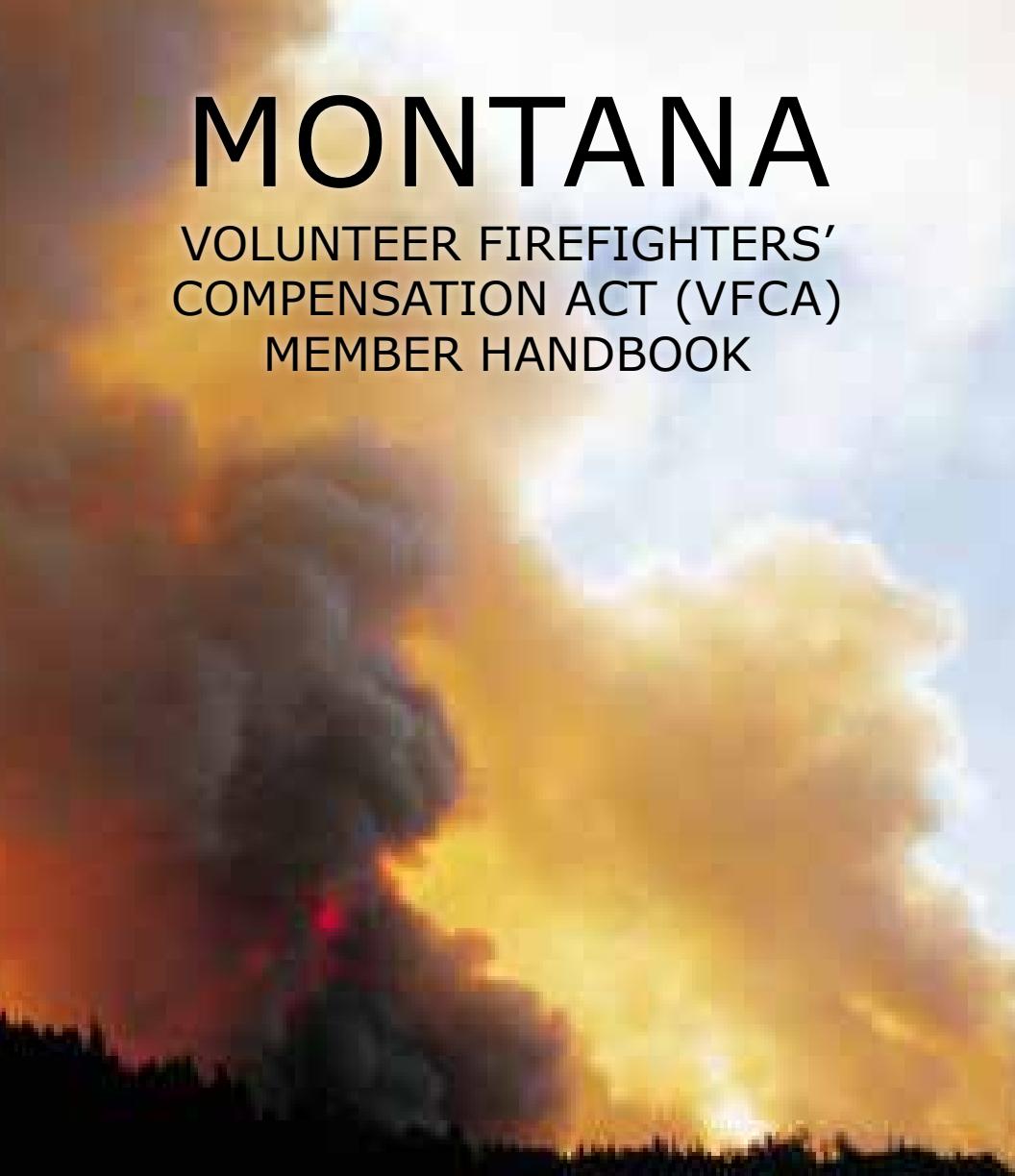


MONTANA

VOLUNTEER FIREFIGHTERS' COMPENSATION ACT (VFCA) MEMBER HANDBOOK



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WELCOME

Are you a Volunteer Firefighter or the dependent of one? This *Volunteer Firefighters' Compensation Act (VFCA) Handbook* is a general summary of the benefits provided by the Volunteer Firefighters' Compensation Act. It is intended to give you an idea of what your benefits are and to acquaint you with the VFCA.

