



# Working Group

## Meeting Agenda: October 12, 2021

- I. Call to Order**  
*Chair Auditor Blaha.*
- II. Introductions**
- III. Review and Approval of Working Group Meeting Minutes**  
Exhibit A. Draft January 12, 2021 Meeting Minutes
- IV. Working Group Process Discussion**  
Exhibits B through E.
  - Working Group Meeting Schedule (B)
  - Working Group Purpose Statement (C)
  - Working Group Process (D)
  - Working Group Membership List (E)
- V. Update on 2021 Relief Association Legislation**  
Exhibit F.
- VI. Discussion of Working Group Topic Suggestions**  
Exhibit G.
- VII. Other Business**  
Exhibits H through I.
  - Maximum Benefit Levels (H)
  - 1979 Memo on Service Pension Maximums (I)
  - 1979 Section by Section Summary with Graphs (J)
- VIII. Next Meeting**  
Wednesday, November 3, 2021  
11 a.m. to 12:30 p.m.  
Virtually via Zoom
- IX. Adjournment**

Individuals with disabilities who need a reasonable accommodation to participate in this event, please contact Rose Hennessy Allen at (651) 296-5985 or (800) 627-3529 (TTY) by October 8, 2021.



# Exhibit A

## 01-12-21 Approved Minutes

### Members Present

Julie Blaha, State Auditor

Eric Bullen, Minnesota State Fire Chiefs Association Representative (defined benefit lump sum plans)

Bruce Hemstad, Bemidji Fire Relief Association Secretary (defined benefit lump sum plans)

Sue Iverson, City of Red Wing Finance & Accounting Manager

Brett Johnson, Elko New Market Fire Relief Association Treasurer (defined benefit lump sum plans)

Ron Johnson, Minnesota State Fire Department Association Representative (defined contribution plans)

Aaron Johnston, Coon Rapids Fire Relief Association Treasurer (defined contribution plans)

Michael Kruse, Falcon Heights Fire Relief Association Treasurer (defined contribution plans)

Andy Paszak, Proctor Fire Relief Association President (defined benefit lump sum plans)

Darrell Pettis, St. Peter Fire Relief Association Treasurer (defined benefit lump sum plans)

Kevin Wall, Lower Saint Croix Valley Fire Relief Association President (defined benefit lump sum plans)

Thomas Wilson, Eden Prairie Fire Relief Association Secretary (defined benefit monthly/lump sum plans)

### Members Excused

Steve Donney, City of Harmony Mayor

### Office of the State Auditor and Legislative Support Present

Ramona Advani, Deputy State Auditor and General Counsel

Chad Burkitt, Legislative Commission on Pension and Retirement Analyst

Rose Hennessy Allen, Office of the State Auditor Pension Director

Susan Lenczewski, Legislative Commission on Pension and Retirement Executive Director

### I. Call to Order

Auditor Blaha called the meeting to order. She explained that the meeting was being recorded and streamed to the Office of the State Auditor (OSA)'s YouTube channel. The meeting agenda was accepted with no changes. Auditor Blaha noted that the topic discussed during the last meeting that would permit payments to former spouses following a member's divorce, before the relief association member retires, was held over. This topic needs additional time for review and research before language could be drafted.

### II. Review and Approval of Working Group Meeting Minutes

The members reviewed the December 15, 2020, meeting minutes that had been provided in advance. The meeting minutes were accepted with no changes.

### III. Review of Draft Combined Service Pension Language

Auditor Blaha explained that the changes in Exhibit B reflect the direction the Working Group provided during the last meeting. The combined service pension provision would be changed so that a service pension paid from the first relief association is based solely on service credit earned with that affiliated fire department. The change requires that a member be vested in the first relief association to be eligible for a distribution from that relief association. Vesting then accumulates if the firefighter joins a subsequent fire department or multiple subsequent fire departments. The member must be vested in the

subsequent relief association(s) when considering the combined years of accrued active service.

Hennessy Allen walked through three examples that help illustrate how service pensions would be determined under different scenarios.

Iverson made a motion to adopt the draft language. Hemstad seconded the motion that was then adopted unanimously.

#### **IV. Discussion of DC Plan Deferred Interest Clarification**

Hennessy Allen explained that this item is a new topic identified by OSA staff. Last year, the Working Group approved changes that were passed into law as part of the 2020 Pension and Retirement Bill, that affect how investment returns are allocated to members in relief associations with a defined contribution plan. Beginning January 1, 2021, deferred members of defined contribution plans must be credited with investment returns. This new requirement applies to members who are currently deferred, and to future deferred members.

There are three options for crediting investment returns to deferred members. If a relief association's bylaws do not define a method for crediting investment returns, deferred members will be credited with their proportional share of the full investment gains and losses. Members who are currently deferred and separated from active service when a relief association's bylaws provided for an allocation method that no longer is authorized must start receiving investment return allocations under one of the three currently-authorized allocation methods.

In response to questions the OSA has received, changes are suggested in Exhibit C to clarify a relief association's ability to modify investment return allocations for members who are already deferred, and provide a one-year window during which the bylaws may be amended to modify the investment return allocation method for currently-deferred members. The effective date for the proposed changes is retroactive to January 1 of this year, to coincide with the effective date of the deferred member changes.

Johnston made a motion to adopt the draft language, as amended. Johnson seconded the motion that was then adopted unanimously.

#### **V. Review of Previously Approved Draft Language**

Auditor Blaha asked the Working Group members for approval to make any necessary technical changes that may be identified by the OSA, LCPR, or Revisor's Office when the bill is being put together. Johnson made a motion to approve making technical changes or corrections that may be identified when the bill is being put together. Hemstad seconded the motion that was then adopted unanimously.

- Supplemental Benefits (D)  
Auditor Blaha explained that these changes were included in the Working Group's bill last year. They would authorize a supplemental benefit payment with each lump-sum distribution, and each supplemental benefit is equal to 10 percent of the distribution up to a maximum of \$1,000 (or \$2,000 if the final distribution is a survivor benefit). The language was adopted unanimously.
- Municipal Clerk Definition (E)

This change defines the term “municipal clerk” in the relief association statutes and provides municipalities with the ability to designate a financial official to sign relief association reporting forms. This allows the municipal official with knowledge of a relief association’s activities to sign the forms, if that person is not the city or town

clerk. Hemstad made a motion to approve the language and the motion was adopted unanimously.

- **Defined Contribution Forfeitures (F)**  
This change allows defined contribution plans to forfeit nonvested accounts prior to waiting five years following the member’s separation if the member passes away and no benefit is payable. Usually, defined contribution plans are required to wait at least five years to forfeit nonvested member accounts. This change addresses a situation that arose last fall when a nonvested member passed away during this five-year waiting period, and the relief association was required to keep the former member’s account intact even though there is no possibility of a return to service and no benefit is payable. Johnston made a motion to approve the language and the motion was adopted unanimously.
- **Audit Threshold Clarification (G)**  
These changes clarify when an audit first becomes required after a relief association exceeds the \$500,000 threshold, and that the threshold is applied to special fund assets only. The changes also clarify that the financial report and audited financial statements are two separate documents, and include updates to make sure terms are used consistently in the subdivision. Iverson made a motion to approve the language and the motion was adopted unanimously.
- **Filing and Application Fees Clarification (H)**  
This change makes clear that filing and application fees paid from a relief association’s special fund must be necessary to administer the special fund, and be payable to federal or other government entities. This change addresses the concern that a relief association could use, for example, the special fund to pay for gambling fund filing or application fees. Johnson made a motion to approve the language and the motion was adopted unanimously.
- **Retaining Service Credit for Nonvested DB Plan Members (I)**  
These changes allow a relief association with a defined benefit plan to specify in the bylaws that service credit accrued by a nonvested member who has separated from active service is forfeited after the member has been gone for at least five years. The changes allow relief associations to address concerns about nonvested members resuming active service after being gone for an extended length of time, and being added back to the Schedule Form with a liability that has not been accounted for during the member’s absence and that is larger than the liability for a new member. Hemstad made a motion to approve the language and the motion was adopted unanimously.
- **Accountant Form Certification Requirement (J)**  
These changes exempt relief associations that choose to have an audit prepared from the certification requirements that are in place for relief associations that are below the asset and liability thresholds that trigger an audit.

Hennessy Allen explained that the language that implements this change is highlighted in the Exhibit. The Working Group approved language at its November 10 meeting that



clarifies the audit provision, and the certification changes are incorporated into the language that was adopted in November. Kruse made a motion to approve the language and the motion was adopted unanimously.

**VI. Next Year (2021-2022 Working Group)**

Auditor Blaha thanked the Working Group members and the LCPR staff, and recognized outgoing member Mike Kruse who had served on the group since 2015. She said she would keep everyone updated on the progress of the Working Group legislation and let the group know when it would be heard by the LCPR. Auditor Blaha shared that she planned to convene the Working Group again in the fall, and hoped to meet in the newly remodeled conference room at our office in Saint Paul.

**VII. Other Business**

A Zoom “photo” of the Working Group was taken. There was no other business.

**VIII. Adjournment**

The meeting was adjourned at 11:55.



# Exhibit B

## Working Group Meeting Schedule

**Tuesday, October 12, 2021**

**Wednesday, November 3, 2021**

**Tuesday, November 16, 2021**

**Tuesday, November 30, 2021**

**Tuesday, December 14, 2021**

**Additional meetings in early 2022 may be scheduled**

*State Auditor Julie Blaha, Chair*  
Virtually via Zoom  
11:00 a.m. to 12:30 p.m.



# Exhibit C

## Working Group Purpose Statement

To identify and work through current and pressing relief association issues while maintaining effective and efficient Office of the State Auditor oversight.

We will do this by bringing together the major volunteer fire relief association stakeholders to develop relationships, facilitate communication, discuss relief association issues and make the Pension Process easier and more effective.

The ultimate goal is to help volunteer fire relief association plans be successful.



# Exhibit D

## Working Group Process

- Identify and discuss topics and make recommendations to clarify state laws,\*
- Forward suggested statutory changes to the Legislative Commission on Pensions and Retirement, and
- Identify ways to simplify reporting forms, identify training needs and other issues.

\* Unanimous consent is required for all proposals to move forward, although proposals may be revisited and reconsidered.



