



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

### FISCAL IMPACT NOTE

**Bill Number:**

22-020

Volunteer Fire Fighter  
Length of Service  
Award Program

**Sponsor:**

Council President Vincenti  
at the request of the  
County Executive

**Estimated Fiscal Impact:**

Annual County  
contribution increase of  
approximately \$734,000

**Additional Information:**

Version: 01  
based on bill as  
introduced 09/06/2022

Prepared by: Chrystal  
Brooks, County Auditor.

Inquiries may be directed  
to (410)638-3161.

**Summary of Legislation**

AN ACT to repeal and reenact, with amendments, Section 28-1, Volunteer fire fighter length of service award program, Subsection B and Section 28-2, Service benefits, Subsection A, Subsection B and Subsection C of Article 1, Pensions, of Chapter 28, of the Harford County Code, as amended; to change the age of eligibility to receive benefits, and to adjust the benefit amount; and generally relating to Fire, Ambulance and Rescue Organizations.

The bill will take effect 60 days after it is adopted.

**Fiscal Analysis**

The Volunteer Fire Fighter Length of Service Award Program (“LOSAP” or “the program”) was established to provide a pension plan for volunteer fire and ambulance personnel. This bill, if adopted, would amend the LOSAP within the County Code by eliminating the cap on the maximum monthly benefit allowed; and, reducing the age of eligibility to receive benefits from 55 to 50 for those with 25 full years of volunteer service or from 70 to 60 for those with five continuous years of service and a minimum of 10 years of certified active volunteer service.

According to an actuarial analysis of the proposed changes, adopting this bill would increase the yearly costs of benefits paid by the County (normal cost) by \$38,000 (8.3%). The Actuarially Determined Contribution (ADC) would increase by approximately \$734,000 (54.4%). The ADC is the amount that should be contributed to the trust fund each year to ensure future solvency.

Most of the ADC increase (approximately \$700,000) is attributable to lowering the age of eligibility to receive benefits. Removing the monthly benefit cap has a limited impact because the current maximum reflects 50 years of service, and few volunteers would be expected to complete more than that.