

**Minnesota Volunteer Fire Relief Association**  
**Working Group Meeting**

State Auditor's Office  
Monday, October 18, 2004  
11 a.m. to 1 p.m.

**I. Call to Order**

Rotating Chair Dave Ganfield.

**II. Review and Approval of October 4, 2004 Draft Minutes**

Exhibit A.

**III. Deferred Interest Discussion**

*Larry Martin to outline Minn. Stat. § 424A.02, subd. 7.*

Exhibit B.

- Current Up to Five Percent Payment Option
- Separate Account/Vehicle – Full Gains/Losses
- Applicable Benefit Level for Deferred Service Pensions

**IV. Ancillary Benefit Discussion**

*Larry Martin to outline Minn. Stat. § 424A.02, subd. 9.*

Exhibit C.

- Disability Benefit – Age 50, Duty/Non-Duty and Beneficiaries
- Survivor Benefit – Full/Reduced Service Pension Amount
- Funeral Benefit – In Addition to/In Lieu of Survivor Benefit

**V. General Statutory Provision Discussion**

*If time permits.*

Exhibits D through G to be distributed at the meeting.

- Military Leaves of Absence
- Board of Trustee Composition
- Service Pension Maximums
- Marital Dissolutions

**VI. Reference Item**

Alphabetical Lists of Relief Associations by Plan Type.

Exhibit H to be distributed at the meeting.

**VII. Next Meeting**

Monday, November 8, 2004

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Working Group Meeting\Working Group October 18 Agenda.doc

# **Volunteer Fire Relief Association Working Group**

State Auditor's Office

Monday, October 4, 2004

11 a.m. to 1 p.m.

## **Members Present**

State Auditor Patricia Anderson; Maplewood Fire Relief Association Treasurer Ed Dietz (defined benefit lump sum plans); League of Minnesota Cities Representative Anne Finn; Minnesota State Fire Department Association Representative Dave Ganfield (defined benefit monthly/lump sum combination plans); Minnesota Area Relief Association Coalition Representative Jim Hansen; Mahnommen Fire Relief Association Treasurer Dave Jaeger (defined benefit lump sum plans); Delano City Administrator Phil Kern; Director of the Legislative Commission on Pensions and Retirement Larry Martin; White Bear Lake Finance Manager Don Rambow; Maple Grove Fire Relief Association President Curt Roberts (defined contribution plans); and Minnesota State Fire Chief Association Representative Nyle Zikmund (defined benefit monthly plans).

## **Others Present**

State Auditor's Office Pension Analyst Eric Bulygo, Pension Commission Deputy Director Ed Burek, Deputy State Auditor/General Counsel Carla Heyl and State Auditor's Office Pension Director Judith Strobel.

## **Welcome and Introductions**

State Auditor Patricia Anderson welcomed the members of the Volunteer Fire Relief Association Working Group and thanked them for their attendance. She introduced Rotating Chair Curt Roberts who then asked the members to introduce themselves to each other.

## **Task Force Discussion**

Roberts described the proposed purpose of the Working Group which is to bring together the major volunteer fire relief association stakeholders to develop relationships, open communication, discuss relief association issues and make the reporting process easier and more effective by: 1) clarifying applicable state laws, 2) simplifying reporting forms, 3) discussing training opportunities and 4) addressing any other relevant issues.

It was noted that a relief association representative from southeastern Minnesota had been invited to join the Working Group but had yet to respond.

Roberts asked members to carefully review their contact information on Exhibit B for accuracy and privacy reasons before it officially becomes part of the overall agenda packet.

The proposed process for the Working Group was outlined by Roberts to include: 1) implement recommendations that do not require law changes, and 2) forward suggested statutory changes upon consensus to the Legislative Commission on Pensions and Retirement.

Future rotating chairs will be Dave Ganfield, deferred interest and ancillary benefit issues; Anne Finn, financial reporting matters; Nyle Zikmund, investment issues; and Jim Hansen, training initiatives.

### **Relief Association Overview**

Larry Martin, Director of the Pension Commission, provided an overview of Minnesota's volunteer firefighter relief associations to the working group. He highlighted certain aggregate statistics that reflect changes in relief association pension plans over the past 25-plus years.

#### *Types of Pension Plans*

The primary types of pension plans include defined benefit lump sum plans, defined benefit monthly plans, defined benefit combination monthly/lump sum plans, and defined contribution plans. Most plans are affiliated with a municipal fire department but others are affiliated with independent nonprofit firefighting corporations. These independent fire departments were created for the most part by groups of townships before the advent of joint powers agreements that can be used as a way to get to the same end.

So-called split-the-pie plans were few before 1979 and had no statutory authority. They were renamed defined contribution plans under the newly enacted Guidelines Act even though federal law more narrowly construes the defined contribution plan definition.

#### *Number of Plans*

The number of lump sum plans has remained relatively constant comprising almost 75 percent of the total plans in 1977 and more than 80 percent today. The number of monthly plans has declined from 11 percent in 1977 to less than 1 percent. In 1993, combination plans emerged as monthly plans began providing lump sum benefits as an alternate payment method or as the only payment option for firefighters starting after a certain date. Defined contribution plans are now 13 percent of the total plans, up from 8 percent in 1977.

#### *Benefit Levels*

The annual benefit level amounts for lump sum plans has grown considerably over the years with most above \$300.

### *Financial Information*

As a whole, assets for the plans continued to grow until the market downturn that began in 2000. Liabilities rose significantly from 1977 to 2002. For instance, liabilities for monthly plans grew to 16 percent from just over 2 percent. Liabilities do not rise for defined contribution plans because their liabilities always equal assets based on the nature of those plans.

### *Fire State Aid*

For lump sum plans, fire state aid made up 96 percent of normal costs in 1977 compared to 55.5 percent in 2002. The average fire state aid per active member in 2002 was about \$2600 for monthly plans, \$2500 for combination plans, \$1200 for lump sum plans and \$1187 for defined contribution plans.

### *Municipal Contributions*

Municipal contributions have declined to 28.6 percent currently from 31 percent of normal cost in 1977. On average, cities pay \$1600 per active member in combination plans, \$1100 for monthly plans, \$300 for lump sum and \$292 for defined contribution plans.

In response to a question, Martin said state law requires municipalities that approve a benefit level amount to make up any difference not covered by fire state aid or pension fund investment earnings.

### *Special Laws*

Martin then pointed to a listing of special laws in Exhibit E that apply to volunteer fire relief association plans. Prior to 1979, the service pension benefits and ancillary benefits of many relief associations were found in numerous special laws. After enactment of Chapter 424A, only disability, survivor and funeral benefits were allowed to stay in the form of special laws. Chapter 424A serves as the official roadmap regarding service pension benefit amounts and limits ancillary benefit amounts to service pension benefit amounts set out in state law.

### *Overall Observations*

Martin observed that the name "relief" came from a sensibility to provide for family members of firefighters. Fire state aid existed as far back as 1905 when cities could use it to pay widows and children or purchase fire equipment.

Public pensions likely evolved from Civil War disability and survivor benefits paid on behalf of injured or deceased veterans. These benefits may have fostered the granting of superannuated benefits for disabilities based on advanced age. Age has since become one of the driving factors in the benefit structure of public pension plans.

### **Working Group Discussion**

Roberts thanked Martin for his presentation. Brief discussion followed about how the definition of a surviving spouse has changed over the years. It was stated that surviving spouses used to be required to be dependent and living with the firefighter for at least a year before the firefighter's death to be eligible for benefits. The courts and QDRO (Qualified Domestic Relations Order) laws now govern the division of public pensions as marital property in instances of divorce.

Further discussion focused on the unique characteristics of defined contribution plans and combination plans with a request to research matters in their specific regard. The impact of state law on recruitment and retention has been found to vary from relief association to relief association and throughout the state. Other topics mentioned for future discussion were the state fire aid formula, the options and timing for deferred interest payments and investment account structures, and the role of vesting schedules and forfeiture distributions.

In response to a question, it was noted that some relief associations did not receive fire state aid based on Department of Revenue fines for late reporting of their fire department qualifications.

### **Other Business**

A copy of the Apple Valley Fire Relief Association annual report was referenced for review at a future meeting.

### **Next Meeting**

The next meeting of the Working Group will be Monday, October 18, 2004 from 11 a.m. to 1 p.m. Agenda suggestions must be provided to the Pension Division by Tuesday, October 12, 2004.

## **History of the Regulation of Volunteer Firefighter Relief Association Deferred Service Pensions**

In General. Before 1979, the substantive law governing volunteer firefighter relief association service pensions and retirement benefits was Minnesota Statutes 1978, Sections 69.06, 424.30, and 424.31. In 1979 (Laws 1979, Chapter 201), the substantive law governing volunteer firefighter relief association service pensions and retirement benefits was reformulated as Minnesota Statutes, Chapter 424A.

Minnesota Statutes 1978, Section 69.06. Minnesota Statutes 1978, Section 69.06, and its predecessor provisions, Revised Laws of 1905, Section 1655, General Statutes of Minnesota 1913, Section 3347, and Mason's Minnesota Statutes of 1927, Section 3728, set the minimum age (age 50) and the minimum service (20 years active fire department membership, 10 years active relief association membership) requirements for a service pension and set maximum service pension amounts (\$40 per month initially, or \$100 per year of service after 1944). Minnesota Statutes 1978, Section 69.06, and precursor provisions did not specifically address the topic of deferred service pensions or what benefit rights a firefighter who terminates active firefighting service with the minimum service period before attaining age 50 has. Attachment A contains Minnesota Statutes 1978, Section 69.06, and its various predecessor formulations.

The historic practice in private sector/corporate pension plans before the 1974 enactment of the Employee Retirement Income Security Act (ERISA) was to require plan membership until and termination of employment at the normal retirement age for the pension plan in order to receive a retirement benefit, without any deferred pension eligibility. Until relatively recently, pension plans were established to encourage the retention of employees, penalizing employment mobility by having break-in-service rules, where past service credit could be cancelled when the plan member terminated covered employment.

Minnesota Statutes, Section 424A.02, Subdivision 7. Minnesota Statutes, Section 424A.02, Subdivision 7, affirmatively establishes the right of a volunteer firefighter who leaves active firefighting service before attaining age 50 to a deferred service pension and clarifies that a deferred service pension is to be calculated under the provisions of law and the bylaws in effect when the firefighter separated from active service. Thus, if the service pension amount has increased since the deferred member terminated active service, the deferred service pensioner does not benefit from the service pension amount increase.

Before 2000 (Laws 2000, Chapter 461, Article 15, Section 6), the relief association was permitted to pay interest on a deferred lump sum service pension at the rate actually earned by the relief association, but not to exceed the five percent interest rate actuarial assumption underlying lump sum volunteer firefighter relief association funding. In 2000, in legislation initially requested by the Minnesota Area Relief Association Coalition (MARAC), an educational organization representing volunteer firefighter relief associations, the lump sum deferred service pension interest provision was modified, to encompass three options. If the relief association bylaws so provide, interest can be provided on a lump sum deferred service pension at the actual rate of interest earned if the deferred pension amount is placed in a separate relief association account established for that purpose, at the actual rate of interest earned if the deferred pension amount is invested in a separate investment vehicle held by the relief association, or at a flat five percent interest rate.

In 2003, displeased with the 2000 deferred service pension legislation, the Marshall Volunteer Firefighter Relief Association sought a legislative change to replicate the pre-2002 law change. Ultimately, the Marshall Volunteer Firefighter Relief Association general law request was converted into a special law demonstration project (First Special Session Laws 2003, Chapter 12, Article 12, Section 3), which included the additional specification of the manner in which the relief association investment earnings are to be calculated. The Marshall Volunteer Firefighter Relief Association was permitted to pay interest on its lump sum deferred service pensions based on the actual investment performance of the relief association special fund, up to five percent annually. The actual investment performance is that reported by the Office of the State Auditor under Minnesota Statutes, Section 356.219.

In 2004 (Laws 2004, Chapter 267, Article 14, Section 2), an additional option for providing interest on deferred lump sum service pensions was authorized, in force, until December 31, 2008. The additional deferred service pension interest option is an amount equal to the actual time-weighted rate of investment return of the pension plan as reported by the State Auditor, up to five percent per annum, if the volunteer firefighter relief association bylaws so provide.

## **History of Volunteer Firefighter Relief Association Ancillary Benefits**

In General. Although public pension coverage for public safety personnel has its precedent roots in pension programs for soldiers wounded or rendered ill in the Revolutionary War, the War of 1812, and especially the Civil War, and for their survivors, most private sector/corporate pension coverage and general employee public pension coverage has not been based on employment-related casualties, but to provide a replacement of an employee's standard of living when the employee's career concluded. With pension coverage regularized beyond casualty-based benefits, disability benefit coverage and survivorship benefit coverage became ancillary benefit coverage for a retirement plan. Disability and survivorship benefit coverage is generally provided for general public employees and for private sector employees through a combination of Social Security coverage, insurance coverage, and accrued retirement benefit coverage.

Pre-1979 Ancillary Benefit Coverage Authority and Limits. In 1873, with the creation of fire state aid, municipalities were permitted to pay relief to disabled firefighters and to survivors of deceased firefighters from fire state aid if no relief association is located in the municipality. In 1909, firefighter relief associations were specifically permitted to make payments for the relief of sick, injured, and disabled firefighters and to make payments to widows and orphans of deceased firefighters. The term "widow" was not defined until 1937, requiring three years of marriage before the occurrence of death and dependency for eligibility. The provision became Minnesota Statutes 1978, Section 424.31. The various legislative enactments preceding Minnesota Statutes 1978, Section 424.31, are contained in Appendix B.

Minnesota Statutes, Section 424A.02, Subdivision 9. Minnesota Statutes, Section 424A.02, Subdivision 9, permits the payment of ancillary benefits of volunteer firefighter relief associations, with two limitations. The first limitation applies to lump sum volunteer firefighter relief associations and disallows the payment to a former relief association member or on behalf of a former relief association after the termination of active service and after receipt of a service pension. The second limitation applies to all relief associations and provides that no ancillary benefit may exceed in amount the accrued service pension of the relief association member or former member, except for a survivor benefit on behalf of a firefighter who dies with less than five years of service, where the benefit cannot exceed a service pension calculated based on five years of service.

The limitations are intended to protect the funding of volunteer firefighter relief associations by limiting the total benefit from a lump sum volunteer firefighter relief association to one benefit, the service pension, since that is the benefit the relief association funds for, and by limiting the amount from all volunteer firefighter relief associations generally to the amount of the accrued service pension, since that benefit is the basis for lump sum relief association funding and pre-retirement death and disablement information is too modest to construct actuarial assumptions for monthly relief associations.



TO: Volunteer Fire Relief Association Working Group  
FROM: Ed Burek, Deputy Director  
RE: Overview: Uniformed Services Employment and Reemployment Rights Act (USERRA)  
DATE: October 8, 2004

USERRA Summary

The Uniformed Services Employment and Reemployment Rights Act (USERRA), passed in 1994, has the stated purpose to:

- (1) encourage non-career service in the uniformed services by eliminating or minimizing the disadvantage to civilian careers and employment which can occur due to that uniformed service;
- (2) provide for the prompt reemployment of individuals who provide uniformed service upon the completion of that service; and
- (3) prohibit discrimination against persons because of the performance of uniformed service.

USERRA provisions apply to virtually all employers in the United States *in situations where there is an employee/employer relationship*. The Volunteer Fire Relief Association Working Group may wish to consider what Minnesota law changes, if any, that it should recommend. In a pure volunteer setting, presumably USERRA would not apply because there is no employee/employer relationship. To the extent that some volunteer fire plans cover individuals who do have an employment situation with the fire department, it is reasonable to conclude that these plans will need to comply with USERRA. While many other volunteer fire plans may provide coverage to individuals who can be properly viewed as volunteers (and who therefore are not employees of the city or fire department), the situation will be far more consistent and fair if comparable treatment is provided in all volunteer fire plans.

For purposes of USERRA, uniformed service includes service in the Army, Navy, Marine Corps, Air Force, Coast Guard, the reserve components of any of these organizations, the Commissioned Corps of the Public Health Service, and any other category of persons so designated by the President in time of war or emergency.

With few exceptions, USERRA requires the employer of the individual who provided the uniformed service to rehire that individual at the end of that uniformed service. To be covered by this reemployment right, or any other provisions of USERRA including the pension-related provisions of the act:

- (1) the individual must provide notice to the employer that the person is leaving to provide uniformed service (unless providing that notice is not possible due to the emergency nature of the situation);
- (2) the period of uniformed service must not exceed five years;
- (3) the person must not be released from uniformed service under dishonorable or other punitive conditions; and
- (4) the person must report back to the civilian employer in a reasonable time period.

“Reasonable time period” depends upon the length of uniformed service provided. If service is less than 31 days, the individual can be required to return to employment within eight hours of returning home. If the length of service is between 31 and 180 days, the employee must apply for reemployment no later than 14 days after completion of uniformed service. If the length of uniformed service is 180 days or longer, the individual must return to employment no later than 90 days after completion of uniformed service.

Regarding pension rights, USERRA states (USC Section 4318) that “a person reemployed under this chapter shall be treated as not having incurred a break in service with the employer or employers maintaining the plan by reason of such person’s period or periods of service in the uniformed services.” In a plan that requires employee contributions (which is not relevant in Minnesota volunteer fire plans since no employee contribution is made to these plans) the individual must make the same contributions that the individual would have made if the individual had continued to work for the employer during the uniformed service period.



TO: Volunteer Firefighter Working Group

FROM: Ed Burek, Deputy Director

RE: LCPR04-270: Draft of Volunteer Fire Military Service Credit Provision Consistent with Uniformed Service Employment and Reemployment Rights Act (USERRA)

DATE: October 11, 2004

Attached is draft language which would provide service credit in volunteer fire relief associations when there is a break in firefighter service to provide uniformed (military) service. The working group may wish to discuss this issue, although as noted elsewhere, volunteer fire situations would not be subject to Uniformed Service Employment and Reemployment Rights Act (USERRA) requirements if the firefighting service is truly voluntary and there is no employer/employee situation.

LCPR04-270 is patterned after typical USERRA requirements. USERRA covers employment situations where an individual leaves an employer to provide uniformed service. Under USERRA, the employer must reemploy the individual upon return from that service providing that the individual gave the employer notice of the intention to provide uniformed service, and returns promptly to the same employer upon discharge. USERRA requires the individual to have pension coverage as though there was no break in service, but not to exceed five years (with a few exceptions, such as service aboard nuclear submarines, where the training and minimum required military service period exceeds five years). USERRA does not apply if the military discharge is under less than honorable conditions.

LCPR04-270 would allow up to five years of service credit in a volunteer fire relief association, providing that the individual provides notice to the fire department of the break in service to provided uniformed service, and promptly returns to firefighter service covered by the same relief association (or its successor) upon return from uniformed service, and the discharge from military service is not less than honorable.

LCPR04-270 with some possible revisions could serve as a USERRA-type military service credit provision for volunteer fire defined benefit lump sum, monthly, or combination plans. Additional language seems necessary to clearly address split-the-pie plans. Language may be needed to ensure that allocations to an individual's account under split-the-pie plans continue while the individual is on a break in firefighting service, subject to forfeiture if the individual does not return. The working group may also wish to consider a proper effective date. As drafted, the provision is effective July 1 2005, and applies to breaks in service that end on or after that date.

1.1 A bill for an act

1.2 relating to retirement; volunteer firefighter relief

1.3 associations; authorizing service credit for for break

1.4 in service to provide uniformed service; proposing

1.5 coding for new law in Minnesota Statutes, chapter 424.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. **424.021 CREDIT FOR BREAK IN SERVICE TO**

1.8 **PROVIDE UNIFORMED SERVICE.**

1.9 Subdivision 1. AUTHORIZATION. Subject to restrictions

1.10 stated in this section, a volunteer firefighter who is absent

1.11 from firefighting service due to service in the uniformed

1.12 services, as defined in United States Code, title 38, section

1.13 4303(13), may obtain service credit for the period of the

1.14 uniformed service, not to exceed five years, unless a longer

1.15 period is required under United States Code, title 38, section

1.16 4312.

1.17 Subd. 2. LIMITATIONS. (a) To be eligible for service

1.18 credit under this section, the volunteer firefighter must return

1.19 to firefighting service with coverage by the same relief

1.20 association or by the successor to that relief association upon

1.21 discharge from service in the uniformed service within the time

1.22 frame required in United States Code, title 38, section 4312(e).

1.23 (b) Service credit is not authorized if the firefighter

1.24 separates from uniformed service with a dishonorable or bad

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1.25 conduct discharge or under other than honorable conditions.

2.1 (c) Service credit is not authorized if the firefighter  
2.2 fails to provide notice to the fire department that the  
2.3 individual is leaving to provide service in the uniformed  
2.4 service, unless it is not feasible to provide that notice due to  
2.5 the emergency nature of the situation.

2.6 Sec. 2. **EFFECTIVE DATE.**

2.7 Section 1 is effective on July 1, 2005, and applies to  
2.8 breaks in service that end on or after the effective date.

**A Non-Technical Resource Guide  
to the  
Uniformed Services Employment and  
Reemployment Rights Act  
(USERRA)**

**The U.S. Department of Labor  
Veterans Employment and Training Service**

**March 2003**

## **Introduction**

The Department of Labor's Veterans' Employment and Training Service provides this guide to enhance the public's access to information about the application of the Uniformed Services Employment and Reemployment Rights Act (USERRA) in various circumstances. Aspects of the law may change over time. Every effort will be made to keep the information provided up-to-date.

USERRA applies to virtually all employers, including the Federal Government. While the information presented herein applies primarily to private employers, there are parallel provisions in the statute that apply to Federal employers. Specific questions should be addressed to the State director of the Veterans' Employment and Training Service listed in the government section of the telephone directory under U.S. Department of Labor.

Information about USERRA is also available on the Internet. An interactive system, "The USERRA Advisor," answers many of the most-often asked questions about the law. It can be found in the "E-Laws" section of the Department of Labor's home page. The Internet address is *<http://www.dol.gov>*.

## **Disclaimer**

This user's guide is intended to be a non-technical resource for informational purposes only. Its contents are not legally binding nor should it be considered as a substitute for the language of the actual statute.

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## **Employment and Reemployment Rights**

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), enacted October 13, 1994 (Title 38 U.S. Code, Chapter 43, Sections 4301-4333, Public Law 103-353), significantly strengthens and expands the employment and reemployment rights of all uniformed service members.

## Who's eligible for reemployment?

### **"Service in the uniformed services" and "uniformed services" defined -- (38 U.S.C. Section 4303 (13 & 16))**

Reemployment rights extend to persons who have been absent from a position of employment because of "service in the uniformed services." "Service in the uniformed services" means the performance of duty on a voluntary or involuntary basis in a uniformed service, including:

- Active duty
- Active duty for training
- Initial active duty for training
- Inactive duty training
- Full-time National Guard duty.
- Absence from work for an examination to determine a person's fitness for any of the above types of duty.
- Funeral honors duty performed by National Guard or reserve members.
- Duty performed by intermittent disaster response personnel for the Public Health Service, and approved training to prepare for such service (added by Pub. L. 107-188, June 2002). See Title 42, U.S. Code, section 300hh-11(e).

The "uniformed services" consist of the following:

- Army, Navy, Marine Corps, Air Force, or Coast Guard.
- Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, or Coast Guard Reserve.
- Army National Guard or Air National Guard.
- Commissioned Corps of the Public Health Service.
- Any other category of persons designated by the President in time of war or emergency.

### **"Brief Nonrecurrent" positions (Section 4312(d)(1)(C))**

The new law provides an exemption for preservice positions that are "brief or nonrecurrent and that cannot reasonably be expected to continue indefinitely or for a significant period."

### **Advance Notice (Section 4312(a)(1))**

The law requires all employees to provide their employers with

advance notice of military service.

Notice may be either written or oral. It may be provided by the employee or by an appropriate officer of the branch of the military in which the employee will be serving. However, no notice is required if:

- military necessity prevents the giving of notice; or
- the giving of notice is otherwise impossible or unreasonable.

"Military necessity" for purposes of the notice exemption is to be defined in regulations of the Secretary of Defense. These regulations will be immune from court review.

### **Duration of Service (Section 4312(c))**

The cumulative length service that causes a person's absences from a position may not exceed five years.

Most types of service will be cumulatively counted in the computation of the five-year period.

**Exceptions** . Eight categories of service are exempt from the five-year limitation. These include:

- (1) **Service required beyond five years to complete an initial period of obligated service (Section 4312 (c)(1)).** Some military specialties, such as the Navy's nuclear power program, require initial active service obligations beyond five years.
- (2) **Service from which a person, through no fault of the person, is unable to obtain a release within the five year limit (Section 4312(c)(2)).** For example, the five-year limit will not be applied to members of the Navy or Marine Corps whose obligated service dates expire while they are at sea.

Nor will it be applied when service members are involuntarily retained on active duty beyond the expiration of their obligated service date. This was the experience of some persons who served in Operations Desert Shield and Storm.

- (3) **Required training for reservists and National Guard members (Section 4312(c)(3)).** The two-week annual training sessions and monthly weekend drills mandated by statute for reservists and National Guard members are exempt from the five-year limitation. Also excluded are additional training requirements certified in writing by the Secretary of the service concerned to be necessary for individual professional development.
- (4) **Service under an involuntary order to, or to be retained on, active duty during domestic emergency or national security related situations (Section 4312(c)(4)(A)).**

- (5) **Service under an order to, or to remain on, active duty (other than for training) because of a war or national emergency declared by the President or Congress (Section 4312(c)(4)(B)).** This category includes service not only by persons involuntarily ordered to active duty, but also service by volunteers who receive orders to active duty.
- (6) **Active duty (other than for training) by volunteers supporting "operational missions" for which Selected Reservists have been ordered to active duty without their consent (Section 4312(c)(4)(c)).** Such operational missions involve circumstances other than war or national emergency for which, under presidential authorization, members of the Selected Reserve may be involuntarily ordered to active duty under Title 10, U.S.C. Section 12304. The recent U.S. military involvement in support of restoration of democracy in Haiti ("Uphold Democracy") was such an operational mission as is the current (as of 1998) operation in Bosnia ("Joint Endeavor").

This sixth exemption for the five-year limitation covers persons who are called to active duty after volunteering to support operational missions. Persons involuntarily ordered to active duty for operational missions would be covered by the fourth exemption, above.

- (7) **Service by volunteers who are ordered to active duty in support of a "critical mission or requirement" in times other than war or national emergency and when no involuntary call up is in effect (Section 4312(c)(4)(D)).** The Secretaries of the various military branches each have authority to designate a military operation as a critical mission or requirement.
- (8) **Federal service by members of the National Guard called into action by the President to suppress an insurrection, repel an invasion, or to execute the laws of the United States (Section 4312(c)(4)(E)).**

#### **Disqualifying service (Section 4304)**

When would service be disqualifying? The statute lists four circumstances:

- (1) Separation from the service with a dishonorable or bad conduct discharge.
- (2) Separation from the service under other than honorable conditions. Regulations for each military branch specify when separation from the service would be considered "other than honorable."
- (3) Dismissal of a commissioned officer in certain situations involving a court martial or by order of the President in time of war (**Section 1161(a) of Title 10**).

