



Pension Division Newsletter

January 2023

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Working Group Update

The Volunteer Fire Relief Association Working Group convened by the Office of the State Auditor (OSA) met on January 19 and finalized its legislative proposals for 2023. In addition to some technical clarifications, the proposals would:

- Increase the threshold at which an annual audit is required from the current \$500,000 in special fund assets or liabilities to \$750,000;
- Add definitions to the relief association statutes of “volunteer,” “paid on-call,” “part-time,” and “full-time/career” firefighter;
- Update firefighter and relief association references to reflect the new definitions;
- Clarify when municipal ratification of a benefit level or bylaw change is required; and
- Clarify eligibility for supplemental benefits when a relief association dissolves.

We’ll keep you updated on the progress of these proposals through our [monthly Newsletter](#) and the OSA’s [Weekly Update](#). Meeting agendas and information are available on the Working Group page of the [OSA website](#). Meetings are live-streamed on the OSA’s [YouTube channel](#), and recordings are available on the [OSA website](#) following each meeting.

Information for Accountants

The Agreed-Upon Procedures Guide, Sample Independent Accountant's Report, and sample client representation letter are available on the [OSA website](#).

A relief association with special fund assets of less than \$500,000 and special fund liabilities of less than \$500,000 and that has not exceeded this threshold in a prior year, is required to have its annual financial reporting form attested to by a certified public accountant in accordance with agreed-upon procedures prescribed by the OSA.

Access to reporting forms for accountants, auditors, and other consultants who work with relief associations expires at the end of each calendar year. Relief associations will need to complete the [2023 User Authorization Form](#) to provide these individuals with access to reporting forms during the 2023 calendar year.

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What’s Ahead:

February 15:

Final deadline for submitting 2023 Supplemental Benefit Reimbursement Forms to the Department of Revenue

March 15:

Fire Equipment Certification Form (FA-1) is due to the Department of Revenue

March 31:

Reporting forms for relief associations with assets and liabilities of less than \$500,000 are due to the OSA

March 31:

Investment Business Recipient Disclosure Form is due to the Legislative Commission on Pensions and Retirement

Fire Chief Certification Reminders

State law requires fire chiefs to annually certify, by March 31, service credit information for each active volunteer (and paid on-call) firefighter.

Fire departments generally are responsible for establishing the minimum service requirements to earn service credit, calculating the service credit for each firefighter, and determining whether each firefighter is in good standing.

Administratively, relief association trustees need service credit information when determining eligibility for pension credit. The certification, therefore, must be provided by the fire chief to an officer of the relief association and to the municipal clerk or clerk-treasurer of the largest municipality in population served by the associated fire department. The relief association and municipality must keep the certification for the length of time required by each entity’s records retention policy.

The fire chief must also provide to each active firefighter notification of the amount of service credit rendered by the firefighter for the previous calendar year. The service credit notification must be provided to the firefighter 21 days prior to its certification to the relief association and municipality, along with a description of the process and deadlines for the firefighter to challenge the fire chief’s determination.

A copy of the certification is not required to be submitted to the OSA, and there is not a specific form or format that must be used to make the certification. The fire chief has flexibility to create a form that contains a firefighter service credit listing that meets the needs of the relief association and complies with this new statutory requirement.

Communities are encouraged to review their local fire department policies to make sure they clearly define minimum standards that firefighters must meet to be eligible for service credit. In addition, the municipal governing board may wish to consider (in consultation with its legal counsel) the value of establishing processes around how disputes over certification amounts will be addressed, whether and what documentation should be kept as to how the service credit amounts were determined, and any other measures that help assure and demonstrate that service credit determinations are being made properly.

Additional information about firefighter service credit determinations is provided in our [Statement of Position](#) on this topic.

Fire Equipment Certification Form

Statements of Position:

The 2023 Fire Equipment Certification (Form FA-1) and documentation of any service area changes are due to the Minnesota Department of Revenue (DOR) by March 15, 2023.

[Return to Service for Relief Association Members](#)

Submission of the information is required for communities to be eligible for 2023 fire state aid. Five percent of a community’s fire state aid is forfeited for each week or fraction of a week that the FA-1 Form is submitted past the March 15 due date.

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

Form FA-1 can be completed online on the [DOR website](#). A Fire Service Areas report is also posted at the above link, with information on the documentation that the DOR needs to confirm any fire department service area changes. Instructions for completing the form and a list of forms received by the DOR are also provided.

Supplemental Benefit Reimbursements

[Maintaining a General Fund after Joining the PERA Statewide Plan](#)

Relief associations seeking reimbursement of supplemental benefits paid during 2022 must submit the reimbursement form to the DOR by February 15, 2023, to receive reimbursement in March 2023.

[Supplemental Benefits](#)

Relief associations must use the online Supplemental Benefit Reimbursement form that is available on the DOR website. The online form requires relief associations to provide their Minnesota Tax ID number. If a relief association does not know its ID number, it can be obtained by calling the DOR at (651) 282-5225 during business hours.

The reimbursement form and instructions are available on the [DOR website](#).

Pension Division Staff

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