§3372. Maine Length of Service Award Program

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Accrued service award" means the total value, as of a given date, of a participant's program account. [PL 2015, c. 352, §1 (NEW).]

A-1. "Ambulance service" means an ambulance service licensed by the Emergency Medical Services Board pursuant to Title 32, section 88. [RR 2025, c. 2, Pt. A, §5 (COR).]

B. "Board" means the Maine Length of Service Award Program Board of Trustees. [PL 2015, c. 352, §1 (NEW).]

C. "Bona fide volunteer" has the same meaning as in the United States Internal Revenue Code, Section 457(e)(11). [PL 2015, c. 352, §1 (NEW).]

C-1. "Department" means a fire department, an ambulance service or a nontransporting emergency medical service. [PL 2021, c. 556, §2 (NEW).]

D. "Eligible volunteer" means a bona fide volunteer performing qualified services in a department if that bona fide volunteer is:

(1) A firefighter who is an active part-time or on-call member of a fire department or a volunteer firefighter; or

(2) An emergency medical services person or an emergency medical services ambulance operator who is duly licensed under rules and protocols established by the Emergency Medical Services Board pursuant to Title 32, section 88 and who provides on-call, part-time or volunteer emergency medical response under the direction of the chief of a fire department or for an ambulance service or a nontransporting emergency medical service. [RR 2025, c. 2, Pt. A, §6 (COR).]

D-1. "Emergency medical services ambulance operator" has the same meaning as in Title 32, section 83, subsection 12-A. [PL 2021, c. 556, §4 (NEW).]

D-2. "Emergency Medical Services Board" means the Emergency Medical Services Board established pursuant to Title 5, section 12004-A, subsection 15. [RR 2025, c. 2, Pt. A, §7 (COR).]

E. "Emergency medical services person" means any person who routinely provides emergency medical treatment to the sick or injured. [PL 2015, c. 352, §1 (NEW).]

F. "Emergency medical treatment" has the same meaning as in Title 32, section 83, subsection 13. [PL 2015, c. 352, §1 (NEW).]

G. [PL 2021, c. 556, §6 (RP).]

G-1. "Fire department" means an organized firefighting unit established under municipal charter or ordinance or under bylaws to prevent and extinguish fires and, if authorized by charter, ordinance or bylaw, to provide emergency services. [PL 2021, c. 556, §7 (NEW).]

G-2. "Nontransporting emergency medical service" means a nontransporting emergency medical service licensed by the Emergency Medical Services Board pursuant to Title 32, section 88. [RR 2025, c. 2, Pt. A, §8 (COR).]

H. "Participant" means a person who participates in the program. [PL 2015, c. 352, §1 (NEW).]

I. "Program" means the Maine Length of Service Award Program established in subsection 2. [PL 2015, c. 352, §1 (NEW).]

J. "Program account" means a separate account maintained for each participant reflecting applicable contributions, applicable forfeitures, investment income or loss as well as administrative and investment expenses allocated to each participant and distributions paid from the account. [PL 2015, c. 352, §1 (NEW).]

K. "Program trust fund" means a trust fund established by the board into which all contributions to the program are deposited. [PL 2015, c. 352, §1 (NEW).]

L. "Qualified services" has the same meaning as in the United States Internal Revenue Code, Section 457(e)(11). [PL 2015, c. 352, §1 (NEW).]

M. "Volunteer firefighter" has the same meaning as in Title 30-A, section 3151, subsection 4. [PL 2015, c. 352, §1 (NEW).]

[RR 2025, c. 2, Pt. A, §§5-8 (COR).]

2. Program established. The Maine Length of Service Award Program is established to provide paid length of service awards to eligible volunteers. The program is administered by the board as set out in this section.

[PL 2015, c. 352, §1 (NEW).]

3. Board of trustees. The following provisions govern the Maine Length of Service Award Program Board of Trustees, which is established to oversee the program.

