

Minnesota Volunteer Fire Relief Association

Working Group Meeting

Office of the State Auditor

Tuesday, January 12, 2010

11 a.m. to 1 p.m.

I. Call to Order

Chair Auditor Otto.

II. Review and Approval of Working Group Meeting Minutes

Exhibit A. Draft December 8, 2009, Meeting Minutes.

III. Survivor Benefits

Exhibits B through E.

- Optional Changes (B)
- Issue List and Considerations (C)
- Examples (D)
- Sample Beneficiary Designation Form (E)

IV. Transfers to the MSRS Deferred Compensation Plan

Exhibit F.

V. Review of Working Group Draft Legislation

Exhibits G through I.

- Technical Changes (G)
- Substantive Changes (H)
- Return to Service Flow-Charts (I)

VI. Other Business

VII. Adjournment

Volunteer Fire Relief Association Working Group

Office of the State Auditor

Tuesday, December 8, 2009

11 a.m. to 1 p.m.

Members Present

Wayne Anderson, Coon Rapids Fire Department Inspector (defined contribution plans)

Bruce Duncan, Excelsior Fire Relief Association President (defined benefit lump sum plans)

Dave Ganfield, Apple Valley Fire Relief Association Administrator (defined benefit monthly/lump sum combination plans)

Jim Hansen, Minnesota Area Relief Association Coalition Representative

Dave Jaeger, Mahnommen Fire Relief Association Treasurer (defined benefit lump sum plans)

Larry Martin, Legislative Commission on Pensions and Retirement Director

Rebecca Otto, State Auditor

Bruce Roed, Mentor Fire Relief Association Trustee (defined contribution plans)

Tim Simon, Elk River City Finance Director

Steven Wallner, Watertown City Finance Director

Members Excused

Nyle Zikmund, Minnesota State Fire Chiefs Association Representative (defined benefit monthly plans)

Others Present

Colleen Bollom, Minnesota Firefighter Pension Consultants Representative

Aaron Dahl, Pension Analyst

Celeste Grant, Deputy State Auditor/General Counsel

Rose Hennessy Allen, Pension Director

Lucas Hinz, Pension Analyst

Michael Johnson, Pension Analyst

David Kline, Mahtomedi Fire Relief Association President

The following motions were duly made, seconded and approved:

RESOLVED to approve the November 10, 2009, Working Group Meeting Minutes;

RESOLVED to adopt the draft language, as amended, providing exemptions to the minimum period of resumption service requirement for firefighters with an approved leave of absence or break in service, subject to certain restrictions;

RESOLVED to adopt the draft language clarifying the vesting requirements for firefighters who return to service after being paid a benefit;

RESOLVED to adopt the draft language allowing monthly retirees to continue receiving monthly service pension payments if they return to active service and membership;

RESOLVED to adopt the draft language, as amended, that clarifies the return to service law doesn't apply to breaks in service that are governed by federal or state law;

RESOLVED to adopt the draft language, as amended, that permits the Office of the State Auditor to allow relief associations to transfer money from the special fund to the appropriate fund to correct deposit mistakes;

- RESOLVED to adopt the draft language providing authority for defined contribution plans to credit inactive members with investment returns as defined by the relief association bylaws;
- RESOLVED to adopt the draft language clarifying that ancillary benefits for active members of defined contribution plans must equal the vested *and* nonvested amount;
- RESOLVED to adopt the draft language correcting a codification mistake to the exemption for minors Working Group change that was passed last session;
- RESOLVED to adopt the draft language clarifying which public pension plans are governed by Chapter 424A;
- RESOLVED to adopt the draft language clarifying that public pension plans investing under the “limited list” and the “expanded list” are subject to minimum liquidity requirements;
- RESOLVED to adopt the draft language that modifies the municipal ratification requirements in Chapters 69 and 424A for consistency;
- RESOLVED to table the survivor benefit topic discussion until the January 2010 Working Group meeting;
- RESOLVED to schedule a January 2010 meeting to finish work on the survivor benefit topic and to review the Working Group bill.

I. Call to Order

Chair Auditor Otto called the meeting to order.

