

Employer Announcement #85

Volunteers of Fire Service Agencies and PERS

This announcement provides clarification to Fire Service Agencies that make payments to volunteers that constitute "subject salary" for PERS purposes. This guidance is applicable only for PERS reporting purposes and is not intended to create any inferences about the treatment of volunteers for any other purpose.

Fire Service Agencies will report to PERS a volunteer's hours worked only if that volunteer receives wages from that agency, as reported in "Box 1" of the federal IRS Form W-2 issued by the agency. Fire Service Agencies are not required to report the volunteer to PERS if the agency does not report wages for that volunteer on a W-2. Any reportable wages will be reported to PERS annually, at a minimum. The report(s) will be made no later than February 28 of any calendar year covering wages received by volunteers in the previous calendar year.

PERS Membership Status Checks

If an agency anticipates that "wages" may be paid to a volunteer for that year, the agency should report the volunteer's name to PERS for the purpose of determining the person's PERS membership status. The membership status possibilities include:

- 1) PERS membership established and active service (qualifying or non-qualifying position(s)) with one or more PERS-participating employers in the current calendar year;
- 2) inactive PERS membership; or
- 3) receiving a PERS retirement benefit;
- 4) no PERS membership.

Sample Permissible Policy for Nominally Compensated Volunteer Firefighters

PERS has reviewed the following sample policy submitted by the OFCA Volunteer 360 Task Force and determined that it would satisfy PERS' reporting requirements for subject salary and hours. (Note: A policy for PERS reporting is only necessary if a volunteer is paid an amount that is reported as wages in Box 1 of the Form W-2 for federal tax purposes.)

General Volunteer Firefighter Policy for PERS Reporting

The number of hours worked to be reported to PERS for a volunteer for a calendar year will be equal to the sum of:

- 1) the minimum number of training hours required by the state of Oregon's DPSST to maintain firefighter I certification, as established from time to time, plus
- 2) the number of Volunteer Response Hours (VRH) for the calendar year for that volunteer. For purposes of calculating VRH, "hours responding to emergencies" is the time a volunteer spends actually responding to an

emergency for which the volunteer may receive payment. It does not include other volunteer activities, including but not limited to, volunteer meetings, standby time, call-wait time, educational events, training in excess of minimum amounts required by the state of Oregon, community service events, or similar activities.

The Fire Service Agency determines VRH at its sole discretion based on the written policy it adopts at any given time for calculating VRH.

Considering its particular needs and capacities, Fire Service Agency has chosen the following approach to calculating VRH:

[Fire Service Agency to choose among several approaches]

Option 1—Actual VRHs: An agency may calculate the actual VRH performed by each volunteer during each calendar year

Option 2—Overall Average Approach: An agency may calculate VRH for each volunteer based upon the aggregate number of hours that volunteers in the agency perform during the year responding to emergencies, divided by the number of agency volunteers who respond during the year.

For example, assume that an agency has 100 active volunteers during the calendar year. These volunteers, in the aggregate, spend 6,000 hours responding to emergencies during that year. Each volunteer's VRH at that agency would be 60 hours for that year.

The approach requires agencies to pay the same amount to each volunteer.

Note: Other policies may also meet PERS' reporting requirements. Whichever policy your Fire Service Agency adopts, records should be maintained. Please contact your ESC Account Team representative if you have further questions or would like further clarification on this subject.

In compliance with the Americans with Disabilities Act, PERS will provide this document in an alternate format upon request. To request this, contact PERS at 888-320-7377 or TTY 503-603-7766.