A. The board, as established in section 12004-G, subsection 30-E, is composed of 9 trustees, as follows:

(1) Four persons who are eligible volunteers, appointed by the Governor. Three of the persons appointed under this subparagraph must be selected from a list of 6 nominees submitted by a statewide federation of firefighters;

(2) A chief of a fire department, appointed by the Governor and selected from a list of 3 nominees submitted by a statewide association of fire chiefs;

(3) A person who is qualified through training or experience in the field of investments, accounting, banking or insurance or who is an actuary, appointed by the Governor;

(4) A person designated by a statewide municipal association; and

(5) Two persons who are licensed as emergency medical services persons under Title 32, chapter 2-B, appointed by the Governor and selected from a list of 3 nominees submitted by the Emergency Medical Services Board. [RR 2025, c. 2, Pt. A, §9 (COR).]

B. The board shall elect from its membership a chair. [PL 2015, c. 352, §1 (NEW).]

C. The terms of the trustees are determined as follows.

(1) Each trustee serves a term of 3 years.

(2) A trustee continues to serve after the expiration of that trustee's term until a successor is appointed and qualified, but the trustee's continuation as a trustee does not change the expiration date of the trustee's term.

(3) The term of a trustee appointed to succeed a trustee whose term has expired begins on the day after the expiration date of the 3-year term of the previous trustee, regardless of the effective date of the new appointment.

(4) An appointment to any vacancy caused by death, resignation or ineligibility is for the unexpired portion of the term. [PL 2015, c. 352, §1 (NEW).]

D. The necessary expenses incurred by the board in the operation of the program must be paid according to the purpose for which they are incurred from the assets of the program trust fund. [PL 2015, c. 352, §1 (NEW).]

E. The Attorney General or an assistant designated by the Attorney General is legal advisor to the board. [PL 2015, c. 352, §1 (NEW).]

F. The board shall keep a record of all its proceedings, which:

(1) Must comply with the requirements of section 8056, subsection 5 and sections 9059 and 9061, to the extent those laws are applicable; and

(2) Must be open to public inspection. [PL 2015, c. 352, §1 (NEW).]
[RR 2025, c. 2, Pt. A, §9 (COR).]

4. Program administration. The program is administered by the board. The board shall contract with firms to provide administration, investment, custodial, trustee and auditing services for the program.
[PL 2015, c. 352, §1 (NEW).]

5. Participation eligibility. An eligible volunteer may participate in the program.
[PL 2015, c. 352, §1 (NEW).]

6. Participation commencement. Unless an eligible volunteer waives the right of participation pursuant to subsection 7, the eligible volunteer becomes a participant on the last day of the first calendar year during which the eligible volunteer meets the service credit requirements set forth in subsection 8 during a calendar year beginning after December 31, 2015.
[PL 2015, c. 352, §1 (NEW).]

7. Waiver of participation. An eligible volunteer may waive the right to participate in the program by filing with the board a written, signed and irrevocable waiver of participation that is signed by the chief of the department of which the eligible volunteer is a member.
[PL 2021, c. 556, §10 (AMD).]

8. Service credit. Service credit may be allowed in the program only for volunteer emergency service rendered as an eligible volunteer. The requirements to be met by an eligible volunteer to earn one year of service credit must be set forth in rules adopted by the board pursuant to subsection 21 and may be amended from time to time at the discretion of the board.
[PL 2015, c. 352, §1 (NEW).]

9. Procedure for reporting service credit. A department shall submit a list of all persons who were eligible volunteers during a calendar year to the board for review and approval by May 1st following the end of that calendar year. The list must indicate which eligible volunteers earned service credit during the calendar year and must be prepared, certified under oath by the chief of the department, posted in the department for at least 30 days and then submitted to and received by the board by May 1st. During the 30-day posting period, an eligible volunteer must be given the opportunity to dispute the service credit shown for the eligible volunteer in accordance with law. The chief shall indicate in writing to the board that the list was posted for at least 30 days and that all disputes regarding the service credit shown on the list as having been earned during the year have been resolved. The board, at its sole discretion, may audit a list prepared by a department under this subsection. If the list is not received by the board by May 1st, a contribution may not be credited to the program account of any eligible volunteer whose name was or should have been reported on the list as having earned one year of service credit during the calendar year, except as provided in subsection 12.
[PL 2021, c. 556, §11 (AMD).]

