



Pension Division Newsletter

December 2020

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State Auditor's Working Group

The Volunteer Fire Relief Association Working Group convened by the Office of the State Auditor (OSA) met on December 15. The Working Group reviewed estimates of how supplemental state aid amounts would change if the calculation was based on the number of active firefighters, rather than allocated in proportion to the amount of fire state aid that each relief association receives. The calculation that determines fire state aid amounts, in turn, is primarily based on the population and market value of each fire department service area. Generally, aid would shift under the alternative calculation method from areas with larger populations to those with smaller populations. The Working Group took no action on this discussion item.

The Working Group reviewed and approved draft language that would change CPA certification requirements if a relief association chooses to have an audit performed, even though an audit is not required. Relief associations that submit an audit would be exempt from the CPA certification that is required for relief associations with special fund assets and liabilities of less than \$500,000.

The Working Group also reviewed and approved draft language that would provide relief associations with a defined benefit plan the option, if their bylaws allow, to forfeit service credit of former nonvested members who have ceased duties as a volunteer firefighter, and have not resumed active fire department service or relief association membership for a period of not less than five years.

Additionally, the Working Group discussed changes to the timing of the distribution to a former spouse following the divorce of a relief association member. A change is being considered that would allow the former spouse's distribution to be made prior to the member's retirement.

The Working Group is also considering a change to how vesting is determined for purposes of combined service pensions, which may be payable when a relief association member has service with multiple fire departments.

The final meeting of the 2020-2021 Working Group meeting is scheduled for January 12. Meeting agendas and information are available on the Working Group page of the [OSA website](#). Meetings are live-streamed on the OSA's [YouTube channel](#), and recordings are available on the channel following each

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What’s Ahead:

January 12:

Working Group meeting
11:00 a.m. to 12:30 p.m.
via Zoom

January 15:

Certified Listing of
Individuals Who Filed a
Statement of Economic
Interest due to the
Campaign Finance and
Public Disclosure Board

February 15:

Final deadline for
submitting 2020
Supplemental Benefit
Reimbursement Forms to
the Department of
Revenue

March 15:

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

Statement of Economic Interest

Every year, each volunteer fire relief association board member and chief administrative officer is required to complete a *Statement of Economic Interest*. The Statement must be filed with the chief administrative officer of the relief association and be made available for public inspection.

The chief administrative officer of a relief association must also submit a *Certified Listing of Individuals Who Filed a Statement of Economic Interest* form to the Campaign Finance and Public Disclosure Board (CFPDB) by **January 15**. This form must list all individuals who have filed *Statements of Economic Interest* with the relief association for the preceding 12 months, along with the address of the office at which the statements are available for public inspection.

For your convenience, the required CFPDB’s *Statement of Economic Interest* and *Certified Listing of Individuals Who Filed a Statement of Economic Interest* forms are available in the Pension Forms section of our website under the [“Current Forms”](#) heading.

Key Reporting Requirements Calendar and Helpful Contact Information

An updated Key Reporting Requirements calendar is now available on the OSA’s website. This PDF document lists each reporting form that relief associations must submit to the OSA and additional required State reporting. Links to the forms and their applicable due dates are also provided. The calendar can be found in the Pension Forms section of our website under the “Resources for Completing Forms” heading, or you can access it directly by clicking [here](#).

Many relief associations will be holding their annual meeting and elections soon. The OSA makes available a one-page document that provides links to resources available on our website. These resources are intended to help individuals who are elected to a relief association’s board of trustees be successful in their new positions. The information document can be found in the Pension Documents section of our website under the “Other Resources” heading, or you can access it directly by clicking [here](#).

The OSA also provides contact information, including phone numbers, e-mail addresses, and websites, for many of the government offices and agencies with which volunteer fire relief associations interact. The information can be found on the OSA website [here](#).

Statements of Position:

State Aid and Forfeiture Deadline Update

The OSA is pleased to announce that all but one relief association submitted its 2019 reporting-year forms to the OSA by the November 30 deadline. State law requires automatic forfeiture of fire state aid for relief associations that do not file all reporting information by November 30.

Management of Records

We would like to thank the relief association trustees, municipal officials, auditors, and members of the OSA Pension Division team, who worked right up to the deadline to ensure that reporting forms were submitted. A listing from the DOR of the 2020 fire state aid and supplemental state aid amounts can be found on the [OSA website](#).

Investment Authority

Information for Accountants

The OSA has released the 2020 Agreed-Upon Procedures Guide and Sample Independent Accountant's Report for volunteer fire relief associations. These documents and a sample client representation letter can be found on our [website](#). Guidance for those who wish to implement SSAE No. 19 early is being developed and will be posted at the above link when available.

Investment Policies

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

Survivor Benefits

Access to reporting forms for accountants, auditors, and other consultants who work with relief associations will expire at the end of the calendar year. Access occurs primarily through the State Auditor’s Form Entry System (SAFES), but also extends to other offline relief association documents. Relief associations will need to renew access for their accountants, auditors, and consultants by completing the [2021 User Authorization Form](#).

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