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Legislative Update

The 2013 Legislative Update has been released. The Update provides detailed information about recent changes in law that may require a volunteer fire relief association to amend its bylaws. The Update also summarizes two deferred interest changes that are likely to impact a relief association’s deferred interest payment practice.

The Legislative Update has been sent by e-mail to each relief association, and is also available on the Office of the State Auditor (OSA)’s website at:

http://www.auditor.state.mn.us/other/PensionDocs/2013_Legislative_Update.pdf.

The OSA’s Sample Bylaw Guides have been updated to reflect recent legislative changes. The Bylaw Guides can be viewed online at:


Revised Online Training Session

A new version of the “Completing the Investment Disclosure Report Form” online training session has been released. The online training has been updated to reflect changes made to the Investment Disclosure Report Form (SID) for the 2012 reporting year. The new online training session can be viewed at:

https://www.auditor.state.mn.us/default.aspx?page=20130312.007

Additional online training sessions for relief association trustees are available on the “Training Opportunities” page of the OSA website under the “Pension Division” heading. You can access the page directly at:

https://www.auditor.state.mn.us/default.aspx?page=trainingopportunities

Additional topics include how to use the State Auditor’s Form Entry System (SAFES), relief association reporting requirements, and how to complete the various relief association reporting forms.
What’s Ahead:

August 1:
The 2013 Schedule Form and 2013 Maximum Benefit Worksheet must be certified to the municipality or independent nonprofit firefighting corporation.

September 15:
First certification deadline for 2013 state fire aid. To be certified as eligible, all 2012 information must have been submitted to the OSA, the OSA review must be completed, and any issues resolved.

October 1:
State fire aid is paid for those relief associations certified as eligible on the first certification deadline.

Schedule Form Reminder

The 2013 Schedule Form for lump-sum volunteer fire relief associations must be certified to the entity responsible for satisfying the minimum required contribution to the association’s special (pension) fund. The certification must be submitted to the OSA on or before August 1, 2013. If a relief association is affiliated with a city fire department and the city is responsible for satisfying any contribution requirement, the Schedule Form must be certified to the city council.

The 2013 Schedule Form is designed to help determine the relief association’s projected assets and liabilities for 2013 and the minimum required contribution for 2014. The Schedule Form is available for download at:

https://www.auditor.state.mn.us/safes/.

For additional information about required contributions, see the Statement of Position on this topic at:


Relief associations are encouraged to submit their Schedule Form to the OSA following certification so that a preliminary review of the data can be conducted.

Trustee Salaries

Legislation passed during 2012 giving relief associations authority to pay salaries to all board trustees from the special fund, if the salary amounts are approved by the governing body of the governmental entity responsible for paying required contributions. Previously, special fund salaries could be paid only to the relief association president, secretary, and treasurer.

Municipal approval of the salary amounts is required only for salaries paid to trustees other than the relief association’s officers. In addition, itemized expenses of the relief association officers and board trustees incurred as a result of fulfilling their duties may be paid from the special fund.

Article III, Section 7, of the OSA’s Sample Bylaw Guides provides sample language that may be used to authorize special fund salary payments to board trustees.
Volunteer fire relief associations that offer or pay lump-sum, monthly, or monthly/lump-sum combination service pensions must annually calculate the average amount of available financing per active covered firefighter.

The OSA provides the Maximum Benefit Worksheet to help relief associations perform this calculation. The calculation determines the maximum lump sum and monthly benefit levels that the relief association is authorized under State law to establish for the year. Relief associations are to perform the maximum benefit calculation on or before August 1 as part of the association’s annual certification of the financial requirements and minimum municipal obligation.

A relief association may find that its maximum benefit level fell for 2013, and the relief association may now be operating at a benefit level that is higher than the allowable maximum benefit level.

A relief association may continue to operate at a benefit level higher than the allowable maximum benefit level; 1) if the benefit level was properly adopted; and 2) if it was at or below the allowable maximum benefit level when it was established; and, 3) if the decrease to the calculated maximum benefit level was due to either a decrease in state fire aid or an increase in the number of active members during the three-year period on which the calculation is based.

Most relief associations have seen a decrease in state fire aid during the past three years, so will qualify to continue operating at their current benefit level so long as it was at or below the maximum benefit level when it was established. Relief associations that qualify to be “grandfathered in” at their current benefit level cannot increase their benefit level until the annual calculation shows that an increase is allowed.

Maximum Benefit Worksheet forms are available at:

https://www.auditor.state.mn.us/safes/.

For additional information about maximum benefit levels, see the Statement of Position on this topic at:


An online training session that shows how to complete the Maximum Benefit Worksheet can be viewed at:

### Membership Dues

Last year, the Legislature gave relief associations clear authority to deposit membership dues in their special fund. Dues that are payable as contributions under the bylaws of the relief association may now be credited to the association’s special fund. If a relief association wants to deposit membership dues in the special fund, the association should update its bylaws to permit it. Relief associations are not required to collect dues from their members.

Article II, Section 2, of the OSA’s Sample Bylaw Guides provides sample language that may be used to authorize the deposit of membership dues in the special fund. The Sample Bylaw Guides are available on the OSA website at:


### Deducting Unpaid Membership Dues

Relief associations cannot deduct unpaid membership dues directly from a member’s service pension. Minnesota law prohibits a member from assigning his or her service pension and prohibits a relief association from paying any amount that has been so assigned. In addition, except for certain payments related to child support and marriage dissolution, a member’s service pension is not subject to garnishment, judgment, execution or other legal process. In other words, even if a member consents to the deduction, a relief association cannot directly deduct unpaid membership dues from a service pension. Even if a legal document states that unpaid membership dues (not payments related to child support and marriage dissolution) may be deducted from a service pension, a relief association does not have the authority to do so.

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