II. Review and Approval of Working Group Meeting Minutes

The members reviewed the November 10, 2009, meeting minutes that had been provided in advance. Ganfield made a motion to adopt the meeting minutes. Wallner seconded the motion that was adopted unanimously.

III. Survivor Benefits

After a suggestion at the last Working Group meeting, trustees from the monthly and monthly/lump sum plans were invited to attend an informal discussion on the survivor benefit proposal. Auditor Otto explained that the proposal before the Group today was updated since the last meeting based on the monthly plan discussion and based on feedback from the Working Group. The Group discussed the proposed changes and issues unique to the monthly plans. In response to a question about removing the definition of a “surviving spouse” from statute, Martin explained that the commonly understood definition would be used, and that relief associations could add parameters to the definition in their bylaws as long as they comply with state statute. Auditor Otto reminded the Group that relief associations should consult an attorney with questions about bylaw language. Martin also explained that the definition currently in statute isn’t really a definition. Adding options to the statutory definition (such as spouse at the time of death or at the time of separation) would result in a term that isn’t universally defined. If the statutory definition of a “surviving spouse” were removed relief associations would only need to define the term in their bylaws if they intend to add parameters to, or otherwise change, the commonly understood meaning of the term.

The Group also discussed the desire among the monthly plans to limit the duration of payments. The plans are concerned that survivor benefit payments to designated beneficiaries could increase costs if the benefits are paid for a longer time period than assumed by the actuary. Martin explained that additional work is needed on the draft language for the payment cap.

The Group decided to hold an additional meeting in January to finish its discussion on the survivor benefit topic. Anderson made a motion to table the topic until the January meeting. Hansen seconded the motion that was adopted unanimously. Anderson made a motion to schedule a January 2010 Working Group meeting. Ganfield seconded the motion that was adopted unanimously.

IV. Review of Working Group Draft Legislation

The Working Group members reviewed draft language for topics that had reached consensus during previous meetings.

- **Leaves of Absence Exemption**

The draft language provides an exemption to the return-to-service minimum period of resumption service requirement for firefighters with an approved leave of absence (not to exceed one year). The language also provides an exemption for firefighters with a break in service (not to exceed one year) if the firefighter hadn't been paid and if the relief association board approves. Hansen made a motion to adopt the draft language and to use the term "firefighter" in the section. Ganfield seconded the motion. After discussion, Hansen amended his motion to adopt the draft language and to use the term "firefighter" in paragraphs (a) and (1), and to use the term "person" in paragraph (2). Ganfield seconded the motion that was adopted unanimously.

- **Clarification of Vesting Requirements**

The draft language clarifies that firefighters who return to service after being paid a benefit must meet the vesting requirements to be eligible for a second benefit, but are not subject to a minimum period of resumption service requirement. Duncan made a motion to adopt the draft language. Jaeger seconded the motion that was adopted unanimously.

- **Continuation of Monthly Payments**

The draft language allows monthly retirees to continue receiving monthly service pension payments if they return to active service and membership. Ganfield made a motion to adopt the draft language. Jaeger seconded the motion that was adopted unanimously.

- **Return to Service Clarification**

The draft language clarifies that the new return to service law doesn't apply to breaks in service that are governed by federal or state law (like military breaks or FMLA breaks). Ganfield questioned the reference in paragraph (c). The Group agreed the added

language in paragraph (c) should be removed. Jaeger made a motion to adopt the draft language as amended. Ganfield seconded the motion that was adopted unanimously.

- Corrections for Mistakes

The draft language permits the Office of the State Auditor to allow relief associations to transfer money from the special fund to the appropriate fund to correct deposit mistakes. The relief association must present evidence that the error occurred in good faith, and the Office of the State Auditor may require a written legal opinion concluding the transfer of funds is consistent with federal and state law. Martin recommended adding language to the draft that makes it clear the written legal opinion would be provided by the relief association. Jaeger made a motion to adopt the draft language as amended. Anderson seconded the motion that was adopted unanimously.

- DC Plan Investment Allocations

The draft language provides authority for defined contribution plans to credit inactive members with investment returns as defined by the relief association bylaws. Anderson made a motion to adopt the draft language. Roed seconded the motion that was adopted unanimously.

