



## Pennsylvania Compensation Rating Bureau

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### PENNSYLVANIA TEST AUDIT PROGRAM BULLETIN #39

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

The Audit Committee recently reviewed the issue of whether stipends paid to members of a volunteer ambulance corps should be included as remuneration for workers compensation premium determination purposes. The Committee was informed the amount of the stipend is usually minimal, such as a flat amount of \$15 for each "run" the volunteer participates in and/or a small hourly wage. It was not always clear whether payroll checks were cut or whether 1099s were issued to the volunteer.

The stipend is an inducement to maintain the number of volunteers and encourage their continued participation in the corps. The stipend may also defray certain expenses incurred by the volunteer such as gasoline or clothing replacement.

Legal counsel noted that under Pennsylvania law ambulance corps' volunteers are deemed to be employees of the municipality they service.

After discussion it was the consensus of the Committee that a modest stipend paid per "run," such as a flat amount of \$15, should not be considered remuneration. However a stipend in the form of an hourly wage should be included as remuneration regardless of whether the method of payment was through payroll, cash disbursements or by 1099 form. The Committee expressed the belief the payment of a hourly wage to an individual indicated an employer-employee relationship. Therefore that individual should no longer be considered a volunteer.