



Pension Division Newsletter

April 2024

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Financial and Investment Report

The State Auditor's [Financial and Investment Report of Volunteer Fire Relief Associations](#) for the year ended December 31, 2022, was released.

The Report summarizes and evaluates the finances, basic benefit structure, and investment performance of Minnesota's fire relief associations. Annual benefit levels, municipal contribution amounts, fire state aid amounts, and rates of return for each relief association are included in the Report.

State Auditor Blaha's [press release](#) announcing the report's publication can also be viewed on our website.

Supplemental Benefit Reimbursements

A list of the 2024 supplemental benefit reimbursement amounts, released by the Department of Revenue (DOR), is now available on the OSA [website](#).

The supplemental benefit reimbursements were disbursed on or about March 15, 2024, for relief associations that submitted reimbursement application forms to the DOR by February 15, 2024.

If a relief association paid supplemental benefits but did not submit a reimbursement form by the February 15 deadline, the form to file for reimbursement in March 2025 will be available on the DOR website in mid-November.

Legislative Update

Pending pension legislation has been compiled into one "omnibus" bill that is moving through the legislative process. The bill is named the "2024 Pension and Retirement Policy and Supplemental Budget Bill" and contains the recommendations adopted by the State Auditor's Fire Relief Association Working Group. See our [February Newsletter](#) for a list of the pending Working Group proposals.

The bill also includes provisions affecting the Statewide Volunteer Firefighter Plan administered by the Public Employees Retirement Association, including a proposal that would add a defined contribution plan option.

We will continue to provide updates on the status of the bill in our monthly newsletter, and you can track it's progress [online](#).

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What’s Ahead:

June 30:

Reporting forms for relief associations with assets or liabilities of at least \$750,000 are due to the OSA.

August 1:

The 2024 Schedule Form must be certified to the municipality or independent nonprofit firefighting corporation.

September 15:

First certification deadline for 2024 fire state aid. To be certified as eligible, all 2023 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

Annual Business Renewal

Every fire relief association must register annually as a nonprofit corporation with the Minnesota Secretary of State’s Office. If a relief association fails to register or to notify the Secretary of State of corporate name or address changes, the Secretary of State may reject the registration and dissolve the relief association’s nonprofit corporation status.

A relief association can learn of its status by going to the [Secretary of State’s website](#). Relief associations with a renewal due date displayed as “12/31/2024,” must complete the registration before December 31, 2024, or face possible dissolution of the association’s nonprofit corporation status. If a relief association has completed its registration for this calendar year, the renewal due date displayed on the Secretary of State’s website will read “12/31/2025.”

FIRE Form Reminders

We want to provide a few reminders for those completing the FIRE Form, a relief association’s annual financial and investment reporting form, based on our review of 2023 FIRE Forms we’ve received thus far this year. Please see the following and reach out to our [Pension Division Team](#) with any questions.

- On the “Mutual Funds” tab, please make sure to report all mutual funds, exchange-traded funds, and exchange-traded products.
- On the “Cash Flows” tab, please include investment management fees in the cash flows section that starts on line 22. Choose “Investment Fees” as the cash flow type. Investment purchases, sales, and income should not be included in the cash flows section.
- On the “Financial Information” tab, salary expenses, officer stipends, and payroll taxes related to trustee salaries should be included on the “Salary” administrative expenditure field, on line 36.
- Also on the “Financial Information” tab, please be sure to enter the relief association’s accrued liability for the year 2023 on line 59. Accrued liability amounts can be determined as follows:
 - For Lump-Sum Plans, use the 2023 Schedule Form total accrued liability amount adjusted for retirement or other benefit payments;
 - For Defined Contribution Plans, use the ending Special Fund net assets; and
 - For Monthly and Monthly/Lump Sum Combination Plans, use the accrued liability on the statutory funding actuarial valuation adjusted for retirement or other benefit payments.

Authorized Administrative Expenses

Statements of Position:

[Special and General Funds, and Charitable Gambling Funds](#)

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

[Fundraisers and Donations](#)

[Checking Accounts for Fire Departments and Relief Associations](#)

As a reminder, Special Fund assets may be disbursed only for purposes expressly authorized under Minnesota law. Authorized Special Fund disbursements include retirement benefits, disability and survivor benefit payments, and certain authorized administrative expenses. Administrative expenses that may be paid from the Special Fund include office expenses, officer salaries, training fees, and professional expenses. Two common compliance issues that occur with Special Fund disbursements relate to salaries and professional fees.

State law allows salaries to be paid from the Special Fund to the officers of a relief association, or their designees. Salaries to other trustees of the board may be paid from the Special Fund only if the salary amounts are approved by the governing body of the entity that is responsible for meeting any minimum financial obligation to the relief association. For example, if a relief association is affiliated with a city fire department, salary amounts for non-officer trustees must be approved by the city council before they may be paid from the Special Fund.

The Office of the State Auditor’s [Bylaw Guides](#) provide sample language for relief associations wishing to pay Special Fund salaries, and include an attachment to list salary amounts.

Members of the board of trustees may be reimbursed from the Special Fund for reasonable and necessary expenses actually *paid* and *incurred* in the performance of their duties as members of the board. All other non-salary payments (such as per diems) to board members should be paid from the relief association’s General Fund.

The professional expenses that a relief association may pay from the Special Fund are limited to authorized “audit and audit-related services, accounting and accounting-related services, actuarial, medical, legal, and investment and performance evaluation expenses.” Authorized legal fees are reasonable fees paid directly to an attorney or a law firm for work necessary for maintaining, protecting, or administering the Special Fund. See our [Statement of Position](#) on this topic for additional information.

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