- DC Plan Ancillary Benefit Correction

The draft language corrects a mistake in the ancillary benefit provision for defined contribution plans. The language clarifies that ancillary benefits for active members must equal the vested *and* nonvested amount, rather than the vested *or* nonvested amount. Duncan made a motion to adopt the draft language. Anderson seconded the motion that was adopted unanimously.

- Exemption for Minors Correction

The draft language corrects a mistake to the codification of the Working Group changes last session. The exemption to the prohibition on minors participating with a fire department was added to the wrong section of statute. Ganfield made a motion to adopt the draft language. Jaeger seconded the motion that was adopted unanimously.

- Plans Covered by Chapter 424A

The draft language provides a definition of a “volunteer firefighter relief association” to clarify which public pension plans are governed by Chapter 424A and which plans are not. Duncan made a motion to adopt the draft language. Wallner seconded the motion that was adopted unanimously.

- Minimum Liquidity Requirements Correction

The draft language corrects an out-of-date statutory reference and clarifies that public pension plans investing under the “limited list” and the “expanded list” of authorized investment securities are subject to minimum liquidity requirements. Duncan made a

motion to adopt the draft language. Jaeger seconded the motion that was adopted unanimously.

- **Municipal Approval Language**

The draft language attempts to make the municipal ratification statutes easier to use. There are several different sections in statute that define when municipal ratification of a benefit change is required, and the language in the different sections isn't exactly the same. The draft language modifies the municipal ratification language in Chapter 424A to refer to the requirements in Chapter 69. Simon made a motion to adopt the draft language. Wallner seconded the motion that was adopted unanimously.

V. Contribution Calculations/Payment Requirements Update

Auditor Otto provided a brief update on behalf of the League of Minnesota Cities. The League has heard from a handful of cities that would like to modify the calculations for relief association contributions. The League supports extending the deficit amortization period to a period not to exceed 20 years. The League is currently considering a proposal that would allow relief associations to use an updated actuarial valuation for purposes of calculating contribution requirements. The updated valuation would be performed six months after the initial valuation and would take into consideration investment earnings during the last half of the year. The Working Group members discussed the importance of education on this topic and in communicating with municipal representatives.

VI. Other Business

Auditor Otto informed the Group that volunteer firefighters have the ability to create deferred compensation accounts with the Minnesota State Retirement System. Relief association service pensions could be rolled over to the deferred compensation account at retirement, which provides an alternative for firefighters that don't want to incur the expense of setting up an Individual Retirement Account. Volunteer firefighters must create the deferred compensation account before terminating employment.

VII. Adjournment

The meeting was adjourned shortly after 1:00.

Exhibit B

Issue:

Relief association trustees and members have expressed a desire to change the survivor benefit statutes for a variety of reasons. Some of the reasons include a desire to limit the duration of benefit payments for monthly plans, to allow flexibility in defining when a surviving spouse is determined, and to allow benefits to be paid directly to a designated beneficiary.

Current Law:

Currently, survivor benefits must be paid to the surviving spouse and surviving children. If there is no surviving spouse and there are no surviving children, the benefit is paid to the designated beneficiary. If there are no survivors and there is no designated beneficiary, the benefit is paid as a death benefit to the estate of the deceased *active* or *deferred* firefighter. If a retired firefighter receiving monthly benefits passes away and there is no surviving spouse, no surviving children, and no designated beneficiary, the benefit payments cease.

Options:

The following changes are proposed based on discussions during the Working Group meetings and with the monthly and monthly/lump sum plans:

1. Make a slight modification to the order of payment so that benefits are paid to the surviving spouse, or if none, to the surviving children. (Option #1 on pages 4 and 5)
2. Add language that would allow a spouse to waive his or her right to the survivor benefit if there are no surviving children, so that the benefit could be paid directly to a designated beneficiary. (Option #2 on pages 4 and 5)
3. Add language that would allow monthly and monthly/lump sum plans to limit survivor benefit payments to the surviving spouse and surviving children. Benefits could be paid to designated beneficiaries or to an estate if authorized by the bylaws. (Option #3 on page 4)
4. Add language that would allow monthly and monthly/lump sum plans to limit the duration of survivor benefit payments when paid as a monthly benefit. (Option #4 on page 4)
5. Remove the definition of a “surviving spouse” to address concerns among the monthly plans about the timing of when a spouse is defined (at the time of the member’s separation or at the time of the member’s death). (Page 5)
6. Add language that would allow the survivor benefit to be paid to a trust if the trust is payable to the surviving children and there is no surviving spouse. (Option #5, Pages 4 and 5)
7. Reorganize the statute so that the authorization to pay survivor benefits is separate from the benefit eligibility and calculation requirements.