# Exhibit E

## Working Group Membership List

- 1. Municipal Official**  
Steve Donney, Mayor  
City of Harmony  
PO Box 488  
Harmony, MN 55939  
(507) 951-4320  
[stdonney2002@yahoo.com](mailto:stdonney2002@yahoo.com)
- 2. Municipal Official**  
Sue Iverson, Finance & Accounting  
Manager  
City of Red Wing  
315 West 4<sup>th</sup> Street  
Red Wing, MN 55066  
(651) 385-3613  
[sue.iverson@ci.red-wing.mn.us](mailto:sue.iverson@ci.red-wing.mn.us)
- 3. Defined Benefit Monthly/Lump Sum  
Combination Plans**  
Thomas Wilson, Secretary  
Eden Prairie Fire Relief Association  
14800 Scenic Heights Road  
Eden Prairie, MN 55344  
(952) 594-4411  
[tomwilson52@hotmail.com](mailto:tomwilson52@hotmail.com)
- 4. Defined Benefit Lump Sum Plans**  
Bruce Hemstad, Secretary  
Bemidji Fire Relief Association  
318 – 5<sup>th</sup> Street N.W.  
Bemidji, MN 56601  
(218) 766-0014  
[bruce.hemstad@gmail.com](mailto:bruce.hemstad@gmail.com)
- 5. Defined Benefit Lump Sum Plans**  
Darrell Pettis, Treasurer  
St. Peter Fire Relief Association  
227 W. Mulberry Street  
St. Peter, MN 56082  
(507) 934-5077  
[dbpettis@hickorytech.net](mailto:dbpettis@hickorytech.net)
- 6. Minnesota State Fire Department  
Association**  
Ron Johnson, Member  
Maple Grove Fire Relief Association  
P.O. Box 1174  
Maple Grove, MN 55311  
(612) 245-0012  
[ron@johnsonmn.com](mailto:ron@johnsonmn.com)
- 7. Defined Contribution Plans**  
Aaron Johnston, Treasurer  
Coon Rapids Fire Relief Association  
2831 – 113<sup>th</sup> Avenue NW  
Coon Rapids, MN 55433  
(763) 767-6477  
[ajohnston@coonrapidsmn.gov](mailto:ajohnston@coonrapidsmn.gov)
- 8. Defined Contribution Plans**  
Michael Walstien, Vice President  
Plymouth Fire Relief Association  
3400 Plymouth Boulevard  
Plymouth, MN 55447  
(612) 599-4982  
[walstien@gmail.com](mailto:walstien@gmail.com)



**9. Minnesota State Fire Chiefs Association**

Eric Bullen, Chief, Director of  
Emergency Management, Fire Marshal  
Albertville Fire Department  
P.O. Box 9  
Albertville, MN 55301  
(763) 497-3384 ext. 107  
[ebullen@ci.albertville.mn.us](mailto:ebullen@ci.albertville.mn.us)

*Office of the State Auditor and  
Legislative Support*

**Legislative Commission on Pensions  
& Retirement**

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Saint Paul, MN 55155  
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**10. Defined Benefit Lump Sum Plans**

Kevin Wall, President  
Lower Saint Croix Valley Fire Relief  
Association  
P.O. Box 234  
Lake St. Croix Beach, MN 55043  
(763) 401-2289  
[wallkcw@gmail.com](mailto:wallkcw@gmail.com)

**Legislative Commission on Pensions  
& Retirement**

Chad Burkitt, Analyst  
55 State Office Building  
Saint Paul, MN 55155  
(651) 296-7820  
[chad.burkitt@lcpr.leg.mn](mailto:chad.burkitt@lcpr.leg.mn)

**11. Defined Contribution Plans**

Dan Johnson, Trustee  
Mendota Heights Fire Relief Association  
2121 Dodd Road  
Mendota Heights, MN 55120  
[djohnson@mendotaheightsmn.gov](mailto:djohnson@mendotaheightsmn.gov)  
(651) 238-9555

**Office of the State Auditor**

Ramona Advani, General Counsel and  
Deputy State Auditor  
525 Park Street, Suite 500  
Saint Paul, MN 55103  
(651) 297-3673  
[ramona.advani@osa.state.mn.us](mailto:ramona.advani@osa.state.mn.us)

**12. Defined Benefit Lump Sum Plans**

Andy Paszak, President  
Proctor Fire Relief Association  
100 Pionk Drive  
Proctor, MN 55810  
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**13. State Auditor Julie Blaha**

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[state.auditor@osa.state.mn.us](mailto:state.auditor@osa.state.mn.us)



# Exhibit F

## 2021 Relief Association Legislation

### ***Working Group Proposals:***

- Article 6 Adds a definition of “municipal clerk” to the definitions section of Chapter 424A. The definition provides municipalities with flexibility to designate someone other than the clerk, such as the finance director, to sign relief association annual reports.
- Clarifies that the \$500,000 audit threshold is measured solely on special fund asset and liability amounts, and that the FIRE Form attestation is not required for relief associations that are audited.
- Updates the vesting calculation when firefighters have service with multiple fire departments and a combined service pension is payable.
- Allows nonvested member accounts in a defined contribution plan to be forfeited if a former member dies. Clarity is also provided to the 2020 legislative change that requires defined contribution plans to allocate investment performance to members.
- Provides authority to forfeit service credit earned by nonvested members of defined benefit plans after waiting five years, if the bylaws are amended to allow for the forfeiture.
- Limits the payment of filing and application fees from the special fund to those that are necessary to administer the special fund.

### ***Other Proposals:***

- Article 9 Creates a Supplemental State Aid Work Group to discuss and articulate options on changing the method of allocating supplemental state aid. A report is due to the LCPR by December 31, 2022.
- Article 10 Makes technical clarifications and corrections to the new conversion and dissolution provisions.
- Article 7 Sets a deadline for volunteer fire relief association requests to LCPR staff to draft bills.
- Article 6 Defines a process for the distribution of the Nowthen firefighters’ accounts in the Ramsey Firefighters’ Relief Association.
- Article 4 Establishes a process to split fire state aid for combination fire departments in the PERA Statewide Volunteer Firefighter Plan.

## Volunteer Fire Relief Association Working Group

### 2021/2022 Potential Topic Requests

Topic	Description	Source	Type
Audit (424A.014, subd. 1)	1. Consider increasing the threshold at which an audit is required. The current threshold is \$500,000 in either special fund assets or liabilities.	VFRAs	Broad Policy Change
Career Firefighters (424A.015, subd. 1)	2. Consider allowing firefighters who are hired on a full-time basis and retire from the relief association to be paid their relief association service pension before reaching age 50.	VFRAs	Limited Policy Change
Combined Service Pensions (424A.015, subd. 7)	3. Consider making combined service pensions mandatory and available to all firefighters with service in more than one fire department.	VFRAs	Broad Policy Change
Definitions (424A.001)	4. Update the definition of "volunteer firefighter" and add definitions of "paid-on-call," "part-time," and "full-time/career" firefighter and the definition of "combination fire department" that the Working Group agreed upon last year.	VFRAs	In Progress
Disability Insurance (424A.05, subd. 3)	5. Consider modifying the provision that allows relief associations to pay insurance premiums for disability coverage, to allow relief associations to purchase a supplemental health product or reimburse the municipality if the city or town purchased the coverage.	VFRAs	Broad Policy Change
Distributions (424A.016, subd. 2 and 424A.02, subd. 1)	6. Consider allowing former spouses of relief association members to be paid after the divorce is finalized, even if the member has not yet separated from active service or been paid.	VFRAs	Limited Policy Change
Maximum Benefit Levels (424A.02, subds. 2a - 3)	7. Review the maximum benefit levels that are determined annually by each defined-benefit plan and consider changes so that plans with large surpluses are not precluded from increasing their benefits.	OSA	Broad Policy Change
Return to Service (424A.01, subd. 6)	8. Discuss allowing members who return to service to keep any interest that had been accrued during their period of deferral.	VFRAs	Broad Policy Change
Service Credit (424A.015, subd. 6)	9. Consider allowing relief associations to set a lower benefit level amount for EMS-only members if the minimum service requirements for these individuals are less than for firefighters.	VFRAs	Broad Policy Change
	10. Consider ways in which a relief association could allow for a bonus payment from the special fund for firefighters with at least 20 years of service, for example, as a way to retain firefighters. Ideas include authorizing a higher per-year-of-service benefit level for these years.	VFRAs	Broad Policy Change
	11. Consider allowing relief associations to provide different benefit levels per year of service depending on the percent of calls or other requirements that a firefighter completes.	VFRAs	Broad Policy Change

	12. Discuss the fire chief's certification of service credit and whether it's appropriate for members to lose the accrual of service credit if they fail to meet minimum requirements established by the fire chief.	VFRAs	Broad Policy Change
Supplemental Benefits (424A.10)	13. Discuss supplemental benefit eligibility for firefighters who are paid more than one lump-sum distribution.	DOR	In Progress



# Exhibit H

## Maximum Benefit Levels

### Topic:

Statute requires relief associations with defined-benefit plans (lump-sum, monthly, and monthly/lump-sum combination plans) to calculate annually the maximum allowable benefit level. The Office of the State Auditor (OSA) provides relief associations with a form called the Maximum Benefit Worksheet (MBW) for performing the calculation.

The calculation is an average of a relief association's non-investment primary revenue sources for the prior three years on a per-member basis. The primary revenue sources included in the calculation are the amounts of state aid and municipal contributions received, and ten percent of the relief association's surplus.

If a relief association pays a service pension using a benefit level that exceeds the maximum allowable benefit level, statute requires that penalties be imposed. The penalties are disqualification from receiving fire state aid and a requirement that the relief association treasurer recover the amount of the overpaid service pension from any retired firefighter who received an overpayment. In 2015, a Working Group change provided the OSA with discretion when a good faith error occurs to exempt a relief association from the penalty.

### Issue:

Relief associations have questioned the appropriateness of the calculation used to determine the maximum allowable benefit level. In years when investment markets are performing poorly and a relief association has a deficit, the relief association may receive large required contributions from the municipality. These large municipal contributions increase the maximum allowable benefit level. Conversely, a relief association with a surplus may not be authorized to increase its benefit level, even though sufficient funds are available, because the association is limited by the calculated maximum.

