

# Volunteer Retention and Reward Options

Saturna Island Fire Protection Society  
September 20, 2014



## Introduction

- ◆ As directed by the membership at the AGM, SIFPS Board has explored different benefits options
- ◆ Primary objective is to reward, retain and recognize our volunteers
- ◆ Review was widened to include other retention and reward programs for volunteers
- ◆ Purpose of this presentation:
  - ◆ Outline what benefits are currently in place
  - ◆ Present retention/reward program options for consideration
  - ◆ Outline next steps for consideration

## Benefits Currently in Place

- ◆ All volunteers (VFD and SIR) are covered under the Accident & Sickness Program
- ◆ Policy covers, not limited to:
  - ◆ Loss of life benefits
  - ◆ Lump sum living benefits
  - ◆ Weekly disability benefits
  - ◆ Occupational retraining
  - ◆ Medical expense benefits
- ◆ A&S policy covers members while on duty including enroute to practice or any SIVFD sanctioned event
- ◆ Volunteer can choose off duty coverage and include family members paid for by SIFPS

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## Retention/Reward Options

- ◆ Retention/Reward program options:
  - ◆ Medical and dental benefits:
    - ◆ Traditional group policy
    - ◆ Health spending account (HSA)
    - ◆ Health & welfare trusts (HWT)
  - ◆ Reimbursements for call outs and practice
- ◆ Under current legislation SIFPS can only fund programs for fire fighter volunteers
- ◆ Programs may apply to SIR volunteers, but has to be funded out of donations

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## Experience Elsewhere

	Benefits	Reimbursement for Practice and Call Outs
Pender Island FD	✗	✓
Mayne Island FD*	✓	✓
North Galiano FD	✗	✓
South Galiano FD	✗	✓

\*MIFD pays 50% of premium for benefits, volunteer pays 50% by earnings from reimbursements. Volunteer needs to attend an average of 115 hours per year to break even.

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## Benefits – Group Policy

- ◆ Traditional group policies cover some medical expenses that MSP does not cover. May or may not include dental benefits.
- ◆ SIFPS pays a monthly premium and in return insurer pays 80% of eligible costs and the volunteer pays the rest
- ◆ Family members can be covered (but higher premium)

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## Benefits – Group Policy

- ◆ Advantage:
  - ◆ Covers catastrophic events up to 80% of eligible costs
- ◆ Disadvantages:
  - ◆ Narrow definition of eligible costs
  - ◆ Premium very expensive – especially the dental coverage
  - ◆ Not suitable for small organisations as it requires high participation rate
  - ◆ When claims are made, premium goes up
  - ◆ No incentive for volunteer to perform - cannot cancel benefits once a member has been signed up

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## Benefits – Group Policy Mayne Island

- ◆ Mayne fire department pays 50% of the premium, volunteer pays the other half
- ◆ Volunteer can earn money by attending practice and call outs to pay for his/her 50% of premium – need on average of 115 hours per year
- ◆ If not gathering enough funds, volunteer will have to pay out of pocket at the end of the year
- ◆ Average annual cost per volunteer: \$2,500
- ◆ Total cost of benefit and call out program for 20 volunteers is \$50k per year or 9% of MIFD operating budget

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## Health Spending Account

- ◆ A pre-determined amount is put into a savings account for the volunteer to be used exclusively for medical and dental expenses
- ◆ HSAs are administered by a third-party administrator for a 10% fee
- ◆ Volunteer is reimbursed 100% of all health care expenses allowable under the federal *Income Tax Act* up to the limit of the savings account balance
- ◆ Volunteer can carry forward credits for one year (= max 2 years' worth of credits)
- ◆ Any unused credit of the savings account belongs to SIFPS
- ◆ Spending limit controlled by SIFPS Board and can be revised annually

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## Health Spending Account

- ◆ Advantages:
  - ◆ Broader list of eligible expenses
  - ◆ More flexible than traditional insurance plans
  - ◆ Suitable for small organizations – limit set to what is affordable
  - ◆ Any unspent amount is retained by SIFPS
  - ◆ Definition of family member is broader than for traditional insurance plans
- ◆ Disadvantage:
  - ◆ Total amount not to exceed two years' worth of credits
  - ◆ Provides a lagged incentive

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## Health Spending Account Example

- ◆ Dentist visit/medication etc.– volunteer pays the full cost
- ◆ Volunteer sends receipt to Third Party Administrator:
  - ◆ By mail
  - ◆ By SmartPhone (via an app)
- ◆ Third Party Administrator checks eligibility of claim and deposits money directly into the volunteer's bank account (within 3 business days) or mails a cheque
- ◆ 100% of cost would be paid as long as it falls within the limit of the volunteer's HSA's balance

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## Health & Welfare Trust Account

- ◆ Works the same as the HSA - a pre-determined amount of dollars is deposited into an account for each volunteer
- ◆ Funds remain in trust for the volunteer to use exclusively for eligible medical expenses BUT the trust never expires
- ◆ Family members can be covered, same as HSAs
- ◆ Amount deposited must not exceed the amounts required to provide reasonable benefits
- ◆ Unused funds belongs to TPA and can never be returned to SIFPS
- ◆ After 25 years of service the volunteer can cash out

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## Health & Welfare Trust Account

- ◆ Advantages:
  - ◆ Same as HSAs
  - ◆ Potentially builds up a big fund after many years of service
- ◆ Disadvantage:
  - ◆ Any unused amount is kept by Trust Administrator (i.e. does not benefit the volunteer nor SIFPS)

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## Call Out Reimbursement

- ◆ Reimburse the volunteer for attending practice and call outs
- ◆ Pender: \$15 to respond to call out + \$15/hr after the first hour; and \$20 per practice session
- ◆ South Galiano: \$30 per practice session + \$0.50/km
- ◆ SIVFD has 24 regular practice sessions per year + 12 rope rescue sessions + 20 call outs per year (3-yr avg.)
- ◆ Advantage:
  - ◆ Instant incentive to attend practice and call outs
  - ◆ Free to use funds as see fit

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## Proposed Next Steps

- ◆ SIFPS Board to make some decisions:
  - ◆ Which option(s) are viable?
  - ◆ How to involve SIR volunteers?
  - ◆ How much can the program cost? What is the upper limit?
  - ◆ When can the program start?
- ◆ Refine options based on decisions above and take to volunteers for input on:
  - ◆ Preferred program
  - ◆ Eligibility and performance criteria to ensure the program works as an incentive to attend practice and call outs
  - ◆ Other considerations