The VFCA is administered by the Public Employees' Retirement Board (Board). The Board consists of seven independent members appointed by the Governor and confirmed by the Senate. The Montana Public Employee Retirement Administration (MPERA) does the day-to-day work. This handbook uses the terms "we," "us," MPERA, and the Board interchangeably.

CONTACT US

If you have questions about the VFCA and would like to talk to someone, call us.

Toll Free: 1-877-ASK-PERB (1-877-275-7372) or in Helena: 444-3154

THE VFCA

The Volunteer Firefighters' Compensation Act (VFCA) is a length of service award plan for volunteer firefighters in unincorporated areas, towns, or villages under the laws of the State of Montana who are members of eligible volunteer:

- ◆ fire companies,
- ◆ fire departments,
- ◆ fire districts, and
- ◆ fire service areas.

In 1965, the Legislature created the VFCA to grant service retirement, disability retirement, or survivor benefits to plan members and their beneficiaries. The VFCA Pension Trust Fund has two sources of income:

- ◆ payments from the state; and
- ◆ income from pension trust fund investments.
 - ◊ Income earned from the pension trust fund investments is reinvested in the fund.

Every year, an actuary evaluates the trust fund's capability to pay the benefits promised to members. Based on the fund's strength and the actuary's advice, the Board may recommend to the legislature a change in benefits. Benefits and contributions are set by law and only the Legislature can change them. Before each legislative session, the Board will review the sufficiency of the benefits and advise the Legislature.

Only the Board can authorize payment from the VFCA Pension Trust Fund. Authorized payments can include: claims or benefits paid to members and survivors; supplemental insurance for eligible fire companies; and administrative costs.

Please note as you read this handbook that every effort has been made to ensure the contents agree with the law and rules. The law and its interpretation can change. This handbook is not a final source of the law and rules. **IT SHOULD NOT BE TAKEN AS FINAL LEGAL AUTHORITY.** Information in this handbook is based on 2019 law. If this handbook differs with law or rule, law or rule will apply. This handbook replaces all previous VFCA member handbooks.

MONTANA CODE

The law governing VFCA may be found in [Title 19, Chapter 17](#) and [Title 7, Chapter 33](#), Montana Code Annotated (MCA).

- ◆ MCA is available online at: <http://leg.mt.gov/bills/mca>
- ◆ ARM is available at: <http://www.mtrules.org/>.

FIRE COMPANIES

ELIGIBILITY

For a fire company to be eligible to participate in VFCA, certain requirements must be met. To verify the requirements, the following documents must be sent to MPERA:

- ◆ The fire company's name and mailing address;
- ◆ The name of the fire chief and designated official, if any;
- ◆ A copy of the meeting minutes from the County Commissioners or governing board establishing the fire district and/or fire service area;
 - ◊ If the meeting minutes are unavailable, a copy of the first filing with the county clerk of the county in which they are located.
- ◆ Identification of the portion of the fire district area serviced by the company;
- ◆ Written documentation that the area serviced is located in an unincorporated area; and
- ◆ Documentation that the fire company maintains firefighting equipment that is in serviceable condition and owns, rents, or uses one or more buildings for the storage of the equipment. The equipment and buildings must be valued at \$12,000 or more.