10. Contributions to the program. For each calendar year beginning after December 31, 2015, the program trust fund must accept contributions, if any, from the following:

A. The State; [PL 2015, c. 352, §1 (NEW).]

B. A municipality; [PL 2015, c. 352, §1 (NEW).]

C. A department or a fire company or volunteer organization associated with a department; [PL 2021, c. 556, §12 (AMD).]

D. The Federal Government; and [PL 2015, c. 352, §1 (NEW).]

E. A participant, after the United States Internal Revenue Code is amended and any required rules and regulations are issued by the United States Internal Revenue Service to allow defined contribution length of service award programs to be treated as deferred compensation plans under the United States Internal Revenue Code, Section 457. Until the United States Internal Revenue Code is so amended, the board shall contract with a firm to offer individual retirement accounts to participants. [PL 2015, c. 352, §1 (NEW).]

The annual contributions, if any, for a given calendar year must be deposited into the program trust fund before the following July 1st.

The portion of the annual contributions credited to a program account of a participant who has attained the entitlement age as described in subsection 14 and has been paid the participant's accrued service award must be determined in the same manner as the portion of the annual contributions credited to a program account of a participant who has not attained the entitlement age.

Except for the limit on the amount of the annual contributions credited to a participant's program account set forth in the United States Internal Revenue Code, Section 457, there is no other limit or restriction on the amount credited to a participant's program account for any calendar year.
[PL 2021, c. 556, §12 (AMD).]

11. Subaccounts. A participant's program account consists of the following subaccounts:

A. A state subaccount, which is an account of a participant reflecting applicable state contributions, forfeitures, investment income or loss as well as administrative and investment expenses allocated to the subaccount and distributions paid from the subaccount. A participant's state subaccount is subject to the vesting schedule set forth in subsection 12.

(1) For a given calendar year, the total state contribution, if any, must be allocated equally to the state subaccounts of the participants who earned one year of service credit during that calendar year.

(2) Forfeitures from a participant's state subaccount must be added to and allocated as state contributions as designated by the State in the calendar year in which the forfeitures are determined to occur pursuant to subsection 13; [PL 2015, c. 352, §1 (NEW).]

B. A municipal subaccount, which is an account of a participant derived from contributions from a specific municipality to the program. A participant's municipal subaccount must reflect the respective contributions from that municipality along with forfeitures, investment income or loss as well as administrative and investment expenses allocated to the subaccount and distributions paid from the subaccount. A participant's municipal subaccount is subject to the vesting schedule set forth in subsection 12.

(1) For a given calendar year, the total contribution from a specific municipality, if any, must be allocated equally to the municipal subaccounts of the participants who are eligible volunteers of that municipality and who earned one year of service credit during that calendar year.

(2) Forfeitures from a participant's municipal subaccount must be added to and allocated as municipal contributions as designated by the municipality in the calendar year in which the forfeitures are determined to occur pursuant to subsection 13; [PL 2015, c. 352, §1 (NEW).]

C. A department subaccount, which is an account of a participant derived from contributions from a specific department or a fire company or volunteer organization associated with a department to the program. A participant's department subaccount must reflect the respective contributions from

that department or fire company or volunteer organization associated with a department along with forfeitures, investment income or loss as well as administrative and investment expenses allocated to the subaccount and distributions paid from the subaccount. A participant's department subaccount is subject to the vesting schedule set forth in subsection 12.

(1) For a given calendar year, the total contribution from a specific department or a fire company or volunteer organization associated with a department, if any, must be allocated equally to the department subaccounts of the participants who are eligible volunteers of that department or fire company or volunteer organization associated with a department and who earned one year of service credit during that calendar year.