In recent years, following the creation of the supplemental state aid program and strong market returns, the OSA has seen an increase in the number of relief associations with large surpluses that are unable to increase their benefit levels because they are operating at their statutory maximums.

An example is provided on the next page that helps illustrate the issue. In this example a relief association approved a benefit level increase to \$5,800 in 2016, which was less than the maximum allowable benefit level at that time. The relief association's maximum allowable benefit level has fallen since 2016, even as the funding ratio has steadily increased.



While the relief association was allowed to continue operating at the \$5,800 benefit level because it meets the requirements of Minn. Stat. § 424A.02, subd. 3(b), no benefit increases are allowed. Now, the relief association has an almost \$800,000 surplus but cannot raise its benefit level.

Year	Assets	Liabilities	Surplus/Deficit	Funding Ratio	Maximum Benefit Level
2021	3,592,151	2,795,802	796,349	128.5%	5,200
2020	3,136,300	2,952,713	183,587	106.2%	5,600
2019	3,115,359	2,917,420	197,939	106.8%	5,400
2018	3,265,589	3,116,769	148,820	104.8%	5,100
2017	3,621,619	3,618,076	3,543	100.1%	5,600
2016	3,356,790	3,604,011	(247,221)	93.1%	6,700

### 2021 Maximum Benefit Worksheet

	A Fire State Aid and Supplemental State Aid <small>(From FIRE-20)</small>	B Municipal Contribution <small>(From FIRE-20)</small>	C 10% of Surplus * <small>(From SC-20)</small>	D Active Members in Relief Association <small>(From FIRE-20)</small>	E Per Year Average [(A + B + C) / D]
<b>2020</b>	104,308	0	18,359	42	2,921
<b>2019</b>	100,826	0	19,794	42	2,872
<b>2018</b>	100,252	1,654	14,882	42	2,781

\* If deficit for the year, leave blank.

Average available financing per active member for the most recent 3-year period:  
(sum of column E divided by 3)

2,858

Maximum Lump Sum Benefit Level under Minn. Stat. § 424A.02, subd. 3

5,200

### Background:

These issues were discussed during several Working Group meetings in the fall of 2014. Larry Martin, former Executive Director of the Legislative Commission on Pensions and Retirement, shared with the Working Group that prior to the creation of the flexible service pension maximums, only one maximum lump-sum benefit level and one maximum monthly benefit level existed. Relief associations were required to obtain special legislation to increase their benefit levels above these maximums.

The single limits were not effective and led to the creation of the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1979 that put in place much of the law related to volunteer fire relief associations.

The flexible service pension maximums require that relief associations pay about 70 percent of the ongoing normal cost of the benefit level. The three-year average on which the calculation is based is intended to minimize fluctuations in contributions or investment earnings that would be experienced from one year to the next.

When this topic was last discussed by the Working Group, the group recommended that communities determine what benefit level is needed to retain firefighters and then put a plan in place, which may require ongoing municipal contributions, for the relief association to reach that benefit level. The Working Group members agreed that generally, over time, the calculation is working as intended.

The OSA is requesting that the Working Group revisit this topic, in light of a growing number of relief associations with relatively large surpluses that are unable to pay the assets out to members through increased benefits.

## **Options:**

1. Leave the calculation as it is, and work to provide additional education to relief associations and municipalities.
2. Change the calculation so that municipal contributions are not included, or perhaps just voluntary contributions.
3. Eliminate the flexible service pension maximums, and go back to one maximum lump sum benefit level and one maximum monthly benefit level.
4. Eliminate the flexible service pension maximums for relief associations that obtain municipal ratification of their benefit levels, but leave the requirement for relief associations that increase their benefit levels without obtaining ratification.
5. Others?

State of Minnesota \ LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

TO: LCP&R

FROM: Larry Martin, Exec. Sec.

RE: Laws 1979, Chapter 201: General Revision of the Laws Governing  
Volunteer Firefighters Relief Associations

DATE: July 27, 1979

Laws 1979, Chapter 201 (SF 961 (Peterson)) made substantial revisions in the laws governing service pensions and retirement benefits payable from municipal volunteer firefighters relief associations and independent nonprofit firefighting corporation relief associations or retirement plans. The changes affected four major areas affecting volunteer firefighters' service pensions and retirement benefits: volunteer firefighters' service pension and retirement benefit authorization, entitlement and maximums; administration of volunteer firefighters relief associations; requirements of the volunteer firefighters relief association financing guidelines act; and legislative supervision and oversight of volunteer firefighters relief association operations.

Volunteer Firefighters' Service Pension and Retirement Benefit Authorization  
Entitlement and Maximums

The most significant change made by the legislation is the replacement of the current single dollar figure volunteer firefighters' service pension maximums with a new flexible schedule of service pension maximums based on the financial ability of the relief association per firefighter to fund a certain service pension amount under the 1971 Volunteer Firefighters Relief Association Guidelines Act requirements. The financial ability of the relief association is calculated as the three year average per firefighter of fire state aid, municipal contributions and one-tenth of any surplus of assets of the special fund over the accrued liabilities.

In addition, the substantive law governing the provision of service pensions and other retirement benefits by municipal volunteer firefighters relief associations and independent nonprofit firefighting corporations is combined into a new statute chapter, Minnesota Statutes, Chapter 424A. Independent nonprofit firefighting corporations which have not done so already are required to establish a separate volunteer firefighters relief association (rather than the currently permitted non-segregated retirement plan). Independent nonprofit firefighting corporation volunteer firefighters' relief associations will be governed in comparable fashion to municipal fire department volunteer firefighters relief associations, which will include municipal representation on the relief association board of trustees.

Partial vesting for a service pension is also authorized, beginning with vesting for sixty percent of the accrued service pension amount at ten years of service credit and increasing at a level four percent rate per year of service credit to full vesting with 20 years of service credit. Volunteer firefighter relief associations paying a lump sum service pension are authorized to provide a periodic or installment payment of the service pension upon an irrevocable election by the retiring volunteer firefighter.

A limit was placed on the amount of pre-retirement ancillary benefits, such as disability, survivorship or funeral benefits, provided by all volunteer firefighters relief associations which were set at the amount of the service pension accrued to the date of disability or death, whichever is applicable. Volunteer firefighters' relief associations which provide lump sum service pensions are prohibited from providing post-retirement ancillary benefits.

The legislation also amended or repealed all conflicting current special laws in the area of existing special laws governing volunteer firefighters' service pension and retirement benefit authorization, entitlement and maximums.

#### Administration of Volunteer Firefighters Relief Associations

The legislation requires that the board of each volunteer firefighters' relief association have three ex-officio municipal officials as board members in addition to six elected members of the board of trustees. If the relief association is subsidiary to an independent nonprofit firefighting corporation which contracts with more than one municipality, the ex-officio board members are required to be drawn one from each municipality. Each ex-officio board of trustee member is to have full powers of the office, except service as an officer of the board. The fiduciary duty of the board of trustees is clearly established as a duty to implement laws in conformance with the expressed intent of the Legislature and a duty to manage the fund in the best interests of the state, the taxpayers and the beneficiaries of the fund.

Each volunteer firefighters relief association is required to file a copy of its current bylaws with the Commissioner of Insurance on or before July 1, 1980. It shall also file a copy of its articles of incorporation or bylaw amendments immediately following approval of the bylaw or articles of incorporation by the applicable municipality or municipalities.

#### Requirements of the Volunteer Firefighters Relief Association Financing Guidelines Act

The legislation updates and clarifies a number of aspects of the Volunteer Firefighters Relief Association Financing Guidelines Act of 1971. Among the significant changes are the establishment of a procedure for volunteer firefighters relief associations which provide monthly benefit service pensions to set and revise the 20 year period to amortize the unfunded accrued liability of the relief association and the establishment of a procedure for the gradual realization of the amount of the relief association assets in excess of accrued liability to reduce the obligation of the municipality to meet normal cost. Volunteer firefighters' relief associations subsidiary to independent nonprofit firefighting corporations which provide lump sum service pensions are no longer required to have periodic actuarial valuations but are governed by the guidelines requirements applicable to municipal volunteer firefighters' relief associations which provide lump sum service pensions.

#### Legislative Supervision and Oversight of Volunteer Firefighters Relief Association Operations

The legislation increases legislative supervision and oversight of the operations of the various volunteer firefighters relief associations by requiring a biennial report by the State Auditor to the Legislative Commission on Pensions and Retirement and to the Legislature. The biennial report is to include the aggregate total, aggregate benefit category and individual volunteer firefighters relief association financial and funding status results as reported in the annual financial report of the relief association for the applicable year.

Section by Section Summary of HF 928 (Reding); SF 961 (Peterson  
with Staff Amendments

Section	Page	Lines	Summary
1	2 3 4 5	28-45 1-33 1-33 1-24	Amends Section 69.011, Subdivision 1, which is the definition section applicable to the police and fire state aid programs and also contains general definitions applicable to the statutory chapters governing local relief associations. The amendment clarifies that the definitions apply to all statutory chapters governing local relief associations, clarifies a number of ambiguous or erroneous definitions, eliminates an unnecessary definition and adds three new definitions. Most changes are merely technical. The definition of "average state aid" is eliminated as unnecessary since it referred to a fire state aid program minimum aid provision which was required for transition when the fire state aid program was revised last in 1969. The provisions applicable to the definition of "police officer" are removed as unnecessary following recent revisions in the procedure for licensing police. The definition of "qualified municipality" is added to simplify the reference to municipalities having their own fire departments or contracting for fire service and thereby becoming eligible to receive fire state aid for transmittal to a firefighters' relief association, if one exists. The definition of "firefighter" is added to simplify the reference to that job category in the various statutory chapters relating to local firefighters relief associations. The definition of "retirement benefits" is added to simplify the reference to various ancillary benefits payable from a firefighters relief association for purposes of the 1971 Guidelines Act and the revised substantive law on volunteer firefighters contained in the new Chapter 422A (Sections 32 to 40).
2	5	25-33	Amends Section 69.011, Subdivision 2, which specifies the minimum requirements for the qualification for police or fire state aid. The amendment restructures the subdivision to separate more clearly the requirements for each aid program and makes a number of substantive changes. The fire department, equipment and personnel certification form is combined with the annual financial report form to end the duplicative paperwork requirement, and is required to be filled out jointly by municipal and relief association officers. Relevant references to the Commissioner of Insurance are changed to the State Auditor consistent with the transfer of police and fire state aid program functions. The minimum equipment, organizational and personnel requirements for fire departments previously contained in Section 69.011, Subdivision 4, are moved to this subdivision to provide a more logical statutory structure. Police state aid qualification is separated into its own subdivision.
3	8 9	32-33 1-11	Amends Section 69.011, Subdivision 3, which provides that failure to file the necessary forms will be deemed to be a waiver of eligibility. The amendment changes relevant references to the Commissioner of Insurance to the State Auditor and revises the reference to qualifying employing units to accommodate the extension of the police state aid program to the counties.