- (4) Dropping an individual from the rolls when the individual has been absent without authority for more than three months or who is imprisoned by a civilian court. (**Section 1161(b) of Title 10**)

**Reporting back to work (Section 4312(e))**

**Time limits** for returning to work now depend, with the exception of fitness-for-service examinations, on the duration of a person's military service.

**Service of 1 to 30 days.** The person must report to his or her employer by the beginning of the first regularly scheduled work day that would fall eight hours after the end of the calendar day. For example, an employer cannot require a service member who returns home at 10:00 p.m. to report to work at 12:30 a.m. that night. But the employer can require the employee to report for the 6:00 a.m. shift the next morning.

If, due to no fault of the employee, timely reporting back to work would be impossible or unreasonable, the employee must report back to work as soon as possible.

**Fitness Exam.** The time limit for reporting back to work for a person who is absent from work in order to take a fitness-for-service examination is the same as the one above for persons who are absent for 1 to 30 days. This period will apply regardless of the length of the person's absence.

**Service of 31 to 180 days.** An application for reemployment must be submitted no later than 14 days after completion of a person's service. If submission of a timely application is impossible or unreasonable through no fault of the person, the application must be submitted as soon as possible. If the 14th day falls on a day when the offices are not open, or there is otherwise no one available to accept the application, the time extends to the next business day.

**Service of 181 or more days.** An application for reemployment must be submitted no later than 90 days after completion of a person's military service. If the 90th day falls on a day when the offices are not open, or there is otherwise no one available to accept the application, the time extends to the next business day.

**Disability incurred or aggravated.** The reporting or application deadlines are extended for up to two years for persons who are hospitalized or convalescing because of a disability incurred or aggravated during the period of military service.

The two-year period will be extended by the minimum time required to accommodate a circumstance beyond an individual's control that would make reporting within the two-year period impossible or unreasonable.

**Unexcused delay.** Are a person's reemployment rights automatically forfeited if the person fails to report to work or to apply for reemployment within the required time limits? No.

But the person will then be subject to the employer's rules governing unexcused absences.

### **Documentation upon return (Section 4312(f))**

An employer has the right to request that a person who is absent for a period of service of 31 days or more provide documentation showing that:

- the person's application for reemployment is timely;
- the person has not exceeded the five-year service limitation; and
- the person's separation from service was other than disqualifying under **Section 4304**.

**Unavailable documentation . Section: 4312(f)(3)(A).** If a person does not provide satisfactory documentation because it's not readily available or doesn't exist, the employer still must promptly reemploy the person. However, if, after reemploying the person, documentation becomes available that shows one or more of the reemployment requirements were not met, the employer may terminate the person. The termination would be effective as of that moment. It would not operate retroactively.

**Pension contributions. Section 4312(f)(3)(B).** Pursuant to **Section 4318**, if a person has been absent for military service for 91 or more days, an employer may delay making retroactive pension contributions until the person submits satisfactory documentation. However, contributions will still have to be made for persons who are absent for 90 or fewer days.

### **How to place eligible persons in a job**

#### **Length of service -- Section 4313(a)**

Except with respect to persons who have a disability incurred in or aggravated by military service, the position into which a person is reinstated is based on the length of a person's military service.

**1 to 90 days. Section 4313(a)(1)(A) & (B).** A person whose military service lasted 1 to 90 days must be "promptly reemployed" in the following order of priority:

- (1) **(Section 4313(a)(1)(A))** in the job the person would have held had the person remained continuously employed, so long as the person is qualified for the job or can become qualified after reasonable efforts by the employer to qualify the person; or, **(B)** in the position of employment in which the person was employed on the date of the commencement of the service in the uniformed services, only if the person is not qualified to perform the duties of the position referred to in subparagraph (A) after reasonable efforts by the employer to qualify the person.
- (2) if the employee cannot become qualified for either position described above (other than for a disability

incurred in or aggravated by the military service) even after reasonable employer efforts, the person is to be reemployed in a position that is the nearest approximation to the positions described above (in that order) which the person is able to perform, with full seniority. (**Section 4313(a)(4)**)

With respect to the first two positions, employers do not have the option of offering other jobs of equivalent seniority, status, and pay.

**91 or more days. Section 4313(a)(2).** The law requires employers to promptly reemploy persons returning from military service of 91 or more days in the following order of priority:

- (1) **Section 4313(a)(2)(A).** In the job the person would have held had the person remained continuously employed, or a position of like seniority status and pay, so long as the person is qualified for the job or can become qualified after reasonable efforts by the employer to qualify the person; or, **(B)** in the position of employment in which the person was employed on the date of the commencement of the service in the uniformed services, or a position of like seniority, status, and pay the duties of which the person is qualified to perform, only if the person is not qualified to perform the duties of the position referred to in subparagraph (A) after reasonable efforts by the employer to qualify the person.
- (2) **Section 4313(a)(4).** If the employee cannot become qualified for the position either in (A) or (B) above: in any other position of lesser status and pay, but that most nearly approximates the above positions (in that order) that the employee is qualified to perform with full seniority.

**"Escalator" position .** The reemployment position with the highest priority in the reemployment schemes reflects the "escalator" principle that has been a key concept in federal veterans' reemployment legislation. The escalator principle requires that each returning service member actually step back onto the seniority escalator at the point the person would have occupied if the person had remained continuously employed.

The position may not necessarily be the same job the person previously held. For instance, if the person would have been promoted with reasonable certainty had the person not been absent, the person would be entitled to that promotion upon reinstatement. On the other hand, the position could be at a lower level than the one previously held, it could be a different job, or it could conceivably be in layoff status.

**Qualification efforts.** Employers must make reasonable efforts to qualify returning service members who are not qualified for reemployment positions that they otherwise would be entitled to hold for reasons other than a disability incurred or aggravated by military service.

Employers must provide refresher training, and any training necessary to update a returning employee's skills in situation where the employee is no longer qualified due to technological advances. Training will not be required if it is an undue hardship for the employer, as discussed below.

If reasonable efforts fail to qualify a person for the first and second reemployment positions in the above schemes, the person must be placed in a position of equivalent or nearest approximation and pay that the person is qualified to perform (the third reemployment position in the above schemes).

**"Prompt" reemployment. Section 4313(a).** The law specifies that returning service members be "promptly reemployed." What is prompt will depend on the circumstances of each individual case. Reinstatement after weekend National Guard duty will generally be the next regularly scheduled working day. On the other hand, reinstatement following five years on active duty might require giving notice to an incumbent employee who has occupied the service member's position and who might possibly have to vacate that position.

**Disabilities incurred or aggravated while in Military Service**  
**Section 4313(a)(3).**

The following three-part reemployment scheme is required for persons with disabilities incurred or aggravated while in Military Service:

- (1) The employer must make reasonable efforts to accommodate a person's disability so that the person can perform the position that person would have held if the person had remained continuously employed.
- (2) If, despite reasonable accommodation efforts, the person is not qualified for the position in (1) due to his or her disability, the person must be employed in a position of equivalent seniority, status, and pay, so long as the employee is qualified to perform the duties of the position or could become qualified to perform them with reasonable efforts by the employer.
- (3) If the person does not become qualified for the position in either (1) or (2), the person must be employed in a position that, consistent with the circumstances of that person's case, most nearly approximates the position in (2) in terms of seniority, status, and pay.

The law covers all employers, regardless of size.

**Conflicting reemployment claims** Section 4313(b)(1) & (2)(A).

If two or more persons are entitled to reemployment in the same position, the following reemployment scheme applies:

- The person who first left the position has the superior right to it.

- The person without the superior right is entitled to employment with full seniority in any other position that provides similar status and pay in the order of priority under the reemployment scheme otherwise applicable to such person.

**Changed circumstances Section 4312(d)(1)(A).**

Reemployment of a person is excused if an employer's circumstances have changed so much that reemployment of the person would be impossible or unreasonable. A reduction-in-force that would have included the person would be an example.

**Undue hardship Section 4312(d)(1)(B).**

Employers are excused from making efforts to qualify returning service members or from accommodating individuals with service-connected disabilities when doing so would be of such difficulty or expense as to cause "undue hardship."

**Rights of reemployed persons**

**Seniority rights Section 4316(a)**

Reemployed service members are entitled to the seniority and all rights and benefits based on seniority that they would have attained with reasonable certainty had they remained continuously employed.

A right or benefit is seniority-based if it is determined by or accrues with length of service. On the other hand, a right or benefit is not seniority-based if it is compensation for work performed or is subject to a significant contingency.

**Rights not based on seniority Section 4316(b).**

Departing service members must be treated as if they are on a leave of absence. Consequently, while they are away they must be entitled to participate in any rights and benefits not based on seniority that are available to employees on nonmilitary leaves of absence, whether paid or unpaid. If there is a variation among different types of nonmilitary leaves of absence, the service member is entitled to the most favorable treatment so long as the nonmilitary leave is comparable. For example, a three-day bereavement leave is not comparable to a two-year period of active duty.

The returning employees shall be entitled not only to nonseniority rights and benefits available at the time they left for military service, but also those that became effective during their service.

**Forfeiture of rights. Section 4316(b)(2)(A)(ii).** If, prior to leaving for military service, an employee knowingly provides clear written notice of an intent not to return to work after military service, the employee waives entitlement to leave-of-absence rights and benefits not based on seniority.

At the time of providing the notice, the employee must be aware of the specific rights and benefits to be lost. If the employee lacks that awareness, or is otherwise coerced, the waiver will be ineffective.

Notices of intent not to return can waive only leave-of-absence rights and benefits. They cannot surrender other rights and benefits that a person would be entitled to under the law, particularly reemployment rights.

**Funding of benefits. Section 4316(b)(4).** Service members may be required to pay the employee cost, if any, of any funded benefit to the extent that other employees on leave of absence would be required to pay.

### **Pension/retirement plans**

**Pension plans, Section 4318,** which are tied to seniority, are given separate, detailed treatment under the law. The law provides that:

- **Section 4318(a)(2)(A).** A reemployed person must be treated as not having incurred a break in service with the employer maintaining a pension plan;
- **Section 4318(a)(2)(B).** Military service must be considered service with an employer for vesting and benefit accrual purposes;
- **Section 4318(b)(1).** The employer is liable for funding any resulting obligation; and
- **Section 4318(b)(2).** The reemployed person is entitled to any accrued benefits from employee contributions only to the extent that the person repays the employee contributions.

**Covered plan. Section 4318.** A "pension plan" that must comply with the requirements of the reemployment law would be any plan that provides retirement income to employees until the termination of employment or later. Defined benefits plans, defined contribution plans, and profit sharing plans that are retirement plans are covered.

**Multi-employer plans. Section 4318(b)(1).** In a multi-employer defined contribution pension plan, the sponsor maintaining the plan may allocate the liability of the plan for pension benefits accrued by persons who are absent for military service. If no allocation or cost-sharing arrangement is provided, the full liability to make the retroactive contributions to the plan will be allocated to the last employer employing the person before the period of military service or, if that employer is no longer functional, to the overall plan.

Within 30 days after a person is reemployed, an employer who participates in a multi-employer plan must provide written notice to the plan administrator of the person's reemployment. **(4318(c))**

**Employee contribution repayment period. Section 4318(b)(2).**

Repayment of employee contributions can be made over three times the period of military service but no longer than five years.

**Calculation of contributions. Section 4318(b)(3)(A).** For purposes of determining an employer's liability or an employee's contributions under a pension benefit plan, the employee's compensation during the period of his or her military service will be based on the rate of pay the employee would have received from the employer but for the absence during the period of service.

**Section 4318(b)(3)(B).** If the employee's compensation was not based on a fixed rate, the determination of such rate is not reasonably certain, on the basis of the employee's average rate of compensation during the 12-month period immediately preceding such period (or, if shorter, the period of employment immediately preceding such period).

**Vacation pay Section 4316(d).**

Service members must, at their request, be permitted to use any vacation that had accrued before the beginning of their military service instead of unpaid leave. However, it continues to be the law that service members cannot be forced to use vacation time for military service.

**Health benefits Section 4317**

The law provides for health benefit continuation for persons who are absent from work to serve in the military, even when their employers are not covered by COBRA. (Employers with fewer than 20 employees are exempt for COBRA.) **Section 4317(a)(1).**

If a person's health plan coverage would terminate because of an absence due to military service, the person may elect to continue the health plan coverage for up to 18 months after the absence begins or for the period of service (plus the time allowed to apply for reemployment), whichever period is shorter. The person cannot be required to pay more than 102 percent of the full premium for the coverage. If the military service was for 30 or fewer days, the person cannot be required to pay more than the normal employee share of any premium.

**Exclusions/waiting periods. Section 4317(b).** A waiting period or exclusion cannot be imposed upon reinstatement if health coverage would have been provided to a person had the person not been absent for military service. However, an exception applies to disabilities determined by the Secretary of Veterans' Affairs (VA) to be service-connected.

**Multi-employer. Section 4317(a)(3).** Liability for employer contributions and benefits under multi-employer plans is to be allocated by the plan sponsor in such manner as the plan sponsor provides. If the sponsor makes no provision for allocation, liability is to be allocated to the last employer employing the person before the person's military service or, if that employer is no longer functional, to the plan.

## Protection from discharge

Persons returning from active duty for training were not explicitly protected under the old law. Under USERRA, a reemployed employee may not be discharged without cause as follows:

- **Section 4316(c)(1)**. For one year after the date of reemployment if the person's period of military service was for more than six months (181 days or more).
- **Section 4316(c)(2)**. For six months after the date of reemployment if the person's period of military service was for 31 to 180 days.

Persons who serve for 30 or fewer days are not be protected from discharge without cause. However, they are protected from discrimination because of military service or obligation.

## Protection from discrimination and retaliation

### Discrimination -- Section 4311.

**Section 4311(a)**. Employment discrimination because of past, current, or future military obligations is prohibited. The ban is broad, extending to most areas of employment, including:

- hiring;
- promotion;
- reemployment;
- termination; and
- benefits

**Persons protected. Section 4311(a)**. The law protects from discrimination past members, current members, and persons who apply to be a member of any of the branches of the uniformed services.

Previously, only Reservists and National Guard members were protected from discrimination. Under USERRA, persons with past, current, or future obligations in all branches of the military are also protected.

**Standard/burden of proof. Section 4311(c)**. If an individual's past, present, or future connection with the service is a motivating factor in an employer's adverse employment action against that individual, the employer has committed a violation, unless the employer can prove that it would have taken the same action regardless of the individual's connection with the service. The burden of proof is on the employer once a *prima facie* case is established.

The enacted law clarifies that liability is possible when service connection is just one of an employer's reasons for the action.

To avoid liability, the employer must prove that a reason other than service connection would have been sufficient to justify its action.

Both the standard and burden of proof now set out in the law apply to all cases, regardless of the date of the cause of action, including discrimination cases arising under the predecessor ("VRR") law.

### **Reprisals**

Employers are prohibited from retaliating against anyone:

- who files a complaint under the law;
- who testifies, assists or otherwise participates in an investigation or proceeding under the law; or
- who exercises any right provided under the law.
- whether or not the person has performed military service (**section 4311(b)**).

### **How the law is enforced**

#### **Department of Labor**

**Regulations. Section 4331(a).** The Secretary of Labor is empowered to issue regulations implementing the statute. Previously, the Secretary lacked such authority. However, certain publications issued by the U.S. Department of Labor had been accorded "a measure of weight" by the courts.

**Veterans' Employment and Training Service.** Reemployment assistance will continue to be provided by the Veterans' Employment and Training Service (VETS) of the Department of Labor. **Section 4321.** VETS investigates complaints and attempts to resolve them. Filing of complaints with VETS is optional. **Section 4322.**

**Access to documents. Section 4326(a).** The law gives VETS a right of access to examine and duplicate employer and employee documents that it considers relevant to an investigation. VETS also has the right of reasonable access to interview persons with information relevant to the investigation.

**Subpoenas. Section 4326(b).** The law authorizes VETS to subpoena the attendance and testimony of witnesses and the production of documents relating to any matter under investigation.

#### **Government-assisted court actions**

**Section 4323(a)(1).** Persons whose complaints are not successfully resolved by VETS may request that their complaints be submitted to the Attorney General for possible court action. If the Attorney General is satisfied that a complaint is meritorious,

the Attorney General may file a court action on the complainant's behalf.

**Private court actions Section 4323(a).**

Individuals continue to have the option to privately file court actions. They may do so if they have chosen not to file a complaint with VETS, have chosen not to request that VETS refer their complaint to the Attorney General, or have been refused representation by the Attorney General.

**Double damages. Section 4323(d)(1)(C).** Award of back pay or lost benefits may be doubled in cases where violations of the law are found to be "willful." "Willful" is not defined in the law, but the law's legislative history indicates the same definition that the U.S. Supreme Court has adopted for cases under the Age Discrimination in Employment Act should be used. Under that definition, a violation is willful if the employer's conduct was knowingly or recklessly in disregard of the law.

**Fees. Section 4323(h)(2).** The law, at the court's discretion, allows for awards of attorney fees, expert witness fees, and other litigation expenses to successful plaintiffs who retain private counsel. Also, the law bans charging of court fees or costs against anyone who brings suit (4323(c)(2)(A)).

**Declaratory judgments. Section 4323(f).** Only persons claiming rights under the law may bring lawsuits. According to the law's legislative history, its purpose is to prevent employers, pension plans, or unions from filing actions for declaratory judgements to determine potential claims of employees.

**Service Member Checklist**

Service Member Obligations	Yes	No	Comments	Reference
1. Did the service member hold a job other than one that was brief, nonrecurring? (exception would be discrimination cases.)				Page 1
2. Did the service member notify the employer that he/she would be leaving the job for military training or service?				Page 2
3. Did the service member exceed the 5-year limitation limit on periods of service? (exclude exception identified in the law)				Page 2
4. Was the service member discharged under conditions other than disqualifying under section 4304?				Page 4
5. Did the service member make application or report back to the pre-service employer in a timely manner?				Page 4
6. When requested by the employer, did the service member provide readily available documentation showing eligibility for reemployment?				Page 5
7. Did the service member whose military leave exceeded 30 days elect to continue health insurance coverage? The employer is permitted to charge up to 102% of the entire premium in these cases.				Page 11

**Employer Obligations**

Employer Obligations:	Yes	No	Comments	Reference

1. Did the service member give advance notice of military service to the employer? (This notice can be written or verbal)				Page 2
2. Did the employer allow the service member a leave of absence? The employer cannot require that vacation or other personal leave be used.				Page 11
3. Upon timely application for reinstatement, did the employer timely reinstate the service member to his/her escalator position?				Page 6
4. Did the employer grant accrued seniority as if the returning service member had been continuously employed? This applies to the rights and benefits determined by seniority, including status, rate of pay, pension vesting, and credit for the period for pension benefit computations.				Page 9
5. Did the employer delay or attempt to defeat a reemployment rights obligation by demanding documentation that did not then exist or was not then readily available?				Page 5
6. Did the employer consider the timing, frequency, or duration of the service members training or service or the nature of such training or service as a basis for denying rights under this Statute?				Page 2
7. Did the employer provide training or retraining and other accommodations to persons with service-connected disabilities. If a disability could not be accommodated after reasonable efforts by the employer, did the employer reemploy the person in some other position he/she was qualified to perform which is the "nearest approximation" of the position to which the person was otherwise entitled, in terms of status and pay, and with full seniority?				Page 8
8. Did the employer make reasonable efforts to train or otherwise qualify a returning service member for a position within the organization/company? If the person could not be qualified in a similar position, did the employer place the person in any other position of lesser status and pay which he/she was qualified to perform with full seniority?				Page 7
9. Did the employer grant the reemployed person pension plan benefits that accrued during military service, regardless of whether the plan was a defined benefit or defined contribution plan?				Page 10
10. Did the employer offer COBRA-like health coverage upon request of a service member whose leave was more than 30 days? Upon the service member's election, did the employer continue coverage at the regular employee cost for service members whose leave was for less than 31 days?				Page 11
11. Did the employer discriminate in employment against or take adverse employment action against any person who assisted in the enforcement of a protection afforded any returning service member under this Statute.				Page 13
12. Did the employer in any way discriminate in employment, reemployment, retention in employment, promotion, or any benefit of employment on the basis of past or present membership, performance of service, application for service or obligation for military service.				Page 12

13. Did the employer satisfy the burden of proof where employment, reemployment or other entitlements are denied or when adverse action is taken when a service connection is the motivating factor in the denial or adverse action? Did the employer provide documentation that the action would have been taken in the absence of such membership?				Page 13
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§ 424.31

**424.31 BOARD OF TRUSTEES OF FIREFIGHTERS' RELIEF ASSOCIATIONS.**  
The board of trustees of every firefighters' relief association of this state shall be composed of the following persons: Six trustees elected annually by such firefighters' relief association from its own members and the following ex officio members taken from the officers of the municipality in which the relief association is located, the mayor or president, the recorder or clerk, the treasurer, and the chief of the fire department thereof; and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of sections 424.30 and 424.31, funds derived from the state of Minnesota, and all moneys or property donated, given, granted, or devised for the benefit of these funds, and such funds when received shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (1) For the relief of sick, injured, and disabled members of any fire department in such city;
- (2) For the payment of pensions to disabled firefighters and the surviving spouses and orphans of firefighters;
- (3) For the payment of pensions to retired firefighters pursuant to the laws of the state;
- (4) For the payment of the fees, dues, and assessments in the Minnesota state fire department association, and in the volunteer firefighters' benefit association of Minnesota so as to entitle the members of any qualified fire department to membership in and benefits of such state association;
- (5) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the respective relief associations; and
- (6) For the payment of administrative expenses of the association as authorized pursuant to section 69.80.

The term "surviving spouse" means a person who was the spouse of a firefighter or pensioner during the time the member was an active firefighter, provided that the spouse was married to the member three or more years prior to the time when such firefighter retired as a service pensioner. The term "surviving spouse" shall not include the surviving spouse who has deserted a firefighter or pensioner or who has not been dependent upon the member for support.

The funds received by any relief association from dues, fines, initiation fees, and entertainments shall be kept in a fund called the general fund and may be disbursed for any purposes authorized by the articles of incorporation and bylaws of the association. The relief association is hereby authorized and empowered to invest its funds in such income paying properties and securities as the council of the city in which such organization is located shall from time to time authorize. Benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and bylaws of the association.

[ 1909 c 197 s 2; 1923 c 163 s 1; 1929 c 166; 1931 c 71; 1933 c 135; 1937 c 349 s 2; 1945 c 206 s 1; 1957 c 177 s 1; 1973 c 123 art 5 s 7; 1976 c 95 s 1; 1977 c 429 s 63; 1978 c 562 s 31; 1978 c 690 s 7 ] (1920)

Sec. 7. Minnesota Statutes 1976, Section 424.31, is amended to read:

L 1978,  
C 690,  
S 7

**424.31 BOARD OF TRUSTEES OF FIREMEN'S RELIEF ASSOCIATIONS.**

The board of trustees of every firemen's relief association of this state shall be composed of the following persons: Six trustees elected annually by such firemen's relief association from its own members and the following ex officio members taken from the officers of the municipality in which the relief association is located, the mayor or president, the recorder or clerk, the treasurer, and the chief of the fire department thereof; and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of sections 424.30 and 424.31, funds derived from the state of Minnesota, and all moneys or property donated, given, granted, or devised for the benefit of these funds, and such funds when received shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (1) For the relief of sick, injured, and disabled members of any fire department in such city;
- (2) For the payment of pensions to disabled firemen and the widows and orphans of firemen;
- (3) For the payment of pensions to retired firemen pursuant to the laws of the state;
- (4) For the payment of the fees, dues, and assessments in the Minnesota state fire department association, and in the volunteer firemen's benefit association of Minnesota so as to entitle the members of any qualified fire department to membership in and benefits of such state association;
- (5) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the respective relief associations; and
- (6) For the payment of necessary expenses of administering such fund, including the salaries of the president, secretary and treasurer administrative expenses of the association as authorized pursuant to section 8 of this act.

The term "widow" means a woman who was the wife of a fireman or pensioner during the time he was an active fireman, provided that she was married to him three or more years prior to the time when such fireman retired as a service pensioner. The term "widow" shall not include the surviving wife who has deserted a fireman or pensioner or who has not been dependent upon him for support.

The funds received by any relief association from dues, fines, initiation fees, and entertainments shall be kept in a fund called the general fund and may be disbursed for any purposes authorized by the articles of incorporation and bylaws of the association. The relief association is hereby authorized and empowered to invest its funds in such income paying properties and securities as the council of the city in which such organization is located shall from time to time authorize. Benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and bylaws of the association.

Sec. 31. Minnesota Statutes 1976, Section 424.31, is amended to read:

L 1978,  
C 562,  
S 31

**424.31 BOARD OF TRUSTEES OF FIREMEN'S RELIEF ASSOCIATIONS.**

The board of trustees of every firemen's relief association of this state shall be composed of the following persons: Six trustees elected annually by such firemen's relief association from its own members and the following ex officio members taken from the officers of the municipality in which the relief association is located, the mayor or president, the recorder or clerk, the treasurer, and the chief of the fire department thereof; and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of sections 424.30 and 424.31, funds derived from the state of Minnesota, and all moneys or property donated, given, granted, or devised for the benefit of these funds, and such funds when received shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (1) For the relief of sick, injured, and disabled members of any fire department in such city;
- (2) For the payment of pensions to disabled firemen and the widows surviving spouses and orphans of firemen;
- (3) For the payment of pensions to retired firemen pursuant to the laws of the state;
- (4) For the payment of the fees, dues, and assessments in the Minnesota state fire department association, and in the volunteer firemen's benefit association of Minnesota so as to entitle the members of any qualified fire department to membership in and benefits of such state association;
- (5) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the respective relief associations; and
- (6) For the payment of necessary expenses of administering such fund, including the salaries of the president, secretary and treasurer.

The term "widow surviving spouse" means a woman person who was the wife spouse of a fireman or pensioner during the time ~~he~~ the member was an active fireman, provided that ~~she~~ the spouse was married to ~~him~~ the member three or more years prior to the time when such fireman retired as a service pensioner. The term "widow surviving spouse" shall not include the surviving wife spouse who has deserted a fireman or pensioner or who has not been dependent upon ~~him~~ the member for support.

The funds received by any relief association from dues, fines, initiation fees, and entertainments shall be kept in a fund called the general fund and may be disbursed for any purposes authorized by the articles of incorporation and bylaws of the association. The relief association is hereby authorized and empowered to invest its funds in such income paying properties and securities as the council of the city in which such organization is located shall from time to time authorize. Benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and bylaws of the association.