(2) Forfeitures from a participant's department subaccount must be added to and allocated as department contributions as designated by the department or fire company or volunteer organization associated with a department in the calendar year in which the forfeitures are determined to occur pursuant to subsection 13; [PL 2021, c. 556, §13 (AMD).]

D. A Federal Government subaccount, which is an account of a participant reflecting applicable Federal Government contributions, forfeitures, investment income or loss as well as administrative and investment expenses allocated to the subaccount and distributions from the subaccount. Unless otherwise specified in federal law, a participant's Federal Government subaccount is subject to the vesting schedule set forth in subsection 12.

(1) Unless otherwise specified in federal law, for a given calendar year, the total contribution from the Federal Government, if any, must be allocated equally to the Federal Government subaccounts of the participants who earned one year of service credit during that calendar year.

(2) Unless otherwise specified in federal law, forfeitures from a participant's Federal Government subaccount must be added to and allocated as Federal Government contributions as designated by the Federal Government in the calendar year in which the forfeitures are determined to occur pursuant to subsection 13; and [PL 2015, c. 352, §1 (NEW).]

E. A participant contribution subaccount. If the United States Internal Revenue Code is amended and any required rules and regulations are issued by the United States Internal Revenue Service to allow defined contribution length of service award programs to be treated as deferred compensation plans under the United States Internal Revenue Code, Section 457, a participant may elect to make participant contributions to the program. A participant contribution subaccount must reflect the respective contributions from a participant along with investment income or loss as well as administrative and investment expenses allocated to the subaccount and distributions paid from the subaccount. A participant contribution subaccount must be 100% vested at all times. [PL 2015, c. 352, §1 (NEW).]

[PL 2021, c. 556, §13 (AMD).]

12. Vesting schedule for a participant's accrued service award. A participant's accrued service award becomes vested as set out in this subsection.

A. If the participant has less than 5 years of service credit, the vested percentage is 0%. [PL 2015, c. 352, §1 (NEW).]

B. If the participant has 5 or more years of service credit, the vested percentage is 100%. [PL 2015, c. 352, §1 (NEW).]

In determining an individual participant's years of service credit for the purpose of vesting, all years of service credit earned as a participant in the program must be counted. Failure to submit the annual eligible volunteer listing to the board under subsection 9 by the required date for any calendar year does not result in the forfeiture of the certified service credit reported to the board for an eligible volunteer.

All calendar years, up to 5 years, ending before January 1, 2016 during which the participant was an eligible volunteer for the entire calendar year count for vesting service credit.
[PL 2015, c. 352, §1 (NEW).]

13. Forfeiture of a participant's accrued service award. The nonvested portion of a participant's accrued service award is permanently forfeited effective as of December 31st of the calendar year during which the participant has not been an eligible volunteer for 36 consecutive months. Service credit earned by a participant is never forfeited.
[PL 2015, c. 352, §1 (NEW).]

14. Entitlement age. The entitlement age for a participant is the earlier of:

A. Sixty-five years of age or the person's age on the next January 1st after becoming a participant in the program if the person is 65 years of age or older; and [PL 2015, c. 352, §1 (NEW).]

B. The age of a participant as of the end of the calendar year after earning 20 years of service credit. [PL 2015, c. 352, §1 (NEW).]
[PL 2015, c. 352, §1 (NEW).]

15. Payment to participant of accrued service award. The following provisions govern the payment to a participant of an accrued service award.

A. Upon the attainment of the entitlement age as described in subsection 14, a participant must be paid the vested portion of the participant's accrued service award. A participant who attains the entitlement age while an eligible volunteer and before attaining a 100% vested status must be paid the participant's accrued service award as of December 31st of the calendar year during which the participant achieved a 100% vested status. A participant who attains the entitlement age before 65 years of age may on or before attaining the entitlement age file a written election with the board to defer payment of the participant's accrued service award until attainment of 65 years of age. [PL 2015, c. 352, §1 (NEW).]

