then be calculated on an annual contributions individual accounts made by the sponsoring municipality or fire protection district. At such time as the qualifying individual reached the age of 65, he or she would receive the entire amount in his or her account as a lump sum or as an annuity. The legislation here, or the potential legislation, is not mandatory. It merely authorizes the cities, villages and fire protection districts, if they choose to do so, to implement a service benefit award program. The amount of money would be appropriated for the program was left exclusively within the discretion of the sponsoring body and could be increased, decreased or ended at any time, subject to only the rights of those members who had already qualified for service benefit awards. The basic concept of the VERRRA was made possible by federal legislation adopted in 1993. The authorization of the creation of service benefit award programs, and provided that benefits accrued by the volunteer for each year of service, would not be counted as taxable income to the individual beneficiary, if the program was properly created. Thus, the volunteer would not be required to report or pay taxes on those benefits accrued under the program, even if they were nonforfeitable or vested, until the volunteer has retired and began spending the earned benefits. Therefore, the reason for the change here. Concerns have been raised about the current provisions in the act in light of IRS rulings on similar programs in other states. Because Section 35-1324 creates a funded arrangement where the assets are held in virtual and viable trust for benefit of volunteer, that has qualified for the ultimate benefits...or payment of the benefits, there is a possibility that benefits could be considered by the IRS to be taxable to the volunteer in the year that they were earned. To avoid this circumstance, the amendment proposed in Section 3 would provide that the assets would be placed in a grantor trust within the meaning of the relevant provisions of the IRS Code, which is on page 5, lines 11-14 of the bill. This would be structured to provide to provide some security for the sponsoring political subdivision without penalizing the individual participating volunteer by creating a current tax liability. This is accomplished by making the funds set aside for the programs subject to creditors of the city, village, or fire protection district in the event of insolvency or bankruptcy of those subdivisions. The assets