

# Pension Division Newsletter

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## Reporting Reminder and State Aid Deadline

The 2013 reporting-year forms for volunteer fire relief associations were due by March 31 for relief associations with less than \$500,000 in assets and liabilities and by June 30 for relief associations that exceed this statutory threshold. Notices were sent by e-mail and mail to relief associations that have not submitted all required reporting information. Your assistance is appreciated in ensuring the late reporting forms are submitted as soon as possible. Late reporting forms may result in a delay in your relief association's receipt of 2014 fire state aid.

If your relief association has submitted its reporting forms but has been notified by our Pension Division team that additional information is needed, please provide the requested information as soon as possible. The first certification deadline for 2014 fire state aid is September 15. To be certified as eligible for receipt of your fire state aid in the first round of payments, all required 2013 reporting information must have been submitted to the Office of the State Auditor (OSA), our review of the information must have been completed, and any issues identified by the OSA must be resolved by that date.

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](mailto:pension@osa.state.mn.us).

The 2013 reporting-year forms can be accessed through the State Auditor's Form Entry System (SAFES) at:

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

A document providing reporting information and helpful hints for completing the reporting forms can be viewed on our website at:

[https://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf\\_infoandhelpfulhints.pdf](https://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_infoandhelpfulhints.pdf).



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**What's Ahead:**

**September 15:**

First certification deadline for 2014 fire state aid. To be certified as eligible, all 2013 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

**October 1:**

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

**November 1:**

Second certification deadline for 2014 fire state aid.

**November 30:**

Final deadline for submitting 2013 reporting-year forms to avoid forfeiture of fire state aid.

## Maximum Benefit Levels

Last month's Newsletter provided information about maximum benefit levels and the Maximum Benefit Worksheet that relief associations offering lump-sum, monthly, or monthly/lump-sum service pensions must complete every year.

The form calculates the maximum benefit level that a relief association may establish. A relief association does not have the authority to set a benefit level higher than the maximum level, even if the benefit level is ratified by the affiliated municipality.

It is very important for relief association trustees and municipal officials to monitor maximum benefit levels. State statute requires that penalties be imposed if a relief association pays a service pension that uses a benefit level above the maximum allowable benefit level. The penalties required by statute for payment above the maximum level are: 1) disqualification from receiving fire state aid; and 2) required recovery of the overpaid amount from any retired firefighter who received an overpayment.

Additional information about maximum benefit levels is provided in our Statement of Position on this topic, at:

<http://www.auditor.state.mn.us/default.aspx?page=20110531.003>.

## Payments to Full-time Firefighters

A firefighter must separate from active service to receive a service pension, unless the firefighter is hired on a full-time basis with the municipality or independent nonprofit firefighting corporation and all of the following conditions are met:

- 1) the firefighter discontinues volunteer firefighter duties;
- 2) the governing body of the municipality or independent nonprofit firefighting corporation files a determination with the relief association board that the firefighter's experience with and service to the fire department as a full-time firefighter would be difficult to replace; and
- 3) the relief association bylaws are amended to provide for the payment of the service pension or disability benefit for such full-time employees.

## Payment of Organizational Dues

**Sample Bylaw Guides:**

**LUMP-SUM**

[City Fire Department](#)

[Town Fire Department](#)

[Joint-Powers Fire Department](#)

[Independent Corporation](#)

**DEFINED-CONTRIBUTION**

[City Fire Department](#)

[Town Fire Department](#)

[Joint-Powers Fire Department](#)

[Independent Corporation](#)

Relief associations may make disbursements from the special fund only for purposes expressly authorized under Minnesota law. The special fund may be used to pay benefits, such as service pensions, disability, and survivor benefits, and certain fees and other expenses identified in the statute.

Payment of fees, dues, and assessments to the Minnesota State Fire Department Association to provide relief association members with membership in and the benefits of this association are allowed to be paid from the special fund. A 2014 statutory amendment added payment of fees, dues, and assessments to the Minnesota State Fire Chiefs Association to the list of approved disbursements. The Minnesota State Fire Chiefs Association may also now be paid from a relief association’s special fund.

These two fire service organizations are the only two organizations that may be paid from the special fund. Payments to any other organization must be made from the general fund.

## Volunteer Ambulance Personnel

To be eligible for a service pension or benefit distribution from a volunteer fire relief association, an individual must either supervise or perform fire suppression or fire prevention duties. Volunteer ambulance personnel who perform medical duties exclusively are not eligible for a service pension or benefit distribution from a volunteer fire relief association.

Volunteer ambulance personnel may be eligible for an award payment through the Cooper/Sams Volunteer Ambulance Award Program. The award and incentive program is administered by the Minnesota Emergency Medical Services Regulatory Board. Information about the program is available on the Board’s website: <http://mn.gov/health-licensing-boards/emsr/ambulanceservices/coopersams.jsp>.

In addition, volunteer ambulance personnel may be eligible to participate in the defined contribution plan administered by the Public Employees Retirement Association (PERA). Information about the plan is available on PERA’s website, at:

[http://www.mnpera.org/index.asp?Type=B\\_BASIC&SEC={8219D0EF-DA92-4EB9-B225-A9B5B8A2965C}](http://www.mnpera.org/index.asp?Type=B_BASIC&SEC={8219D0EF-DA92-4EB9-B225-A9B5B8A2965C}).

**Statements of Position:**

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

[Firefighter Service Credit Determinations](#)

[Combined Service Pensions for Volunteer Firefighters](#)

[Considerations When Making Benefit Changes](#)

## Working Group Nominations

This fall, the Office of the State Auditor will convene the Volunteer Fire Relief Association Working Group for the eighth consecutive year. The Working Group brings together the major volunteer fire relief association stakeholders to work on legislative changes that will make the pension process easier and more effective.

Membership of the Working Group changes each year so that new communities can be represented. The Group typically holds about five weekday meetings at our office in Saint Paul. The meetings are spread across the fall and early winter months. If you are interested in serving on the Working Group, please contact Rose Hennessy Allen at [Rose.Hennessy-Allen@osa.state.mn.us](mailto:Rose.Hennessy-Allen@osa.state.mn.us) or at (651) 296-5985.

If you would like to suggest topics for the Working Group to consider, please forward them to Rose Hennessy Allen at the e-mail address or phone number provided above.

## Legislative Update Released

The 2014 Legislative Update has been released. The Update provides detailed information about several law changes that affect volunteer fire relief associations. Some changes may require a relief association to amend its bylaws. The Update can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=pensionDocs>.

Our Sample Bylaw Guides have been revised to incorporate the recent legislative changes and are now available. The revised Guides are provided in both MS Word and Adobe PDF versions, and can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=20120208.000>.

## Pension Division Staff

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