Section	Page	Lines	Summary
4	9 10	12-33 1-2	Amends Section 69.011, Subdivision 5, which authorizes inspections by the state fire marshal of municipal fire departments or independent nonprofit firefighting corporations. The amendment adds necessary references to independent nonprofit firefighting corporations which were previously omitted. Failure to admit the fire marshal inspection will disqualify the municipality from future fire state aid. Disqualification for failure to admit the fire marshal or nonconformance with qualification requirements shall be until the year following the correction of the deficiencies or failure to admit the fire marshal.
5	10	3-17	Amends Section 69.021, Subdivision 1, which requires the Insurance Commissioner to distribute premium report forms to insurance companies. The amendment corrects a citation to a definition.
6	10 11	18-33 1-13	Amends Section 69.021, Subdivision 2, which requires insurance companies to make premium reports. The amendment corrects a citation to a definition.
7	11 12	14-33 1-16	Amends Section 69.021, Subdivision 4, which governs the determination of a qualified state aid recipient. The amendment transfers the qualification determination from the Commissioner of Insurance to the State Auditor. The basis for making the determination is clearly specified. The Commissioner of Insurance shall retain the state aid amount calculation function.
8	12 13	17-33 1-11	Amends Section 69.021, Subdivision 5, which governs the calculation of the amount of state aid. A duplication provision concerning the apportionment of police state aid is removed and various ambiguous provisions are clarified.
9	13 14	12-33 1-24	Amends Section 69.021, Subdivision 6, which governs the calculation of the apportionment of state aid to county auditors. The amendment clarifies and makes more specific various ambiguous provisions, especially replacing reference to counties with reference to county auditors.
10	14 15 16	25-33 1-33 1-33	Amends Section 69.021, Subdivision 7, which governs the apportionment of state aid to state aid program recipients. The amendment removes unnecessary transitional provisions related to the 1969 revision of the fire state aid program and clarifies various ambiguous provisions. It also removes the provision requiring direct payment of fire state aid apportionments to relief associations in first and second class cities, requiring all fire state aid apportionments to be transmitted to the relief association through the municipality.
11	18	8-25	Amends Section 69.021, Subdivision 9, which governs the appeal of adverse state aid apportionments. The amendment expands the various types of decisions which may be the subject of an appeal and the procedure to be followed in conducting the appeal.
12	18 19	26-33 1-3	Amends Section 69.031, Subdivision 1, which governs the payment by the Commissioner of Finance of state aid apportionment amounts. Relevant references to the Commissioner of Insurance are changed to the State Auditor.
13	19	4-11	Amends Section 69.031, Subdivision 3, which governs the appropriation of necessary state aid program amounts. Miscellaneous terms and citations are clarified.

Section	Page	Lines	Summary
14	19	12-31	Amends Section 69.031, Subdivision 4, which governs the duties of the county auditor in paying state aid apportionments. The amendment removes unnecessary and obsolete provisions and clarifies references to the various state aid programs.
15	19 20	32-33 1-33	Amends Section 69.031, Subdivision 5, which governs the depositing and transmittal of the state aid apportionment to relief associations. The amendment clarifies the condition of statutory compliance for transmittal of fire state aid by the municipal treasurer to the relief association. It also removes some citations made obsolete by a later provision of the bill. Two citations relating to the police state aid program are also corrected.
16	22	4-23	Amends Section 69.031, Subdivision 6, which governs the administration of the state aid programs. The amendment clarifies what duties shall remain with the Commissioner of Insurance and which shall be transferred to the State Auditor. It also removes the specification of the staffing complement for the state aid program, which was never implemented, and replaces it with authority for the Commissioner of Insurance to allocate necessary staffing from the department's approved complement.
17	22 23 24	24-33 1-33 1-16	Amends Section 69.051, Subdivision 1, which governs the contents and filing of annual financial reports by relief associations. The amendment provides that for the fire state aid program, officers of both the relief association and the municipality shall prepare the annual financial report. The date for filing the fire state aid program annual financial report is moved earlier from June 30 to March 1, in order to combine it with the fire department equipment and personnel certificate. Relevant references to the Commissioner of Insurance are changed to the State Auditor. The financial report by both fire and police aid recipients is required to be submitted to and certified by the municipal auditor, if there is one, or otherwise an independent accountant. If the state auditor makes a municipal audit including an audit of the relief association, the requirement for certification by a municipal auditor or independent accountant is omitted. The penalty of loss of state aid for a failure to file or a failure to comply with the state aid law or either of the Guidelines Acts is expanded to include police state aid recipients, which was an omission in the 1971 enactment of the police state aid program.
18	24	17-31	Amends Section 69.051, Subdivision 2, which governs the fidelity bonding requirements for relief association officers. The amendment requires a minimum fidelity bond of the lesser of ten percent of the five year average value of the assets of the special fund or \$20,000, and expands the bonding requirement to include the relief association secretary as well as the relief association treasurer.
19	24 25	32-33 1-22	Amends Section 69.051, Subdivision 3, which governs the contents and filing of annual financial reports by municipalities eligible to receive fire state aid but without a firefighters' relief association. Relevant references to the Commissioner of Insurance are changed to the State Auditor. The financial report of the municipality is required to be submitted to and certified by the municipal auditor, if one exists, or otherwise an independent accountant.

Section	Page	Lines	Summary
20	25 26	23-33 1-13	Amends Section 69.051, Subdivision 4, which requires the examination of the annual relief association and municipal financial reports. Relevant references to the Commissioner of Insurance are changed to the State Auditor. The examination shall cover the legality of expenditures under any applicable provisions of statute or special law. Unnecessary language relating to notification of the State Auditor by the Commissioner of Insurance is removed. If a municipality is found at fault for the expenditure, it shall be liable for the cost of any detailed examination as is now the case for a relief association.
21	26 27	14-33 1-11	Amends Section 69.77, Subdivision 1, which is the loss of state aid and municipal support penalty section of the Police and Salaried Firefighters' Relief Association Financing Guidelines Act of 1969. The amendment makes necessary changes to accommodate the transfer of duties from the Commissioner of Insurance to the State Auditor.
22	27 28	12-33 1-33	Amends Section 69.771, which is the application and loss of state aid and municipal support penalty section of the Volunteer Firefighters' Relief Association Financing Act of 1971. The amendment clarifies the application of the Guidelines Act to volunteer firefighters' relief associations. It restates the present substantive content of the various provisions in a more direct fashion. It restates the penalty in a positive way rather than the current negative fashion. It makes necessary changes to accommodate the transfer of duties from the Commissioner of Insurance to the State Auditor. It more clearly details the basis on which the determination of compliance with financing requirements shall be made.
23	29	9-33	Amends Section 69.772, Subdivision 1, which specifies the application of the financing requirements for relief associations paying lump sum service pensions. The amendment reworks subdivision 1, providing a more detailed specification of the application of the subdivision within the context of the obvious intent.
24	30 31	1-33 1-33	Amends Section 69.772, Subdivision 2, which governs the determination of accrued liability by volunteer firefighters relief associations which provide a lump sum service pension. The amendment limits the application of the application of the early vesting lump sum service pension accrued liability calculation table to those volunteer firefighters' relief associations which are excepted from the revised early vesting provisions of section 33 pursuant to the grandfather provision contained in section 40, and specifies the application of the twenty years of service vesting lump sum service pension accrued liability calculation table. It also attempts to more clearly present the instructions for use of the accrued liability tables.
25	33 34	3-33 1-13	Amends Section 69.772, by adding a subdivision. The new subdivision provides a procedure for calculating the accrued liability for a lump sum service provision which is paid on a five year installment basis as authorized pursuant to section 33, subdivision 8.
26	34 35 36 37 38	14-33 1-33 1-33 1-33 1-11	Amends Section 69.772, Subdivision 3, which governs the calculation of the financial requirements of the special fund of the relief association and the minimum obligation of the municipality. The amendment reworks the subdivision to improve the logical transitions between the various steps in the process of calculating the financial requirements of the

special fund of the relief association and the resulting minimum obligation of the municipality. The restated subdivision clearly separates out the three essential calculation results which must be obtained: the funding balance of the special fund of the relief association, the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association for the following year. The amendment also authorizes any volunteer firefighters' relief association paying a lump sum service pension which has assets in excess of accrued liabilities (a funding surplus) in the special fund to realize that surplus against the figure which would otherwise be the financial requirements of the special fund gradually by one tenth of the funding surplus amount each year until it is fully realized.

