

Pension Division Newsletter

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Work Group Updates

The 2018 Omnibus Retirement Bill that was signed into law in May requires two new temporary work groups to be created. Updates regarding both new work groups are provided below.

The **Work Group** convened by staff of the Legislative Commission on Pensions and Retirement (LCPR) met on July 23 and August 16. The work group is to study the statutes governing conversions from a defined benefit relief association to a defined contribution relief association, the statutes governing relief association dissolutions and how surplus assets are distributed, the prevalence of overfunded relief associations, and transitions to salaried full-time fire departments.

Copies of the work group meeting agendas and materials are posted on the [LCPR website](#) under the "Work Group on Relief Association Conversions and Dissolutions" heading.

The next meeting of this work group is scheduled for Thursday, October 4, from 1:30 to 3:30 in Room 316 of the State Capitol.

The **Fire State Aid Work Group** convened by the Public Employees Retirement Association (PERA) met on August 21. This work group is discussing whether a change to current law should be sought to allow municipalities that have "combination" fire departments consisting of both volunteer (or paid on-call) firefighters and salaried full-time firefighters to retain a portion of the fire state aid to pay employer contributions to PERA on behalf of their full-time firefighters.

The next meetings of this work group are scheduled for Wednesday, September 19 and Tuesday, October 2. Both meetings will be held from 1:00 to 3:00 in Room 316 of the State Capitol.

Notices regarding this work group are posted on the [LCPR website](#) under the "Fire State Aid Work Group" heading.



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What's Ahead:

September 25:

Working Group meeting from 11:00 a.m. to 1:00 p.m. at the OSA.

October 1:

Fire state aid is paid for those relief associations certified as eligible on the first certification deadline.

October 4:

Working Group meeting from 11:00 a.m. to 1:00 p.m. at the OSA.

November 1:

Second certification deadline for 2018 fire state aid.

November 30:

Final deadline for submitting 2017 reporting-year forms to avoid forfeiture of fire state aid.

State Auditor's Working Group

The Office of the State Auditor (OSA) will again convene the Volunteer Fire Relief Association Working Group this fall. The Working Group meets to identify and work through current and pressing relief association issues.

The first meeting of the Working Group is set for September 25 from 11:00 a.m. to 1:00 p.m. at our offices at 525 Park Street, Suite 500, Saint Paul.

Additional Working Group meetings have been scheduled for October 4, October 16, November 29, and December 6. Meetings are open to the public. Agendas and materials will be available on the Working Group page of the [OSA website](#).

If you have topics that you would like to suggest for the Working Group's consideration, or have questions regarding the Working Group, please contact Rose Hennessy Allen at (651) 296-5985 or at rose.hennessy-allen@osa.state.mn.us.

2018 Fire and Supplemental State Aid

The OSA is pleased to announce that over 70 percent of volunteer fire relief associations and other pension plans met all reporting requirements to be certified as eligible for the Department of Revenue to determine their qualification for 2018 fire and supplemental state aid in the first round of aid disbursements. Both state aid distributions will occur on or about October 1 for those plans certified by the OSA and deemed by the Department of Revenue as qualified to receive state aid.

A list of the 2018 fire and supplemental state aid amounts will be posted on the [OSA's website](#) at the end of September. A notice will be sent by email when the state aid list is posted.

If your relief association has not yet submitted its 2017 reporting-year forms to the OSA, please do so as soon as possible. The second certification deadline for 2018 fire and supplemental state aid is November 1. To be certified as eligible for receipt of state aid in the second round of payments, a relief association must have submitted all required 2017 reporting information to the OSA with enough time for the OSA to complete its review and for all issues identified by the OSA to have been satisfactorily resolved by the relief association before November 1.

Service Pension Eligibility Requirements

Statements of Position:

Relief association members must meet several requirements to be eligible for a service pension distribution. (Note that these requirements may be different from or do not apply to disability and survivor benefit distributions.)

[Joint Powers Fire Departments and Fire Districts](#)

To be eligible for a service pension, a member must: 1) separate from active service with the fire department; 2) reach age 50, or a higher minimum retirement age if specified in the bylaws; 3) complete at least five years of active fire department service (the bylaws may require a higher minimum service requirement); 4) complete at least five years of active relief association membership (the bylaws may require a higher minimum membership requirement); and 5) comply with any additional age, service, or membership conditions prescribed in the bylaws.

[Retention of Records](#)

The age-50 requirement applies to all service pension distributions, including distributions that a member elects to directly rollover into the member's Individual Retirement Account (IRA).

[Records Management](#)

When a member submits an application for a distribution, the relief association's board of trustees must determine whether the member has met each of these requirements to be eligible for the distribution. The board of trustees should confirm dates of service, breaks in service, and leaves of absence provided on the application against the relief association's personnel records. The board of trustees should also confirm that the member has met the minimum retirement age to receive the distribution.

[Considerations When Making Benefit Changes](#)

An appeal process should be in place so that a member can appeal a decision should the board of trustees determine that the member is ineligible to receive the service pension and votes against approval of the distribution.

Pension Division Staff

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