Section 1. Minnesota Statutes 1974, Section 424.31, is amended to read:

L 1976,  
C 95,  
S 1

**424.31 RETIREMENT; FIREMEN'S RELIEF ASSOCIATIONS; EXPENSES OF ADMINISTRATION.** The board of trustees of every firemen's relief association of this state shall be composed of the following persons: Six trustees elected annually by such firemen's relief association from its own members and the following ex officio members taken from the officers of the municipality in which the relief association is located, the mayor or president, the recorder or clerk, the treasurer, and the chief of the fire department thereof; and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of sections 424.30 and 424.31, funds derived from the state of Minnesota, and all moneys or property donated, given, granted, or devised for the benefit of these funds, and such funds when received shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (1) For the relief of sick, injured, and disabled members of any fire department in such city;
- (2) For the payment of pensions to disabled firemen and the widows and orphans of firemen;
- (3) For the payment of pensions to retired firemen pursuant to the laws of the state;
- (4) For the payment of the fees, dues, and assessments in the Minnesota state fire department association, and in the volunteer firemen's benefit association of Minnesota so as to entitle the members of any qualified fire department to membership in and benefits of such state association;
- (5) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the respective relief associations; and
- (6) For the payment of necessary expenses of administering such fund, including the ~~secretary's and treasurer's~~ salaries of the president, secretary and treasurer.

The term "widow" means a woman who was the wife of a fireman or pensioner during the time he was an active fireman, provided that she was married to him three or more years prior to the time when such fireman retired as a service pensioner. The term "widow" shall not include the surviving wife who has deserted a fireman or pensioner or who has not been dependent upon him for support.

The funds received by any relief association from dues, fines, initiation fees, and entertainments shall be kept in a fund called the general fund and may be disbursed for any purposes authorized by the articles of incorporation and bylaws of the association. The relief association is hereby authorized and empowered to invest its funds in such income-paying properties and securities as the council of the city in which such organization is located shall from time to time authorize. Benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and bylaws of the association.

Section 1. Minnesota Statutes 1953, Section 424.31, is amended to read:

L 1957  
C 177  
S 1

**424.31 Board of trustees of firemen's relief associations.** The board of trustees of every firemen's relief association of this state shall be composed of the following persons: Six trustees elected annually by such firemen's relief association from its own members and the following ex officio members taken from the officers of the municipality in which the relief association is located, the mayor or president, the recorder or clerk, the treasurer, and the chief of the fire department thereof; and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of sections 424.30 and 424.31, funds derived from the State of Minnesota, and all moneys or property donated, given, granted, or devised for the benefit of these funds, and such funds when received shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (1) For the relief of sick, injured, and disabled members of any fire department in such village or city;
- (2) For the payment of pensions to disabled firemen and the widows and orphans of firemen;
- (3) For the payment of pensions to retired firemen pursuant to the laws of the state;
- (4) For the payment of the fees, dues, and assessments in the *Minnesota state fire department association*, and in the volunteer firemen's benefit association of *Minnesota* so as to entitle the members of any *qualified* fire department to membership in and benefits of such state association;
- (5) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the respective relief associations; and
- (6) For the payment of necessary expenses of administering such fund, including the secretary's and treasurer's salaries.

The term "widow" means a woman who was the wife of a fireman or pensioner during the time he was an active fireman, provided that she was married to him three or more years prior to the time when such fireman retired as a service pensioner. The term "widow" shall not include the surviving wife who has deserted a fireman or pensioner or who has not been dependent upon him for support.

The funds received by any relief association from dues, fines, initiation fees, and entertainments shall be kept in a fund called the general fund and may be disbursed for any purposes authorized by the articles of incorporation and bylaws of the association. The relief association is hereby authorized and empowered to invest its funds in such income-paying properties and securities as the council of the village or city in which such organization is located shall from time to time authorize. Benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and bylaws of the association.

L 1945  
C 206  
51

Section 1. Minnesota Statutes 1941, Section 424.31, is amended to read as follows:

**424.31. Board of trustees of firemen's relief associations.** The board of trustees of every firemen's relief association of this state shall be composed of the following persons: Six trustees elected annually by such firemen's relief association from its own members and the following ex officio members taken from the officers of the municipality in which the relief association is located, the mayor or president, the recorder or clerk, the treasurer, and the chief of the fire department thereof; and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of sections 424.30 and 424.31, funds derived from the State of Minnesota, and all moneys or property donated, given, granted, or devised for the benefit of these funds, and such funds when received shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (1) For the relief of sick, injured, and disabled members of any fire department in such village or city;
- (2) For payment of pensions to disabled firemen and the widows and orphans of firemen;
- (3) For the payment of pensions to retired firemen pursuant to the laws of the state;
- (4) For the payment of the fees, dues, and assessments in the Minnesota state volunteer firemen's benefit association so as to entitle the members of any fire department to membership in and benefits of such state association;
- (5) For the payment of such death or funeral benefits as may be from time to time stipulated in the by-laws of the respective relief associations; and
- (6) For the payment of necessary expenses of administering such fund, including the secretary's and treasurer's salaries.

The term "widow" means a woman who was the wife of a fireman or pensioner during the time he was an active fireman, provided that she was married to him three or more years prior to the time when such fireman retired as a service pensioner. The term "widow" shall not include the surviving wife who has deserted a fireman or pensioner or who has not been dependent upon him for support.

The funds received by any relief association from dues, fines, initiation fees, and entertainments shall be kept in a fund called the general fund and may be disbursed for any purposes authorized by the articles of incorporation and by-laws of the association. The relief association is hereby authorized and empowered to invest its funds in such income-paying properties and securities as the council of the village or city in which such organization is located shall from time to time authorize. Benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and by-laws of the association.

Section 2. Law amended.—That Mason's Minnesota Statutes of 1927, Section 1920, as amended by Laws 1929, Chapter 166, as amended by Laws 1931, Chapter 71, as amended by Laws 1935, Chapter 135, be and the same is hereby amended so as to read as follows:

"1920. Board of trustees of firemen's relief associations.—

The board of trustees of every firemen's relief association of this state shall be composed of the following persons, to-wit: six trustees elected annually by such firemen's relief association from its own members and also the following ex officio members taken from the officers of the municipality in which the relief association is located, viz.: The mayor or president, the recorder or clerk, the treasurer and chief of the fire department thereof, and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of this act, *funds derived from the State of Minnesota*, and all moneys or property donated, given, granted or devised for the benefit of said funds, and *such funds when received* shall be kept in a special fund on the books of the secretary and treasurer of said association and shall never be disbursed for any purpose whatever except the following, viz.: (1st) For the relief of sick, injured and disabled members of any fire department in such village or city; (2nd) for the payment of pensions to disabled firemen and the widows and orphans of firemen; (3rd) for the payment of pensions to retired firemen pursuant to the laws of the state; (4th) for the payment of the fees, dues and assessments in the Minnesota State Volunteer Firemen's Benefit Association so as to entitle the members of any fire department to membership in and benefits of such state association; (5th) *for the equipment and maintenance of such department and for construction, acquisition or repair of buildings, rooms and premises for fire department use or otherwise; for the payment of such death or funeral benefits as may be from time to time stipulated in the by-laws of the respective relief associations; and (6th) for the payment of necessary expenses of administering said fund including secretary's and treasurer's salaries.*

The term "widow" shall mean a woman who was the wife of the fireman or pensioner during the time he was an active fireman, provided that she was married to him three or more years prior to the time when such fireman retired as a service pensioner. The term "widow" shall not include the surviving wife who has deserted a fireman or pensioner, or who has not been dependent upon him for support.

Provided, that the funds received by any relief association from dues, fines, initiation fees and entertainments shall be kept in a fund called the general fund, and may be disbursed for any purposes authorized by the articles of incorporation and by-laws of said association. Provided, further, that said relief association is hereby authorized and empowered to invest its funds in such income paying properties and securities as the council of the village or city in which such organization is located shall from time to time authorize. *Provided, further, that benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and by-laws of the association.*

L 1937

C 349

S 2

Section 1. Board of Trustees and fireman's relief association.  
—Control of funds, etc.—That Mason's Minnesota Statutes of 1927, Section 1920, as amended by Laws 1929, Chapter 166, be amended so as to read as follows:

"1920. The board of trustees of every firemen's relief association of this state shall be composed of the following persons, to-wit: six trustees elected annually by such firemen's relief from its own members and also the following ex officio members taken from the officers of the municipality in which the relief association is located, viz.: The mayor or president, the recorder or clerk, the treasurer and chief of the fire department thereof, and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of this act, and all moneys or property donated, given, granted or devised for the benefit of said funds, and the funds received under the provisions of this act shall be kept in a special fund on the books of the secretary and treasurer of said association and shall never be disbursed for any purpose whatever except the following, viz.: (1st) For the relief of sick, injured and disabled members of any fire department in such village or city; (2nd) for the payment of pensions to disabled firemen and the widows and orphans of firemen; (3rd) for the payment of pensions to retired firemen pursuant to the laws of the state; (4th) for the payment of the fees, dues and assessments in the Minnesota State Volunteer Firemen's Benefit Association so as to entitle the members of any fire department to membership in and benefits of such state association. Provided, that the funds received by any relief association from dues, fines, initiation fees and entertainments shall be kept in a fund called the general fund, and may be disbursed for any purposes authorized by the articles of incorporation and by-laws of said association. Provided, further, that said relief association is hereby authorized and empowered to invest its funds in such income paying properties and securities as the council of the village or city in which such organization is located shall from time to time authorize. Provided, further, that none of the money raised by taxation as provided herein shall be paid to any firemen's relief association, or other trustee or officer, except the treasurer of the municipality wherein the same is levied, unless such firemen's relief association, or the treasurer thereof, or trustee authorized to receive the same, shall file a bond with the city clerk or village recorder, as the case may be, with sufficient sureties approved by the common council, or other governing body of such municipality, in double the amount received by virtue hereof, and shall from time to time, whenever required by such council or other governing body of such municipality, file a new or additional bond conditioned to safely keep all of said money and to disburse the same only for the purpose authorized by this act."

L1931

C 71

S 1

L 1929  
C 166  
S 1

Section 1. Board of trustees of relief associations.—That General Statutes 1923, Section 1920 be amended so as to read as follows:

"1920. The board of trustees of every firemen's relief association of this state shall be composed of the following persons, to-wit: Four trustees elected annually by such firemen's relief from its own members and also the following ex officio members taken from the officers of the municipality in which the relief association is located, viz.: The mayor or president, the recorder or clerk, the treasurer and chief of the fire department thereof, and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of this act, and all moneys or property donated, given, granted or devised for the benefit of said funds, and the funds received under the provisions of this act shall be kept in a special fund on the books of the secretary and treasurer of said association and shall never be disbursed for any purpose whatever except the following, viz.: (1st) For the relief of sick, injured and disabled members of any fire department in such village or city; (2nd) for the payment of pensions to disabled firemen and the widows and orphans of firemen; (3rd) for the payment of pensions to retired firemen pursuant to the laws of the state; (4th) for the payment of the fees, dues and assessments in the Minnesota State Volunteer Firemen's Benefit Association so as to entitle the members of any fire department to membership in and benefits of such state association. Provided, that the funds received by any relief association from dues, fines, initiation fees and entertainments shall be kept in a fund called the general fund, and may be disbursed for any purposes authorized by the articles of incorporation and by-laws of said association. Provided, further, that said relief association is hereby authorized and empowered to invest its funds in such income paying properties and securities as the council of the village or city in which such organization is located shall from time to time authorize. Provided, further, that none of the money raised by taxation as provided herein shall be paid to any firemen's relief association, or other trustee or officer, except the treasurer of the municipality wherein the same is levied, unless such firemen's relief association, or the treasurer thereof, or trustee authorized to receive the same, shall file a bond with the city clerk or village recorder, as the case may be, with sufficient sureties approved by the common council, or other governing body of such municipality, in double the amount received by virtue hereof, and shall from time to time, whenever required by such council or other governing body of such municipality, file a new or additional bond conditioned to safely keep all of said money and to disburse the same only for the purpose authorized by this act."

L 1923  
C 165  
51

Section 1. Tax for fire department relief fund in certain vil-  
lages and cities having less than 50,000 inhabitants—Board of  
trustees of relief association, how constituted—Funds, how dis-  
posed of, etc.—That section 1833, General Statutes of Minne-  
sota, 1913, be and the same hereby is amended so as to read as  
follows;

"1833. The board of trustees of every fireman's relief associa-  
tion of this state shall be composed of the following persons,  
to wit; six trustees elected annually by such fireman's relief  
from its own members and also the following ex officio members  
taken from the officers of the municipality in which the relief  
association is located, viz: The mayor or president, the re-  
corder or clerk, the treasurer and the chief of the fire depart-  
ment thereof, and any such board of trustees of a duly incor-  
porated relief association shall have exclusive control and man-  
agement of all funds received by its treasurer under the provi-  
sions of this act, and all moneys or property donated, given,  
granted or devised for the benefit of said funds, and the funds  
received under the provisions of this act shall be kept in a  
special fund on the books of the secretary and treasurer of said  
association and shall never be disbursed for any purpose what-  
ever except the following, viz: (1st) For the relief of sick,  
injured and disabled members of any fire department in such  
village or city: (2nd) for the payment of pensions to dis-  
abled firemen and the widows and orphans of firemen: (3rd)  
for the payment of pensions to retired firemen pursuant to the  
laws of the state. Provided, that the funds received by any re-  
lief association from dues, fines, initiation fees and entertain-  
ments shall be kept in a fund called the general fund, and may  
be disbursed for any purpose authorized by the articles of in-  
corporation and by-laws of said association. Provided, further,  
that said relief association is hereby authorized and empowered  
to invest its funds in such income paying properties and secu-  
rities as the council of the village or city in which such or-  
ganization is located shall from time to time, authorize. Pro-  
vided, further, that none of the money raised by taxation as  
provided herein shall be paid to any fireman's relief association,  
or other trustee or officer, except the treasurer of the municipal-  
ity wherein the same is levied, unless such fireman's relief as-  
sociation, or the treasurer thereof, or trustee authorized to re-  
ceive the same, shall file a bond with the city clerk or village  
recorder, as the case may be, with sufficient sureties approved  
by the common council, or other governing body of such mu-  
nicipality, in double the amount received by virtue hereof, and  
shall from time to time, whenever required by such council or  
other governing body of such municipality, file a new or addi-  
tional bond conditioned to safely keep all of said money and  
to disburse the same only for the purposes authorized by this  
act."

L 1909  
C 197  
52

Officers of relief association—Duties.—Sec. 2. The board of  
trustees of every firemen's relief association of this state shall be  
composed of the following persons, to-wit: Four trustees elected  
annually by such firemen's relief from its own members and also  
the following ex officio members taken from the officers of the  
municipality in which the relief association is located, viz.: The  
mayor or president, the recorder or clerk, the treasurer and the  
chief of the fire department thereof, and any such board of trust-  
ees of a duly incorporated relief association shall have exclusive  
control and management of all funds received by its treasurer  
under the provisions of this act, and all moneys or property do-  
nated, given, granted or devised for the benefit of said funds,  
and the funds received under the provisions of this act shall be  
kept in a special fund on the books of the secretary and treasurer  
of said association and shall never be disbursed for any purpose  
whatever except the following, viz.: (1st) For the relief of  
sick, injured and disabled members of any fire department in  
such village or city; (2nd) for the payment of pensions to dis-  
abled firemen and the widows and orphans of firemen; (3rd) for  
the payment of pensions to retired firemen pursuant to the laws  
of the state. Provided, that the funds received by any relief as-  
sociation from dues, fines, initiation fees and entertainments  
shall be kept in a fund called the general fund, and may be dis-  
bursed for any purpose authorized by the articles of incorpora-  
tion and by-laws of said association. Provided, further, that said  
relief association is hereby authorized and empowered to invest  
its funds in such income paying properties and securities as the  
council of the village or city in which such organization is located  
shall from time to time, authorize. Provided, further, that none of  
the money raised by taxation as provided herein shall be paid to  
any firemen's relief association, or other trustee or officer, except  
the treasurer of the municipality wherein the same is levied, unless  
such firemen's relief association, or the treasurer thereof, or trustee  
authorized to receive the same, shall file a bond with the city  
clerk or village recorder, as the case may be, with sufficient sure-  
ties approved by the common council, or other governing body  
of such municipality, in double the amount received by virtue  
hereof, and shall from time to time, whenever required by such  
council or other governing body of such municipality, file a new  
or additional bond conditioned to safely keep all of said money  
and to disburse the same only for the purposes authorized by this  
act.

## Benefit Coverage Provided By Volunteer Firefighter Relief Associations

1. In General. In Minnesota, most firefighters are volunteer firefighters. Pension coverage for volunteer firefighters in this state is provided by volunteer firefighter relief associations, and either is the only compensation or is an important component of the compensation package provided to volunteer firefighters.

The primary benefit payable from a volunteer fire relief association is a service pension. Most volunteer fire relief associations provide a lump sum service pension, with a minority providing a monthly benefit service pension (some with an alternative lump sum service pension). Service pensions are not payable before age 50, and usually are payable in full only with 20 years of service. Some volunteer fire relief associations have casualty (disability and death) benefit coverage if a service pension is not otherwise payable.

The state law regulating the benefit coverage provided to volunteer firefighters by volunteer firefighter relief associations from the relief association special fund is primarily Minnesota Statutes, Sections 424A.02, 424A.03, and 424A.10. Minnesota Statutes, Chapter 424A, was enacted in 1979, which was the last time the Legislature undertook a significant general review and analysis of volunteer fire benefit coverage.

Unlike most public employee pension coverage, where state law specifies all or most aspects of the benefit plan, the statutory regulation of volunteer firefighter relief associations largely consists of specifying certain minimum eligibility requirements and certain benefit maximums, with the actual benefit plan assembled in the articles of incorporation or the bylaws of the particular volunteer firefighter relief association. The primary benefit coverage provided by a volunteer firefighter relief association is the service pension coverage, and most minimum eligibility requirements and benefit maximums relate to the service pension coverage.

2. Service Pension Eligibility Requirements. Minnesota Statutes, Section 424A.02, Subdivision 1, authorizes a volunteer firefighter relief association to provide a service pension to a member of the relief association if certain conditions are met by the volunteer firefighter. The volunteer firefighter must meet the following conditions:
  - a. Terminate Active Service. The person must separate from active service as a firefighter with the fire department, defined as the cessation of the performance of fire suppression duties and the cessation of the supervision of fire suppression activities. In 2000, the definition of “separation from active service” (for purposes of benefit entitlement) was clarified by specifying that the separation must be permanent and if a firefighter resumes service, no additional service pension accrues and the individual must repay any previously received service pension. In 2002, certain retirees were authorized to receive and retain a volunteer firefighter pension although subsequently employed full-time within the fire department by the applicable city or independent nonprofit firefighting corporation, providing that the employer determines the position would be difficult to fill with another similarly qualified applicant, and providing the relief association bylaws permit it.
  - b. Attain at Least Age 50. The person must reach at least age 50.
  - c. Have Credit for At Least Five Years Fire Department Service. The person must have credit for at least five years of service as an active member of the fire department with which the relief association is associated.
  - d. Have Credit for At Least Five Years Relief Association Membership. The person must have credit for at least five years of active membership in the relief association before separating from service (open to modification for a new relief association covering an existing volunteer fire department, with firefighters having prior service).
  - e. Compliance with Additional Conditions. The person must comply with any additional age, service, or membership conditions prescribed in the relief association bylaws.
3. Partial Vesting With Less Than 20 Years Service Credit. Volunteer firefighter relief associations have traditionally required 20 years of service for a person to become eligible to receive a service pension. Between 1979 and 1989, ten years of service were required as the minimum service requirement for entitlement to a partial service pension. In 1989, the ten-year service requirement was reduced to five years.

4. Nonforfeitable Portion of Service Pension. Under state law, the maximum service pension payable with less than 20 years of service is limited to a portion of the service pension earned or accrued. The applicable statutory provision is Minnesota Statutes, Section 424A.02, Subdivision 2. As last revised in 2004, the percentage of the accrued or earned benefit must be set forth in the articles of incorporation or the bylaws of the relief association, but cannot exceed the following for lump sum plans, monthly plans, or combination monthly/lump sum plans:

Completed Years of Service	Nonforfeitable Percentage of Pension Amount
5	40 percent
6	44 percent
7	48 percent
8	52 percent
9	56 percent
10	60 percent
11	64 percent
12	68 percent
13	72 percent
14	76 percent
15	80 percent
16	84 percent
17	88 percent
18	92 percent
19	96 percent
20 and thereafter	100 percent

For a volunteer firefighter relief association that pays a defined contribution service pension, the nonforfeitable percentage of pension amounts are as follows:

Completed Years of Service	Nonforfeitable Percentage of Pension Amount
5	40 percent
6	52 percent
7	64 percent
8	76 percent
9	88 percent
10 and thereafter	100 percent

5. Flexible Service Pension Maximums. Volunteer firefighter service pensions have always been subject to a benefit maximum, either under Minnesota Statutes, Section 69.06 (1905-1979), or Minnesota Statutes, Section 424A.02, Subdivision 3 (1979 to present). Before 1957, the maximum service pension payable to a retiring volunteer firefighter was a \$40 monthly benefit (plus two dollars per month per year of service beyond 20 years to a maximum of \$60 per month) or \$100 per year of service credit lump sum benefit. In 1957, the lump sum benefit maximum was increased to \$200 per year of service credit. In 1973, the lump sum benefit maximum was increased to \$300 per year of service credit. In 1976, the monthly benefit maximum was increased to \$80 per month (plus four dollars per month per year of service beyond 20 years to a maximum of \$120 per month) or \$600 per year of service credit lump sum benefit.

In 1979, with the passage of Minnesota Statutes, Chapter 424A, recodifying the law governing volunteer fire pension coverage, the single dollar amount service pension maximums were eliminated in favor of flexible service pension maximums. The flexible service pension maximums established a sliding scale of benefit maximums based on the level of funding per firefighter for the previous three-year period.

The service pension can be a monthly benefit service pension (a specified dollar level per month per year of service credit, payable for life) or a lump sum service pension (a specified dollar level per year of service credit, payable in a lump sum or in a number of installment payments). If a relief association provides both a monthly benefit service pension and a lump sum service pension as an alternative, the amount of each type of service pension must comply with the applicable flexible service pension maximum for that benefit type. The funding amount on which the flexible service pension maximum scale is based is the amount of funding available per firefighter, computed on a three-year average. The funding used in the computation is the amount of fire state aid received, the amount of any municipal funding provided, and one-tenth of the amount of any funding surplus (assets in excess of actuarial accrued liability).

The flexible service pension maximums in current law for monthly volunteer fire pension plans, last amended in 2003, are as follows:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service	Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$.....	\$25	2,183	26.00
42	.50	2,267	27.00
84	1.00	2,351	28.00
126	1.50	2,436	29.00
168	2.00	2,520	30.00
209	2.50	2,604	31.00
252	3.00	2,689	32.00
294	3.50	2,773	33.00
335	4.00	2,857	34.00
378	4.50	2,942	35.00
420	5.00	3,026	36.00
503	6.00	3,110	37.00
587	7.00	3,194	38.00
672	8.00	3,278	39.00
755	9.00	3,362	40.00
839	10.00	3,446	41.00
923	11.00	3,530	42.00
1,007	12.00	3,614	43.00
1,090	13.00	3,698	44.00
1,175	14.00	3,782	45.00
1,259	15.00	3,866	46.00
1,342	16.00	3,950	47.00
1,427	17.00	4,034	48.00
1,510	18.00	4,118	49.00
1,594	19.00	4,202	50.00
1,677	20.00	4,286	51.00
1,762	21.00	4,370	52.00
1,845	22.00	4,454	53.00
1,888	22.50	4,538	54.00
1,929	23.00	4,622	55.00
2,014	24.00	4,706	56.00
2,098	25.00		

The current law flexible service pension maximums for relief associations paying a lump sum pension are as follows:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Pension Amount Payable for Each Year of Service	Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Pension Amount Payable for Each Year of Service
\$.....	\$10	216	400
11	20	239	440
16	30	259	480
23	40	281	520
27	50	302	560
32	60	324	600
43	80	347	640
54	100	367	680
65	120	389	720
77	140	410	760
86	160	432	800
97	180	486	900
108	200	540	1,000
131	240	594	1,100
151	280	648	1,200
173	320	702	1,300
194	360	756	1,400

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Pension Amount Payable for Each Year of Service	Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Pension Amount Payable for Each Year of Service
810	1,500	2,373	4,400
864	1,600	2,427	4,500
918	1,700	2,481	4,600
972	1,800	2,535	4,700
1,026	1,900	2,589	4,800
1,080	2,000	2,643	4,900
1,134	2,100	2,697	5,000
1,188	2,200	2,751	5,100
1,242	2,300	2,805	5,200
1,296	2,400	2,859	5,300
1,350	2,500	2,913	5,400
1,404	2,600	2,967	5,500
1,458	2,700	3,021	5,600
1,512	2,800	3,075	5,700
1,566	2,900	3,129	5,800
1,620	3,000	3,183	5,900
1,672	3,100	3,237	6,000
1,726	3,200	3,291	6,100
1,753	3,250	3,345	6,200
1,780	3,300	3,399	6,300
1,820	3,375	3,453	6,400
1,834	3,400	3,507	6,500
1,888	3,500	3,561	6,600
1,942	3,600	3,615	6,700
1,996	3,700	3,669	6,800
2,023	3,750	3,723	6,900
2,050	3,800	3,777	7,000
2,104	3,900	3,831	7,100
2,158	4,000	3,885	7,200
2,212	4,100	3,939	7,300
2,265	4,200	3,993	7,400
2,319	4,300	4,047	7,500

6. Defined Contribution Lump Sum Service Pension Coverage. Minnesota Statutes, Section 424A.02, Subdivision 4, allows a volunteer firefighter relief association to provide a defined contribution (or split-the-pie) service pension in lieu of a defined benefit monthly benefit or lump sum service pension. The defined contribution service pension coverage necessitates that the volunteer firefighter relief association establish a separate account for each member, to which an equal share of any fire state aid, municipal contributions or turnover gain (forfeited amounts upon early terminations under Minnesota Statutes, Section 424A.02, Subdivision 2) must be credited to each individual account. Investment income based on the account balance also must be credited to each individual account.
  
7. Benefit Calculation Uniformity. Minnesota Statutes, Section 424A.02, Subdivision 6, provides that the method of calculating service pensions must be applied uniformly for all years of active service. It also provides that credit must be given for all years of service other than the partial early vesting provisions. The provision also prohibits the payment of a service pension to a person who remains an active firefighter, prohibits the payment of other special fund benefits to a person receiving a service pension, exempts volunteer firefighter relief association pensions and benefits from garnishment, judgment, execution or legal process other than marriage dissolution or child support obligations, and prohibits the assignment of any service pension or benefit from a volunteer firefighter relief association.
  