REQUIRED ANNUAL FILINGS

ANNUAL CERTIFICATES

Each year, the chief or designated official of each fire company must file an annual certificate of membership and fire company eligibility with MPERA. The certificate is a turnaround document prepared by MPERA and mailed at the end of June to all eligible fire companies on file. Each fire company's chief or designated official must complete and verify the birth date, social security number, entry date, and training received for each member on the certificate. **Only members that received at least 30 hours of training in firefighting duties and served for the entire fiscal year with a single fire company are eligible for credit.**

The **original** certificate must be **notarized** and returned to MPERA by September 1. Certificates will be kept on file at MPERA to verify a member's service and eligibility for benefits. The annual certificate must supply the following information:

- ◆ The chief's or designated officer's signature, which confirms:
 - ◊ A formal training program was available and all listed members completed at least 30 hours of training during the previous fiscal year (July 1 to June 30);
 - ◊ Listed members served with the company during the entire fiscal year; and
 - ◊ Equipment maintained and buildings owned, rented or used by the company were maintained in usable condition and valued at \$12,000 or more.
- ◆ Full name, social security number, birth date, and service entry date for each member completing 30 hours of training. (List only those members who served with the company for the entire fiscal year and completed 30 hours of training).

CURRENT YEAR's ROSTER

The fire chief or designated official must file a list of all current year members with MPERA by September 1 of each year. This roster must also include the following information:

- ◆ Date the fire company was organized;
- ◆ Name of the company; and
- ◆ List of officers and roll of active and inactive members.

However, fire chiefs should file a new list of members with MPERA whenever there is a change in membership.

DID YOU KNOW?

Annual Certificates can now be submitted online! Call us at 1-844-304-5452 or in Helena: 444-3994 for instructions.

DESIGNATION OF BENEFICIARY CARDS

A VFCA *Membership/Designation of Beneficiary Card* must be completed for new members and existing members who have a change in personal information. The *Membership/Designation of Beneficiary Cards* need to be filed by September 1 of each year.

ANNUAL STATEMENTS

Each October, VFCA members will receive an Annual Statement from MPERA. Annual Statements are mailed to the address we have on file. Members should review their statement for errors in the information such as address, date of birth and credited years of service. Members need to contact their fire chief to correct any errors.

SUPPLEMENTAL INSURANCE

Fire companies are encouraged to carry supplemental insurance to provide benefits to members who are injured or die in the line of duty. To help pay the cost of supplemental insurance, the trust fund will pay \$75 to the fire company (or the organization maintaining the supplemental insurance for the fire company) for each unit of motorized mobile firefighting equipment, not to exceed \$150 per year.

Each November, MPERA will send the Supplemental Group Insurance Payments Application form to active qualified fire companies (see eligibility on page 5). The application must be returned to MPERA by December 31 of each year and include the following information:

- ◆ The number of mobile units;
- ◆ Proof of supplemental insurance;
- ◆ Tax identification number of fire company; and
- ◆ A current fiscal year roster of all members, filed by the chief or designated official with MPERA on or before September 1.

FORMAL TRAINING PROGRAM

Training must include matters pertaining to firefighting and be available for all members. The course or plan of instruction for this training program must include at least 30 hours of instruction per year per member.

NOTE: Recognized training does not include fire hall and vehicle maintenance, or emergency calls or business meetings to conduct the business of the fire company.

RETENTION OF TRAINING RECORDS

The chief or designated official of each fire company shall keep and properly maintain training records and allowable payment records for each current and former volunteer firefighter who is or was a member of the fire company. This ensures that all members receive credit for their service and are eligible for benefits.

CORRECTIONS, AUDITS, AND PENALTIES

Section [19-17-113, MCA](#) gives guidance in the case of corrections, audits, and penalties. The Board may require a fire company to furnish additional information concerning members in connection with an audit or a claim for benefits or service.

LATE FILING OF ANNUAL CERTIFICATE

Late or amended annual certificates must be filed within 3 years of the original annual certificate due date and may be amended only once. Late or amended certificates must include the following information: a letter to the Board from the fire chief explaining why the annual certificate was not filed timely; the original, notarized annual certificate; and certified training documents.

Late filed training information must include:

- ◆ Date of training ◆ Hours of training
- ◆ Title of training ◆ Certification of training record from fire chief
- ◆ Who attended ◆ Complete description of training

MEMBERSHIP

To be considered a member of the VFCA, you are required to perform the duties of a volunteer firefighter. Duties include activities authorized by an officer of the fire company which include travel to, participation in, and return from calls for the following: fire protection; medical assistance; search and rescue assistance; and calls for assistance to protect individual or public health and safety. This also includes travel to and participation in fire company meetings, training, and public service activities, such as parades.

