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Pension Division Newsletter

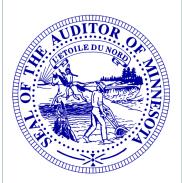
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Keeping SAFES Login Information Secure

October is National Cyber Security Month, and we wanted to take this opportunity to share a reminder about the importance of keeping your SAFES login information secure.

SAFES is the State Auditor's Form Entry System, which is the secure web application used to access, submit, and electronically sign reporting forms. Relief association reporting forms posted in SAFES contain nonpublic member data. Private data must be protected by relief associations in accordance with Minnesota's Data Practices Act.

Relief association trustees should be sure to store their SAFES login information in a secure location, and the information should never be shared. If a new officer is elected who needs SAFES access, the relief association should contact Pension Division staff and ask that a SAFES account be created for the new officer.

An individual must have an e-mail account to use SAFES. Passwords and confirmations are sent to the e-mail account associated with an individual's SAFES account. To protect SAFES login information and the nonpublic member data that can be accessed after logging in, it is important that the e-mail account be an account that is only accessible by the individual. For example, a relief association treasurer should use an e-mail account that only the treasurer has access to, rather than a shared relief association e-mail account.

Minnesota IT Services provides a "Cyber Awareness Toolkit" on its website that includes links to budget-friendly security tools. One of the tools is a password vault, which is a secure tool for storing passwords that keeps them organized and protected. A password vault could be a helpful tool for storing SAFES login information.

Other tools provided in the toolkit are links to antivirus programs, spam catching programs, and computer vulnerability programs. The toolkit can be accessed on the Minnesota IT Services website at: https://mn.gov/mnit/programs/security/security-res/cyber-toolkit.jsp.

What's Ahead:

November 1:

Second certification deadline for 2017 fire state aid.

November 15:

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

November 30:

Final deadline for submitting 2016 reporting-year forms to the OSA to avoid forfeiture of fire state aid.

State Aid Forfeiture Deadline

To avoid automatic forfeiture of your relief association's 2017 fire state aid and supplemental state aid, all 2016 reporting-year forms must be received by the Office of the State Auditor (OSA) by November 30, 2017. Notices have been sent by e-mail to relief associations that have not yet submitted all required reporting information.

If you have questions regarding relief association reporting requirements, please contact the Pension Division at (651) 282-6110 or at pension@osa.state.mn.us.

Deposit of Municipal Funds

Below are two compliance issues the OSA has seen related to municipal funds being deposited into the affiliated relief association's general fund, and suggestions on how to avoid them.

Reimbursements for Fire Department Expenses

Minnesota law is clear that all money a relief association receives from a city or town must be deposited into the association's special fund. A relief association cannot deposit money from a city or town into the association's general fund, even if the money was intended to reimburse the general fund for municipal fire department expenses paid by the relief association.

For example, some relief associations use their general fund to purchase equipment for the fire department or pay for firefighter training. If a relief association chooses to use its general fund to cover expenses that would otherwise be the city's or town's obligation, it must absorb those expenses as the city or town cannot reimburse the relief association's general fund. Alternatively, the city or town can pay the expenses directly, or the firefighters themselves could pay the expenses and be reimbursed by the city or town.

Deposit of Funds Intended for the Fire Department

All funds intended for use by a municipal fire department must be controlled by the city or town. Donations made to a municipal fire department are really donations made to the city or town, with a limitation on how the funds may be used. Funds intended for the fire department cannot be deposited into a relief association's general fund.

Statements of Position:

Governance for Fire Relief Associations

Investment Policies

Investment Authority

Firefighter Service Credit Determinations

Deferred Interest Reminders

Important State law changes went into effect in 2014 that affect how relief associations pay interest to deferred members.

Payment Methods

Deferred-interest payment methods are now defined in State law. Relief associations that elect to pay interest to a deferred member must decide on an interest payment method, including the interest payment starting date and ending date. Default payment methods for each deferred-interest type are set in statute. A relief association may choose to define a different payment method in its bylaws, but if a method is not defined in the bylaws, or if the bylaw definition does not include the payment starting date and ending date, the default established in statute applies.

Timing of Interest Rates

Interest rates set by a relief association's board of trustees become payable beginning on January 1 following the date on which the rate was ratified by the municipality or independent nonprofit firefighting corporation. For example, a relief association's board of trustees sets an interest rate of three percent on December 15, 2017. The affiliated city council ratifies the interest rate at its council meeting on January 20, 2018. The interest rate will become effective on January 1, 2019.

A Statement of Position that provides additional detail regarding statutory requirements for deferred interest payment methods and the timing of deferred interest rates is available on the OSA website at: http://www.auditor.state.mn.us/default.aspx?page=20110527.005.

Pension Division Staff

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