8. Deferred Service Pensions. For a volunteer firefighter who has completed the length of service credit required for vesting, has at least five years of relief association active membership, but separates from active volunteer firefighter service and volunteer firefighter relief association membership before age 50, Minnesota Statutes, Section 424A.02, Subdivision 7, provides for a deferred service pension payable when the former firefighter reaches at least age 50. The service pension is calculated based on the law in effect when active service terminated, but a lump sum service pension may be credited with actual five percent interest. Alternatively, if provided in the bylaws, a deferred pension may accrue interest at the actual rate earned on the assets for the deferral period if the deferred assets are in a separate account or investment vehicle maintained by the relief association

and if the deferred retiree bears the full investment risk for the deferred account. Another option, if the assets are not in a separate account, is to pay interest based on the actual return of the special fund, as computed by the state auditor, but not to exceed five percent.

9. Installment Payments for Lump Sum Service Pensions. Volunteer firefighter relief associations that pay lump sum service pensions are authorized by Minnesota Statutes, Section 424A.02, Subdivision 8, to pay the lump sum service pension in installments. No limit in the number of installments is specified. The installments are to have the same present value as the lump sum service pension, based on a five percent interest assumption.
10. Conversion of Lump Sum Service Pensions Into Annuities Through Single Premium Insurance Annuity Purchase. Minnesota Statutes, Section 424A.02, Subdivision 8a, allows a volunteer firefighter relief association that pays a lump sum service pension to purchase a single premium insurance annuity for the retiring volunteer firefighter from an insurance company approved to do this type of business by the state commerce commissioner.
11. Ancillary Benefit Limits. Minnesota Statutes, Section 424A.02, Subdivision 9, places limits on ancillary retirement benefit coverage. Ancillary benefits are those benefits provided by a volunteer firefighter relief association other than the service pension, such as disability benefits, death benefits, or survivor benefits. The limitations are needed to protect the financial solvency regulation of volunteer firefighter relief associations, which is built around determining the accrued liability and financial requirements for the level of the service pension coverage provided by the volunteer firefighter relief association. The limitations are:
  - a. No Post-Retirement Benefit Beyond the Lump Sum Service Pension. Volunteer firefighter relief associations that provide lump sum service pensions are prohibited from paying any additional benefit to a retired firefighter or on behalf of a retired firefighter once payment of the service pension commences; and
  - b. Maximum Ancillary Benefit Available. All volunteer firefighter relief associations are limited in the payment of pre-retirement and post-retirement ancillary benefits to the amount of the accrued service pension of the volunteer firefighter, except that the survivor benefit payable on behalf of a deceased short-service firefighter may be based on a five years of service accrued benefit if that produces a larger accrued service pension amount.
12. Post-Retirement Increases. A volunteer firefighter relief association paying a monthly service pension may, if it chooses, provide a post-retirement increase to service pension and benefit recipients if approved by the municipality and the bylaws are appropriately amended under Minnesota Statutes, Section 424A.02, Subdivision 9a.
13. Municipal Approval of Benefit Changes; State Filing Requirements. Minnesota Statutes, Section 424A.02, Subdivision 10, requires municipal approval of any benefit changes or amendments to the relief association articles of incorporation or bylaws impacting on benefits if an association does not have surplus assets and municipal support is required. The benefit change approval request must be accompanied by an estimate of the actuarial impact of the benefit change. Upon making a benefit change, any volunteer firefighter relief association must file a copy of the revised articles of incorporation or bylaws with the state auditor in order to retain eligibility for fire state aid.

MN  
STAT  
1978  
569.06

**69.06 SERVICE PENSIONS.** Every fire department relief association organized under any laws of this state when its certificate of incorporation or bylaws so provide may pay out of any funds received from the state, or other source, a service pension in such amount, not exceeding \$60 per month, as hereinafter authorized, or as may be provided by its bylaws, to each of its members who has heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of 50 years and who has done or hereafter shall do active duty for 15 years or more as a member of a volunteer, paid or partially paid and partially volunteer, fire department in the municipality where the association exists, and who has been or shall hereafter be a member of such fire department relief association at least ten years prior to such retirement and who complies with such additional conditions as to age, service, and membership as may be prescribed by the certificate or bylaws of the association.

The association may also pay a service pension to each of its members who has done or hereafter does active duty for ten years or more, but less than 15 years, as a member of the fire department of the city and who is otherwise eligible to receive a service pension under this section and the bylaws of the association. The amount of service pension shall be 75 percent of the amount of the service pension payable upon completion of 15 years of service prorated on the basis that the number of years of service completed bears to 15 years.

The amount of monthly pension which may be paid to such retired firefighters may be increased by adding to the maximum above prescribed an amount not exceeding \$4 per month for each year of active duty over 15 years of service before retirement; provided, that no such fire department relief association shall pay to any member thereof a pension in any greater amount than the sum of \$120 per month.

Any such fire department relief association where the majority of its members are volunteer firefighters may provide in its certificate of incorporation or bylaws for a service pension in an amount not exceeding \$600 per year of service to be paid in a lump sum where the retiring member qualifies for a service pension under the provisions hereinbefore set forth.

These pensions shall be uniform in amount, except as herein otherwise provided. No such pension shall be paid to any person while he remains a member of the fire department and no person receiving such pension shall be entitled to other relief from the association. No payments made or to be made by the association to any member on the pension role shall be subject to judgment, garnishment, execution, or other legal process and no person entitled to such payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

[ RL s 1655; 1907 c 331 s 1; 1917 c 514 s 1; 1933 c 124 s 1; 1945 c 560 s 1; 1957 c 200 s 1; 1973 c 290 s 1; 1976 c 315 s 8; 1977 c 171 s 1; 1977 c 429 s 63 ] (3728)

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1978  
5424.30

**424.30 TAX FOR RELIEF FUND.** Subdivision 1. The council or other governing body of each city in this state, other than cities of the first and second class and other than any city operating under Laws 1935, Chapters 153, 192, and 208, and Laws 1939, Chapter 434, and Laws 1941, Chapter 196, or acts amendatory thereof, which has a regularly organized fire department, shall each year, at the time the tax levies are made for the support of the city, and in addition thereto, levy a tax of one-thirtieth of a mill on all the taxable property of such city; and it may, when it deems it necessary or desirable so to do, levy an additional amount not to exceed nineteen-thirtieths of one mill. The tax so levied shall be transmitted to the auditor of the county in which the city is situated at the time all other tax levies are transmitted, and shall be collected and payment thereof enforced. If the governing body of any such city having a duly incorporated firefighter's relief association fails to include the one-thirtieth of one mill tax in its levy for 1960 or any subsequent year, the board of trustees of the association may certify that fact to the county auditor, who shall thereupon add the omitted levy to the city levy for that year, or, if then too late, for the next following year.

Subd. 2. The town or city, when the tax and state aid is received, shall pay the same over to the treasurer of the duly incorporated firefighter's relief association of such town or city, if there is one organized, together with all penalties and interest collected thereon; but if there is no firefighter's relief association so organized in any such town or city, or if any such association resign, be removed or has heretofore resigned or has been removed as trustee of such money, then the municipality shall keep the money in the municipal treasury to be disbursed only for the purposes authorized by section 424.31 or for the equipment and maintenance of the fire department and for construction, acquisition, or repair of buildings, room, and premises for fire department use.

[ 1909 c 197 s 1; 1937 c 349 s 1; 1943 c 323 s 1; 1953 c 379 s 1; 1953 c 521 s 2; 1959 c 509 s 1; Ex1971 c 6 s 10; 1973 c 123 art 5 s 7; 1973 c 773 s 1; 1977 c 429 s 63 ] (1919)

MN  
STAT  
1978  
§ 424.31

**424.31 BOARD OF TRUSTEES OF FIREFIGHTERS' RELIEF ASSOCIATIONS.**

The board of trustees of every firefighters' relief association of this state shall be composed of the following persons: Six trustees elected annually by such firefighters' relief association from its own members and the following ex officio members taken from the officers of the municipality in which the relief association is located, the mayor or president, the recorder or clerk, the treasurer, and the chief of the fire department thereof; and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of sections 424.30 and 424.31, funds derived from the state of Minnesota, and all moneys or property donated, given, granted, or devised for the benefit of these funds, and such funds when received shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (1) For the relief of sick, injured, and disabled members of any fire department in such city;
- (2) For the payment of pensions to disabled firefighters and the surviving spouses and orphans of firefighters;
- (3) For the payment of pensions to retired firefighters pursuant to the laws of the state;
- (4) For the payment of the fees, dues, and assessments in the Minnesota state fire department association, and in the volunteer firefighters' benefit association of Minnesota so as to entitle the members of any qualified fire department to membership in and benefits of such state association;
- (5) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the respective relief associations; and
- (6) For the payment of administrative expenses of the association as authorized pursuant to section 69.80.

The term "surviving spouse" means a person who was the spouse of a firefighter or pensioner during the time the member was an active firefighter, provided that the spouse was married to the member three or more years prior to the time when such firefighter retired as a service pensioner. The term "surviving spouse" shall not include the surviving spouse who has deserted a firefighter or pensioner or who has not been dependent upon the member for support.

The funds received by any relief association from dues, fines, initiation fees, and entertainments shall be kept in a fund called the general fund and may be disbursed for any purposes authorized by the articles of incorporation and bylaws of the association. The relief association is hereby authorized and empowered to invest its funds in such income paying properties and securities as the council of the city in which such organization is located shall from time to time authorize. Benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and bylaws of the association.

[ 1909 c 197 s 2; 1923 c 163 s 1; 1929 c 166; 1931 c 71; 1933 c 135; 1937 c 349 s 2; 1945 c 206 s 1; 1957 c 177 s 1; 1973 c 123 art 5 s 7; 1976 c 95 s 1; 1977 c 429 s 63; 1978 c 562 s 31; 1978 c 690 s 7 ] (1920)

MN  
STAT  
1953  
569.06

69.06 SERVICE PENSION. Every fire department relief association organized under any laws of this state when its certificate of incorporation or by-laws so provide may pay out of any funds received from the state, or other source, a service pension in such amount, not exceeding \$40 per month, as hereinafter authorized, or as may be provided by its by-laws, to each of its members who has heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of 50 years and who has done or hereafter shall do active duty for 20 years or more as a member of a volunteer, paid or partially paid and partially volunteer, fire department in the municipality where the association exists, and who has been or shall hereafter be a member of such fire department relief association at least ten years prior to such retirement and who complies with such additional conditions as to age, service, and membership as may be prescribed by the certificate or by-laws of the association.

The amount of monthly pension which may be paid to such retired firemen may be increased by adding to the maximum above prescribed an amount not exceeding \$2.00 per month for each year of active duty over 20 years of service before retirement; provided, that no such fire department relief association shall pay to any member thereof a pension in any greater amount than the sum of \$60 per month.

Any such fire department relief association where the majority of its members are volunteer firemen may provide in its certificate of incorporation or by-laws for a service pension in an amount not exceeding \$100 per year of service to be paid in a lump sum where the retiring member qualifies for a service pension under the provisions hereinbefore set forth.

These pensions shall be uniform in amount, except as herein otherwise provided. No such pension shall be paid to any person while he remains a member of the fire department and no person receiving such pension shall be entitled to other relief from the association. No payments made or to be made by the association to any member on the pension role shall be subject to judgment, garnishment, execution, or other legal process and no person entitled to such payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

[R. L. s. 1655; 1907 c. 331 s. 1; 1917 c. 514 s. 1; 1933 c. 124 s. 1; 1945 c. 560 s. 1] (3728)

Section 1. Law amended. Minnesota Statutes of 1941, Section 69.06, is amended to read as follows:

69.06. Service pension. Every fire department relief association organized under any laws of this state when its certificate of incorporation or by-laws so provide may pay out of any funds received from the state, or other source, a service pension in such amount, not exceeding \$40.00 per month, as hereinafter authorized, or as may be provided by its by-laws, to each of its members who has heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of 50 years and who has done or hereafter shall do active duty for 20 years or more as a member of a volunteer, paid or partially paid and partially volunteer, fire department in the municipality where the association exists, and who has been or shall hereafter be a member of such fire department relief association at least ten years prior to such retirement and who complies with such additional conditions as to age, service, and membership as may be prescribed by the certificate or by-laws of the association.

L 1945  
CA 560  
S 1

The amount of monthly pension which may be paid to such retired firemen may be increased by adding to the maximum above prescribed an amount not exceeding \$2.00 per month for each year of active duty over 20 years of service before retirement; provided, that no such fire department relief association shall pay to any member thereof a pension in any greater amount than the sum of \$60.00 per month.

Any such fire department relief association where the majority of its members are volunteer firemen may provide in its certificate of incorporation or by-laws for a service pension in an amount not exceeding \$100.00 per year of service to be paid in a lump sum where the retiring member qualifies for a service pension under the provisions hereinbefore set forth.

These pensions shall be uniform in amount, except as herein otherwise provided. No such pension shall be paid to any person while he remains a member of the fire department and no person receiving such pension shall be entitled to other relief from the association. No payments made or to be made by the association to any member on the pension role shall be subject to judgment, garnishment, execution, or other legal process and no person entitled to such payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

Section 1. **Service pension.**—That Mason's Minnesota Statutes of 1927, Section 3728, be and the same hereby is amended to read as follows:

L1933  
CA 124  
51

"3728. Every fire department relief association organized under any laws of this state, whenever its certificate of incorporation or by-laws so provide, may pay out of any funds received from the state, or other source, a service pension, in such amount, not exceeding \$40.00 per month, as hereinafter authorized, or as may be provided by its by-laws, to each of its members, who have heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of 50 years, and who has done, or hereafter shall do, active duty for 20 years or more as a member of a volunteer paid, or partially paid and partially volunteer fire department in the municipality where such association exists, and who has been, or shall hereafter be, a member of such fire department relief association at least 10 years prior to such retirement, and who complies with such additional conditions as to age, service, and membership as may be prescribed by the certificate or by-laws of such association.

The amount of monthly pension which may be paid to such retired firemen may be increased by adding to the maximum above prescribed, an amount not exceeding two dollars per month for each year of active duty over 20 years of service before retirement, provided, however, that no such fire department relief association shall pay to any member thereof a pension in any greater amount than the sum of \$60.00 per month. *Such pensions shall be uniform in amount, except as herein otherwise provided.* No such pension shall be paid to any person while he remains a member of the fire department and no person receiving such pension shall be entitled to other relief from such association. No payments made or to be made by said association to any member on the pension roll shall be subject to judgment, garnishment or execution, or other legal process, and no person entitled to such payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

Section 1. **Service pensions may be granted to retired firemen not to exceed \$60.00 per month as maximum.**—That section 3347 of the General Statutes of Minnesota for the year 1913 be and the same hereby is amended so as to read as follows:

L1917  
CA 514  
51

Section 3347. Every fire department relief association organized under any laws of this state, whenever its certificate of incorporation or by-laws so provide, may pay out of any funds received from the state, or other source, a service pension, in such amount, not exceeding forty dollars (\$40.00) per month, *as hereinafter authorized, or as may be provided by its by-laws,* to each of its members, who have heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of fifty (50) years, and who has done, or hereafter shall do, active duty for twenty (20) years, or more as a member of a volunteer paid, or partially paid and partially volunteer fire department in the municipality where such association exists, and who has been, or shall hereafter be, a member of such fire department relief association at least ten (10) years prior to such retirement, and who complies with such additional conditions as to age, service, and membership as may be prescribed by the certificate or by-laws of such association.

*The amount of monthly pension which may be paid to such retired firemen may be increased by adding to the maximum above prescribed, an amount not exceeding two dollars per month for each year of active duty over twenty years of service before retirement, provided, however, that no such fire department relief association shall pay to any member thereof a pension in any greater amount than the sum of sixty dollars per month. No such pension shall be paid to any person while he remains a member of the fire department, and no person receiving such pension shall be entitled to other relief from such association. No payments made or to be made by said association to any member on the pension roll shall be subject to judgment, garnishment or execution, or other legal process, and no person entitled to such payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.*

**Pension to be paid under certain conditions—not subject to garnishment.**—Section 1. That section 1655, Revised Laws 1905, be and the same is hereby amended so as to read as follows:

L1907  
Ch 331  
51

Section 1655. Every fire department relief association organized under any law of this state, whenever its certificate of incorporation or by-laws so provide, may pay out of any funds received from the state, or other source, a service pension, in such amount, not exceeding forty dollars, (\$40.00) per month, as may be provided by its by-laws, to each of its members, who have heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of fifty (50) years, and who has done, or hereafter shall do, active duty for twenty (20) years or more as a member of a volunteer paid, or partially paid and partially volunteer fire department in the municipality where such association exists, and who has been, or shall hereafter be, a member of such fire department relief association at least ten (10) years prior to such retirement, and who complies with such additional conditions as to age, service and membership as may be prescribed by the certificate or by-laws of such association. Such pensions shall be uniform in amount, but all may be decreased or increased, within the amount above specified, whenever the amount of funds on hand render such action advisable. No such pension shall be paid to any person while he remains a member of a fire department, and no person receiving such pension shall be entitled to other relief from such association. No payments made or to be made by said association to any member on the pension roll shall be subject to judgment, garnishment or execution, or other legal process, and no person entitled to such payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

1655. Service pensions—Every fire department relief association organized under any law of this state, whenever its certificate of incorporation or by-laws so provide, may pay out of any funds received from the state or other source a service pension, in such amount, not exceeding forty dollars per month, as may be provided by its by-laws, to each of its retired members who has reached the age of fifty years, and has done active duty for twenty years or more, including the two years immediately preceding his retirement, as a member of a paid fire department in the municipality where such association exists, and who has been a member thereof at least ten years prior thereto, who complies with such additional conditions as to age, service, and membership as may be prescribed by its certificate or by-laws. Such pensions shall be uniform in amount, but all may be decreased or increased, within the amount above specified, whenever the amount of funds on hand render such action advisable. No such pension shall be paid to any person while he remains a member of a fire department, and no person receiving such pension shall be entitled to further relief from such association. Whenever there exists in such municipality a volunteer or partially paid and partially volunteer fire department, such relief association of such municipality may avail itself of the benefits of this section. ('97 c. 55 s. 1)

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1655 51655  
07 - - - 331  
09 1655 197



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Ed Burek, Deputy Director

RE: H.F. 1224 (Meslow); S.F. 1332 (Reiter): Volunteer Firefighter Relief Associations; Revising Required Support Levels for Monthly and Monthly/Lump Sum Pension Plans

DATE: April 3, 2003

Summary of H.F. 1224 (Meslow); S.F. 1332 (Reiter)

H.F. 1224 (Meslow); S.F. 1332 (Reiter) revises the required minimum average available financing per fire-fighter amounts required to support benefits from monthly plans (or plans which can pay either a monthly benefit or a lump sum) by deleting the support levels currently required by law to pay a monthly benefit in excess of \$37 per month per year of service, with revised required support levels to be specified later.

Background on Volunteer Firefighter Relief Associations and Volunteer Firefighter Relief Association Service Pensions

1. Volunteer Firefighter Service Pensions. In Minnesota, most firefighters are volunteer firefighters. Our state provides pension coverage for volunteer firefighters as an incentive to provide services. This coverage is provided by volunteer firefighter relief associations and either is the only compensation or is an important component of the compensation package provided to volunteer firefighters. The volunteer fire relief associations are Minnesota nonprofit corporations governed by a board made up of a majority of firefighters and a minority of city officials. In addition to the Minnesota Nonprofit Corporation Act, volunteer fire relief associations are governed by Minnesota Statutes, Chapters 69, 356A, and 424A.

The primary benefit payable from a volunteer fire relief association is a service pension. Most volunteer fire relief associations provide a lump sum service pension, with a minority providing a monthly benefit service pension (some with an alternative lump sum service pension). Service pensions are not payable before age 50, and usually are payable in full only with 20 years of service. Some volunteer fire relief associations have casualty (disability and death) benefit coverage if a service pension is not otherwise payable.

The funding of volunteer fire relief associations is primarily the annual fire state aid, which is allocated to cities based half on population compared to statewide totals, and half on their property value compared to the statewide total. The aid is dedicated for pension purposes. Additionally, if the actuarial cost of the volunteer firefighters relief association exceeds the fire state aid, the municipality must levy a property tax to support the volunteer fire relief association.

2. History of Volunteer Firefighter Service Pension Maximums.

- a. Before 1979. Volunteer firefighter service pensions have always been subject to a benefit maximum, either under Minnesota Statutes, Section 69.06 (1905-1979) or Minnesota Statutes, Section 424A.02, Subdivision 3 (1979 to present). In the system used before 1979, a single-benefit maximum was stated in law, but without any mention of the financing needed to support that benefit level, and without any guidance for reasonable benefit levels that could be supported in municipalities where funding support was low. Prior to 1957, the maximum service pension payable to a retiring volunteer firefighter was a \$40 monthly benefit (plus two dollars per month per year of service beyond 20 years to a maximum of \$60 per month) or \$100 per year of service credit lump sum benefit. In 1957, the lump sum benefit maximum was increased to \$200 per year of service credit. In 1973, the lump sum benefit maximum was increased to \$300 per year of service credit. In 1976, the monthly benefit maximum was increased to \$80 per month (plus four dollars per month per year of service beyond 20 years to a maximum of \$120 per month) or \$600 per year of service credit lump sum benefit.
- b. 1979 and After. In 1979, with the passage of Minnesota Statutes, Chapter 424A, recodifying the law governing volunteer fire pension coverage, the single dollar amount service pension maximums were

eliminated in favor of flexible service pension maximums. The flexible service pension maximums established a sliding scale of benefit maximums based on the level of funding per firefighter for the previous three-year period, with the greatest monthly benefit service pension of \$15 per month per year of service up to 30 years of service if the funding per firefighter was at least \$744 per year and with the greatest lump sum benefit service pension of \$2,000 per year of service if the funding per firefighter was at least \$960 per year. In 1983, the upper end of the monthly benefit service pension flexible maximum sliding scale was increased to \$22.50 per year of service credit up to 30 years of service with at least \$1,678 funding per firefighter per year, and the upper end of the lump sum service pension flexible maximum sliding scale was increased to \$3,000 per year of service credit with at least \$1,440 funding per firefighter per year. In 1990, the monthly benefit service pension flexible maximum sliding scale was increased from \$22.50 per month per year of service to \$30.00 per month per year of service credit. In 1993, the maximum permitted lump sum pension was increased from \$3,000 per year of service to \$4,000 per year of service, to be phased in by 1996.

In 1997, Senator Terwilliger and Representative Delmont authored bills to again increase volunteer fire monthly and lump sum plan benefit maximums. The bills were S.F. 466 (Terwilliger); H.F. 568 (Delmont): Volunteer Firefighter Relief Associations; Increasing the Maximum Service Pension Amounts for Monthly and Lump Sum Plans. The Legislative Commission on Pensions and Retirement (LCPR) heard these bills and recommended them to pass with an LCPR staff cleanup amendment. A copy of the bill (S.F. No. 466) and the staff amendment are attached. The bill passed as Laws 1997, Chapter 241, Article 6. The bill contained what appears to be a drafting error which the LCPR did not notice at that time and was therefore not addressed by the amendment. Page 3, lines 22 to 32, in the bill proposed to increase the flexible service pension maximums for monthly plans providing benefits above the \$30 per month per year of service benefit maximum that existed prior to that time, providing that sufficient financial support per firefighter exists. The proposed new support levels followed a pattern, at least through page 3, line 28, previously established in the existing table by permitting another dollar per month to be paid for each approximately \$85 in additional financial support per firefighter. Between lines 28 and 29, there is a sudden large increase required, an increase of an additional \$853 in support, rather than \$85, to pay another dollar per month in service pension (\$38 per month per year of service, rather than \$37). After that entry, the normal pattern begins again, requiring an increase of \$84 or \$85 for each additional dollar of monthly pension per year of service, with the new highest permitted pension set at \$40 per month per year of service, if the support level is \$4,137 or above.

The flexible service pension maximums were again increased by the 2000 Legislature (Laws 2000, Chapter 461, Article 15, Section 5) but the unusual change in the required support level between \$37 per month per year of service and \$38 per month per year of service was not addressed. The 2000 Session changes increased the maximum monthly pension from \$40 per month per year of service to \$56, to be phased in by the end of calendar 2003. The maximum lump sum pension was increased from \$5,500 to \$7,500 per year of service, with a similar phase-in.

#### Background on Volunteer Fire Funding Requirements

- a. Lump Sum Plans. If a relief association provides only lump sum benefits, the contribution requirements are determined by the association using a procedure specified in Section 69.772. Using a table included in that section, the relief association determines the pension plan's liability, given the length of service of the members and the benefit level of the plan. This is compared to the liability computed for the prior year, and the difference is the normal cost, the cost of providing the plan's benefits to its member for another year. To this normal cost is added the plan's expected administrative expenses. Finally, the amortization requirement, if any, is determined. This is determined by comparing the expected market value at year-end with the accrued liability. If the assets are less than the accrued liability, the difference is the unfunded liability. Under law, the unfunded liability is amortized by adding one-tenth of the unfunded liability to sum of the normal cost plus expenses. The amount thus determined is certified to the municipality, which is responsible for covering the amount with the assistance of state aid.
- b. Monthly Plans. If a volunteer fire plan provides monthly benefits, or provides monthly benefits as an option to a lump sum benefit, the contribution requirements must be determined through an actuarial valuation provided by an actuary. The pension fund must obtain an actuarial valuation of the fund at least every four years. The contribution requirements are the sum of the normal cost, administrative expenses, and amortization requirements as determined by the valuation.

## Procedure for Benefit Improvements, Monthly Plans

If a relief association, which provides its members with a monthly benefit or choice between a monthly benefit and a lump sum benefit, seeks to increase its benefits, it must obtain a new actuarial valuation reflecting the proposed change or at least an actuarial note indicating the impact of the proposed change on plan normal costs and amortization requirements, if any. This provides the necessary information to the municipality on the plan's revised contribution requirements. A relief association must seek municipal approval for a benefit increase if it has any unfunded liability or if the municipality is required to pay any contribution not covered by state aid (Section 69.773, subdivisions 3 and 6). If a relief association is not required to seek municipal approval (because it is more than fully funded and no local contribution will be required), it may increase its pension benefit without municipal approval, providing that the change maintains consistency with the flexible service pension maximum schedule requirements and providing that the fund will continue to have some assets in excess of full funding after the benefit increase (specifically, the liability increase may not exceed 90 percent of the surplus above full funding). However, if a relief association increases its benefit without municipal approval and later a municipal contribution is required, benefit levels must be rolled back to the level last approved by the municipality.

## Fire State Aid

Volunteer fire relief associations that comply with applicable laws and financial reporting requirements are eligible to receive fire state aid. This program dates back to 1885. Municipalities are responsible under law for providing required financing to the volunteer fire relief association, but receive state aids to assist in that effort. In many municipalities, the fire aids cover a substantial share of the required support and it is not uncommon for the aid to cover the entire obligation.