CONTRIBUTIONS

MEMBER CONTRIBUTIONS

Because volunteer firefighters who are members of the VFCA receive no pay for their services, they do not contribute to the VFCA trust fund.

STATE CONTRIBUTIONS

Once each year, the state pays the trust fund 5% of certain fire insurance premium taxes collected during the year.

CREDIT FOR ELIGIBLE SERVICE

When a member applies for retirement, MPERA will review the member's entire career to ensure proper credit is granted for all eligible service.

To be eligible for a year of service the following criteria must be met by the fire company and the member:

- ◆ The fire company must meet all criteria listed on pages 5 - 6;
- ◆ The member must complete at least **30 hours** of training in matters pertaining to firefighting during the fiscal year. The member's participation in the training program is documented in the fire company's records maintained pursuant to **§ 19-17-111, MCA** by the chief or designated official;
- ◆ The member must be listed on the original, notarized annual certificate filed with MPERA; and
- ◆ The member has served a complete fiscal year with the same fire company.

An inactive member who later becomes active will retain credit for any prior VFCA service.

Members reported on the annual certificate filed with MPERA must meet all VFCA requirements. Members receive one year of credit for each full fiscal year the member belongs to an eligible company and completes at least 30 hours of documented formal training. To earn one year of credit for a fiscal year, a member must serve **with the same fire company** for the entire fiscal year. A fiscal year begins July 1 and ends June 30 of the following year. One year of credit is the smallest unit of service a member can earn. Service for part of a fiscal year will not be credited.

RETURN TO SERVICE

If you retire, you can return to service with a volunteer fire company without loss of benefits. However, you will not be considered an active member and you will not earn credit for service.

If you are receiving a disability benefit you cannot return to service with any fire company.

BENEFITS

Benefits are based on the law in effect at the time of your retirement date; therefore, some information found here may not apply in specific cases. To be eligible for pension or disability benefits under VFCA, you must meet certain age and service requirements. See information on [page 11](#) if you wish to return to service after retirement.

PENSION BENEFITS

PARTIAL PENSION BENEFIT

You may be eligible for a partial pension benefit if you have at least 10 years of credited service and are at least age 60, but you need not be an active member.

Partial Pension Benefit (at least 60 years of age)					
Years Service	Monthly Amount	Years Service	Monthly Amount	Years Service	Monthly Amount
1-9	\$0.00	13	\$113.75	17	\$148.75
10	\$87.50	14	\$122.50	18	\$157.50
11	\$96.25	15	\$131.25	19	\$166.25
12	\$105.00	16	\$140.00		

EXAMPLE:

Jane has just turned 60. She was a volunteer firefighter at the Manhattan Rural Fire Volunteer Fire Department for 12 years before stepping down and moving to Helena 15 years ago. She is now eligible to collect her partial VFCA pension.

She called MPERA and will receive a packet in the mail to fill out. She will receive \$105 a month, which will be deposited on the last business day of each month for the rest of her life.

FULL PENSION BENEFIT

You can retire with a full pension benefit after completing at least 20 years of VFCA service and reaching age 55. Your base pension monthly benefit will be \$175 per month. You do not need to be an active member of a fire company to apply for a pension benefit when you reach age 55.

You will receive the full pension benefit for your lifetime.

Full Pension Benefit (at least 55 years of age)	
20 Years of Credited Service	Monthly Benefit = \$175.00

EXAMPLE:

Alex is a volunteer firefighter at the West Kootenai Fire Company. He is 57 years old and just finishing up his 20th year of service. He will be eligible for a monthly benefit of \$175 a month when he reaches his 20.

He has notified his Fire Chief that he is retiring and he has emailed MPERA with his retirement date. Once he fills out his retirement packet, he will get paid his pension on the last business day of each month for the rest of his life.