B. As of the last day of the first calendar year during which a participant has no longer been an eligible volunteer for at least 36 consecutive months, the vested portion of the participant's accrued service award must be paid to the participant. [PL 2015, c. 352, §1 (NEW).]

C. A participant who has been determined to be totally and permanently disabled by the United States Social Security Administration, any workers' compensation board, any insurance company, any state retirement system, any pension plan administrator or any other entity approved by the board must be paid that participant's accrued service award as soon as administratively feasible after all documentation required by the board to verify and determine total and permanent disablement is submitted to the board and the disability payment is awarded by the board. [PL 2015, c. 352, §1 (NEW).]

D. Should a participant die before attaining the entitlement age, the participant's designated beneficiary or estate if no acceptable beneficiary designation form has been filed with the board by the participant must upon application to the board be paid the participant's accrued service award as soon as administratively feasible after all required documentation is submitted to the board. [PL 2015, c. 352, §1 (NEW).]

E. The portion of the annual contribution credited to the program account of a post-entitlement age participant must be immediately paid to the participant if the participant has achieved a 100% vested status in the program. If the post-entitlement age participant has not achieved a 100% vested status in the program, that participant's accrued service award must be paid to the participant as soon as administratively feasible after December 31st of the calendar year during which the participant achieved a 100% vested status. [PL 2015, c. 352, §1 (NEW).]
[PL 2015, c. 352, §1 (NEW).]

16. Investment of program funds. The board shall establish a program trust fund within which the funds paid into the program must be deposited. A participant shall select investments for the amounts credited to the participant's program account from a menu of investment options. Distributions of accrued service awards must be made from the program trust fund in accordance with the program provisions. The program trust fund must be established and maintained in accordance with applicable sections of the United States Internal Revenue Code. Subject to review and approval by the Treasurer of State, the program trust fund investment options made available to participants must be selected by the board. Any unexpended balance in the program trust fund at the end of a year may not lapse and must be carried forward to be available for expenditure by the board in the subsequent year for program purposes.
[PL 2025, c. 202, §1 (AMD).]

17. Program audits. At the discretion of the State, either a state agency or a firm retained by the State shall audit the program at least once every 5 years.
[PL 2015, c. 352, §1 (NEW).]

18. Notice of changes to laws governing the program. Within 180 days after the effective date of legislation that changes the laws governing the program, a written notice and explanation of these changes must be distributed by the board to all persons who participate or are eligible to participate in the program. Copies of this written notice and explanation must be available upon request to the board to all other persons.
[PL 2015, c. 352, §1 (NEW).]

19. Program termination. Within 360 days after the effective date of legislation terminating the program, each program participant must be paid the participant's entire accrued service award to the date of payment in a single lump sum. Beneficiaries of deceased participants must be paid any amount owed to them under the program in the same manner within the same 360-day period.
[PL 2015, c. 352, §1 (NEW).]

20. Program trust fund governed by certain provisions. Until the United States Internal Revenue Code is amended to treat defined contribution length of service award programs as deferred compensation plans under the United States Internal Revenue Code, Section 457, the program trust fund must be governed by all required provisions to ensure that a participating eligible volunteer or the eligible volunteer's beneficiary is not subject to federal income taxation on an accrued service award until actual receipt of payment by the participant or the beneficiary. After the United States Internal Revenue Code is so amended, the State and the board shall take all required actions to ensure the program complies with the United States Internal Revenue Code, Section 457 and the related United States Internal Revenue Service regulations.
[PL 2015, c. 352, §1 (NEW).]

21. Rules. The board shall adopt rules, which are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A, pertaining to the administration of the program.
[PL 2015, c. 352, §1 (NEW).]

SECTION HISTORY

PL 2015, c. 352, §1 (NEW). PL 2021, c. 556, §§1-13 (AMD). PL 2025, c. 202, §1 (AMD). RR 2025, c. 2, Pt. A, §§5-9 (COR).

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