The following is an overview of the fire state aid program. In addition to the aid program described in this section, there are a few other aid programs that may impact fire relief associations, but not any of the volunteer fire relief associations with high support levels per firefighter, which is the subject of this current memo. The other aid programs assisting some other relief associations include:

- Fire Premium Tax Surcharge. This only applies to the first class cities and permits an additional two percent tax on fire insurance premiums on property located in the first class cities, which is then allocated to the applicable city. This system does not apply to any of the relief associations covered in this memo because the first class cities do not use volunteer firefighters.
- Additional Amortization Aid. Again, this aid system applies only to certain paid fire programs rather than to volunteer programs.
- Minimum Floor Fire Aid. Minimum floor fire aid is payable to volunteer fire relief associations that have low financial support per firefighter. That aid is received by about half of all municipalities. However, all relief associations to which the current memo applies have higher levels of support, and do not qualify for this minimum floor program.

The following is a description of the general fire state aid program, which does apply to the current situation.

- a. Available Aid. All relief associations which file appropriate financial reports or statements with the Office of the State Auditor and meet other basic requirements (have at least ten firefighters, have appropriate firefighting equipment, etc.) are eligible to share in the state fire tax aid allocation. At the current time, the total state aid appropriated for distribution under the main fire aid program is the greater of the following:
  - (1) 107 percent of the *tax collected* through fire, lightning, sprinkler leakage, and extended coverage insurance premium taxes; or
  - (2) an amount equal to one percent of the *premiums* on policies written for fire, lightning, sprinkler leakage, and extended coverage insurance policies by town and farmers' mutual insurance companies and mutual property and casualty companies with assets not exceeding \$5 million, plus two percent of the *premiums* on similar policies written by all other fire risk insurers.
- b. Allocation. Given the size of the aid pot determined above, the aid is then allocated to each jurisdiction based half on the population of the jurisdiction compared to the statewide total, and half upon property wealth relative to the statewide total. This aid allocation system suggests an assumption that the greater the population, the greater the need for fire services to protect that population. Similarly, the greater the property wealth, the greater the potential dollar value of losses due to fire and the greater the need for fire protection.

- c. System Shortcomings. Both the procedure for determining the statewide aid total and the aid allocation procedure are open to criticism. The system for determining the total statewide aid is, in essence, a dedicated tax. There is no reason to believe that the amount raised matches the need. The distribution procedure does not consider the ability of the local area to finance fire-related services. Areas with high property wealth are generally areas with a high average income, suggesting that considerable aid is going to areas with the highest ability to finance fire services locally. Areas with relatively low property wealth and low population receive little aid, but the need for fire protection services could be relatively high due to the age or nature of the insurable property.

#### Relief Associations Impacted by the Proposed Change

H.F. 1224 (Meslow); S.F. 1332 (Reiter) revises the required minimum average available financing per fire-fighter amounts required to support benefits from monthly plans (or plans which can pay either a monthly benefit or a lump sum) by deleting the support levels currently required by law to pay a monthly benefit in excess of \$37 per month per year of service, with revised required support levels to be specified later.

Commission staff reviewed information in the 2001 Volunteer Fire Compilation Report, produced by the Office of the State Auditor, to obtain some indication of which volunteer fire relief associations may be impacted by the proposed change. Information from Table 6 from the State Auditor report (only the portion of that table covering monthly plans or combination lumps sum/monthly plans) is attached. As of the end of 2001, there were only five monthly plans (Chaska, Hutchinson, Mound, Pine City, and Spring Lake Park) and none paid a benefit approaching \$37 per month per year of service. In this group the highest benefit was provided by Mound, with a benefit of \$29.25 per year of service. It is possible that some of these plans have the financing to pay higher pensions than they were then providing, possibly approaching \$37 per month per year of service. The flexible service pension maximum tables in Section 424A.02, subdivision 3, list the maximum benefits that can be provided under law given the association's average financing per firefighter, but associations and municipalities may choose to pay less than the maximum permitted under law. Thus, it is assumed--somewhat tentatively--that no relief association that is solely a monthly benefit plan will be immediately impacted by the change. In any event, no municipality would be forced to provide higher benefits for association members under the proposed change.

Regarding combination plans (those which can pay either a lump sum or a monthly annuity) there are a few plans which might be able to revise benefits under the change (yet to be specified) in H.F. 1224 (Meslow); S.F. 1332 (Reiter). Section 424A.02, Subdivision 2, paragraph (e), requires combination monthly/lump sum plans to be in compliance with both flexible service pension benefit maximum tables included in that section of law. The lump sum benefit offered by the plan must be consistent with the lump sum flexible service pension maximum table in that section, and the monthly benefit level that a retiring firefighter may choose as an alternative to a lump sum benefit must be consistent with the monthly flexible service pension maximum table in that section. Table 6 lists lump sum benefits per year of service offered by these monthly/lump sum plans. Using the flexible service pension maximum table for lump sum plans in Section 424A.02, Subdivision 2, we can infer the level of the average financing per firefighter. For example, according to Table 6 in the attachment, White Bear Lake provided a lump sum benefit amount of \$5,500 per year of service. The flexible service pension maximum table for a lump sum indicates that the plan must have \$2,967 in average available financing per firefighter to support a benefit at that level. If that plan had \$2,967 in average financing per firefighter, the corresponding monthly flexible service pension maximums table indicates that the plan can support a monthly benefit of between \$35 and \$36. If the plan has somewhat more financing than the amounts required to support the current benefit levels, there may be some interest in increasing benefits further. In reviewing this situation, you noted the unusual jump in current law in the monthly benefit flexible service pension maximum table which occurs between the \$37 and \$38 per month per year of service, and suggested a need to revise this law to correct an apparent error. In addition to White Bear Lake, there are a few other plans to which a change in the minimum required average financing per firefighter for benefit levels above \$37 per month per year of service may have immediate application, or could in the near future. According to Table 6, Plymouth is paying a lump sum service pension of \$6,000 per year of service. To do that, they need at least \$3,237 in average financing per firefighter, which, according to the monthly flexible service pension maximum table, is more than sufficient to provide a monthly benefit of \$37 per month per year of service. Other pension plans which are getting close to the necessary support levels for a \$37 per month per year of service benefit are Brooklyn Park, Lake Johanna, and Minnetonka, based on the lump sum benefit amounts they are now providing.

## Pension Policy Issues

H.F. 1224 (Meslow); S.F. 1332 (Reiter) revises the required minimum average available financing per firefighter amounts required to support benefits from monthly plans (or plans which can pay either a monthly benefit or a lump sum) by deleting the support levels currently required by law to pay a monthly benefit in excess of \$37 per month per year of service, with revised required support levels to be specified later. The proposed legislation raises several public pension and related policy issues, as follows:

1. Need for Change. The issue is whether there is sufficient need to revise the law governing support levels required to pay the various levels of benefits above \$37 per month per year of service. The argument for making a change is that the amount currently specified in the law does appear to reflect a drafting error, as previously discussed. An argument for not making any change, at least at this time, is that the revision is only currently relevant for about a half dozen plans, which already provide very high benefits for volunteer fire plans. Even for those few plans, current law has not created any appreciable harm. If the existing law has limited monthly pensions below the maximum that might otherwise apply, this would lead to more individuals electing a lump sum option. The individual could then use that lump sum to purchase an annuity if the individual desires to transform the lump sum into monthly income amounts.
2. Need for Change, Recruiting Issue. If the LCPR were to hear this draft as a bill, the LCPR may wish to consider whether there is compelling evidence that higher monthly benefit amounts (which would occur if average financing per firefighter to support these pensions is less than currently required under law) are needed for recruiting and retention. If the applicable associations are not having trouble retaining and recruiting volunteer firefighters given current benefit levels, there is no public need to take action which will permit higher benefit payouts.
3. State Aid Issues. The current benefit levels of several of the relief associations which may be impacted by H.F. 1224 (Meslow); S.F. 1332 (Reiter) are largely, if not entirely, driven by state aid. As noted above, the factors which allocate state fire aid (population relative to statewide totals, and property wealth relative to statewide totals) may not do an accurate job of directing aid to where it is really needed. The LCPR may wish to consider this in deciding whether to act on H.F. 1224 (Meslow); S.F. 1332 (Reiter) and for long-term planning purposes. Table 4 from the 2001 State Auditor's report, attached, shows for the monthly plans and the monthly/lump sum plans the state aid expected to be received and the expected required municipal contribution. For several of the plans, no municipal contribution is required because the expected state aid more than covers the total required contributions. Among the plans in this category are several that could benefit by passage of H.F. 1224 (Meslow); S.F. 1332 (Reiter), including White Bear Lake, Plymouth, Minnetonka, and Brooklyn Center. Benefit levels in these communities may have little relation to recruiting and retention needs. The benefit levels paid are a consequence of the state aid provided, and the state aid to certain municipalities may be in excess of the amount needed to induce individuals to provide the volunteer service.
4. Timing Issue. The issue is whether any action should be taken on this proposal given the current budget situation and the general uncertainty that situation creates. What currently are benefit levels supported largely or entirely by state aid may shift. If the Legislature were to eliminate, reduce, or revise state fire aids as part of a solution to the budget situation, considerable burden to finance volunteer fire relief associations could shift from state aid to the local municipalities.
5. Appropriate Relationship of Volunteer Fire Pension Levels to Pensions for Full-Time Public Employees. The proposal will make it easier to increase volunteer fire monthly benefits in some associations which already provide high benefits. While the desired ratio between volunteer fire service pensions and paid public employee plans is unclear, there undoubtedly is a relationship which, if out of proportion, will cause pressure to increase benefits in benefit plans providing coverage to paid employees. The volunteer fire pension is a pension for volunteer services. Presumably the individual has other sources of retirement income, including a pension from other full-time, paid employment. The pension to a member retiring from a pension plan for paid public employees represents the pension from the individual's primary, full-time, paid employment.

Regarding monthly pensions, H.F. 1224 (Meslow); S.F. 1332 (Reiter) would require less financing to support monthly benefits of \$38 or more per month per year of service, and current law will soon allow benefits as high as \$56 per month per year of service. At a benefit of \$40 per month per year of service, a volunteer firefighter with 20 years of service would receive a pension of \$800 per month or \$9,600 per year, while a volunteer firefighter with 30 years service would receive \$1,200 per month or \$14,400 annually. This is not

much less than newly retiring PERA-General Basic members are receiving, and the volunteer firefighters can begin drawing at earlier ages. According to the most recent PERA-General actuarial report, the average benefit of PERA Basic members who retired within the most recent year was \$2,134 per month, or \$25,612 annually. This number is the average for all of the new basic plan retirees. Within that group individuals had a range of service credit, but that information is not given in the actuarial report. For a volunteer firefighter who has full-time employment in a private or public sector job with social security coverage, perhaps the more appropriate comparison is to newly retiring PERA-General Coordinated members. The average PERA retirement benefit for new coordinated plan retirees was only \$8,340 annually. The corresponding average benefit for newly retired PERA-P&F members was \$36,848.

6. Revised Minimum Average Financing Per Firefighter Amounts. If the LCPR desires to act on H.F. 1224 (Meslow); S.F. 1332 (Reiter), the LCPR and/or Legislature will need to specify what the new minimum average financing amounts should be. One option is to use the pattern suggested in existing law, after dealing with the large increase in required support occurring at the \$37 to \$38 benefit level under current law. However, the LCPR may wish to take a more global review of the process for setting monthly benefit plan flexible service pension maximums. The general pattern in average financing required in the flexible service pension maximum table for monthly pensions is based on work performed in the late 1970s by LCPR staff, primarily to address the lump sum situation. With some necessary revision, the approach was modified for use with the monthly flexible pension maximum table. Taking a fairly rough approach and then modifying it further to fit monthly service pension situations may create error. The entire schedule may need to be reconsidered, and any error or bias at the lower value ranges may be magnified at the higher required support levels corresponding to the higher benefit levels.
7. Relationship Between Actuarial Valuations and the Flexible Service Pension Maximum Schedules. In reviewing any changes the LCPR may choose to make in the monthly benefit flexible service pension maximum schedule, the Commission may choose to recognize the relationship between the flexible maximum schedule and the actuarial valuations that the monthly benefit and monthly benefit/lump sum plans obtain from a range of actuarial service providers. One serves as a check or constraint on the other. Regarding the volunteer fire actuarial valuations, we note that some assumptions that must be used in these actuarial valuations are specified in law, while others (turnover and various other demographic assumptions) are left to the discretion of the actuary. The flexible service pension maximum schedule serves as a check or constraint against benefit levels that might seem justifiable given some of these valuations. The flexible service pension maximum schedule also serves to maintain legislative control over the relationship between the higher end of volunteer fire pensions and the pensions being earned by full-time, paid public employees. The actuarial valuations, in turn, could be viewed as a constraint on the benefit levels that might appear sustainable given the flexible service pension maximum schedule. A volunteer fire plan that pays monthly benefits or provides an option to elect monthly benefits must have an actuarial valuation performed every four years by an actuary (required by Section 69.773) and whenever a benefit increase is under consideration. A plan might require more funding than suggested by the flexible service pension maximum schedule if its covered members tended to be old and had little turnover (both of which would create an unusually high normal cost). If there is a problem supporting the existing or proposed new benefit level under the flexible service pension maximum schedule, the relief association and the municipality should be alerted to that problem by the actuarial valuation.

If the LCPR chooses to take action to reset the required support amounts for monthly and monthly/lump sum option plans, it is reasonable to take care in resetting those amounts, whether the Commission chooses to address the entire schedule or just the portion above \$37. If there is a downward revision of required support levels for all or a portion of the schedule, any given level of funding support may permit various relief associations to pay a higher benefit than is permitted under the current monthly benefit flexible service pension maximum schedule.

### Discussion of Amendments

H.F. 1224 (Meslow); S.F. 1332 (Reiter) currently contains blanks for required support levels above a monthly pension of \$37 per year of service credit. Two alternative amendments are attached for Commission consideration in filling in these amounts:

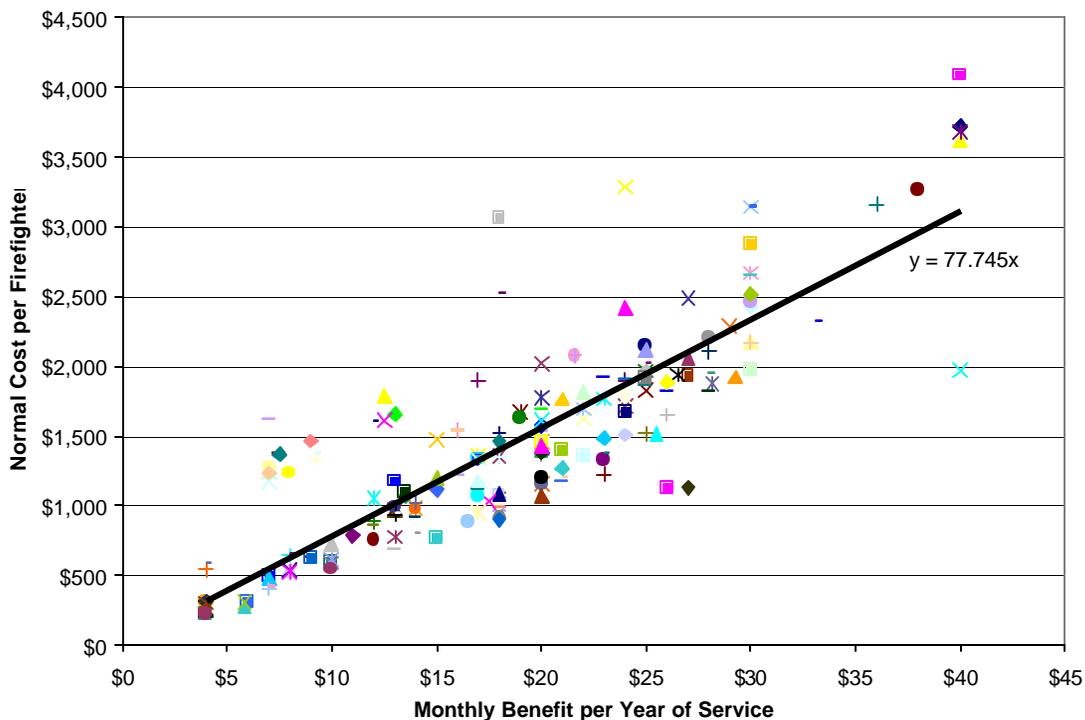
Amendment LCPR03-036. LCPR03-036 is the simpler of the two amendments, addressing only support levels required for monthly service pensions above \$38 per year of service. Throughout the entire monthly service pension flexible maximum service pension schedule, an increase in funding per firefighter of \$84 is typically

required to pay an additional dollar in the monthly pension. LCPR03-036 simply continues that pattern. To provide a monthly pension of \$37 per year of service credit under existing law requires \$3,110 in average financing per firefighter. LCPR03-036 adds \$84 to that average financing per firefighter amount to determine the financing needed per firefighter for a \$38 per month per year of service pension. That same pattern continues for all higher service pension amounts.

Amendment LCPR03-037. LCPR03-037 is an alternative to the first amendment. This second amendment could be used by the LCPR to adjust the entire monthly benefit flexible service pension maximum schedule, not just the upper tier. Under LCPR03-037, the entire schedule is revised to base each additional dollar of monthly benefits per year of service on a support level increase of \$81, not \$84 dollars. A \$1 per month per year of service pension would require \$81 in average financing per firefighter, not \$84 as required in the current table. A \$2 per month per year of service benefit requires \$162 in support, rather than \$168. The pattern of increasing required support by \$81 rather than \$84 for each additional dollar of monthly benefit is followed throughout the table.

The staff suggestion to base the entire table on an \$81 support increment rather than an \$84 support increment follows from LCPR staff research. The Office of the State Auditor provided LCPR staff with data from the volunteer fire actuarial valuations. We reviewed the data and removed a few cases which would distort results. For instance, in a few cases the data claimed that a plan was providing a monthly benefit but the normal cost was zero. This could be due to data entry error, or perhaps the information suggests a plan that is converting to a lump-sum-only plan, and no longer offers the monthly benefit to members. Using the remaining actuarial information, we examined the relationship between normal cost per member as determined from the actuarial valuations, and benefit levels per month per year of service provided by these plans.

A graph of the results follows. The graph suggests that for every one-dollar increase in monthly benefit per year of service, the normal cost of the plan will increase by \$77.70. The scatter pattern of the individual cases suggests that the relationship is consistent and linear. In other words, there is little justification for suggesting that a different relationship exists at lower levels than at higher levels. We also applied techniques to refine estimates given the nature of the scatter the data creates. The variability around the graph line is higher at higher benefit levels. That revised statistical approach produced a similar result, suggested that for each dollar increase in monthly benefits, the normal costs increases by \$78.40.



LCPR staff's suggestion, reflected in LCPR03-037 is to split the difference between the flexible service pension maximum schedule in existing law, which generally requires a support level increase of \$84 for each \$1 increase in monthly benefits, and the approximately \$78 increase in support for each \$1 increase in benefits suggested by the LCPR staff study. LCPR03-037 suggests requiring an \$81 increase in support for each \$1 increase in monthly benefit per year of service. This should produce a result that is reasonably conservative.

The final amendment for your consideration is LCPR03-038. This amendment is specific to White Bear Lake. It addresses a situation raised by a letter that is in the attachments, from Rose Hennessy, pension analyst with the

Office of the State Auditor, to Michael Machus, with the White Bear Lake Fire Department Relief Association. The letter indicates that the relief association amended its by-laws in January 1999 to provide a monthly benefit amount that exceeded the maximum pension permitted given the level of support. The support level was at the level where the error occurred in 1997 legislation in setting required support levels. The amendment would ratify the service pension amounts specified in the by-laws from January 1999 to the effective date of this act.

- 1.1 ..... moves to amend H.F. No. 1224; S.F. No.
- 1.2 1332, as follows:
- 1.3 Page 2, delete lines 15 to 36
- 1.4 Page 3, delete lines 1 to 36
- 1.5 Page 4, delete lines 1 to 12 and insert:
- 1.6 "Minimum Average Amount of Maximum Service Pension
- 1.7 Available Financing per Amount Payable per Month
- 1.8 Firefighter for Each Year of Service
- 1.9 \$... \$ .25
- 1.10 42 40.50 .50
- 1.11 84 81 1.00
- 1.12 ~~126~~ 121.50 1.50
- 1.13 ~~168~~ 162 2.00
- 1.14 ~~209~~ 202.50 2.50
- 1.15 ~~252~~ 243 3.00
- 1.16 ~~294~~ 283.50 3.50
- 1.17 ~~335~~ 324 4.00
- 1.18 ~~378~~ 364.50 4.50
- 1.19 ~~420~~ 405 5.00
- 1.20 ~~503~~ 486 6.00
- 1.21 ~~587~~ 567 7.00
- 1.22 ~~672~~ 648 8.00
- 1.23 ~~755~~ 729 9.00
- 1.24 ~~839~~ 810 10.00
- 1.25 ~~923~~ 891 11.00
- 1.26 ~~1007~~ 972 12.00
- 1.27 ~~1090~~ 1053 13.00
- 1.28 ~~1175~~ 1134 14.00
- 1.29 ~~1259~~ 1215 15.00
- 1.30 ~~1342~~ 1296 16.00
- 1.31 ~~1427~~ 1377 17.00
- 1.32 ~~1510~~ 1458 18.00
- 1.33 ~~1594~~ 1539 19.00
- 1.34 ~~1677~~ 1620 20.00
- 1.35 ~~1762~~ 1701 21.00

10/07/04 3:44 p.m.

[COM ]

LCPR03-037

1.36

~~1845~~ 1782

22.00

2.1	<del>1888</del> <u>1822.50</u>	22.50
2.2	<del>1929</del> <u>1863</u>	23.00
2.3	<del>2014</del> <u>1944</u>	24.00
2.4	<del>2098</del> <u>2025</u>	25.00
2.5	<del>2183</del> <u>2106</u>	26.00
2.6	<del>2267</del> <u>2187</u>	27.00
2.7	<del>2351</del> <u>2268</u>	28.00
2.8	<del>2436</del> <u>2349</u>	29.00
2.9	<del>2520</del> <u>2430</u>	30.00
2.10	<del>2604</del> <u>2511</u>	31.00
2.11	<del>2689</del> <u>2592</u>	32.00
2.12	<del>2773</del> <u>2673</u>	33.00
2.13	<del>2857</del> <u>2754</u>	34.00
2.14	<del>2942</del> <u>2835</u>	35.00
2.15	<del>3026</del> <u>2916</u>	36.00
2.16	<del>3110</del> <u>2997</u>	37.00
2.17	<del>3963</del> <u>3078</u>	38.00
2.18	<del>4047</del> <u>3159</u>	39.00
2.19	<del>4137</del> <u>3240</u>	40.00
2.20	<del>Effective beginning December 31, 2000:</del>	
2.21	<del>4227</del> <u>3321</u>	41.00
2.22	<del>4317</del> <u>3402</u>	42.00
2.23	<del>4407</del> <u>3483</u>	43.00
2.24	<del>4497</del> <u>3564</u>	44.00
2.25	<del>Effective beginning December 31, 2001:</del>	
2.26	<del>4587</del> <u>3645</u>	45.00
2.27	<del>4677</del> <u>3726</u>	46.00
2.28	<del>4767</del> <u>3807</u>	47.00
2.29	<del>4857</del> <u>3888</u>	48.00
2.30	<del>Effective beginning December 31, 2002:</del>	
2.31	<del>4947</del> <u>3969</u>	49.00
2.32	<del>5037</del> <u>4050</u>	50.00
2.33	<del>5127</del> <u>4131</u>	51.00
2.34	<del>5217</del> <u>4212</u>	52.00
2.35	Effective beginning December 31, 2003:	

10/07/04 3:44 p.m.

[COM ]

LCPR03-037

2.36

~~5307~~ 4293

53.00

3.1	<del>5397</del> <u>4374</u>	54.00
3.2	<del>5487</del> <u>4455</u>	55.00
3.3	<del>5577</del> <u>4536</u>	56.00"

1.1 A bill for an act

1.2 relating to retirement; monthly benefit and monthly

1.3 benefit/lump sum option volunteer fire plans; revising

1.4 required support levels for various benefit amounts;

1.5 amending Minnesota Statutes 2002, section 424A.02,

1.6 subdivision 3.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2002, section 424A.02,

1.9 subdivision 3, is amended to read:

1.10 Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] (a) Annually

1.11 on or before August 1 of each year as part of the certification

1.12 of the financial requirements and minimum municipal

1.13 obligation made pursuant to determined under section 69.772,

1.14 subdivision 4, or 69.773, subdivision 5, as applicable, the

1.15 secretary or some other official of the relief association

1.16 designated in the bylaws of each relief association shall

1.17 calculate and certify to the governing body of the applicable

1.18 qualified municipality the average amount of available financing

1.19 per active covered firefighter for the most recent three-year

1.20 period. The amount of available financing shall include any

1.21 amounts of fire state aid received or receivable by the relief

1.22 association, any amounts of municipal contributions to the

1.23 relief association raised from levies on real estate or from

1.24 other available revenue sources exclusive of fire state aid, and

1.25 one-tenth of the amount of assets in excess of the accrued

1.26 liabilities of the relief association ~~calculated pursuant to~~

2.1 ~~sections~~ under section 69.772, subdivision 2; 69.773,

2.2 subdivisions 2 and 4; or 69.774, subdivision 2, if any.

2.3 (b) The maximum service pension which the relief

2.4 association has authority to provide for in its bylaws for

2.5 payment to a member retiring after the calculation date when the

2.6 minimum age and service requirements specified in subdivision 1

2.7 are met must be determined using the table in paragraph (c) or

2.8 (d), whichever applies.