ADDITIONAL PENSION BENEFIT

If you have more than 20 years of credited service you can draw a benefit based on the additional years of service, up to 30 total years. This benefit is calculated using \$7.50 per month for each additional year of service, up to 30 total years.

Additional Pension Benefit					
Years Service	Monthly Amount	Years Service	Monthly Amount	Years Service	Monthly Amount
21	\$182.50	25	\$212.50	29	\$242.50
22	\$190.00	26	\$220.00	30	\$250.00
23	\$197.50	27	\$227.50		
24	\$205.00	28	\$235.00		

EXAMPLE:

Michael has been a volunteer firefighter with the Wheatland County Volunteer Fire Department for 25 years. When he is ready to retire, he will be eligible for the full pension, plus an additional pension benefit of \$7.50 a month for each year he worked over 20.

He plans to retire and begin to draw his pension when he has 30 years of service. His monthly benefit will be \$250.

PENSION BENEFIT - OVER 30 YEARS OF CREDITED SERVICE

A member who retires on or after July 1, 2011 will receive \$7.50 per month for each additional year of credited service after 30 years if the pension trust fund is actuarially sound and the amortization period for any unfunded liabilities remains 20 years or less. If the amortization period for the unfunded liabilities is greater than 20 years the member's monthly benefit must be reduced to the monthly benefit amount for 30 years of credited service.

By October 31 of each year, the actuary determines whether the VFCA pension trust fund is actuarially sound and the amortization period for any unfunded liability remains at 20 years or less. As required by [19-17-404](#), MCA, the Board then makes pension adjustments for the next 12 months based on the actuary valuation results, commencing with the November benefit.

SURVIVORSHIP BENEFITS

Survivorship benefits may be available to your surviving spouse or dependent children if you received your benefit for less than 40 months and before your death. No survivorship benefit is available if you receive benefits for 40 months or more before your death. At the request of the survivor, a lump sum payment for the survivorship benefit may be made instead of a monthly payment.

NOTE: Advise your beneficiary to contact MPERA for complete details about your benefits upon your death.

DISABILITY RETIREMENT

A duty-related injury resulting in permanent and total disability will qualify you for a disability benefit.

DISABILITY BENEFIT

Disabled members can receive disability benefits without regard to age or the number of years of service. The disability benefit is calculated by multiplying the base pension benefit by a fraction, the numerator being your years of service and the denominator being 20. It is the same as the partial pension benefit ([see page 12](#)) except that the numerator cannot be less than 10, therefore, members with one through ten years of service will receive the same benefit, currently \$87.50.

The following table shows the benefits available to disabled members calculated using the base benefit of \$175.00 with 20 years of service.

Disability Benefit (No minimum age limit.)					
Years Service	Monthly Benefit	Years Service	Monthly Benefit	Years Service	Monthly Benefit
1 - 9	\$87.50	17	\$148.75	25	\$218.25
10	\$87.50	18	\$157.50	26	\$227.50
11	\$96.25	19	\$166.25	27	\$236.25
12	\$105.00	20	\$175.00	28	\$245.00
13	\$113.75	21	\$183.50	29	\$253.75
14	\$122.50	22	\$192.00	30	\$262.50
15	\$131.25	23	\$201.25		
16	\$140.00	24	\$210.00		

DISABILITY MEDICAL REVIEW

If you are receiving a disability benefit, the Board can require you to undergo periodic medical reviews. A medical review will consist of a review of all medical records and a recent medical exam. A Board approved physician or surgeon must conduct the medical exam. Any medical review can include specific tests to evaluate the disabling condition.

The exam or tests will be done at a place agreed upon by the Board, the physician or surgeon, and the member, and will be at the Board's expense. The doctor must send the results of the exam or test directly to MPERA. MPERA's disability examiner and the Board's medical expert will review the report and advise the Board. Based on all medical evidence available, the Board will decide whether to continue your disability status.

DISABILITY BENEFIT CANCELLATION AND REINSTATEMENT

The Board can cancel your disability benefit for any of the following reasons:

- ◆ Your medical condition is no longer permanent and total based on medical data provided to MPERA by the doctor and the member; or
- ◆ You refuse to consent to the medical exam or tests.