Optional Changes:

424A.05 RELIEF ASSOCIATION SPECIAL FUND.

Subd. 3. Authorized disbursements from the special fund.

(a) Disbursements from the special fund may not be made for any purpose other than one of the following:

(1) for the payment of service pensions to retired members of the relief association if authorized and paid under law and the bylaws governing the relief association;

(2) for the payment of temporary or permanent disability benefits to disabled members of the relief association if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(3) for the payment of survivor benefits ~~to surviving spouses and surviving children, or if none, to designated beneficiaries, of deceased members of the relief association, and if no survivors and if no designated beneficiary,~~ and for the payment of a death benefit to the estate of the deceased active or deferred firefighter, ~~if authorized by and paid under law and specified in amount in the bylaws governing the relief association~~ if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(4) for the payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the Minnesota Area Relief Association Coalition in order to entitle relief association members to membership in and the benefits of these associations or organizations;

(5) for the payment of insurance premiums to the state Volunteer Firefighters Benefit Association, or an insurance company licensed by the state of Minnesota offering casualty insurance, in order to entitle relief association members to membership in and the benefits of the association or organization; and

(6) for the payment of administrative expenses of the relief association as authorized under section 69.80.

~~(b) For purposes of this chapter, for a monthly benefit volunteer fire relief association or for a combination lump sum and monthly benefit volunteer fire relief association where a monthly benefit service pension has been elected by or a monthly benefit is payable with respect to a firefighter, a designated beneficiary must be a natural person. For purposes of this chapter, for a defined contribution volunteer fire relief association, for a lump sum volunteer fire relief association, or for a combination lump sum and monthly benefit volunteer fire relief association where a lump sum service pension has been elected by or a lump sum benefit is payable with respect to a firefighter, a designated beneficiary may be a trust created under chapter 501B.~~

424A.02 DEFINED BENEFIT RELIEF ASSOCIATIONS; SERVICE PENSIONS.

Subd. 9. Limitation on ancillary benefits.

A defined benefit relief association, including any volunteer firefighters relief association governed by section 69.77 or any volunteer firefighters division of a relief association governed by chapter 424, may only pay ancillary benefits which would constitute an authorized disbursement as specified in section 424A.05 subject to the following requirements or limitations:

(1) with respect to a defined benefit relief association in which governing bylaws provide for a lump-sum service pension to a retiring member, no ancillary benefit may be paid to any former member or paid to any person on behalf of any former member after the former member (i) terminates active service with the fire department and active membership in the relief association; and (ii) commences receipt of a service pension as authorized under this section; and

(2) with respect to any defined benefit relief association, no ancillary benefit paid or payable to any member, to any former member, or to any person on behalf of any member or former member, may exceed in amount the total earned service pension of the member or former member. The total earned service pension must be calculated by multiplying the service pension amount specified in the bylaws of the relief association at the time of death or disability, whichever applies, by the years of service credited to the member or former member. The years of service must be determined as of (i) the date the member or former member became entitled to the ancillary benefit; or (ii) the date the member or former member died entitling a survivor or the estate of the member or former member to an ancillary benefit. The ancillary benefit must be calculated without regard to whether the member had attained the minimum amount of service and membership credit specified in the governing bylaws. For active members, the amount of a permanent disability benefit or a survivor benefit must be equal to the member's total earned service pension except that the bylaws of a defined benefit relief association may provide for the payment of a survivor benefit in an amount not to exceed five times the yearly service pension amount specified in the bylaws on behalf of any member who dies before having performed five years of active service in the fire department with which the relief association is affiliated.