2.9 (c) For a relief association where the governing bylaws

2.10 provide for a monthly service pension to a retiring member, the

2.11 maximum monthly service pension amount per month for each year

2.12 of service credited that may be provided for in the bylaws is

2.13 the maximum service pension figure corresponding to the average

2.14 amount of available financing per active covered firefighter:

2.15	Minimum Average Amount of	Maximum Service Pension
2.16	Available Financing per	Amount Payable per Month
2.17	Firefighter	for Each Year of Service
2.18	\$...	\$ .25
2.19	42	.50
2.20	84	1.00
2.21	126	1.50
2.22	168	2.00
2.23	209	2.50
2.24	252	3.00
2.25	294	3.50
2.26	335	4.00
2.27	378	4.50
2.28	420	5.00
2.29	503	6.00
2.30	587	7.00
2.31	672	8.00
2.32	755	9.00
2.33	839	10.00
2.34	923	11.00
2.35	1007	12.00

2.36	1090	13.00
3.1	1175	14.00
3.2	1259	15.00
3.3	1342	16.00
3.4	1427	17.00
3.5	1510	18.00
3.6	1594	19.00
3.7	1677	20.00
3.8	1762	21.00
3.9	1845	22.00
3.10	1888	22.50
3.11	1929	23.00
3.12	2014	24.00
3.13	2098	25.00
3.14	2183	26.00
3.15	2267	27.00
3.16	2351	28.00
3.17	2436	29.00
3.18	2520	30.00
3.19	2604	31.00
3.20	2689	32.00
3.21	2773	33.00
3.22	2857	34.00
3.23	2942	35.00
3.24	3026	36.00
3.25	3110	37.00
3.26	<del>3963</del> .....	38.00
3.27	<u>4047</u> .....	39.00
3.28	<u>4137</u> .....	40.00
3.29	<del>Effective beginning December 31, 2000:</del>	
3.30	<u>4227</u> .....	41.00
3.31	<u>4317</u> .....	42.00
3.32	<u>4407</u> .....	43.00
3.33	<u>4497</u> .....	44.00
3.34	<del>Effective beginning December 31, 2001:</del>	
3.35	<u>4587</u> .....	45.00
3.36	<u>4677</u> .....	46.00
4.1	<u>4767</u> .....	47.00
4.2	<u>4857</u> .....	48.00
4.3	<del>Effective beginning December 31, 2002:</del>	
4.4	<u>4947</u> .....	49.00
4.5	<u>5037</u> .....	50.00
4.6	<u>5127</u> .....	51.00
4.7	<u>5217</u> .....	52.00
4.8	Effective beginning December 31, 2003:	
4.9	<u>5307</u> .....	53.00
4.10	<u>5397</u> .....	54.00
4.11	<u>5487</u> .....	55.00
4.12	<u>5577</u> .....	56.00
4.13	(d) For a relief association in which the governing bylaws	
4.14	provide for a lump sum service pension to a retiring member, the	
4.15	maximum lump sum service pension amount for each year of service	
4.16	credited that may be provided for in the bylaws is the maximum	
4.17	service pension figure corresponding to the average amount of	
4.18	available financing per active covered firefighter for the	
4.19	applicable specified period:	
4.20	Minimum Average Amount	Maximum Lump Sum Service
4.21	of Available Financing	Pension Amount Payable
4.22	per Firefighter	for Each Year of Service
4.23	\$..	\$10
4.24	11	20
4.25	16	30
4.26	23	40
4.27	27	50
4.28	32	60

4.29	43	80
4.30	54	100
4.31	65	120
4.32	77	140
4.33	86	160
4.34	97	180
4.35	108	200
4.36	131	240
5.1	151	280
5.2	173	320
5.3	194	360
5.4	216	400
5.5	239	440
5.6	259	480
5.7	281	520
5.8	302	560
5.9	324	600
5.10	347	640
5.11	367	680
5.12	389	720
5.13	410	760
5.14	432	800
5.15	486	900
5.16	540	1000
5.17	594	1100
5.18	648	1200
5.19	702	1300
5.20	756	1400
5.21	810	1500
5.22	864	1600
5.23	918	1700
5.24	972	1800
5.25	1026	1900
5.26	1080	2000
5.27	1134	2100
5.28	1188	2200
5.29	1242	2300
5.30	1296	2400
5.31	1350	2500
5.32	1404	2600
5.33	1458	2700
5.34	1512	2800
5.35	1566	2900
5.36	1620	3000
6.1	1672	3100
6.2	1726	3200
6.3	1753	3250
6.4	1780	3300
6.5	1820	3375
6.6	1834	3400
6.7	1888	3500
6.8	1942	3600
6.9	1996	3700
6.10	2023	3750
6.11	2050	3800
6.12	2104	3900
6.13	2158	4000
6.14	2212	4100
6.15	2265	4200
6.16	2319	4300
6.17	2373	4400
6.18	2427	4500
6.19	2481	4600
6.20	2535	4700
6.21	2589	4800

6.22	2643	4900
6.23	2697	5000
6.24	2751	5100
6.25	2805	5200
6.26	2859	5300
6.27	2913	5400
6.28	2967	5500
6.29	<del>Effective beginning December 31, 2000:</del>	
6.30	3021	5600
6.31	3075	5700
6.32	3129	5800
6.33	3183	5900
6.34	3237	6000
6.35	<del>Effective beginning December 31, 2001:</del>	
6.36	3291	6100
7.1	3345	6200
7.2	3399	6300
7.3	3453	6400
7.4	3507	6500
7.5	<del>Effective beginning December 31, 2002:</del>	
7.6	3561	6600
7.7	3615	6700
7.8	3669	6800
7.9	3723	6900
7.10	3777	7000
7.11	Effective beginning December 31, 2003:	
7.12	3831	7100
7.13	3885	7200
7.14	3939	7300
7.15	3993	7400
7.16	4047	7500
7.17	(e) For a relief association in which the governing bylaws	
7.18	provide for a monthly benefit service pension as an alternative	
7.19	form of service pension payment to a lump sum service pension,	
7.20	the maximum service pension amount for each pension payment type	
7.21	must be determined using the applicable table contained in this	
7.22	subdivision.	
7.23	(f) If a relief association establishes a service pension	
7.24	in compliance with the applicable maximum contained in paragraph	
7.25	(c) or (d) and the minimum average amount of available financing	
7.26	per active covered firefighter is subsequently reduced because	
7.27	of a reduction in fire state aid or because of an increase in	
7.28	the number of active firefighters, the relief association may	
7.29	continue to provide the prior service pension amount specified	
7.30	in its bylaws, but may not increase the service pension amount	
7.31	until the minimum average amount of available financing per	
7.32	firefighter under the table in paragraph (c) or (d), whichever	
7.33	applies, permits.	
7.34	(g) No relief association is authorized to provide a	
7.35	service pension in an amount greater than the largest applicable	
7.36	flexible service pension maximum amount even if the amount of	
8.1	available financing per firefighter is greater than the	
8.2	financing amount associated with the largest applicable flexible	
8.3	service pension maximum.	
8.4	Sec. 2. [EFFECTIVE DATE.]	
8.5	<u>Section 1 is effective the day following final enactment.</u>	

## **Division of Pension Benefits as Marital Property in a Marriage Dissolution Action and Volunteer Firefighter Relief Associations**

Pension benefits or pension rights acquired during the course of a marriage have been recognized as marital property available for division for decades by the Minnesota courts and specifically by state statute since 1978 (see Laws 1978, Chapter 772, Section 48).

For private section plans, federal law (Section 206(d)(3) of the Employee Retirement Income Security Act of 1974 (ERISA)) recognized pension interests as marital property subject to division by the court upon a marriage dissolution in an exception to the general prohibition on the assignment or alienation of pension benefits if a “qualified domestic relations order (QDRO)” procedure is utilized. Public pension plans are not included in much ERISA regulation and the QDRO provisions of ERISA do not apply to Minnesota public pension plans.

Before 1987, Minnesota public pension benefits divided in a marriage dissolution award were not enforceable in favor of the second payee against the pension plan because of statutory non-assignment/non-garnishment/non-alienation provisions (see Minnesota Statutes 1986, sections 3A.13; 352.15; 352B.071; 353.15; 354.10; 422A.24; 424A.02, Subdivision 6; and 490.126), so the division was enforceable by garnishment or attachment by the ex-spouse only upon the receipt of the pension benefit by the public pension plan member or upon the deposit of the benefit in the plan member’s bank account.

In 1987 (Laws 1987, Chapter 157), the Minnesota public pension non-assignment/non-garnishment/non-alienation provisions were amended to permit the enforcement of a marriage dissolution judgment dividing public pension interests against the public pension plan if the court judgment met various conditions designed to avoid the imposition of any additional unfunded liability on the pension plan and of any extended administrative burden on the pension plan administrators. The 1987 public pension plan marital property marriage dissolution division conditions were:

- (1) Payment Only If No Liquid Marital Property Exists. The division of marital property is, if possible, to be effected by the sale or disposition of liquid assets (e.g. cash and securities) or of readily liquidated assets (marketable personal or real property) before the pension benefits are divided.
- (2) Payment Only Upon Plan Member Retirement. The division may not occur until the plan member applies for a benefit and the benefit becomes payable.
- (3) Limited To Benefit Plan Terms. The division is payable only to the extent that the benefit plan terms permit.
- (4) Limited To Benefit Duration. The division may not be a benefit that is payable for a period longer than the recipient’s duration of receipt (i.e. for the pension plan member’s life).
- (5) No Lump Sum Payment. The division of a retirement annuity may not be in the form of a lump sum payment.
- (6) Designated Trustee For Payment of Any Residual Amount. Any divided benefit payable to an ex-spouse who predeceases the plan member is payable only to a trustee designated for that purpose.

The 1987 amendments, which were drafted in large part by the staff of the Legislative Commission on Pensions and Retirement and which were reviewed and recommended by the Legislative Commission on Pensions and Retirement, also included an authorization of the division of pension rights as a survivor benefit if the pension plan by law allows the payment of a survivor benefit, included a procedure for the valuation of pension benefits or rights by an actuary, and included the directive for the provision of pension information by public pension plans to the parties of an actual or potential dissolution proceeding.

In 1988 (Laws 1988, Chapter 668, Sections 15, 16, and 20), the 1987 public pension plan marital property division provisions were broadened to include private sector pension plans.

Many practicing lawyers in Minnesota will be familiar with ERISA requirements and QDRO procedures, but will generally not be knowledgeable about public pension plan marital property division provisions.

For lump sum volunteer firefighter relief associations and defined contribution volunteer firefighter relief associations, the benefit plan is limited (service pensions are limited to a single payment or a small number of payments; survivor or funeral benefits are payable only to surviving spouses and surviving children, or a designated beneficiary if there is no surviving spouse or surviving child) and most QDROs, if otherwise adapted for the simple nature of volunteer firefighter relief association benefit coverage, will likely not exceed the limitations of Minnesota Statutes, Section 518.58, Subdivision 4. For these volunteer firefighter relief associations, an ex-spouse who has been awarded a portion of the volunteer

firefighter's service pension simply becomes an additional payee when the service pension account is payable, upon the application of the retiring volunteer firefighter, either as a dollar amount or as a percentage of the total as designated in the court order. If a deferred service pension is involved, the marriage dissolved before the deferral period started, and the domestic relations order does not specifically address the issue, the relief association should not assume that any deferred lump sum service pension interest is also payable to the ex-spouse and should seek competent legal advice on how to interpret the order.

For monthly benefit volunteer firefighter relief associations and combination volunteer firefighter relief associations, the volunteer firefighter relief association benefit plan is more complex and the requirements and limitations of Minnesota Statutes, Section 518.58, Subdivision 4, must be more carefully observed. For these relief associations, the value of the relief association benefit coverage is more difficult to determine before the dissolution order is finalized and the payment of a portion of the service pension will continue for an extended period of time. The relief association will probably need to direct the parties to the dissolution action and their attorneys to the actuary who has been retained by the relief association to obtain benefit valuation information, which should be at the parties' expense and not at the expense of the relief association. The service pension is payable only for the lifetime of the retired firefighter, and is limited to the dollar amount or percentage of the total service pension each month as awarded by the court. For combination plans, where a retiring firefighter has a choice of the benefit form (lump sum or monthly benefit), and if the court did not mandate which benefit form, the type of pension for division will be based on the choice of the retiring firefighter.

Minnesota Statutes 2004, Table of ChaptersTable of contents for Chapter 424A**424A.02 Volunteer firefighters; service pensions.****Subd. 6. Payment of service pensions; nonassignability.**

The method of calculating service pensions shall be applied uniformly for all years of active service and credit shall be given for all years of active service, except as otherwise provided in this section. No service pension shall be paid to any person while the person remains an active member of the respective fire department, and no person who is receiving a service pension shall be entitled to receive any other benefits from the special fund of the relief association. No service pension or ancillary benefits paid or payable from the special fund of a relief association to any person receiving or entitled to receive a service pension or ancillary benefits shall be subject to garnishment, judgment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. No person entitled to a service pension or ancillary benefits from the special fund of a relief association may assign any service pension or ancillary benefit payments, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

Minnesota Statutes 2003, Table of ChaptersTable of contents for Chapter 518**518.58 Division of marital property.**

Subdivision 1. **General.** Upon a dissolution of a marriage, an annulment, or in a proceeding for disposition of property following a dissolution of marriage by a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to dispose of the property and which has since acquired jurisdiction, the court shall make a just and equitable division of the marital property of the parties without regard to marital misconduct, after making findings regarding the division of the property. The court shall base its findings on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, opportunity for future acquisition of capital assets, and income of each party. The court shall also consider the contribution of each in the acquisition, preservation, depreciation or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker. It shall be conclusively presumed that each spouse made a substantial contribution to the acquisition of income and property while they were living together as husband and wife. The court may also award to either spouse the household goods and furniture of the parties, whether or not acquired during the marriage. The court shall value marital assets for purposes of division between the parties as of the day of the initially scheduled prehearing settlement conference, unless a different date is agreed upon by the parties, or unless the court makes specific findings that another date of valuation is fair and equitable. If there is a substantial change in value of an asset between the date of valuation and the final distribution, the court may adjust the valuation of that asset as necessary to effect an equitable distribution.

Subd. 1a. **Transfer, encumbrance, concealment, or disposition of marital assets.** During the pendency of a marriage dissolution, separation, or annulment proceeding, or in contemplation of commencing a marriage dissolution, separation, or annulment proceeding, each party owes a fiduciary duty to the other for any profit or loss derived by the party, without the consent of the other, from a transaction or from any use by the party of the marital assets. If the court finds that a party to a marriage, without consent of the other party, has in contemplation of commencing, or during the pendency of, the current dissolution, separation, or annulment proceeding, transferred, encumbered, concealed, or disposed of marital assets except in the usual course of business or for the necessities of life, the court shall compensate the other party by placing both parties in the same position that they would have been in had the transfer, encumbrance, concealment, or disposal not occurred. The burden of proof under this subdivision is on the party claiming that the other party transferred, encumbered, concealed, or disposed of marital assets in contemplation of commencing or during the pendency of the current dissolution, separation, or annulment proceeding, without consent of the claiming party, and that the transfer, encumbrance, concealment, or disposal was not in the usual course of business or for the necessities of life. In compensating a party under this section, the court, in dividing the marital property, may impute the entire value of an asset and a fair return on the asset to the party who transferred, encumbered, concealed, or disposed of it. Use of a power of attorney, or the absence of a restraining order against the transfer, encumbrance, concealment, or disposal of marital property is not available as a defense under this subdivision.

Subd. 2. **Award of nonmarital property.** If the court finds that either spouse's resources or property, including the spouse's portion of the marital property as defined in section 518.54, subdivision 5, are so inadequate as to work an unfair hardship, considering all relevant circumstances, the court may, in addition to the marital property, apportion up to one-half of the property otherwise excluded under section 518.54, subdivision 5, clauses (a) to (d), to prevent the unfair hardship. If the court apportions property other than marital property, it shall make findings in support of the apportionment. The findings shall be based on all relevant factors including the length of the marriage, any prior marriage

of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, and opportunity for future acquisition of capital assets and income of each party.

**Subd. 3. Sale or distribution while proceeding pending.**

(a) If the court finds that it is necessary to preserve the marital assets of the parties, the court may order the sale of the homestead of the parties or the sale of other marital assets, as the individual circumstances may require, during the pendency of a proceeding for a dissolution of marriage or an annulment. If the court orders a sale, it may further provide for the disposition of the funds received from the sale during the pendency of the proceeding. If liquid or readily liquidated marital property other than property representing vested pension benefits or rights is available, the court, so far as possible, shall divide the property representing vested pension benefits or rights by the disposition of an equivalent amount of the liquid or readily liquidated property.

①

(b) The court may order a partial distribution of marital assets during the pendency of a proceeding for a dissolution of marriage or an annulment for good cause shown or upon the request of both parties, provided that the court shall fully protect the interests of the other party.

**Subd. 4. Pension plans.** (a) The division of marital property that represents pension plan benefits or rights in the form of future pension plan payments:

②

(1) is payable only to the extent of the amount of the pension plan benefit payable under the terms of the plan;

(2) is not payable for a period that exceeds the time that pension plan benefits are payable to the pension plan benefit recipient;

③

(3) is not payable in a lump sum amount from pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a pension plan;

④

(4) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for subsequent apportionment by the trustee; and

⑤

(5) in the case of public pension plan benefits or rights, may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable.

⑥

(b) The individual retirement account plans established under chapter 354B may provide in its plan document, if published and made generally available, for an alternative marital property division or distribution of individual retirement account plan assets. If an alternative division or distribution procedure is provided, it applies in place of paragraph (a), clause (5).

HIST: 1951 c 551 s 5; 1974 c 107 s 22; 1978 c 772 s 53; 1979 c 259 s 27; 1979 c 289 s 8; 1981 c 349 s 7; 1982 c 464 s 2; 1986 c 444; 1987 c 157 s 17; 1988 c 590 s 2; 1988 c 668 s 20; 1989 c 248 s 8; 1991 c 266 s 4,5; 1992 c 548 s 6; 1993 c 239 art 4 s 1

Minnesota Statutes 2004, Table of ChaptersTable of contents for Chapter 518**518.581 Surviving spouse benefit.**

Subdivision 1. **Award of benefit.** If a current or former employee's marriage is dissolved, the court may order the employee, the employee's pension plan, or both, to pay amounts as part of the division of pension rights that the court may make under section 518.58, or as an award of maintenance in the form of a percentage of periodic or other payments or in the form of a fixed dollar amount. The court may, as part of the order, award a former spouse all or part of a survivor benefit unless the plan does not allow by law the payment of a surviving spouse benefit to a former spouse.

Subd. 2. **Payment of funds by retirement plan.** (a) If the court has ordered that a spouse has an interest in a pension plan, the court may order the pension plan to withhold payment of a refund upon termination of employment or lump sum distribution to the extent of the spouse's interest in the plan, or to provide survivor benefits ordered by the court.

(b) The court may not order the pension plan to:

(1) pay more than the equivalent of one surviving spouse benefit, regardless of the number of spouses or former spouses who may be sharing in a portion of the total benefit;

(2) pay surviving spouse benefits under circumstances where the plan member does not have a right to elect surviving spouse benefits;

(3) pay surviving spouse benefits to a former spouse if the former spouse would not be eligible for benefits under the terms of the plan; or

(4) order survivor benefits which, when combined with the annuity or benefit payable to the pension plan member, exceed the actuarial equivalent value of the normal retirement annuity form, determined under the plan documents of the pension plan then in effect and the actuarial assumptions then in effect for calculating optional annuity forms by the pension plan or for calculating the funding requirements of the pension plan if no optional annuity forms are provided by the pension plan.

(c) If more than one spouse or former spouse is entitled to a surviving spouse benefit, the pension plan shall pay each spouse a portion of the benefit based on the ratio of the number of years the spouse was married to the plan member to the total number of years the plan member was married to spouses who are entitled to the benefit.

Subd. 3. **Notice to former spouse.** A pension plan shall notify a former spouse of an application by the employee for a refund of pension benefits if the former spouse has filed with the pension plan:

(1) a copy of the court order, including a withholding order, determining the former spouse's rights;

(2) the name and last known address of the employee; and

(3) the name and address of the former spouse.

A pension plan shall comply with an order, including a withholding order, issued by a court having jurisdiction over dissolution of marriage that is served on the pension plan, if the order states the name, last known address of the payees, and

name and address of the former spouse, or if the names and addresses are provided to the pension plan with service of the order.

Subd. 4. **Definitions.** For purposes of this section, the following terms have the meanings given in this subdivision.

(a) "Current or former employee" or "employee" means an individual who has an interest in a pension plan.

(b) "Surviving spouse benefit" means (1) a benefit a surviving spouse may be eligible for under the laws and bylaws of the pension plan if the employee dies before retirement, or (2) a benefit selected for or available to a surviving spouse under the laws and bylaws of the pension plan upon the death of the employee after retirement.

HIST: 1987 c 157 s 18; 1988 c 668 s 21; 1994 c 386 s 1

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**Defined Contribution Plans (89)**

<b>RELIEF</b>	<b>PLAN_TYPE</b>
ALASKA FIRE RELIEF ASSOCIATION	DC
ALBANY FIRE RELIEF ASSOCIATION	DC
ANDOVER FIRE RELIEF ASSOCIATION	DC
ANOKA-CHAMPLIN FIRE RELIEF ASSOCIATION	DC
ASHBY FIRE RELIEF ASSOCIATION	DC
AUSTIN FIRE RELIEF ASSOCIATION	DC
BREWSTER FIRE RELIEF ASSOCIATION	DC
BROOKLYN PARK FIRE RELIEF ASSOCIATION	DC
CALLAWAY FIRE RELIEF ASSOCIATION	DC
COLOGNE FIRE RELIEF ASSOCIATION	DC
COLUMBIA HEIGHTS FIRE RELIEF ASSOCIATION	DC
COON RAPIDS FIRE RELIEF ASSOCIATION	DC
CRANE LAKE FIRE RELIEF ASSOCIATION	DC
CROSSLAKE FIRE RELIEF ASSOCIATION	DC
DAKOTA FIRE RELIEF ASSOCIATION	DC
DALBO FIRE RELIEF ASSOCIATION	DC
DILWORTH FIRE RELIEF ASSOCIATION	DC
DONNELLY FIRE RELIEF ASSOCIATION	DC
EAGAN FIRE RELIEF ASSOCIATION	DC
EDINA FIRE RELIEF ASSOCIATION	DC
ELBOW LAKE FIRE RELIEF ASSOCIATION	DC
ELGIN FIRE RELIEF ASSOCIATION	DC
ELLSBURG FIRE RELIEF ASSOCIATION	DC
EMBARRASS FIRE RELIEF ASSOCIATION	DC
ERSKINE FIRE RELIEF ASSOCIATION	DC
FALCON HEIGHTS FIRE RELIEF ASSOCIATION	DC
FISHER FIRE RELIEF ASSOCIATION	DC
FOSSTON FIRE RELIEF ASSOCIATION	DC
FOUNTAIN FIRE RELIEF ASSOCIATION	DC
FREEMPORT FIRE RELIEF ASSOCIATION	DC
FRIDLEY FIRE RELIEF ASSOCIATION	DC
GARY FIRE RELIEF ASSOCIATION	DC
GIBBON FIRE RELIEF ASSOCIATION	DC
GLENVILLE FIRE RELIEF ASSOCIATION	DC
GOODHUE FIRE RELIEF ASSOCIATION	DC
GUNFLINT TRAIL FIRE RELIEF ASSOCIATION	DC
HARDWICK FIRE RELIEF ASSOCIATION	DC
HAWLEY FIRE RELIEF ASSOCIATION	DC
IVANHOE FIRE RELIEF ASSOCIATION	DC
KENYON FIRE RELIEF ASSOCIATION	DC
KERKHOVEN FIRE RELIEF ASSOCIATION	DC
KIESTER FIRE RELIEF ASSOCIATION	DC
LAKE GEORGE FIRE RELIEF ASSOCIATION	DC
LAKEPORT FIRE RELIEF ASSOCIATION	DC

RELIEF	PLAN_TYPE
LE CENTER FIRE RELIEF ASSOCIATION	DC
LONDON FIRE RELIEF ASSOCIATION	DC
LONGVILLE FIRE RELIEF ASSOCIATION	DC
LYLE FIRE RELIEF ASSOCIATION	DC
MAGNOLIA FIRE RELIEF ASSOCIATION	DC
MAPLE GROVE FIRE RELIEF ASSOCIATION	DC
Marietta Fire Relief Association	DC
MARINE-ON-ST CROIX FIRE RELIEF ASSOCIATION	DC
MAZEPPA FIRE RELIEF ASSOCIATION	DC
MEDICINE LAKE FIRE RELIEF ASSOCIATION	DC
MENDOTA HEIGHTS FIRE RELIEF ASSOCIATION	DC
MENTOR FIRE RELIEF ASSOCIATION	DC
MILLERVILLE FIRE RELIEF ASSOCIATION	DC
MILROY FIRE RELIEF ASSOCIATION	DC
MURDOCK FIRE RELIEF ASSOCIATION	DC
MYRTLE FIRE RELIEF ASSOCIATION	DC
NODINE FIRE RELIEF ASSOCIATION	DC
NORTHROP FIRE RELIEF ASSOCIATION	DC
ODESSA FIRE RELIEF ASSOCIATION	DC
OKLEE FIRE RELIEF ASSOCIATION	DC
PLAINVIEW FIRE RELIEF ASSOCIATION	DC
PLUMMER FIRE RELIEF ASSOCIATION	DC
RAMSEY FIRE RELIEF ASSOCIATION	DC
RED LAKE FALLS FIRE RELIEF ASSOCIATION	DC
ROUND LAKE FIRE RELIEF ASSOCIATION	DC
RUSHFORD FIRE RELIEF ASSOCIATION	DC
RUSHMORE FIRE RELIEF ASSOCIATION	DC
SAINT HILAIRE FIRE RELIEF ASSOCIATION	DC
SEAFORTH FIRE RELIEF ASSOCIATION	DC
SOUTH BEND FIRE RELIEF ASSOCIATION	DC
SWANVILLE FIRE RELIEF ASSOCIATION	DC
TOIVOLA FIRE RELIEF ASSOCIATION	DC
ULEN FIRE RELIEF ASSOCIATION	DC
UNDERWOOD FIRE RELIEF ASSOCIATION	DC
VERMILION LAKE FIRE RELIEF ASSOCIATION	DC
WABASSO FIRE RELIEF ASSOCIATION	DC
WANAMINGO FIRE RELIEF ASSOCIATION	DC
WANDA FIRE RELIEF ASSOCIATION	DC
WAYZATA FIRE RELIEF ASSOCIATION	DC
WELLS FIRE RELIEF ASSOCIATION	DC
WEST METRO FIRE RELIEF ASSOCIATION	DC
WILLIAMS FIRE RELIEF ASSOCIATION	DC
WINGER FIRE RELIEF ASSOCIATION	DC
WINTHROP FIRE RELIEF ASSOCIATION	DC
ZUMBROTA FIRE RELIEF ASSOCIATION	DC

