



# INTERNATIONAL ASSOCIATION OF FIRE CHIEFS

*Providing leadership for the fire and emergency services since 1873*

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April 10, 2014

The Honorable Kevin Brady  
Chairman  
Subcommittee on Health  
Committee on Ways and Means  
U.S. House of Representatives  
1101 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Jim McDermott  
Ranking Member  
Subcommittee on Health  
Committee on Ways and Means  
U.S. House of Representatives  
1101 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Brady and Ranking Member McDermott:

On behalf of the more than 10,000 chief fire and emergency medical services (EMS) officers of the International Association of Fire Chiefs (IAFC), thank you for holding a hearing to examine the final rule issued by the Internal Revenue Service (IRS) on the Employer Shared Responsibility Provision of the Patient Protection and Affordable Care Act (PPACA). While the IAFC sincerely appreciates the IRS' exemption of nominally compensated volunteers under the final rule, the IAFC is concerned that the IRS has not clearly defined "reasonable benefits... and nominal fees" for volunteer personnel.

Nearly 780,000 volunteer firefighters and EMS personnel serve communities throughout the United States. In response to a declining number of volunteer emergency responders, many communities have begun offering incentives to recruit and retain volunteers. The value of these incentives can vary widely from community to community. As a result, the IRS' exemption of nominally compensated volunteers is helpful but not entirely understood without a clear statement from the IRS about how it will define the terms "reasonable benefits (including length of service awards), and nominal fees."

In 2006, the IAFC contacted the U.S. Department of Labor (DOL) to seek a definition for the term "nominal fee" for volunteer firefighters with respect to the Fair Labor Standards Act (FLSA). In its opinion letter to the IAFC, the DOL responded that "...an amount not exceeding 20 percent of the total compensation that the employer would pay to a full-time firefighter for performing comparable services would be deemed nominal." As a result, volunteer and combination fire departments across the United States are familiar with, and adhere to, the "20% Bright-Line Test." The IAFC strongly encourages the IRS to adopt the "20% Bright-Line Test" when defining "nominal fee" for volunteers with respect to the PPACA's Employer Shared Responsibility Provision.

Thank you for your attention to this issue and for your strong support of the Protecting Volunteer Firefighters and Emergency Responders Act of 2014, H.R. 3979. I strongly urge you to encourage the IRS to adopt the DOL's definition of the terms "reasonable benefits (including length of service awards), and nominal fees" for volunteer emergency responders with respect to the PPACA's Employer Shared Responsibility Provision.

Sincerely,

A handwritten signature in black ink, appearing to read "William R. Metcalf".

Chief William R. Metcalf, EFO, CFO, FFireE  
President and Chairman of the Board

/ed