

KANSAS FIREFIGHTER RELIEF ACT



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INTRODUCTION

For more information, visit: insurance.kansas.gov/firefighters

The Kansas Department of Insurance administers the Firefighters Relief Act for the state of Kansas. Pursuant to K.S.A. 40-1703 the Department collects the two percent premium tax on all fire and lightning insurance written in Kansas and distributes it

according to the formula outlined in K.S.A. 40-1706. The Kansas Legislature created the Firefighters Relief Act in 1895.

NEW FRA CHECKLIST

NOTE: all items must be submitted electronically to KDOI.FRA@ks.gov

1. Articles of incorporation, file stamped by the Kansas Secretary of State¹
2. Register with the IRS for an EIN number
3. FRA Bylaws which, among standard provisions, shall detail requirements for membership and sum and surety requirements for the required treasury bond²
4. Certificate of Good Standing from the Kansas Secretary of State³
5. Kansas Department of Insurance Firefighter Relief Fund Declaration Form⁴
6. A descriptive plat drawn to scale showing the area provided fire protection service by the fire department of the firefighters relief association and the location of each fire department house⁵
7. The most recent population data for the area serviced by the fire department of the firefighters relief association, as published by the Secretary of State, Budget Division⁶
8. The most recent assessed tangible property valuation for the area serviced by the fire department of the firefighters relief association, as published by the Department of Revenue⁷
9. New Account Information Form

1 K.S.A. 40-1701 (a).

2 Membership is not defined by the act and must be defined in the bylaws to verify FRA funds are not utilized discriminatingly. K.S.A. 40-1701 *et seq.* Treasurers for FRAs are required to be bonded. K.S.A. 40-1706(g)

3 K.S.A. 40-1701 (a).

4 K.S.A. 40-1701 *et seq.*

5 This plat shall not include any part of any area served by another fire department. K.S.A. 40-1702(b).

6 K.S.A. 40-1706(b)(5)(A).

7 K.S.A. 40-1706(b)(5)(B).

CURRENT FRA REQUIREMENTS

1. On or before April 1 of year, each firefighter's relief association must submit a verified account showing any receipts or expenditures that were made with the distribution money they received from the Fund. This is done in the form of a financial statement, and it accounts for the year ending on the preceding December 31. (K.S.A. 40-1706(a))⁸
2. Annual financial statements are submitted utilizing the Online Submission Program.
3. Prior to submitting the financial statements, the FRAs must upload their supporting documentation (Examples of these documents can be provided) by clicking on the upload button provided on the last page of the financial statement. (By April 1)
4. A declaration of participation form should be on file annually with the commissioner of insurance. (K.A.R. 40-10-2)⁹
5. The FRA must obtain a certification of approval from an attorney designated by the governing body of their jurisdiction for any expenditures or payments in an amount of \$1,500 or more, prior to doing so. (K.S.A. 1706(g))¹⁰
6. Prior to the purchase of any annuity contract, an FRA must seek the approval from the attorney of the governing body. (K.A.R. 40-10-5(b))¹¹
7. The FRAs must adopt bylaws to cover all activities of the association and shall set forth the procedures for disbursing funds for the payment of benefits provided by the association to include annuities, death benefits, and funeral expenses. A copy should be dated and filed with the Commissioner of Insurance, and any amendments that need to be updated with the Commissioner of Insurance as well. (K.A.R. 40-10-2(e))¹²
8. The FRA treasurer must be bonded to ensure the safekeeping of funds under the Firefighter's Relief Act. (K.S.A. 40-1706(g))¹³
9. Must maintain a bank account for their FRA distribution money that is separate from the fire department. (K.S.A. 40-1706(g))¹⁴

8 K.S.A. 40-1706 (a).

9 K.A.R. 40-10-2.

10 K.S.A. 40-1706 (g).

11 K.A.R. 40-10-5 (b).

12 K.A.R. 40-10-2 (e).

13 K.S.A. 40-1706 (g).

14 K.S.A. 40-1706 (g).

APPROVED USES FOR FRA FUNDING

NOTE: all items must be submitted electronically to KDOI.FRA@ks.gov

Pursuant to K.S.A. 40-1707, except as otherwise provided in the Firefighters Relief Act, all moneys received by a firefighters relief association under the provisions of firefighters relief act shall be held in trust and used as a fund for the following:

1. Payments for the relief of those injured or physically disabled in or by reason of the discharge of their duties as a firefighter.
2. Payment of a death benefit to the beneficiary¹⁵ or for the payment of funeral expenses of a member who:
 - a. Is killed in the discharge of his/her duties as a firefighter.
 - b. Dies from the effects of injuries received in the discharge of his/her duties as a firefighter.
 - c. Dies from the effect of diseases contracted by reason of his/her duties as a firefighter.
3. Payment of pensions to members of full-paid fire departments who are unfit for service after having served **at least 20 years** on such department.
4. For the purchase of insurance which would provide for any or all of the foregoing purposes for which such fund is authorized to be expended.
 - a. Purchase of group term, group permanent or individual permanent life insurance.
 - b. Purchase of accident or accident and health insurance for the benefit of members of the fire department who are injured in the discharge of their duties as a firefighter.
5. Establishment of an annuity for members of a fire department consisting of volunteer firefighters who have served for **no less than 20 years** with such fire department and who attended and fought **no less than 75%** of the fires which were attended by such fire department which the firefighter was available to attend as verified by the governing body of such fire department.
6. Cost of Treasurer's Bond¹⁶
7. Permissible loans ¹⁷

¹⁵ Who receives the death benefit is provided by statute, consult your governing attorney prior to paying any death benefit. K.S.A. 40-1707 (2)(A-F).