**Lump Sum Plans (596)**

<b>RELIEF</b>	<b>PLAN_TYPE</b>
ADA FIRE RELIEF ASSOCIATION	LS
ADAMS FIRE RELIEF ASSOCIATION	LS
ADRIAN FIRE RELIEF ASSOCIATION	LS
AITKIN FIRE RELIEF ASSOCIATION	LS
ALBERTVILLE FIRE RELIEF ASSOCIATION	LS
ALBORN FIRE RELIEF ASSOCIATION	LS
ALDEN FIRE RELIEF ASSOCIATION	LS
ALEXANDRIA FIRE RELIEF ASSOCIATION	LS
ALMELUND FIRE RELIEF ASSOCIATION	LS
ALPHA FIRE RELIEF ASSOCIATION	LS
ALTURA FIRE RELIEF ASSOCIATION	LS
AMBOY FIRE RELIEF ASSOCIATION	LS
ANNANDALE FIRE RELIEF ASSOCIATION	LS
ARGYLE FIRE RELIEF ASSOCIATION	LS
ARLINGTON FIRE RELIEF ASSOCIATION	LS
ARROWHEAD FIRE RELIEF ASSOCIATION	LS
ASKOV FIRE RELIEF ASSOCIATION	LS
ATWATER FIRE RELIEF ASSOCIATION	LS
AUDUBON FIRE RELIEF ASSOCIATION	LS
AURORA FIRE RELIEF ASSOCIATION	LS
AVON FIRE RELIEF ASSOCIATION	LS
BABBITT FIRE RELIEF ASSOCIATION	LS
BACKUS FIRE RELIEF ASSOCIATION	LS
BADGER FIRE RELIEF ASSOCIATION	LS
BAGLEY FIRE RELIEF ASSOCIATION	LS
BALATON FIRE RELIEF ASSOCIATION	LS
BALDWIN FIRE RELIEF ASSOCIATION	LS
BALSAM FIRE RELIEF ASSOCIATION	LS
BARNESVILLE FIRE RELIEF ASSOCIATION	LS
BARNUM FIRE RELIEF ASSOCIATION	LS
BARRETT FIRE RELIEF ASSOCIATION	LS
BATTLE LAKE FIRE RELIEF ASSOCIATION	LS
BAUDETTE FIRE RELIEF ASSOCIATION	LS
BAYPORT FIRE RELIEF ASSOCIATION	LS
BEARDSLEY FIRE RELIEF ASSOCIATION	LS
BEAVER BAY FIRE RELIEF ASSOCIATION	LS
BEAVER CREEK FIRE RELIEF ASSOCIATION	LS
BECKER FIRE RELIEF ASSOCIATION	LS
BELGRADE FIRE RELIEF ASSOCIATION	LS
BELLE PLAINE FIRE RELIEF ASSOCIATION	LS
BELLINGHAM FIRE RELIEF ASSOCIATION	LS
BELVIEW FIRE RELIEF ASSOCIATION	LS
BEMIDJI FIRE RELIEF ASSOCIATION	LS
BERTHA FIRE RELIEF ASSOCIATION	LS
BETHEL FIRE RELIEF ASSOCIATION	LS
BIG LAKE FIRE RELIEF ASSOCIATION	LS

<b>RELIEF</b>	<b>PLAN_TYPE</b>
BIGELOW FIRE RELIEF ASSOCIATION	LS
BIGFORK FIRE RELIEF ASSOCIATION	LS
BIRD ISLAND FIRE RELIEF ASSOCIATION	LS
BIWABIK CITY FIRE RELIEF ASSOCIATION	LS
BIWABIK FIRE RELIEF ASSOCIATION	LS
BLACKDUCK FIRE RELIEF ASSOCIATION	LS
BLACKHOOF FIRE RELIEF ASSOCIATION	LS
BLOMKEST FIRE RELIEF ASSOCIATION	LS
BLOOMING PRAIRIE FIRE RELIEF ASSOCIATION	LS
BLUE EARTH FIRE RELIEF ASSOCIATION	LS
BLUFFTON FIRE RELIEF ASSOCIATION	LS
BOVEY FIRE RELIEF ASSOCIATION	LS
BOWLUS FIRE RELIEF ASSOCIATION	LS
BOYD FIRE RELIEF ASSOCIATION	LS
BRAHAM FIRE RELIEF ASSOCIATION	LS
BRAINERD FIRE RELIEF ASSOCIATION	LS
BRANDON FIRE RELIEF ASSOCIATION	LS
BRECKENRIDGE FIRE RELIEF ASSOCIATION	LS
BREITUNG FIRE RELIEF ASSOCIATION	LS
BREVATOR FIRE RELIEF ASSOCIATION	LS
BRICELYN FIRE RELIEF ASSOCIATION	LS
BRIMSON FIRE RELIEF ASSOCIATION	LS
BROOK PARK FIRE RELIEF ASSOCIATION	LS
BROOTEN FIRE RELIEF ASSOCIATION	LS
BROWERVILLE FIRE RELIEF ASSOCIATION	LS
BROWNS VALLEY FIRE RELIEF ASSOCIATION	LS
BROWNSDALE FIRE RELIEF ASSOCIATION	LS
BROWNSVILLE FIRE RELIEF ASSOCIATION	LS
BROWNTON FIRE RELIEF ASSOCIATION	LS
BUFFALO FIRE RELIEF ASSOCIATION	LS
BUFFALO LAKE FIRE RELIEF ASSOCIATION	LS
BUHL FIRE RELIEF ASSOCIATION	LS
BUTTERFIELD FIRE RELIEF ASSOCIATION	LS
BYRON FIRE RELIEF ASSOCIATION	LS
CALEDONIA FIRE RELIEF ASSOCIATION	LS
CALUMET FIRE RELIEF ASSOCIATION	LS
CAMBRIDGE FIRE RELIEF ASSOCIATION	LS
CAMPBELL FIRE RELIEF ASSOCIATION	LS
CANBY FIRE RELIEF ASSOCIATION	LS
CANNON FALLS FIRE RELIEF ASSOCIATION	LS
CANOSIA FIRE RELIEF ASSOCIATION	LS
CANTON FIRE RELIEF ASSOCIATION	LS
CARLOS FIRE RELIEF ASSOCIATION	LS
CARLTON FIRE RELIEF ASSOCIATION	LS
CARSONVILLE FIRE RELIEF ASSOCIATION	LS
CARVER FIRE RELIEF ASSOCIATION	LS
CASS LAKE FIRE RELIEF ASSOCIATION	LS

RELIEF	PLAN_TYPE
CATARACT FIRE RELIEF ASSOCIATION	LS
CENTENNIAL FIRE RELIEF ASSOCIATION	LS
CENTER CITY FIRE RELIEF ASSOCIATION	LS
CEYLON FIRE RELIEF ASSOCIATION	LS
CHANDLER FIRE RELIEF ASSOCIATION	LS
CHATFIELD FIRE RELIEF ASSOCIATION	LS
CHERRY FIRE RELIEF ASSOCIATION	LS
CHISAGO FIRE RELIEF ASSOCIATION	LS
CHISHOLM FIRE RELIEF ASSOCIATION	LS
CHOKIO FIRE RELIEF ASSOCIATION	LS
CLARA CITY FIRE RELIEF ASSOCIATION	LS
CLAREMONT FIRE RELIEF ASSOCIATION	LS
CLARISSA FIRE RELIEF ASSOCIATION	LS
CLARKFIELD FIRE RELIEF ASSOCIATION	LS
CLARKS GROVE FIRE RELIEF ASSOCIATION	LS
CLEAR LAKE FIRE RELIEF ASSOCIATION	LS
CLEARBROOK FIRE RELIEF ASSOCIATION	LS
CLEARWATER FIRE RELIEF ASSOCIATION	LS
CLEMENTS FIRE RELIEF ASSOCIATION	LS
CLEVELAND FIRE RELIEF ASSOCIATION	LS
CLIFTON FIRE RELIEF ASSOCIATION	LS
CLIMAX FIRE RELIEF ASSOCIATION	LS
CLINTON FIRE RELIEF ASSOCIATION [BIG STONE]	LS
CLINTON FIRE RELIEF ASSOCIATION [ST LOUIS]	LS
COHASSET FIRE RELIEF ASSOCIATION	LS
COKATO FIRE RELIEF ASSOCIATION	LS
COLD SPRING FIRE RELIEF ASSOCIATION	LS
COLERAINE FIRE RELIEF ASSOCIATION	LS
COLVIN FIRE RELIEF ASSOCIATION	LS
COMFREY FIRE RELIEF ASSOCIATION	LS
COOK FIRE RELIEF ASSOCIATION	LS
COSMOS FIRE RELIEF ASSOCIATION	LS
COTTAGE GROVE FIRE RELIEF ASSOCIATION	LS
COTTON FIRE RELIEF ASSOCIATION	LS
COTTONWOOD FIRE RELIEF ASSOCIATION	LS
COURTLAND FIRE RELIEF ASSOCIATION	LS
CROMWELL FIRE RELIEF ASSOCIATION	LS
CROOKED LAKE FIRE RELIEF ASSOCIATION	LS
CROOKSTON FIRE RELIEF ASSOCIATION	LS
CROSBY FIRE RELIEF ASSOCIATION	LS
CULVER FIRE RELIEF ASSOCIATION	LS
CURRIE FIRE RELIEF ASSOCIATION	LS
CUYUNA FIRE RELIEF ASSOCIATION	LS
CYRUS FIRE RELIEF ASSOCIATION	LS
DALTON FIRE RELIEF ASSOCIATION	LS
DANUBE FIRE RELIEF ASSOCIATION	LS
DANVERS FIRE RELIEF ASSOCIATION	LS

<b>RELIEF</b>	<b>PLAN_TYPE</b>
DARFUR FIRE RELIEF ASSOCIATION	LS
DASSEL FIRE RELIEF ASSOCIATION	LS
DAWSON FIRE RELIEF ASSOCIATION	LS
DAYTON FIRE RELIEF ASSOCIATION	LS
DEER CREEK FIRE RELIEF ASSOCIATION	LS
DEER RIVER FIRE RELIEF ASSOCIATION	LS
DEERWOOD FIRE RELIEF ASSOCIATION	LS
DELANO FIRE RELIEF ASSOCIATION	LS
DELAVAN FIRE RELIEF ASSOCIATION	LS
DENT FIRE RELIEF ASSOCIATION	LS
DEXTER FIRE RELIEF ASSOCIATION	LS
DODGE CENTER FIRE RELIEF ASSOCIATION	LS
DOVER FIRE RELIEF ASSOCIATION	LS
DOVRAY FIRE RELIEF ASSOCIATION	LS
DUMONT FIRE RELIEF ASSOCIATION	LS
DUNNELL FIRE RELIEF ASSOCIATION	LS
EAGLE BEND FIRE RELIEF ASSOCIATION	LS
EAGLE LAKE FIRE RELIEF ASSOCIATION	LS
EAST BETHEL FIRE RELIEF ASSOCIATION	LS
EAST GRAND FORKS FIRE RELIEF ASSOCIATION	LS
EASTERN HUBBARD FIRE RELIEF ASSOCIATION	LS
EASTON FIRE RELIEF ASSOCIATION	LS
ECHO FIRE RELIEF ASSOCIATION	LS
EDEN VALLEY FIRE RELIEF ASSOCIATION	LS
EDGERTON FIRE RELIEF ASSOCIATION	LS
EITZEN FIRE RELIEF ASSOCIATION	LS
ELBOW TULABY LAKES FIRE RELIEF ASSOCIATION	LS
ELIZABETH FIRE RELIEF ASSOCIATION	LS
ELK RIVER FIRE RELIEF ASSOCIATION	LS
ELLENDALE FIRE RELIEF ASSOCIATION	LS
ELLSWORTH FIRE RELIEF ASSOCIATION	LS
ELMER FIRE RELIEF ASSOCIATION	LS
ELMORE FIRE RELIEF ASSOCIATION	LS
ELROSA FIRE RELIEF ASSOCIATION	LS
ELY FIRE RELIEF ASSOCIATION	LS
ELYSIAN FIRE RELIEF ASSOCIATION	LS
EMILY FIRE RELIEF ASSOCIATION	LS
EMMONS FIRE RELIEF ASSOCIATION	LS
EVANSVILLE FIRE RELIEF ASSOCIATION	LS
EVELETH FIRE RELIEF ASSOCIATION	LS
EXCELSIOR FIRE RELIEF ASSOCIATION	LS
EYOTA FIRE RELIEF ASSOCIATION	LS
FAIRFAX FIRE RELIEF ASSOCIATION	LS
FAYAL FIRE RELIEF ASSOCIATION	LS
FEDERAL DAM FIRE RELIEF ASSOCIATION	LS
FERGUS FALLS FIRE RELIEF ASSOCIATION	LS
FERTILE FIRE RELIEF ASSOCIATION	LS

RELIEF	PLAN_TYPE
FIFTY LAKES FIRE RELIEF ASSOCIATION	LS
FINLAND FIRE RELIEF ASSOCIATION	LS
FINLAYSON FIRE RELIEF ASSOCIATION	LS
FLENSBURG FIRE RELIEF ASSOCIATION	LS
FLOODWOOD FIRE RELIEF ASSOCIATION	LS
FOLEY FIRE RELIEF ASSOCIATION	LS
FORADA FIRE RELIEF ASSOCIATION	LS
FOREST LAKE FIRE RELIEF ASSOCIATION	LS
FORESTON FIRE RELIEF ASSOCIATION	LS
FRANKLIN FIRE RELIEF ASSOCIATION	LS
FRAZEE FIRE RELIEF ASSOCIATION	LS
FREDENBERG FIRE RELIEF ASSOCIATION	LS
FRENCH TOWNSHIP FIRE RELIEF ASSOCIATION	LS
FROST FIRE RELIEF ASSOCIATION	LS
FULDA FIRE RELIEF ASSOCIATION	LS
GARFIELD FIRE RELIEF ASSOCIATION	LS
GARRISON FIRE RELIEF ASSOCIATION	LS
GARVIN FIRE RELIEF ASSOCIATION	LS
GAYLORD FIRE RELIEF ASSOCIATION	LS
GENEVA FIRE RELIEF ASSOCIATION	LS
GHENT FIRE RELIEF ASSOCIATION	LS
GILBERT FIRE RELIEF ASSOCIATION	LS
GLENWOOD FIRE RELIEF ASSOCIATION	LS
GLYNDON FIRE RELIEF ASSOCIATION	LS
GNESEN FIRE RELIEF ASSOCIATION	LS
GOLDEN VALLEY FIRE RELIEF ASSOCIATION	LS
GONVICK FIRE RELIEF ASSOCIATION	LS
GOOD THUNDER FIRE RELIEF ASSOCIATION	LS
GOODLAND FIRE RELIEF ASSOCIATION	LS
GOODVIEW FIRE RELIEF ASSOCIATION	LS
GRACEVILLE FIRE RELIEF ASSOCIATION	LS
GRANADA FIRE RELIEF ASSOCIATION	LS
GRAND LAKE FIRE RELIEF ASSOCIATION	LS
GRAND MARAIS FIRE RELIEF ASSOCIATION	LS
GRAND MEADOW FIRE RELIEF ASSOCIATION	LS
GRAND RAPIDS FIRE RELIEF ASSOCIATION	LS
GRANITE FALLS FIRE RELIEF ASSOCIATION	LS
GREEN ISLE FIRE RELIEF ASSOCIATION	LS
GREENBUSH FIRE RELIEF ASSOCIATION	LS
GREENWOOD FIRE RELIEF ASSOCIATION	LS
GREY EAGLE FIRE RELIEF ASSOCIATION	LS
GROVE CITY FIRE RELIEF ASSOCIATION	LS
GRYGLA FIRE RELIEF ASSOCIATION	LS
HACKENSACK FIRE RELIEF ASSOCIATION	LS
HALLOCK FIRE RELIEF ASSOCIATION	LS
HALSTAD FIRE RELIEF ASSOCIATION	LS
HAM LAKE FIRE RELIEF ASSOCIATION	LS

<b>RELIEF</b>	<b>PLAN_TYPE</b>
HAMBURG FIRE RELIEF ASSOCIATION	LS
HAMEL FIRE RELIEF ASSOCIATION	LS
HAMPTON FIRE RELIEF ASSOCIATION	LS
HANCOCK FIRE RELIEF ASSOCIATION	LS
HANLEY FALLS FIRE RELIEF ASSOCIATION	LS
HANOVER FIRE RELIEF ASSOCIATION	LS
HANSKA FIRE RELIEF ASSOCIATION	LS
HARMONY FIRE RELIEF ASSOCIATION	LS
HARRIS FIRE RELIEF ASSOCIATION	LS
HARTLAND FIRE RELIEF ASSOCIATION	LS
HASTINGS FIRE RELIEF ASSOCIATION	LS
HAYFIELD FIRE RELIEF ASSOCIATION	LS
HAYWARD FIRE RELIEF ASSOCIATION	LS
HECTOR FIRE RELIEF ASSOCIATION	LS
HENDERSON FIRE RELIEF ASSOCIATION	LS
HENDRICKS FIRE RELIEF ASSOCIATION	LS
HENDRUM FIRE RELIEF ASSOCIATION	LS
HENNING FIRE RELIEF ASSOCIATION	LS
HERMAN FIRE RELIEF ASSOCIATION	LS
HERMANTOWN FIRE RELIEF ASSOCIATION	LS
HERON LAKE FIRE RELIEF ASSOCIATION	LS
HEWITT FIRE RELIEF ASSOCIATION	LS
HIBBING FIRE RELIEF ASSOCIATION	LS
HILL CITY FIRE RELIEF ASSOCIATION	LS
HILLS FIRE RELIEF ASSOCIATION	LS
HINCKLEY FIRE RELIEF ASSOCIATION	LS
HITTERDAL FIRE RELIEF ASSOCIATION	LS
HOFFMAN FIRE RELIEF ASSOCIATION	LS
HOKAH FIRE RELIEF ASSOCIATION	LS
HOLDINGFORD FIRE RELIEF ASSOCIATION	LS
HOLLAND FIRE RELIEF ASSOCIATION	LS
HOPKINS FIRE RELIEF ASSOCIATION	LS
HOUSTON FIRE RELIEF ASSOCIATION	LS
HOVLAND AREA FIRE RELIEF ASSOCIATION	LS
HOWARD LAKE FIRE RELIEF ASSOCIATION	LS
HOYT LAKES FIRE RELIEF ASSOCIATION	LS
HUGO FIRE RELIEF ASSOCIATION	LS
IDEAL FIRE RELIEF ASSOCIATION	LS
INDUSTRIAL FIRE RELIEF ASSOCIATION	LS
INTERNATIONAL FALLS FIRE RELIEF ASSOCIATION	LS
INVER GROVE HEIGHTS FIRE RELIEF ASSOCIATION	LS
IONA FIRE RELIEF ASSOCIATION	LS
IRONTON FIRE RELIEF ASSOCIATION	LS
ISANTI FIRE RELIEF ASSOCIATION	LS
ISLE FIRE RELIEF ASSOCIATION	LS
JACKSON FIRE RELIEF ASSOCIATION	LS
JACOBSON FIRE RELIEF ASSOCIATION	LS

RELIEF	PLAN_TYPE
JANESVILLE FIRE RELIEF ASSOCIATION	LS
JASPER FIRE RELIEF ASSOCIATION	LS
JEFFERS FIRE RELIEF ASSOCIATION	LS
JORDAN FIRE RELIEF ASSOCIATION	LS
KANDIYOHI FIRE RELIEF ASSOCIATION	LS
KARLSTAD FIRE RELIEF ASSOCIATION	LS
KASOTA FIRE RELIEF ASSOCIATION	LS
KASSON FIRE RELIEF ASSOCIATION	LS
KEEWATIN FIRE RELIEF ASSOCIATION	LS
KELLIHER FIRE RELIEF ASSOCIATION	LS
KELLOGG FIRE RELIEF ASSOCIATION	LS
KENNEDY FIRE RELIEF ASSOCIATION	LS
KENSINGTON FIRE RELIEF ASSOCIATION	LS
KETTLE RIVER FIRE RELIEF ASSOCIATION	LS
KILKENNY FIRE RELIEF ASSOCIATION	LS
KIMBALL FIRE RELIEF ASSOCIATION	LS
KINNEY FIRE RELIEF ASSOCIATION	LS
LA CRESCENT FIRE RELIEF ASSOCIATION	LS
LAFAYETTE FIRE RELIEF ASSOCIATION	LS
LAKE BENTON FIRE RELIEF ASSOCIATION	LS
LAKE BRONSON FIRE RELIEF ASSOCIATION	LS
LAKE CITY FIRE RELIEF ASSOCIATION	LS
LAKE CRYSTAL FIRE RELIEF ASSOCIATION	LS
LAKE ELMO FIRE RELIEF ASSOCIATION	LS
LAKE HENRY FIRE RELIEF ASSOCIATION	LS
LAKE KABETOGAMA FIRE RELIEF ASSOCIATION	LS
LAKE LILLIAN FIRE RELIEF ASSOCIATION	LS
LAKE PARK FIRE RELIEF ASSOCIATION	LS
LAKE WILSON FIRE RELIEF ASSOCIATION	LS
LAKEFIELD FIRE RELIEF ASSOCIATION	LS
LAKELAND FIRE RELIEF ASSOCIATION	LS
LAKEVILLE FIRE RELIEF ASSOCIATION	LS
LAKESWOOD FIRE RELIEF ASSOCIATION	LS
LAMBERTON FIRE RELIEF ASSOCIATION	LS
LANCASTER FIRE RELIEF ASSOCIATION	LS
LANESBORO FIRE RELIEF ASSOCIATION	LS
LaSalle Fire Relief Association	LS
LE ROY FIRE RELIEF ASSOCIATION	LS
LE SUEUR FIRE RELIEF ASSOCIATION	LS
LEAF VALLEY FIRE RELIEF ASSOCIATION	LS
LESTER PRAIRIE FIRE RELIEF ASSOCIATION	LS
LEWISTON FIRE RELIEF ASSOCIATION	LS
LEWISVILLE FIRE RELIEF ASSOCIATION	LS
LEXINGTON FIRE RELIEF ASSOCIATION	LS
LINDSTROM FIRE RELIEF ASSOCIATION	LS
LINWOOD FIRE RELIEF ASSOCIATION	LS
LISMORE FIRE RELIEF ASSOCIATION	LS

<b>RELIEF</b>	<b>PLAN_TYPE</b>
LITCHFIELD FIRE RELIEF ASSOCIATION	LS
LITTLE CANADA FIRE RELIEF ASSOCIATION	LS
LITTLE FALLS FIRE RELIEF ASSOCIATION	LS
LITTLEFORK FIRE RELIEF ASSOCIATION	LS
LONG LAKE FIRE RELIEF ASSOCIATION	LS
LONG PRAIRIE FIRE RELIEF ASSOCIATION	LS
LONSDALE FIRE RELIEF ASSOCIATION	LS
LORETTO FIRE RELIEF ASSOCIATION	LS
LOWER SAINT CROIX VALLEY FIRE RELIEF ASSOCIATION	LS
LOWRY FIRE RELIEF ASSOCIATION	LS
LUCAN FIRE RELIEF ASSOCIATION	LS
LUTSEN FIRE RELIEF ASSOCIATION	LS
LYND FIRE RELIEF ASSOCIATION	LS
MABEL FIRE RELIEF ASSOCIATION	LS
MADELIA FIRE RELIEF ASSOCIATION	LS
MADISON FIRE RELIEF ASSOCIATION	LS
MADISON LAKE FIRE RELIEF ASSOCIATION	LS
MAHNOMEN FIRE RELIEF ASSOCIATION	LS
MAHTOMEDI FIRE RELIEF ASSOCIATION	LS
MAHTOWA FIRE RELIEF ASSOCIATION	LS
MAKINEN FIRE RELIEF ASSOCIATION	LS
MANTORVILLE FIRE RELIEF ASSOCIATION	LS
MAPLE HILL FIRE RELIEF ASSOCIATION	LS
MAPLE LAKE FIRE RELIEF ASSOCIATION	LS
MAPLE PLAIN FIRE RELIEF ASSOCIATION	LS
MAPLETON FIRE RELIEF ASSOCIATION	LS
MAPLEVIEW FIRE RELIEF ASSOCIATION	LS
MAPLEWOOD FIRE RELIEF ASSOCIATION	LS
MARBLE FIRE RELIEF ASSOCIATION	LS
MARSHALL FIRE RELIEF ASSOCIATION	LS
MAYER FIRE RELIEF ASSOCIATION	LS
MAYNARD FIRE RELIEF ASSOCIATION	LS
MC DAVITT FIRE RELIEF ASSOCIATION	LS
MC GRATH FIRE RELIEF ASSOCIATION	LS
MC GREGOR FIRE RELIEF ASSOCIATION	LS
MC INTOSH FIRE RELIEF ASSOCIATION	LS
MC KINLEY FIRE RELIEF ASSOCIATION	LS
MEADOWLANDS FIRE RELIEF ASSOCIATION	LS
MEDFORD FIRE RELIEF ASSOCIATION	LS
MELROSE FIRE RELIEF ASSOCIATION	LS
MENAHGA FIRE RELIEF ASSOCIATION	LS
MIDDLE RIVER FIRE RELIEF ASSOCIATION	LS
MIESVILLE FIRE RELIEF ASSOCIATION	LS
MILACA FIRE RELIEF ASSOCIATION	LS
MILAN FIRE RELIEF ASSOCIATION	LS
MILTONA FIRE RELIEF ASSOCIATION	LS
MINNEOTA FIRE RELIEF ASSOCIATION	LS

RELIEF	PLAN_TYPE
Minnesota City Fire Relief Association	LS
MINNESOTA LAKE FIRE RELIEF ASSOCIATION	LS
MISSION FIRE RELIEF ASSOCIATION	LS
MONTEVIDEO FIRE RELIEF ASSOCIATION	LS
MONTGOMERY FIRE RELIEF ASSOCIATION	LS
MONTICELLO FIRE RELIEF ASSOCIATION	LS
MONTROSE FIRE RELIEF ASSOCIATION	LS
MOOSE LAKE FIRE RELIEF ASSOCIATION	LS
MORA FIRE RELIEF ASSOCIATION	LS
MORGAN FIRE RELIEF ASSOCIATION	LS
MORRIS FIRE RELIEF ASSOCIATION	LS
MORRISTOWN FIRE RELIEF ASSOCIATION	LS
MORTON FIRE RELIEF ASSOCIATION	LS
MOTLEY FIRE RELIEF ASSOCIATION	LS
MOUNTAIN IRON FIRE RELIEF ASSOCIATION	LS
MOUNTAIN LAKE FIRE RELIEF ASSOCIATION	LS
NASHWAUK FIRE RELIEF ASSOCIATION	LS
NASSAU FIRE RELIEF ASSOCIATION	LS
NEVIS FIRE RELIEF ASSOCIATION	LS
NEW AUBURN FIRE RELIEF ASSOCIATION	LS
NEW BRIGHTON FIRE RELIEF ASSOCIATION	LS
NEW GERMANY FIRE RELIEF ASSOCIATION	LS
NEW LONDON FIRE RELIEF ASSOCIATION	LS
NEW MARKET FIRE RELIEF ASSOCIATION	LS
NEW MUNICH FIRE RELIEF ASSOCIATION	LS
NEW PRAGUE FIRE RELIEF ASSOCIATION	LS
NEW RICHLAND FIRE RELIEF ASSOCIATION	LS
NEW SCANDIA FIRE RELIEF ASSOCIATION	LS
NEW YORK MILLS FIRE RELIEF ASSOCIATION	LS
NEWFOLDEN FIRE RELIEF ASSOCIATION	LS
NEWPORT FIRE RELIEF ASSOCIATION	LS
NICOLLET FIRE RELIEF ASSOCIATION	LS
NISSWA FIRE RELIEF ASSOCIATION	LS
NORTH BRANCH FIRE RELIEF ASSOCIATION	LS
NORTH MANKATO FIRE RELIEF ASSOCIATION	LS
NORTH ST. PAUL FIRE RELIEF ASSOCIATION	LS
NORTH STAR TOWNSHIP FIRE RELIEF ASSOCIATION	LS
NORTHFIELD FIRE RELIEF ASSOCIATION	LS
NORTHLAND FIRE RELIEF ASSOCIATION	LS
NORTHOME FIRE RELIEF ASSOCIATION	LS
NORWOOD YOUNG AMERICA FIRE RELIEF ASSOCIATION	LS
OAK GROVE FIRE RELIEF ASSOCIATION	LS
OAKDALE FIRE RELIEF ASSOCIATION	LS
ODIN FIRE RELIEF ASSOCIATION	LS
OGILVIE FIRE RELIEF ASSOCIATION	LS
OKABENA FIRE RELIEF ASSOCIATION	LS
OLIVIA FIRE RELIEF ASSOCIATION	LS

