



February 4, 2020

Mr. Charles P. Rettig, Commissioner  
Internal Revenue Service  
1111 Constitution Ave. NW  
Washington, DC 20224-0002

Subject: Opinion Letter for Volunteers Fire, Rescue EMS Members

Dear Commissioner Rettig,

On behalf of the Montgomery County Volunteer Fire Rescue Association (MCFRA) in Montgomery County, Maryland, I am writing to ask for guidance on how our volunteer members can take advantage of the income tax exemption on benefits provided to volunteer firefighters and emergency medical responders under 139B of the Internal Revenue Code. Congress renewed this exemption for the 2020 tax year and increased the maximum annual exempted “qualified payment” amount under 139B(a) from \$360 to \$600 as part of the Further Consolidated Appropriations Act of 2020.

We have 19 local volunteer fire, rescue and EMS departments in the County. Our volunteer members receive annual stipends from the Montgomery County, Maryland government currently ranging from \$450 to \$700, depending on the number of points that they earn for activities such as number of emergency responses, number of shifts volunteered, classes and training attended and other defined categories related to emergency operations. I am enclosing documentation providing additional detail relating to the conditions that must be met in order for a volunteer to qualify to receive a stipend which we call a nominal fee.

Our questions we respectfully request guidance from the IRS include;

1. Should these benefits be considered a “qualified payment” under 139B(a)?
2. How should employers report qualified payments to the IRS, or is it even necessary to report a qualified payment at all?

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Additionally, our volunteer members may also receive a defined benefit as part of a length of service award plan (LOSAP), defined under 457(e)(11)(B) of the Internal Revenue Code. Details of the plan are enclosed.

3. Should the LOSAP payments that our members receive be considered a “qualified payment” under 139B(a)?

Thank you for your assistance in answering these three questions.

Please contact me directly at 301-455-6648 or ebernard@mcvfra.org if you need additional information or clarification.

Sincerely,

Eric N. Bernard, Executive Director

cc: Senator Ben Cardin  
Senator Chris Van Hollen  
Representative David Trone  
Representative Jamie Raskin  
Dave Finger (National Volunteer Fire Council)

Enclosures