¹⁶ K.A.R. 40-10-10.

¹⁷ K.S.A. 40-1707 (f).

TIMELINE FOR SUBMISSION

NOTE: all notifications will be sent to TWO contacts, the FRA Treasurer and County/City Clerk. Closer to the April 1 deadline we will include the County/City Commission and the County/City Attorney.

January 2: Portal Opens and 90-Day notifications sent

February 3: 60-Day notifications sent

March 3: 30-Day notifications sent

March 17: 2-Week notifications sent

March 25: 1-Week notifications sent

April 1: Submissions due, All documents due to the Kansas Department of Insurance for participation.

April 2: One Day Late, notice to submit immediately

April 4: Three Days Late, notice to submit immediately

April 7: One Week Late, notice to submit immediately

April 8: One Week Late, notice to submit immediately

April 9: Deficient, notice with hearing rights and a date to appear at KDOI with their county attorney for appeal

June 30: Disbursement will be made no later than June 30th

MERGING FRAs

When a firefighters relief association fails to qualify for payments under the Firefighters Relief Act as a result of the territory which it serves being consolidated, merged or annexed with another governmental unit having a qualified firefighters relief association, the funds and obligations of such disqualified association shall be transferred to the surviving firefighters relief association and the disqualified association shall dissolve forthwith under the existing laws of this state (K.S.A. 40-1706(e)).¹⁸

FRAs may not merge unless there is a consolidation of the corresponding fire districts.
Procedures to merge two or more FRAs:

- The attorney(s) for the governing bodies will determine whether the FRAs should merge or if one should transfer funds and obligations to the other FRA and then dissolve.
- In either case, appropriate legal documents must be approved by the Kansas Department of Insurance and filed with the Secretary of State.
- In addition, the Kansas Department of Insurance needs a map of the new district showing the boundaries and location of the fire station(s).
- Evidence of the fund transfer is to be forwarded to the Kansas Department of Insurance.
- Any member of either association becomes a member of the new or surviving association and maintains his/her service time when transferring.
Changes to bylaws are to be submitted to the Kansas Department of Insurance.
- Updated Electronic Deposit and W-9 forms should be submitted to the Kansas Department of Insurance.

It is important to know that FRAs that consolidate into a surviving FRA by dissolving will not be entitled to any distribution money as former FRAs. This is true for any FRAs that are dissolving and creating a new FRA. Once the FRAs have been dissolved and a new FRA has been created, the newly created FRA will miss out on the current year's distribution if it is done prior to the annual distribution.

If any dissolutions of FRAs are done after the distribution whether it is due to a merger or consolidation, then those FRAs will be entitled to one more distribution as their former named FRA. The annual distribution usually happens in the third week of June. If you are in the process of merging or consolidating close to the month of June, please do not hesitate to reach out to the Program Specialist for the Firefighter Relief Fund.

¹⁸ K.S.A. 40-1706 (e).

When any firefighter, the spouse of such firefighter or those dependent upon any member of a disqualified association is receiving reasonable benefits from such association at the time of disqualification, the benefits shall be continued in accordance with the resolution of such disqualified association and shall be paid by the surviving association if the disqualification resulted from consolidation, merger or annexation and shall be paid by the district or county attorney if disqualification resulted from reasons other than consolidation, merger or annexation. Nothing in the Firefighters Relief Act shall be construed as a bar to the lawful receipt of such benefits (K.S.A. 40-1706(f)).¹⁹

DISSOLVING A FRA

- Contact and coordinate with the governing body of the FRA and its designated attorney
- Contact the Kansas Department of Insurance FRA Program Specialist
- File for a Certificate of Dissolution with the Secretary of State's Office at their website:
 - sos.ks.gov/forms/business_services/DS.pdf
 - sos.ks.gov/forms/business_services/CP.pdf
- Submit the signed copy from the Secretary of State of the Certificate of Dissolution to the Kansas Department of Insurance.
- The FRA Program Specialist will then execute the dissolution by obtaining Kansas Department of Insurance certification and then delivering it directly to the Secretary of State for processing.
- A certified copy should then be sent to the FRA and Kansas Department of Insurance, and then the County Attorney will transfer all FRA funds to the KDOI.
- Each dissolving entity will need to submit a final financial statement for the year in which they are dissolving.

¹⁹ K.S.A. 40-1706 (f).

FRA KANSAS STATUTES

For more information, visit: ksrevisor.org/statutes/ksa_ch40.html (article 17)

K.S.A. 40-1701. Definitions

K.S.A. 40-1702. Filing of plats of areas providing fire protection.

K.S.A. 40-1706. Disbursement, redetermination, and dissolution procedures.

K.S.A. 40-1707. Authorized uses of moneys received by firefighters relief associations.

FRA KANSAS REGULATIONS

For more information, visit: sos.ks.gov/publications/pubs_kar_regs.aspx?kar=40-10

K.S.R. 40-10-1. Firefighter's relief fund tax; fire marshal tax; companies subject to; amount of premiums taxed.

K.S.R. 40-10-2. Requirements for participation; procedure.

K.S.R. 40-10-5. Purchase of insurance; on duty coverage.

K.S.R. 40-10-6. Purchase of insurance; 24 hour coverage.

K.S.R. 40-10-10. Permissible disbursements.

K.S.R. 40-10-14. Purchase of Treasurer bond; requirements.

K.S.R. 40-10-15. Application of statutory formula.

K.S.R. 40-10-16. Fund allocation.