Canceling your disability benefit will not affect any other VFCA benefits available to you.

ADDITIONAL INFORMATION

TIME BENEFITS COMMENCE

Your pension benefits can begin on the first day of the month following your last day of service; or the first day of a later month after you have filed a written application.

If you are disputing credited years of service to the Board, your benefit cannot begin until after the Board's decision. Monthly survivorship benefits must begin the first day of the month following the day of your death.

EXPENSES

To qualify for any medical or funeral payments at the time of illness, injury or death, you must be included on the current membership roster filed with MPERA. To ensure all members are covered we recommend that the chief or designated official file an amended roster with MPERA whenever there are membership changes.

MEDICAL EXPENSES

To qualify for payment of medical expenses, you must incur an injury or illness while acting in the line of duty and belong to a fire company that is **not covered** by workers' compensation insurance. First, you must apply for payment from your private insurance coverage or from coverage the fire company may have. Once you have exhausted other insurance coverage and with approval from the Board, MPERA will pay up to \$25,000 for any remaining medical expense claims.

Treatment does not need to be in a hospital, but must require the services of a doctor or nurse. Payment is limited to expenses billed within 36 months of the date of the injury or illness. Total payment cannot be more than the necessary and reasonable out-of-pocket expenses or \$25,000, whichever is less.

If an injury incurred in the line of duty results in the loss by amputation of an arm, hand, leg, foot, or the loss of an eye, or any natural teeth, the Board shall authorize either a payment for the cost of a prosthesis or a payment of \$1,500 to help defray the cost of a prosthesis, whichever is less. Payments to replace a prosthesis are limited to \$1,500 every five years.

To file a claim for medical expenses, you or the fire chief need to contact MPERA after initial treatment of the injury. MPERA will provide a form for you and the fire chief to complete. Claims must be submitted **within 12 months** from the date you incurred the injury or illness. Bills received after filing the claim, but within 36 months of the injury or illness, can be added to the claim. A competent medical professional and the member must verify the claim.

After the Board approves the claim, MPERA will pay the appropriate provider of the medical care or the claimant if he or she provides documentation of the full payment of the medical care.

FUNERAL EXPENSES

To qualify for funeral expenses, a volunteer firefighter must, at the time of death, be a member of an eligible fire company, be listed on the fire company roster in the year the death occurred, and die in the line of duty.

Anyone filing a claim for funeral expenses should contact MPERA for the necessary form. A survivor, or any person acting for the member's estate, may submit a verified claim for funeral expenses with the Board within 12 months from the member's date of death. Upon Board approval, MPERA will pay reasonable expenses or \$1,500, whichever is less, to the appropriate provider of the funeral services or the claimant if he or she provides documentation of the full payment of the funeral expenses.

TAXES ON BENEFITS

Some or all of your retirement benefit will be subject to federal and state income taxes. Since tax law changes often, we recommend that you contact a tax professional for advice about specific, up-to-date information.

TAX STATEMENTS

Each year, MPERA will send retired VFCA members a Federal Form W2. The W2 will show the gross taxable amount you received during the past calendar year and any state or federal taxes withheld during the year.

ASSIGNMENT OF BENEFITS

In most circumstances your retirement benefit is protected from attachment and cannot be assigned to or acquired by a third party.

However, the IRS may place a levy against your benefit for unpaid taxes and there are a few circumstances when your retirement benefit may be subject to attachment or assignment. If you have a court-ordered support obligation your benefits may be subject to an execution or income withholding order. A court may also assign all or a portion of your VFCA benefits to an alternate payee (usually a former spouse) pursuant to a Family Law Order (FLO).

SUPPORT OBLIGATION

Your VFCA benefits are subject to execution and income withholding for the payment of support obligations. A writ of execution or income-withholding order may not require a type of benefit, option, or payment not available to you or an amount or duration of payment greater than that available to you. This means we cannot make any payments from your VFCA account to satisfy a support obligation before you retire and begin drawing benefits.

