefits involved are not large, they would demonstrate the commitment local EMS departments have to their volunteer and auxiliary staff. In many cases, the opportunity to participate in a good retirement plan is a strong incentive for volunteers to step forward to help their communities.

OPPONENTS
SAY: No apparent opposition.

NOTES: The committee substitute expanded the definitions of “qualified service” and “auxiliary employee,” and clarified residency requirements for members of the local board of trustees. The substitute also would allow entities that currently provide retirement benefits to volunteer firefighters to optout of expanding coverage to other volunteers.

A companion bill, SB 529 by Bivins, has been referred to the Senate Intergovernmental Relations Committee.