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| 27 | 38<br>39                                     | 12-33<br>1-10   | Amends Section 69.772, Subdivision 4, which governs the certification of the financial requirements of and the minimum municipal obligation towards the special fund of a volunteer firefighters' relief association which provides a lump sum service pension and the setting of any required municipal tax levy. The amendment restates the portion of the subdivision which provides that any municipal levy for volunteer firefighters' relief associations shall be outside any statutory or charter levy limitations. It also requires the officers of a relief association where the municipality has failed to certify the required levy to certify the levy amount to the county auditor, which is a requirement of the 1969 Guidelines Act but which has been omitted for purposes of the 1971 Guidelines Act.   |
| 28 | 39   | 11-25   | Amends Section 69.772, Subdivision 5, which governs the crediting of investment income for a volunteer firefighters' relief association which provides a lump sum service pension. The amendment reworks the subdivision in an attempt to make it read more clearly.   |
| 29 | 39   | 26-33   | Amends Section 69.772, Subdivision 6, which requires that any volunteer firefighters' relief association which provides a lump sum service pension shall obtain municipal ratification before any bylaw amendment affecting the coverage or amount of service pensions or retirement benefits will be effective. The amendment clarifies the type of bylaw amendment which requires municipal ratification. It also removes some obsolete transitional provisions. In addition, it requires that an estimate of the expected change in the accrued liability and cost of the relief association resulting from the bylaw amendment be prepared prior to submitting the bylaw amendment for municipal ratification.   |
| 30 | 40<br>41<br>42<br>43<br>44<br>45<br>46<br>47 | 15-33<br>1-33<br>1-33<br>1-33<br>1-33<br>1-33<br>1-33<br>1-11 | Amends Section 69.773, which governs the financing of volunteer firefighters' relief associations which provide monthly benefit service pensions. The amendment makes changes similar to those described in sections 23 through 29 which were applicable to the financing of volunteer firefighters' relief associations which provide lump sum service pensions. The reworked provisions are generally more simple and straightforward than those applicable to relief associations providing lump sum service pensions because each relief association which provides a monthly benefit service pension is required to obtain an actuarial valuation every four years and is required to obtain an actuarial estimate of the funding and cost impact of every bylaw amendment which affects service pension or retirement benefit coverage or amounts. It does provide for a procedure |

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			for revising the 20 year amortization period only upon a change in the benefit plan, a change in an actuarial assumption or a change in the actuarial cost method. The procedure is similar to the procedure being considered in the 30 year amortization provision being presently considered by the Commission.
31	47 48 49	12-33 1-33 1-15	Amends Section 69.774, which governs the financing of the volunteer firefighters' relief association of an independent nonprofit firefighting corporation. The amendment makes changes similar to those described in sections 23 through 29 and section 30, which were applicable to municipal firefighters' relief associations.
32	49 50	16-33 1-25	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The new section provides that it is unlawful for a volunteer fire department to employ or utilize a minor as a firefighter. It also provides that substitute or probationary firefighters are not eligible for volunteer firefighters' relief association coverage and that volunteer firefighters who are not members of the relief association are not entitled to any service pension or retirement benefits from the relief association. In addition, the section authorizes the board of trustees of a volunteer firefighters relief association to exclude from relief association membership any person who constitutes an unwarranted risk of disability. The new section is a revision of and a replacement for current section 69.055.
33	50 51 52 53 54 55 56 57 58 59 60 61	26-33 1-33 1-33 1-33 1-33 1-33 1-33 1-33 1-33 1-33 1-33 1-21	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The new section is the chief substantive change contained in the bill. The new section authorizes any municipal or independent nonprofit firefighting corporation volunteer firefighters' relief association to provide a service pension to a retiring member who has attained the age of at least 50 years, who has completed at least ten years of service with fire department or nonprofit corporation, and who has at least ten years of membership with the relief association. A relief association may pay a portion of the accrued benefit for service under twenty years, with the maximum portion payable after ten years of service set at sixty percent and increasing at an equal rate to one hundred percent after twenty years of service. A schedule of flexible benefit maximums applicable to every volunteer firefighters' relief association which provides either a lump sum service pension or a monthly benefit service pension is also established, authorizing a lump sum service pension of up to \$2,000 per year of service or a monthly benefit service pension of up to \$15.00 per month per year of service (\$300 per month at twenty years of service) if there is sufficient financing. Authorization for a defined contribution lump sum service pension (sometimes referred to as "split-the-pie") is also granted, with an equal distribution of fire state aid, municipal contribution and turnover gain amounts and a proportionate distribution of investment income amounts. A thirty year limit on service credit which is currently applicable to volunteer firefighters' relief associations providing a monthly service pension is continued. The current limit on assignability or garnishment is also continued. Specific statutory authorization for the payment of deferred service pensions is provided. Authority for the payment of a lump sum service pension in periodic installment payments is also granted. For any volunteer firefighters' relief associations, a limit is placed on the amount of ancillary retirement benefits which may be paid (limit to amount of accrued service pension). For

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			volunteer firefighters' relief associations which pay lump sum service pensions, payment of an ancillary retirement benefit after retirement is prohibited. Requirements for municipal ratification of all volunteer firefighters' relief association bylaw amendments and for the filing of bylaws and bylaw amendments are added. The new section revises and replaces the various substantive provisions of current Sections 69.06 and 69.061.
34	61 62	22-33 1-22	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The section limits the practice of paying differing service pensions to salaried firefighters and to volunteer firefighters unless the practice was in place prior to January 1, 1957. The new section revises and replaces the substantive provisions of current Sections 69.66, 69.67 and 69.68.
35	62 63	23-33 1-28	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The new section specifies that the management of volunteer firefighters' relief associations shall be vested in a nine member board of trustees, of which six shall be relief association members and three shall be ex officio municipal officials. The ex officio members shall have full trustee powers except eligibility to be elected an officer of the board. Each board shall elect at least three officers. Terms of the board are allowed to be up to three years in length. The fiduciary duty of the trustees is also specified. The new section revises and replaces various substantive provisions of the current Section 424.31.
36	63 64 65	29-33 1-33 1-27	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The new section requires that each volunteer firefighters' relief association establish a special fund for the payment of service pensions and any ancillary retirement benefits. It specifies that all tax related revenue shall be revenue to the special fund. It limits disbursements to the payment of service pensions, ancillary retirement benefits, statewide association dues and benefit fees, and necessary administrative expenses. It limits investments of special fund assets to those which are legal investments for MSRS. It also requires the relief association treasurer to maintain public records on special fund revenues and disbursements as well as the bylaws of the relief association. The section also defines the term "surviving spouse". The new section revises and replaces various substantive provisions of the current Section 424.31.
37	65 66	28-33 1-19	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The new section authorizes the establishment of a general fund by each volunteer firefighters' relief association. The section authorizes the auditing of any non-tax related revenue to the general fund, authorizes any disbursements from the general fund provided for in the bylaws of the relief association, allows investments of general fund assets in any securities specified in the bylaws, and requires the relief association treasurer to maintain records on revenues and disbursements from the general fund.
38	66	20-28	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The new section requires every independent nonprofit firefighting corporation to establish a volunteer firefighters' relief association.

Section	Page	Lines	Summary
39	66 67	9-33 1-16	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The new section specifies the authorized disbursements for a municipality which receives fire state aid but does not have a volunteer firefighters' relief association, which may include the payment of statewide association dues and benefit fees, the payment of fire related equipment costs and the payment of fire department building construction and maintenance costs.
40	67 68	17-33 1-3	Adds a new section to the new statute chapter governing volunteer firefighters' relief associations. The new section specifies that the new flexible service pension maximums supersede any provision of special legislation which authorized a volunteer firefighters' relief association to pay a service pension in excess of the current statutory maximums. It also authorizes those relief associations which amended their bylaws to take advantage of the existing earlier vesting authorization contained in Section 69.06 to continue to provide the service pension to any person who had met the minimum service requirement prior to the end of 1979.
41	68	4-25	The section provides for the transfer of a number of the fire and police state aid programs from the Commissioner of Insurance to the State Auditor, with the financial examination function transferred initially after enactment and the balance of the relevant functions transferred on July 1, 1980.
42	68 69	26-33 1-33	The section requires a biennial report to the Commission and to the Legislature on the funding and financial status of volunteer firefighters' relief associations commencing on November 15, 1981. The section specifies the contents of the required report in detail.
43	71	6-30	Amends Laws 1963, Chapter 429, Section 1, which relates to the Caledonia Volunteer Firefighters' Relief Association. The special law section provides for early vesting, which is retained. The amendment removes a service pension maximum contained in the special law section.
44	71 (amendment)	30	Amends Laws 1967, Chapter 575, Section 1, Subdivision 1, which relates to the Fairmont Volunteer Firefighters' Relief Association and provides for a disability retirement benefit, which is retained. The amendment removes a service pension maximum contained in the special law section.
45	71 (amendment)	30	Amends Laws 1967, Chapter 575, Section 2, which relates to the Fairmont Volunteer Firefighters' Relief Association and authorizes the payment of a surviving spouse retirement benefit. The amendment changes a citation made obsolete by the bill, changes the term "fireman" to "firefighter" and removes a number of obsolete gender references.
46	71 72	31-33 1-12	Amends Laws 1967, Chapter 829, Section 1, which relates to the Hopkins Volunteer Firefighters' Relief Association and authorizes a defined contribution (or "split-the-pie") service pension. The amendment changes a citation made obsolete by the bill, and changes the term "fireman" to "firefighter".
47	72 (amendment)	12	Amends Laws 1969, Chapter 526, as added by Laws 1974, Chapter 208, Section 1, which relates to the Falcon Heights Volunteer Firefighters Relief Association and provides that no volunteer firefighter may continue in active service beyond the age of 65 years, which is retained. The amendment removes various provisions relating to a service pension maximum.

