



## Pennsylvania Compensation Rating Bureau

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### PENNSYLVANIA TEST AUDIT PROGRAM BULLETIN # 59

#### VOLUNTEER AMBULANCE CORPS – STIPEND PAID TO MEMBERS

**This Test Audit Program Bulletin rescinds and supercedes Test Audit Program Bulletin #39 (“Bulletin #39”) issued on May 17, 1996 in regard to the above-referenced subject. This Test Audit Program Bulletin advises all Bureau members that any stipend(s) paid to a member(s) of a volunteer ambulance corps should be considered remuneration except to the extent that stipends paid qualify as expense reimbursements (see Manual Guidelines). This Test Audit Program Bulletin further advises all Bureau members that the Test Audit Program will not rule on matters involving the status of or remuneration for volunteers. Henceforth, the handling of such situations will be the sole responsibility of the carrier. Consistent with this position these situations will not be evaluated in the determination of reportable differences in the Test Audit Program.**

Bulletin #39 was the result of the Audit Committee’s consideration of whether or not modest stipends paid to members of a volunteer ambulance corps should be included as remuneration for workers compensation premium determination purposes. The Audit Committee had been informed that modest stipends were paid to encourage continued participation in the corps, and might in whole or in part serve to defray certain expenses of volunteers such as gasoline or clothing replacement. The Audit Committee determined that a “modest stipend” paid per “run,” such as a flat amount of \$15, should not be considered remuneration. The Audit Committee also found that stipends in the form of hourly wages should be included as remuneration regardless of whether the method of payment was through payroll, cash disbursements or by 1099 form.

The Audit Committee has recently revisited these issues based on a concern that some municipalities may fail to realize that the payment of any stipends to volunteers beyond direct expense reimbursement could trigger application of the federal Fair Labor Standards Act’s minimum wage and overtime provisions. In addition, there was some concern that Bulletin #39 could be applied arbitrarily because it does not define terms such as “modest stipend.”

After discussion it was the consensus of the Audit Committee that the Bureau should rescind Bulletin #39. Concurrent with such rescission, the Audit Committee directed the Bureau to inform its members that any stipends paid to a member(s) of a volunteer ambulance corps should be considered remuneration except to the extent that stipends paid qualify as expense reimbursements (See Manual Guidelines). The Audit Committee further directed the Bureau to inform all members that the Test Audit Program will not rule on matters involving the status of or remuneration for volunteers, and that, henceforth, the handling of such situations will be the sole responsibility of the carrier. Consistent with this position these situations will not be evaluated in the determination of reportable differences in the Test Audit Program.