RELIEF	PLAN_TYPE
ONAMIA FIRE RELIEF ASSOCIATION	LS
ORMSBY FIRE RELIEF ASSOCIATION	LS
ORONOCO FIRE RELIEF ASSOCIATION	LS
ORR FIRE RELIEF ASSOCIATION	LS
ORTONVILLE FIRE RELIEF ASSOCIATION	LS
OSAKIS FIRE RELIEF ASSOCIATION	LS
OSSEO FIRE RELIEF ASSOCIATION	LS
OSTRANDER FIRE RELIEF ASSOCIATION	LS
OTTERTAIL FIRE RELIEF ASSOCIATION	LS
OWATONNA FIRE RELIEF ASSOCIATION	LS
PALISADE FIRE RELIEF ASSOCIATION	LS
PALO FIRE RELIEF ASSOCIATION	LS
PARK RAPIDS FIRE RELIEF ASSOCIATION	LS
PARKERS PRAIRIE FIRE RELIEF ASSOCIATION	LS
PAYNESVILLE FIRE RELIEF ASSOCIATION	LS
PELICAN RAPIDS FIRE RELIEF ASSOCIATION	LS
PEMBERTON FIRE RELIEF ASSOCIATION	LS
PENNOCK FIRE RELIEF ASSOCIATION	LS
PEQUAYWAN FIRE RELIEF ASSOCIATION	LS
PEQUOT LAKES FIRE RELIEF ASSOCIATION	LS
PERHAM FIRE RELIEF ASSOCIATION	LS
PIERZ FIRE RELIEF ASSOCIATION	LS
PIKE-SANDY-BRITT FIRE RELIEF ASSOCIATION	LS
PILLAGER FIRE RELIEF ASSOCIATION	LS
PINE ISLAND FIRE RELIEF ASSOCIATION	LS
PINE RIVER FIRE RELIEF ASSOCIATION	LS
PLATO FIRE RELIEF ASSOCIATION	LS
PORTER FIRE RELIEF ASSOCIATION	LS
PRESTON FIRE RELIEF ASSOCIATION	LS
PRINCETON FIRE RELIEF ASSOCIATION	LS
PRINSBURG FIRE RELIEF ASSOCIATION	LS
PRIOR LAKE FIRE RELIEF ASSOCIATION	LS
PROCTOR FIRE RELIEF ASSOCIATION	LS
RANDALL FIRE RELIEF ASSOCIATION	LS
RANDOLPH FIRE RELIEF ASSOCIATION	LS
RAYMOND FIRE RELIEF ASSOCIATION	LS
RED WING FIRE RELIEF ASSOCIATION	LS
REDWOOD FALLS FIRE RELIEF ASSOCIATION	LS
REMER FIRE RELIEF ASSOCIATION	LS
RENVILLE FIRE RELIEF ASSOCIATION	LS
REVERE FIRE RELIEF ASSOCIATION	LS
RICE FIRE RELIEF ASSOCIATION	LS
RICE LAKE FIRE RELIEF ASSOCIATION	LS
RICHMOND FIRE RELIEF ASSOCIATION	LS
ROCKFORD FIRE RELIEF ASSOCIATION	LS
ROCKVILLE FIRE RELIEF ASSOCIATION	LS
ROGERS FIRE RELIEF ASSOCIATION	LS

RELIEF	PLAN_TYPE
ROLLINGSTONE FIRE RELIEF ASSOCIATION	LS
ROSE CREEK FIRE RELIEF ASSOCIATION	LS
ROSEAU FIRE RELIEF ASSOCIATION	LS
ROSEMOUNT FIRE RELIEF ASSOCIATION	LS
ROTHSAY FIRE RELIEF ASSOCIATION	LS
ROYALTON FIRE RELIEF ASSOCIATION	LS
RUSH CITY FIRE RELIEF ASSOCIATION	LS
RUSSELL FIRE RELIEF ASSOCIATION	LS
RUTHTON FIRE RELIEF ASSOCIATION	LS
SABIN-ELMWOOD FIRE RELIEF ASSOCIATION	LS
SACRED HEART FIRE RELIEF ASSOCIATION	LS
SAINT CLAIR FIRE RELIEF ASSOCIATION	LS
SAINT CLOUD FIRE RELIEF ASSOCIATION (TOWN)	LS
SAINT FRANCIS FIRE RELIEF ASSOCIATION	LS
SAINT JAMES FIRE RELIEF ASSOCIATION	LS
SAINT JOSEPH FIRE RELIEF ASSOCIATION	LS
SAINT LEO FIRE RELIEF ASSOCIATION	LS
SAINT MICHAEL FIRE RELIEF ASSOCIATION	LS
SAINT PAUL PARK FIRE RELIEF ASSOCIATION	LS
SAINT PETER FIRE RELIEF ASSOCIATION	LS
SAINT STEPHEN FIRE RELIEF ASSOCIATION	LS
SANBORN FIRE RELIEF ASSOCIATION	LS
SANDSTONE FIRE RELIEF ASSOCIATION	LS
SARTELL FIRE RELIEF ASSOCIATION	LS
SAUK CENTRE FIRE RELIEF ASSOCIATION	LS
SAUK RAPIDS FIRE RELIEF ASSOCIATION	LS
SCANDIA VALLEY FIRE RELIEF ASSOCIATION	LS
SCANLON FIRE RELIEF ASSOCIATION	LS
SCHROEDER FIRE RELIEF ASSOCIATION	LS
SEBEKA FIRE RELIEF ASSOCIATION	LS
SEDAN FIRE RELIEF ASSOCIATION	LS
SHAFER FIRE RELIEF ASSOCIATION	LS
SHAKOPEE FIRE RELIEF ASSOCIATION	LS
SHELLY FIRE RELIEF ASSOCIATION	LS
SHERBURN FIRE RELIEF ASSOCIATION	LS
SHEVLIN FIRE RELIEF ASSOCIATION	LS
SILICA FIRE RELIEF ASSOCIATION	LS
SILVER BAY FIRE RELIEF ASSOCIATION	LS
SILVER LAKE FIRE RELIEF ASSOCIATION	LS
SLAYTON FIRE RELIEF ASSOCIATION	LS
SLEEPY EYE FIRE RELIEF ASSOCIATION	LS
SOLWAY FIRE RELIEF ASSOCIATION	LS
SOLWAY RURAL FIRE RELIEF ASSOCIATION	LS
SOUTH HAVEN FIRE RELIEF ASSOCIATION	LS
SPICER FIRE RELIEF ASSOCIATION	LS
SPRING GROVE FIRE RELIEF ASSOCIATION	LS
SPRING VALLEY FIRE RELIEF ASSOCIATION	LS

RELIEF	PLAN_TYPE
SPRINGFIELD FIRE RELIEF ASSOCIATION	LS
SQUAW LAKE FIRE RELIEF ASSOCIATION	LS
ST. ANTHONY FIRE RELIEF ASSOCIATION	LS
ST. BONIFACIUS FIRE RELIEF ASSOCIATION	LS
ST. CHARLES FIRE RELIEF ASSOCIATION	LS
ST. MARTIN FIRE RELIEF ASSOCIATION	LS
STACY-LENT AREA FIRE RELIEF ASSOCIATION	LS
STAPLES FIRE RELIEF ASSOCIATION	LS
STARBUCK FIRE RELIEF ASSOCIATION	LS
STEPHEN FIRE RELIEF ASSOCIATION	LS
STEWART FIRE RELIEF ASSOCIATION	LS
STEWARTVILLE FIRE RELIEF ASSOCIATION	LS
STILLWATER FIRE RELIEF ASSOCIATION	LS
STORDEN FIRE RELIEF ASSOCIATION	LS
STURGEON LAKE FIRE RELIEF ASSOCIATION	LS
SUNBURG FIRE RELIEF ASSOCIATION	LS
TACONITE FIRE RELIEF ASSOCIATION	LS
TAUNTON FIRE RELIEF ASSOCIATION	LS
TAYLORS FALLS FIRE RELIEF ASSOCIATION	LS
THIEF RIVER FALLS FIRE RELIEF ASSOCIATION	LS
THOMSON FIRE RELIEF ASSOCIATION	LS
TOFTE FIRE RELIEF ASSOCIATION	LS
TOWER FIRE RELIEF ASSOCIATION	LS
TRACY FIRE RELIEF ASSOCIATION	LS
TRIMONT FIRE RELIEF ASSOCIATION	LS
TRUMAN FIRE RELIEF ASSOCIATION	LS
TWIN LAKES FIRE RELIEF ASSOCIATION (CITY)	LS
TWIN LAKES FIRE RELIEF ASSOCIATION (VFD)	LS
TWIN VALLEY FIRE RELIEF ASSOCIATION	LS
TWO HARBORS FIRE RELIEF ASSOCIATION	LS
TYLER FIRE RELIEF ASSOCIATION	LS
UPSALA FIRE RELIEF ASSOCIATION	LS
VADNAIS HEIGHTS FIRE RELIEF ASSOCIATION	LS
VERGAS FIRE RELIEF ASSOCIATION	LS
VERNDALE FIRE RELIEF ASSOCIATION	LS
VERNON CENTER FIRE RELIEF ASSOCIATION	LS
VESTA FIRE RELIEF ASSOCIATION	LS
VICTORIA FIRE RELIEF ASSOCIATION	LS
VILLARD FIRE RELIEF ASSOCIATION	LS
VINING FIRE RELIEF ASSOCIATION	LS
WABASHA FIRE RELIEF ASSOCIATION	LS
WACONIA FIRE RELIEF ASSOCIATION	LS
WADENA FIRE RELIEF ASSOCIATION	LS
WAITE PARK FIRE RELIEF ASSOCIATION	LS
WALDORF FIRE RELIEF ASSOCIATION	LS
WALKER FIRE RELIEF ASSOCIATION	LS
WALNUT GROVE FIRE RELIEF ASSOCIATION	LS

RELIEF	PLAN_TYPE
WALTERS FIRE RELIEF ASSOCIATION	LS
WARBA FIRE RELIEF ASSOCIATION	LS
WARREN FIRE RELIEF ASSOCIATION	LS
WARROAD FIRE RELIEF ASSOCIATION	LS
WASECA FIRE RELIEF ASSOCIATION	LS
WATERTOWN FIRE RELIEF ASSOCIATION	LS
WATERVILLE FIRE RELIEF ASSOCIATION	LS
WATKINS FIRE RELIEF ASSOCIATION	LS
WATSON FIRE RELIEF ASSOCIATION	LS
WAUBUN FIRE RELIEF ASSOCIATION	LS
WAVERLY FIRE RELIEF ASSOCIATION	LS
WELCOME FIRE RELIEF ASSOCIATION	LS
WENDELL FIRE RELIEF ASSOCIATION	LS
WEST CONCORD FIRE RELIEF ASSOCIATION	LS
WESTBROOK FIRE RELIEF ASSOCIATION	LS
WHEATON FIRE RELIEF ASSOCIATION	LS
WILLMAR FIRE RELIEF ASSOCIATION	LS
WILLOW RIVER FIRE RELIEF ASSOCIATION	LS
WILMONT FIRE RELIEF ASSOCIATION	LS
WILSON FIRE RELIEF ASSOCIATION	LS
WINDOM FIRE RELIEF ASSOCIATION	LS
WINNEBAGO FIRE RELIEF ASSOCIATION	LS
WINSTED FIRE RELIEF ASSOCIATION	LS
WOLF LAKE FIRE RELIEF ASSOCIATION	LS
WOOD LAKE FIRE RELIEF ASSOCIATION	LS
WOODBURY FIRE RELIEF ASSOCIATION	LS
WOODSTOCK FIRE RELIEF ASSOCIATION	LS
WRENSHALL FIRE RELIEF ASSOCIATION	LS
WRIGHT FIRE RELIEF ASSOCIATION	LS
WYKOFF FIRE RELIEF ASSOCIATION	LS
WYOMING FIRE RELIEF ASSOCIATION	LS
ZIMMERMAN FIRE RELIEF ASSOCIATION	LS
ZUMBRO FALLS FIRE RELIEF ASSOCIATION	LS

## Monthly/Lump Sum Plans (21)

RELIEF	PLAN_TYPE
ALBERT LEA TOWNSHIP FIRE RELIEF ASSOCIATION	M/LS
APPLE VALLEY FIRE RELIEF ASSOCIATION	M/LS
APPLETON FIRE RELIEF ASSOCIATION	M/LS
BENSON FIRE RELIEF ASSOCIATION	M/LS
BROOKLYN CENTER FIRE RELIEF ASSOCIATION	M/LS
CHANHASSEN FIRE RELIEF ASSOCIATION	M/LS
DETROIT LAKES FIRE RELIEF ASSOCIATION	M/LS
EDEN PRAIRIE FIRE RELIEF ASSOCIATION	M/LS
FAIRMONT FIRE RELIEF ASSOCIATION	M/LS
GLENCOE FIRE RELIEF ASSOCIATION	M/LS
LAKE JOHANNA FIRE RELIEF ASSOCIATION	M/LS
LUVERNE FIRE RELIEF ASSOCIATION	M/LS
MINNETONKA FIRE RELIEF ASSOCIATION	M/LS
NEW ULM FIRE RELIEF ASSOCIATION	M/LS
PIPESTONE FIRE RELIEF ASSOCIATION	M/LS
PLYMOUTH FIRE RELIEF ASSOCIATION	M/LS
ROBBINSDALE FIRE RELIEF ASSOCIATION	M/LS
ROSEVILLE FIRE RELIEF ASSOCIATION	M/LS
SAVAGE FIRE RELIEF ASSOCIATION	M/LS
WHITE BEAR LAKE FIRE RELIEF ASSOCIATION	M/LS
WORTHINGTON FIRE RELIEF ASSOCIATION	M/LS

## Monthly Plans (5)

### RELIEF

### PLAN\_TYPE

CHASKA FIRE RELIEF ASSOCIATION

Monthly

HUTCHINSON FIRE RELIEF ASSOCIATION

Monthly

MOUND FIRE RELIEF ASSOCIATION

Monthly

PINE CITY FIRE RELIEF ASSOCIATION

Monthly

SPRING LAKE PARK FIRE RELIEF ASSOCIATION

Monthly

**No Relief Departments (37)**

<b>RELIEF</b>	<b>PLAN_TYPE</b>
ALIDA/BEAR CREEK V.F.D.	NR
ALVARADO CITY OF	NR
ARCO CITY OF	NR
AVOCA CITY OF	NR
BEARVILLE TOWN OF	NR
BELTRAMI CITY OF	NR
BIG FALLS CITY OF	NR
BORUP CITY OF	NR
BRUNO CITY OF	NR
BURNSVILLE CITY OF	NR
CLONTARF CITY OF	NR
CLOQUET CITY OF	NR
CONGER CITY OF	NR
CORRELL CITY OF	NR
DENNISON CITY OF	NR
EAGLES NEST TOWN OF	NR
FELTON CITY OF	NR
FOXHOME CITY OF	NR
FREEBORN CITY OF	NR
GOODRIDGE AREA FIRE DEPT	NR
GRASSTON CITY OF	NR
HOLLANDALE CITY OF	NR
KENNETH CITY OF	NR
KERRICK CITY OF	NR
LOUISBURG CITY OF	NR
MANCHESTER CITY OF	NR
NERSTRAND CITY OF	NR
NIELSVILLE CITY OF	NR
NORMANNA TOWNSHIP	NR
OGEMA CITY OF	NR
OSLO CITY OF	NR
PERLEY CITY OF	NR
PLEASANT HILL TOWN OF	NR
RED LAKE RESERVATION	NR
SKYLINE CITY OF	NR
TINTAH CITY OF	NR
WOLVERTON CITY OF	NR

## **Paid Plans (6)**

<b>RELIEF</b>	<b>PLAN_TYPE</b>
BLOOMINGTON FIRE DEPARTMENT RELIEF ASSOCIATION	PD
FAIRMONT POLICEMEN'S BENEFIT ASSOCIATION	PD
MINNEAPOLIS FIRE DEPT RELIEF ASSOC.	PD
MINNEAPOLIS POLICE RELIEF ASSN.	PD
NASHWAUK POLICE RELIEF ASSOCIATION	PD
VIRGINIA FIRE DEPT RELIEF ASSOCIATION	PD

# **Volunteer Fire Relief Association Working Group**

State Auditor's Office

Monday, October 18, 2004

11 a.m. to 1 p.m.

## **Members Present**

Maplewood Fire Relief Association Treasurer Ed Dietz (defined benefit lump sum plans), League of Minnesota Cities Representative Anne Finn, Minnesota State Fire Department Association Representative Dave Ganfield (defined benefit monthly/lump sum combination plans), Minnesota Area Relief Association Coalition Representative Jim Hansen, Mahanomen Fire Relief Association Treasurer Dave Jaeger (defined benefit lump sum plans), Delano City Administrator Phil Kern, Director of the Legislative Commission on Pensions and Retirement Larry Martin, White Bear Lake Finance Manager Don Rambow, Maple Grove Fire Relief Association President Curt Roberts (defined contribution plans), Minnesota State Fire Chief Association representative Nyle Zikmund (defined benefit monthly plans) and Northfield Fire Relief Association Secretary Tom Nelson.

## **Others Present**

State Auditor's Office Pension Analysts Rose Hennessy Allen and Brian Martenson, Pension Commission Deputy Director Ed Burek, Deputy State Auditor/General Counsel Carla Heyl and State Auditor's Office Pension Director Judith Strobel.

## **Welcome and Introductions**

Rotating Chair Dave Ganfield introduced Tom Nelson, secretary of the Northfield Fire Relief Association, as the Working Group's twelfth member.

## **Old Business**

Ganfield reminded the members to carefully review their personal contact information on Exhibit B for accuracy and privacy reasons and forward any changes to the Pension Division staff. He then referred the members to the first agenda item.

## **Discussion**

### *Deferred Interest Provision*

Larry Martin provided some background information on Minn. Stat. § 424A.02, subd. 7. He said deferred service pensions were not specifically authorized for relief association pension plans prior to 1979. Subdivision 7 provided authority when the Relief Associations Guideline Act was enacted although it did not differentiate between the types of pension plans. He said that the "up to five percent" and "flat five percent" thresholds on deferred service pensions rely on the underlying percentage funding of five percent for the plans.

In 2000, the Pension Commission discussed the “actual investment performance rate up to five percent” language and decided to permit rates including: no interest, a flat five percent and actual rates of return if the deferred dollars were to be invested in a separate account or vehicle. In 2003, he observed that the Marshall Fire Relief Association successfully sought greater payment flexibility by having a special law enacted to permit payment of deferred interest up to five percent as reported by the State Auditor’s Office. Other relief associations were permitted in 2004 to be included in this demonstration project that is set to expire in 2008.

Nyle Zikmund said that the elimination of the “up to 5 percent” language in 2000 was an unintended consequence. He said the effort that session was to lift the cap on deferred interest when active members were seeing rates as high as 22 percent.

Dave Jaeger said his relief association would like to cease paying deferred interest when deferred members reach age 50. Ed Dietz said it is tough to keep track of the large number of deferred members in his relief association who often change their addresses. Curt Roberts said he prefers to leave this freedom up to the relief boards particularly for defined contribution plans. Ganfield said that his relief board received legal advice that it is responsible to attempt to find deferred members.

Don Rambow questioned whether relief associations should hold onto private people’s money. Whatever the investment risks, he argued that deferred members should withdraw their money and roll it over to another account if they do not wish to use the money at this time.

Martin said there should be a balance of three interests: administrative hassles, fiduciary responsibilities and the difference between defined contribution plans and defined benefit plans. He noted that defined contribution plan members benefit from forfeitures whereas the pension fund benefits in the case of defined benefit plan members. In the latter instance, the city could benefit from reduced funding obligations or the members by becoming better positioned to seek and obtain benefit improvements.

Ganfield brought up allowing members of a combination plan to choose between a lump sum or monthly benefit at the end of period of deferral. Martin suggested that members should choose their option when leaving service with the fire department rather than ultimately elect their benefit to fund’s detriment.

Rambow said the 1990s were a great time for investments and the market impacts benefit choices where available. Martin said basing the rate on the amount up to five percent as reported by the State Auditor was a way to obtain consistent and verifiable methodology rates. If a rate is up to five percent there would not be a lot of harm, he said.

Some suggested a board should be able to determine a “safe” rate up to five percent by contrast to the current requirement that they use the rate of return as reported by the State Auditor’s Office. Martin said relief associations should carefully consider how frequently they would make changes that could make it difficult for relief associations and municipalities to track for eligibility and payment purposes.

Martin was asked to draft language that would add an option for interest at a rate up to five percent per year to be set by relief association boards. Jaeger said the current flat five percent option could be eliminated because five percent still would be available under the cap of the proposed language.

#### *Separate Account or Vehicle*

Roberts said defined contribution plans should not be required to invest the money of deferred members in a separate account or vehicle as required under Minn. Stat. § 424A.02, subd. 7, to provide full investment gains or losses. Martin was asked to draft language that would remove defined contribution plans from subdivision 7. The separate account or vehicle language under current law was to permit higher investment returns within actuarial funding limitations. The number of defined contribution plans has tripled since 1979 to 89 plans in 2004.

#### *Ancillary Benefits*

The 1979 Guidelines Act ensures that what is promised for survivor, funeral and disability benefits does not permit the benefit amount to exceed the amount earned for a service pension. This funding protection mechanism gives room to relief association boards to individually authorize and award ancillary benefit payments if provided in their bylaws in compliance with state law. The exceptions are relief associations that may pay higher amounts under special laws enacted prior to 1979.

The members discussed two questions faced by relief associations: 1) whether disabilities must be duty-related and 2) when they must be paid. Tom Nelson said his relief association amended its bylaws to only provide duty-related disability benefits. Zikmund recommended that monthly and combination plans be prohibited from paying disability benefits to members before they reach age 50 because they experience actuarial losses if a benefit must be paid sooner than expected. Zikmund expressed concern that there will be more claims and attorneys’ fees as state aid increases.

Nelson inquired whether injured members who receive other compensation should simply wait to draw their pension until age 50. Jaeger said lifting limitations often exist in workers’ compensation situations. He also observed that financial problems develop prompting members to claim benefit payments. Martin said it is important to ask what is right coverage and who should provide it. To bridge the gap for firefighters who have

yet to reach age 50, he suggested the purchase of casualty insurance coverage by the municipality. Martin cautioned against covering deferred members with a disability plan because those members can never have a duty-related disability. Ganfield said this practice would avoid the time-consuming task of reviewing disability claims and challenge of denying those claims for members.

*Military Leaves of Absence*

Martin and Ed Burek outlined some of the key aspects of USERRA, the federal Uniformed Services Employment and Reemployment Rights Act. If there is an employer/employee relationship and employees provide notice to their employers, USERRA requires that employers have an opportunity to purchase up to five years of service credit in the pension plan or less matching the amount of military service. Employees must return promptly to the employer and have received an honorable discharge.

Several relief association representatives said they grant service credit to members upon return from military service although their eligibility and service credit conditions varied. For this reason, Martin suggested drafting language for relief associations consistent with USERRA at least as a minimum. The Pension Commission took this step last year for the other public pension plans. A state law would clear up any confusion whether there is an employee/employer relationship at present between members and relief associations.

Martin said the court could find one now if the member is being paid an hourly wage or is engaged in any way that can be considered to be an employee/employer relationship. He added that the tax-qualified status of a relief association could be another reason to find an obligation because that status puts a burden on the federal government.

Zikmund asked if a relief association could grant more service credit than granted under a federal or state law. Martin said the courts would probably be receptive to an extra subdivision in the relief association bylaws that has received city council approval.

Nelson said he understood that this matter already has been taken care of under federal laws. Martin said enactment of a state law would help relief associations that may not presently receive adequate notice from the member. He further stated that a state law and bylaw provision would give some assurance to relief members. Relief associations have a general obligation under their fiduciary duties to provide a copy of their plan document (bylaws) to members. This could be a cross reference to the proposed statute.

Finally, the roles of the city and the relief association in recording "good time" were briefly discussed. Several members said that this is primarily a city personnel function.

*Board of Trustees Composition*

Martin said that the nine-member composition of boards of trustees for relief associations has changed little over time. Current law under Minn. Stat. § 424A.04, subd. 1, is very similar to that in effect in 1909 and as codified in 1979. The relief representatives said that they would like to see better city participation believing that many ex-officio board members do not attend relief association meetings on behalf of the city. Others said it is tough to get a quorum if the ex-officio members do not show up based on their level of interest or schedules.

Anne Finn said participation may depend on the size of the city. Ganfield said there is a need to educate cities to realize the value of participating in these positions. Martin clarified that ex-officios do vote although they cannot hold a relief association office. Ideas were generated to find ways to improve participation including permitting mayors to appoint a designee or have city councils appoint a representative. Rotating positions could cause a worse circumstance said Martin especially if the ex-officio members come late, leave early or feel outvoted. But participation would be better than inaction that can inaccurately be construed as consent/approval, he added.

Zikmund queried whether the 10-member composition of independent boards could be changed to the nine-member composition of municipal boards. Jaeger suggested that the board composition provision be amended to consider township positions.

*Flexible Service Pension Maximums*

Ganfield asked Martin whether the flexible service pension maximum table regarding monthly benefit amounts per year of service is too conservative. Martin said that in revisiting the table last session the Commission staff found that based on historical data \$78 appears to be the amount actually needed for support rather than the \$84 currently used in state law. One way to address this situation is to select a support figure in the middle of these amounts such as \$81.

Rambow said he sees problems with the proposal when investment returns turn negative in a down market. He said relief association memberships will want benefit increases during the good times with cities likely becoming liable for those payments in bad times. If the legislature lets the cap come off that could be a problem because boards may give out more than they can afford.

Ganfield said that his relief association was not at the maximum already and changing the table would fix the crossover between monthly benefits and lump sum benefits for combination plans. Zikmund said relief associations cannot raise their benefit level without city council approval. Martin agreed adding that relief associations can when they are well funded.

Rambow said the reality is that firefighters fill up city hall making it challenging for a city council to make a decision. Zikmund said he appreciates that few city councils can resist benefit requests but pensions are the best retention tool for fire departments. Changing the maximum table would improve retention said Ganfield. Retention may not be a major problem for all relief associations observed Finn.

**Other Business**

The State Auditor's website now posts the agendas and exhibits for interested parties. Minutes will be posted upon approval by the Working Group.

**Next Meeting**

The next meeting of the Working Group will be Monday, November 8, 2004 from 11 a.m. to 1 p.m. Agenda suggestions must be provided to the Pension Division by Tuesday, November 2, 2004.