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48	72 73	13-33 1	Amends Laws 1969, Chapter 664, Section 1, which relates to the Dassel Volunteer Firefighters Relief Association and provides for early vesting for service pensions, which is retained. The amendment changes a citation made obsolete by the bill, changes the term "fireman" to "firefighter", and changes the term "village" to "city" following a recent change in municipal law.
49	73	2-15	Amends Laws 1971, Chapter 114, Section 10, which relates to the New Hope Volunteer Firefighters' Relief Association, and specifies what constitutes an authorized disbursement. The amendment changes a citation made obsolete by the bill and changes the term "fireman" to "firefighter".
50	73 74	16-33 1-7	Amends Laws 1971, Chapter 127, Section 1, which relates to the Willmar Volunteer Firefighters; Relief Association, and provides for a disability retirement benefit. The amendment removes a service pension maximum contained in the special law provision. The amendment also changes the term "fireman" to "firefighter" and makes other clarifying changes.
51	74	7 (Amendment)	Amends Laws 1971, Chapter 140, Section 7, which relates to the Golden Valley Volunteer Firefighters' Relief Association, and specifies what constitutes an authorized disbursement. The amendment changes a citation made obsolete by the bill and changes the term "fireman" to "firefighter".
52	74	8-21	Amends Laws 1971, Chapter 214, Section 1, as amended by Laws 1978, Chapter 599, Section 1, Subdivision 1, which relates to the White Bear Lake Volunteer Firefighters' Relief Association and provides for a disability retirement benefit, which is retained. The amendment removes a service pension maximum contained in the special law section. The amendment also changes a citation made obsolete by the bill.
53	74 75	22-33 1-8	Amends Laws 1971, Chapter 214, Section 2, which relates to the White Bear Lake Volunteer Firefighters Relief Association, and provides for surviving spouse retirement benefits. The amendment changes a citation made obsolete by the bill, changes the term "fireman" to "firefighter" and corrects an obsolete gender reference.
54	75	9-25	Amends Laws 1973, Chapter 304, Section 4, which relates to the Coon Rapids Volunteer Firefighters' Relief Association, and specifies what constitutes an authorized disbursement. The amendment changes a citation made obsolete by the bill and changes the term "fireman" to "firefighter".
55	75 76	26-33 1-20	Amends Laws 1973, Chapter 472, Section 1, as amended by Laws 1976, Chapter 272, Section 1, which relates to the Wayzata Volunteer Firefighters' Relief Association, and provides a surviving spouse retirement benefit, which is retained. The amendment removes a service pension maximum contained in the special law section, corrects an obsolete gender reference and makes a number of technical clarifying changes.
56	76 77	21-33 1	Amends Laws 1975, Chapter 237, Section 1, which relates to the Brooklyn Park Volunteer Firefighters' Relief Association, and provides for a disability retirement benefit, which is retained. The amendment removes a service pension maximum contained in the special law section. It also changes the term "fireman" to "firefighter".

Section	Page	Lines	Summary
57	77	2-19	Amends Laws 1975, Chapter 237, Section 2, which relates to the Brooklyn Park Volunteer Firefighters' Relief Association and provides for a survivor retirement benefit. The amendment changes a citation made obsolete by the bill. It also changes the term "fireman" to "firefighter" and corrects an obsolete gender reference.
58	77 78	20-33 1.	Amends Laws 1976, Chapter 209, Section 1, which relates to the Rockford Volunteer Firefighters' Relief Association, and provides for early vesting for a service pension, which is retained. The amendment changes a citation made obsolete by the bill.
59	78	1 (Amendment)	Amends Laws 1977, Chapter 374, Section 41, which relates to the Volunteer Division of the Columbia Heights Firefighters Relief Association, and provides for the selection and operation of the board of trustees. The amendment specifically indicates that the section shall apply notwithstanding the change in the general law on the selection and operation of the board of trustees.
60	78	1 (Amendment)	Amends Laws 1977, Chapter 374, Section 50, which relates to the Volunteer Division of the Columbia Heights Firefighters Relief Association, and provides for early vesting requirements for a service pension, survivor retirement benefits and disability retirement benefits. The amendment provides that the early vesting requirements for a service pension must conform with the changes on that subject provided for in the bill.
61	78	1 (Amendment)	Amends Laws 1977, Chapter 374, Section 51, which relates to the Volunteer Division of the Columbia Heights Firefighters Relief Association, and provides authority for the city of Columbia Heights to increase the amount of the service pension without any statutory limitation. The amendment provides that any increase in the volunteer firefighters' service pension amount must be made in compliance with the flexible service pension maximums provided for in the bill.
62	78	1 (Amendment)	Amends Laws 1977, Chapter 374, Section 57, which relates to the Volunteer Division of the Columbia Heights Firefighters Relief Association and specifies what is an authorized disbursement from the special fund. The amendment changes a citation made obsolete by the bill.
63	78	2-12	Amends Laws 1978, Chapter 685, Section 1, which relates to the Plymouth Volunteer Firefighters Relief Association and provides for a disability retirement benefit, which is retained. The amendment removes a service pension maximum contained in the special law section.
64	78	13-21	Amends Laws 1978, Chapter 685, Section 4, which relates to the Plymouth Volunteer Firefighters Relief Association and provides for the composition of the board of trustees in the relief association. The amendment changes a citation made obsolete by the bill.
65	78 79	22-33 1-12	Repeals a number of statutory and special law provisions. Section 69.011, Subdivision 4, specified the equipment, and personnel requirements for qualification for fire state aid, which is moved to an earlier subdivision by section 2.  Section 69.04 specified the authorized disbursements from fire state aid, which is replaced by sections 36, 38 and 39.

Summary

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Section 69.055 governed eligibility for membership in volunteer relief association, which is replaced by section 32.

Section 69.06 set a maximum and minimum entitlement requirements for a volunteer service pension, and is replaced by section 33.

Sections 69.22, 69.23 and 69.24 are archaic provisions governing eligibility for relief association membership for police and fire in a city of the first class.

Sections 69.66, 69.67 and 69.68 are provisions limiting the use of a different service pension formula for volunteer firefighters than salaried firefighters.

Section 69.691 set the minimum entitlement requirements and maximum for a service pension from an independent nonprofit firefighting corporation.

Section 424.30 provided for a minimum tax levy for volunteer firefighters relief associations, which was effectively superseded by the 1971 Guidelines Act.

Section 424.31 provided for the selection and composition of the board of trustees of a volunteer firefighting relief association and the authorized disbursements from the special fund of the association, which are replaced by sections 35 and 36.

The remaining repealed special laws relate solely to the authority for a volunteer firefighters' relief association to exceed the current statutory service pension maximums. The volunteer firefighters' relief association for each repealed special law provision is as follows:

Laws 1959, Chapter 324	White Bear Lake
Laws 1965, Chapter 592, Section 1	Edina
Chapter 598, Section 1	Roseville
Laws 1967, Chapter 575, Section 1,	
Subd. 2	Fairmont
Chapter 742, Section 1	New Brighton
Chapter 815, Sections	
1 & 2, Subd. 1	Brooklyn Center
Chapter 831	International Falls
Laws 1969, Chapter 252, Section 1,	
Subdivisions 1 & 2	Anoka
Chapter 526, Sections	
1 & 2	Falcon Heights
Chapter 530	Grand Rapids
Chapter 644, Sec. 1	Edina
Chapter 714	Brainerd
Chapter 719, Sec. 1	Alexandria
Chapter 877	New Ulm
Chapter 1088, Sec. 2,	
Subd. 1	Crystal
Chapter 1105, Sections	
1, 2 and 3	Robbinsdale
Laws 1971, Chapter 2	Fergus Falls
Chapter 114, Sec. 3,	
Subd. 2	New Hope
Chapter 140, Sec. 1	Golden Valley
Chapter 184, Sec. 1,	
Subd. 1,2	Anoka
Chapter 200	Owatonna
Chapter 233	Grand Rapids
Laws 1973, Chapter 30, Sec. 1,	
Subd. 1	Golden Valley
Chapter 33	Hoyt Lakes
Chapter 166	Hastings
Chapter 170	Brainerd
Chapter 173	Mendota Heights
Chapter 175	Mound

