

September 13, 2010

Via: Fax and Regular Mail

(202) 228-0554

Senator Max Baucus

Chairman Committee on Financing

United States Senate

219 Dirksen Senate Office Building

Washington DC 20510

Re: Senate Bill 3319 (Volunteer Emergency Services Recruitment and Retention Act of 2010)

Dear Senator Baucus:

On behalf of the Association of Fire Districts of the State of New York and more than 96,000 volunteer firefighters, we are asking for your support of **Senate Bill 3319**, which is currently in your committee. It is relative to amending Section 457 of Internal Revenue Code, which would protect the hard-earned retirement stipends of volunteer firefighters.

In New York, and a number of other states, a “length of Service Awards Program” (LOSP) assists with recruitment and provides an incentive to encourage longevity by local fire department volunteers. The program, which must be authorized by the municipality and approved by the local voters, is akin to establishing a small pension. Local government sets aside money in a trust fund that pays volunteers when they reach the entitlement age under the program.

In 1996, the Small Business Job Protection Act amended Section 457 of the Internal Revenue Code, which required that the aggregate amount of service awards accrued during any year of service by a volunteer in a LOSAP Program must not exceed \$3,000.

In 2004, an amendment was passed, which permitted an increase in the defined benefit program maximum per month from \$20 to \$30, making it probable that the annual service award accrual will exceed the \$3,000 limitation for many volunteers.

If passed, the proposed legislation would increase the limit in Section 457 of the Internal Revenue Code from \$3,000 to \$5,000 and provide an annual COLA to the limit every year thereafter.

On behalf of the 900 municipal entities represented by the Association of Fire Districts of the State of New York and 96,000 volunteer firefighters, I request your support of **Senate Bill 3319** and encourage its movement through the Senate. A similar bill is currently in the House of Representatives and is identified as HR-1792.

Thank you kindly for your review and consideration of this memorandum of support.

Very truly yours,
ASSOCIATION OF FIRE DISTRICTS

By: _____