FAMILY LAW ORDER (FLO)

A Montana court may issue a FLO for child or parental support, spousal maintenance, or marital property rights. The FLO may require that we pay an alternate payee a set sum or percentage of your benefit. For example, the FLO may require us to pay \$500 per month until a set sum of \$12,000 has been paid. Or, the FLO may require us to pay 50% of your monthly benefit to your alternate payee for as long as you get a benefit. The FLO may also require you to choose a specific beneficiary.

A FLO may not require VFCA to make payments for:

- ◆ a type of benefit that is not available to you; or
- ◆ an amount or length of payment greater than that payable to you.

This means a FLO cannot require any payments from your VFCA account before you retire and begin drawing benefits.

GLOSSARY OF TERMS

ACTIVE MEMBER - a volunteer firefighter who is credited with service for the last complete fiscal year. A member who does not receive credit for service for the last complete fiscal year becomes an inactive member.

ALLOWANCE - a total monetary and gift amount that is available to a volunteer firefighter from a fire company pursuant to [§ 19-17-110, MCA](#).

BENEFIT - a pension, disability retirement, or survivorship payment provided by VFCA.

BOARD - the Public Employees' Retirement Board.

CLAIM - a request from a member, surviving spouse, or dependent child for payment of medical or funeral expenses.

COMPENSATION - remuneration for services rendered as a firefighter from the fire company requesting credit for that firefighter.

DEPENDENT CHILD - the child of a deceased member who is unmarried and less than 18 years of age.

DESIGNATED OFFICIAL - a representative of a fire company appointed by the fire chief to perform specified actions and includes but is not limited to a fire company supervisor, a fire company secretary, and a fire company presiding officer.

DISABILITY (permanent total disability) - the physical condition of a firefighter resulting from a duty-related injury that after maximum medical healing, prevents the firefighter from having a reasonable prospect of physically performing regular employment. Regular employment means work on a recurring basis performed for remuneration in a trade, business, profession or other occupation.

FIRE COMPANY - an organization of volunteer firefighters created under the authority of a governing board or commission to serve an unincorporated area, town, or village.

FISCAL YEAR - the 12-month period starting on July 1 and ending on June 30 of the following year.

IN THE LINE OF DUTY (or duty related) - the member's activities were duties of a volunteer firefighter. Duties include any activity authorized by an officer of the company relating to travel to, participation in, and return from calls for the following: fire protection; medical assistance; search and rescue assistance; and calls for assistance to protect individual or public health and safety. It also includes travel to and participation in fire company meetings, training, and public service activities, such as parades.

INACTIVE MEMBER - a member not credited with service under the VFCA during the most recently reportable fiscal year.

MEMBER - a volunteer firefighter who has service credited under the VFCA.

MPERA - the Montana Public Employee Retirement Administration.

PENSION BENEFIT - a full, partial, or additional payment for service earned as a volunteer firefighter and does not include payment for disability.

REIMBURSED - the return by a fire company of an equivalent amount of money expended by a member for the benefit of the fire company.

RETIREE OR RETIRED MEMBER - a member who is receiving full, additional, partial pension or disability benefits from the pension trust fund.

SERVICE - all periods of active service. Members must serve with one fire company for the entire fiscal year and must complete at least 30 hours of formal training each fiscal year (July 1 to June 30) to receive credit for service.

SUPPLEMENTAL INSURANCE - insurance carried by a fire company to provide disability or death benefits. Supplemental insurance is insurance other than any insurance required by law, such as workers' compensation insurance.

SURVIVING SPOUSE - the spouse married to the member when the member dies.

SURVIVORSHIP BENEFIT - the monthly benefit paid to the surviving spouse or dependent child(ren) of a deceased member.

TRAINING - a formal program of instruction pertaining to firefighting that has been formulated, supervised and certified to the Board by the chief or designated official of the fire company. Training does not include fire hall and vehicle maintenance, Emergency Medical Technician training, emergency calls or business meetings to conduct the business of the fire company.

VOLUNTEER FIREFIGHTER - an active member of an eligible fire company who is not compensated for services as a firefighter.