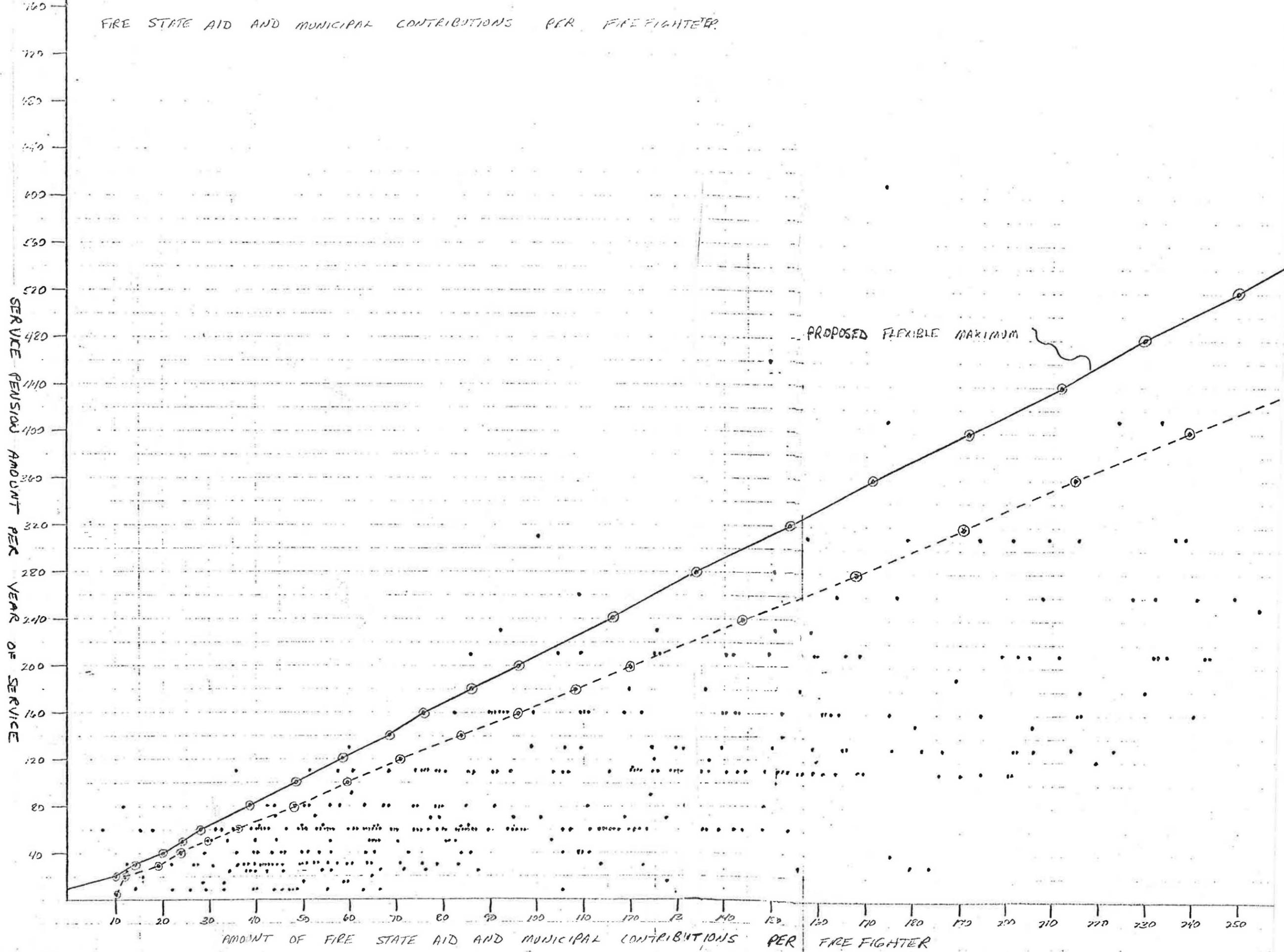
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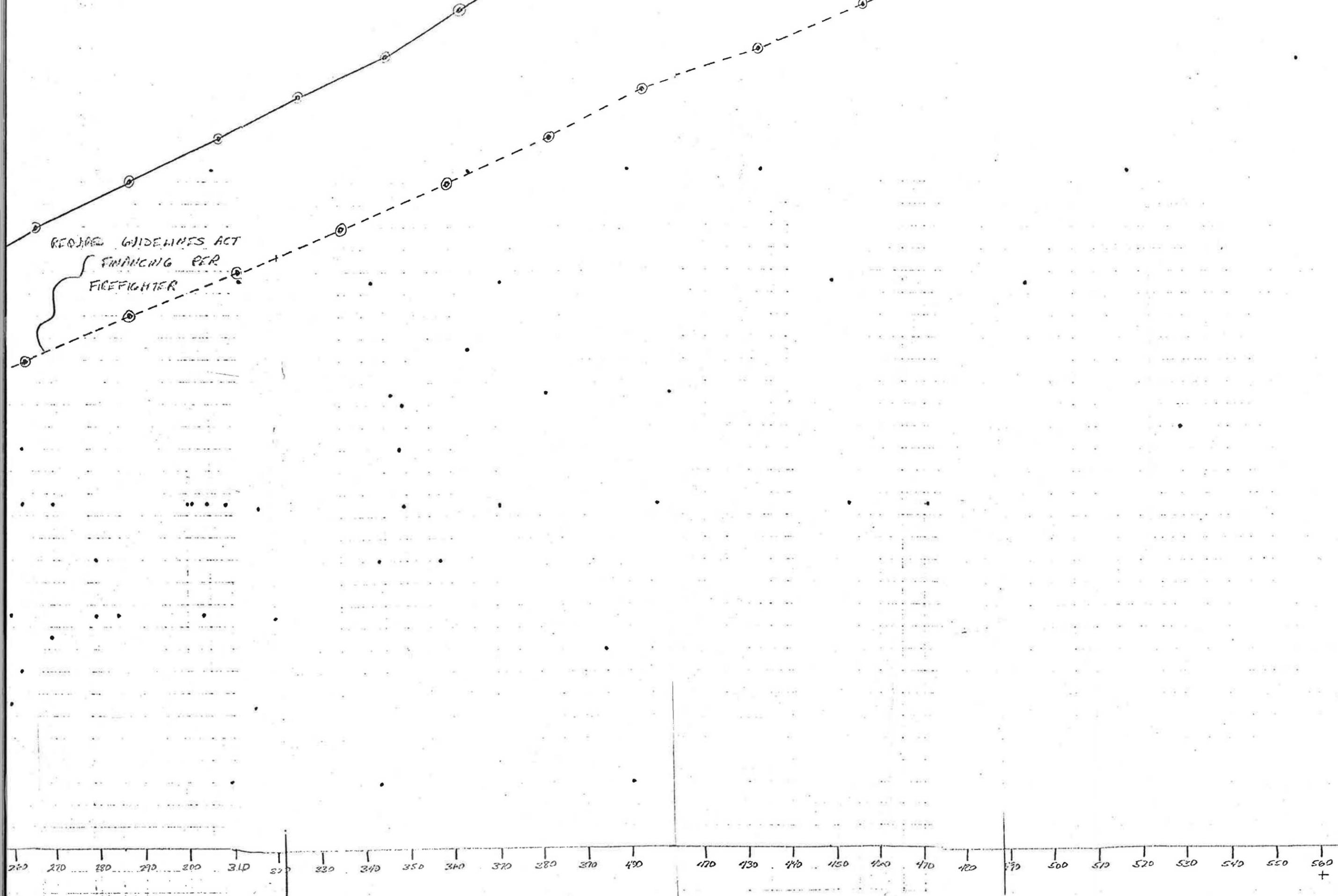
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	Chapter 181	Owatonna
	Chapter 182	New Ulm
	Chapter 280	Stillwater
	Chapter 283, Sec. 1	Anoka
	Chapter 288	Bemidji
	Chapter 304, Sec. 1, Subd. 1	Coon Rapids
	Chapter 311	Thief River Falls
	Chapter 464	Roseville
Laws 1974,	Chapter 112	International Falls
Laws 1975,	Chapter 36	Grand Rapids
	Chapter 43	Eagan
	Chapter 117	Mound
	Chapter 118	Minnetonka
	Chapter 119	Roseville
	Chapter 124	Lake Johanna
	Chapter 125	Lakeville
	Chapter 178	Robbinsdale
	Chapter 197	New Brighton
	Chapter 229, Sec. 1	Edina
	Chapter 306, Sec. 33, Subdivisions 1 & 2	New Ulm
	Chapter 367	Owatonna
Laws 1976,	Chapter 71	Chanhassen
	Chapter 97	Mound
	Chapter 100, Sec. 1 Subdivisions 1 & 3	Worthington
	Chapter 206	Waseca
	Chapter 208	Wadena
	Chapter 214	Fergus Falls
	Chapter 267	Shakopee
	Chapter 272, Sec. 2	Wayzata
	Chapter 288, Sec. 1	Sauk Rapids
Laws 1977,	Chapter 294	Lakeville
	Chapter 295	Savage
	Chapter 374, Sec. 50, Subd. 1	Columbia Heights
Laws 1978,	Chapter 599, Sec. 1 Subdivisions 2 & 3	White Bear Lake
	Chapter 606	Spring Lake Park
	Chapter 617, Sec. 1	Anoka
	Chapter 622	Brainerd
	Chapter 631	Mound
	Chapter 673	Eagan
	Chapter 683, Sections 1 & 2, Subd. 1	Brooklyn Center
	Chapter 753, Sec. 2, Subdivisions 1 & 1a	Crystal
	Chapter 754	Maplewood

66 79 13-33 Provides that the act shall be effective July 1, 1979. It also provides that the recognition by a volunteer firefighters' relief association providing a lump sum service of a funding surplus and the utilization by a volunteer firefighters' relief association providing a monthly service pension of the twenty year amortization period determination procedure can be used for determining the 1971 Guidelines Act financing requirements and municipal obligation. In addition, it provides that the act shall not be construed to affect the service pension or retirement benefit paid to any retired firefighter or benefit recipient.

FIRE STATE AID AND MUNICIPAL CONTRIBUTIONS PER FIRE FIGHTER

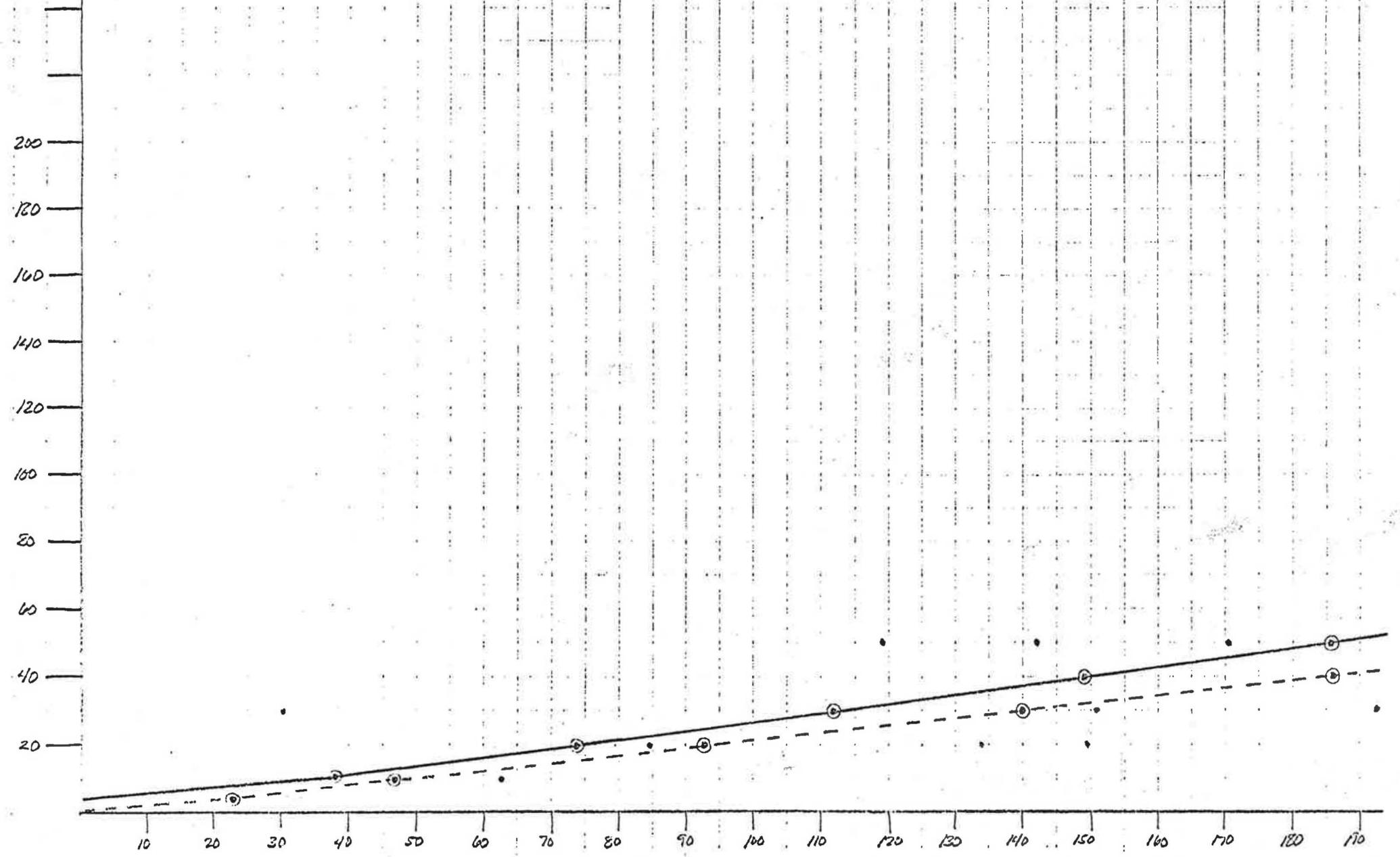




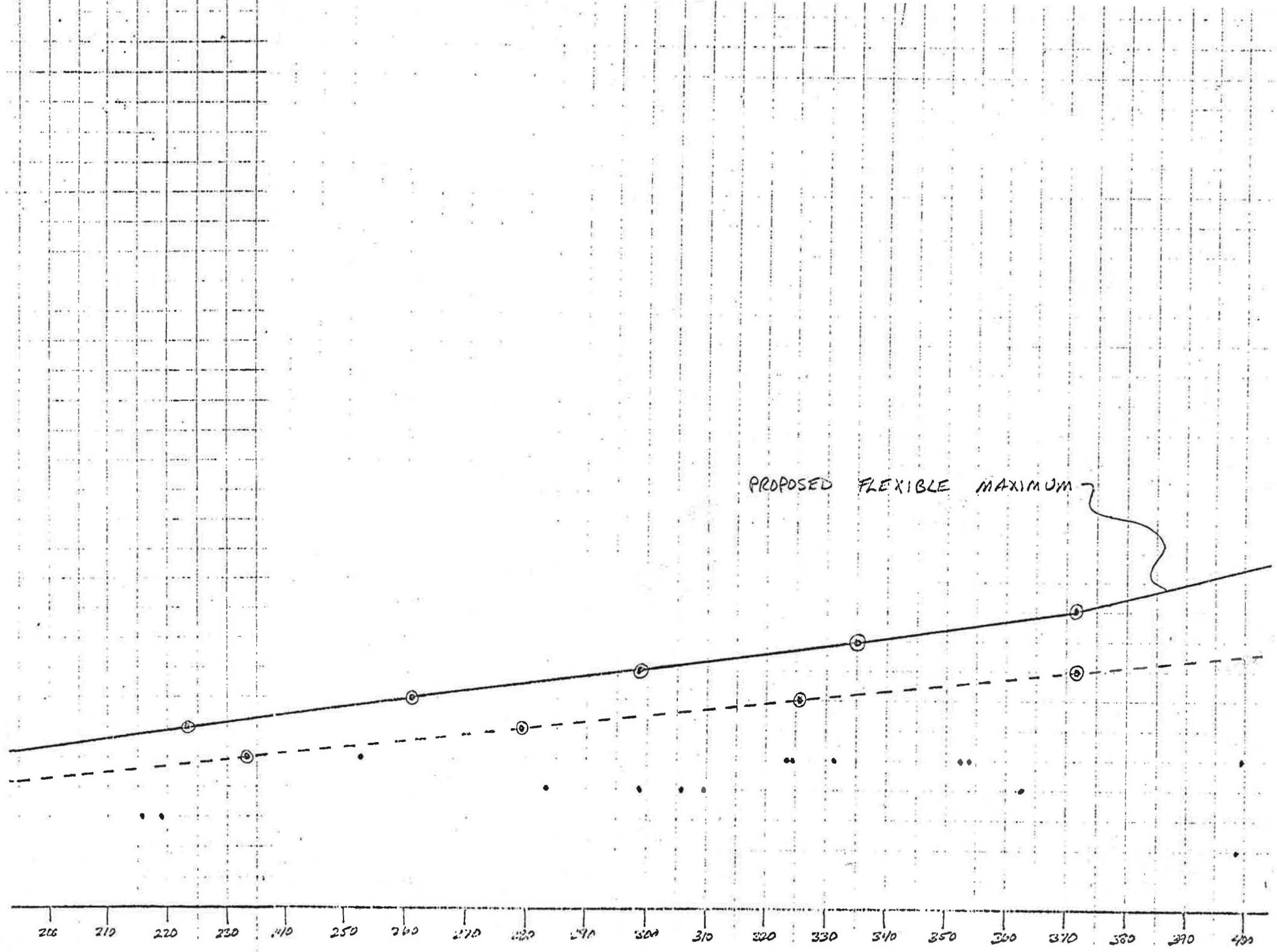
FUNDS PROVIDING MONTHLY BENEFIT SERVICE PENSIONS

FIRE STATE AID AND MUNICIPAL CONTRIBUTIONS PER FIREFIGHTER

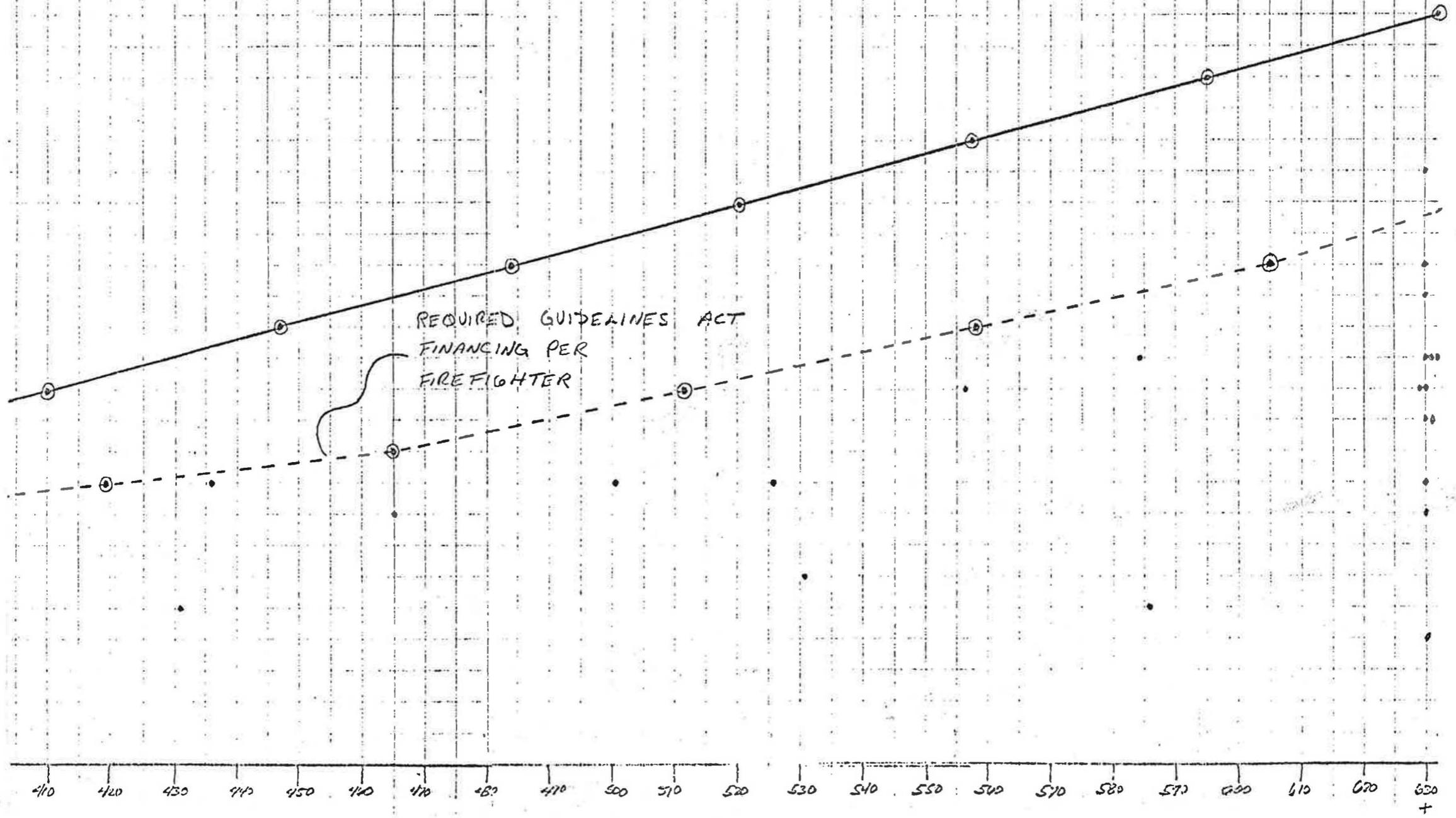
SERVICE PENSION AMOUNT WITH 20 YEARS OF SERVICE



AMOUNT OF FIRE STATE AID AND MUNICIPAL CONTRIBUTIONS PER



KIRFEIGHTER



\_\_\_\_\_ moves to amend Sf 961, HF 928, as follows:

Page 25, line 25, delete "COMMISSIONER AND"

Page 33, line 9, delete "7" and insert "8"

Page 33, line 13, delete "depending" and insert colon

Page 33, delete line 14

Page 33, line 33, after "that" insert "the total amount of"

Page 33, line 33, delete "amount" and insert "due to each retired member receiving a lump sum service pension in installment payments at the time of retirement bears to \$1000"

Page 34, delete lines 1 and 2

Page 34, line 3, delete "service pension of \$50 per year of service"

Page 34, line 19, delete "actuarial" and insert "funding"

Page 34, line 27, delete "actuarial" and insert "funding"

Page 58, line 28, after "annual" insert "payment per \$1,000 of the total amount of the lump sum service pension due to each retired member receiving a lump sum service pension in installment payments shall be an amount equal to \$219.97."

Page 58, delete lines 29 through 33

Page 59, delete lines 1 through 15

Page 59, line 17, delete "amounts for the" and insert "amount"

Page 59, line 18, delete "respective period of service"

Page 59, line 20, delete "\$50" and insert "each \$1,000"

Page 59, line 20, after "of" insert "the total amount of the"

Page 59, line 21, delete "accrued per year of service" and insert "due to the retired member receiving a lump sum service pension in installment payments at the time of retirement"

Page 63, line 2, delete "or the"

Page 63, line 3, delete "independent nonprofit firefighting corporation"

Page 78, after the first "Section 1" insert ", Subdivision 2"

Further, amend the title as follows:

Page 2, line 3, after "Section 1" insert ", Subdivision 2"