(3) If a lump sum survivor benefit is payable, the benefit must be paid to (i) the surviving spouse of the deceased firefighter; [OPTION #1] (ii) or if no surviving spouse, to the surviving child or children of the deceased firefighter; (iii) or if no surviving spouse and no surviving children, to designated beneficiaries of the deceased firefighter; (iv) and if no designation has been made, the survivor benefit must be paid in the form of a death benefit to the estate of the deceased active or deferred firefighter. [OPTION #2] If there are no surviving children, a

firefighter's spouse may waive in writing any right to the survivor benefit, so that the benefit is payable to the deceased firefighter's designated beneficiaries.

(4) If a monthly survivor benefit is payable, the benefit must be paid to (i) the surviving spouse of the deceased firefighter; [OPTION #1] (ii) or if no surviving spouse, to the surviving child or children of the deceased firefighter; (iii) or if no surviving spouse and no surviving children, [OPTION # 3] and if authorized by the relief association bylaws, to designated beneficiaries of the deceased firefighter; (iv) and if no designation has been made and if authorized by the relief association bylaws, the survivor benefit must be paid in the form of a death benefit to the estate of the deceased active or deferred firefighter. [OPTION #2] If there are no surviving children, a firefighter's spouse may waive in writing any right to the survivor benefit, so that the benefit is payable to the deceased firefighter's designated beneficiaries. [OPTION #4] For purposes of this section, the duration of survivor benefit payments payable monthly may be limited by the relief association bylaws.

(5) For purposes of this section, for a monthly benefit volunteer fire relief association or for a combination lump-sum and monthly benefit volunteer fire relief association where a monthly benefit service pension has been elected by or a monthly benefit is payable with respect to a firefighter, a designated beneficiary must be a natural person. For purposes of this section, for a lump-sum volunteer fire relief association or for a combination lump-sum and monthly benefit volunteer fire relief association where a lump-sum service pension has been elected by or a lump-sum benefit is payable with respect to a firefighter, a designated beneficiary may be a trust created under chapter 501B. [OPTION #5] If a deceased firefighter had established a trust under chapter 501B as authorized by this section and there is no surviving spouse but there is a surviving child or children, and if the trust was designated as the deceased firefighter's beneficiary and the trust is payable to the surviving child or children, the survivor benefit may be paid to the trust notwithstanding any requirements of this section.

424A.016 DEFINED CONTRIBUTION VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION SPECIFIC REGULATION.

Subd. 7. Limitation on ancillary benefits.

(a) A defined contribution relief association may only pay an ancillary benefit which would constitute an authorized disbursement as specified in section 424A.05. The ancillary benefit for active members must equal the vested or nonvested amount of the individual account of the member.

(b) For deferred members, the ancillary benefit must equal the vested amount of the individual account of the member. For the recipient of installment payments

of a service pension, the ancillary benefit must equal the remaining balance in the individual account of the recipient.

(c) If a survivor benefit is payable, the benefit must be paid to (i) the surviving spouse of the deceased firefighter; [OPTION #1] (ii) or if no surviving spouse, to the surviving child or children of the deceased firefighter; (iii) or if no surviving spouse and no surviving children, to designated beneficiaries of the deceased firefighter; (iv) and if no designation has been made, the survivor benefit must be paid in the form of a death benefit to the estate of the deceased active or deferred firefighter. [OPTION #2] If there are no surviving children, a firefighter's spouse may waive in writing any right to the survivor benefit, so that the benefit is payable to the deceased firefighter's designated beneficiaries.

(d) For purposes of this section, for a defined contribution volunteer fire relief association, a designated beneficiary may be a trust created under chapter 501B. [OPTION #5] If a deceased firefighter had established a trust under chapter 501B as authorized by this section and there is no surviving spouse but there is a surviving child or children, and if the trust was designated as the deceased firefighter's beneficiary and the trust is payable to the surviving child or children, the survivor benefit may be paid to the trust notwithstanding any requirements of this section.

424A.001 DEFINITIONS.

~~Subd. 6. Surviving spouse.~~

~~For purposes of this chapter, and the bylaws governing a relief association to which this chapter applies, "surviving spouse" means the spouse of a deceased member who was legally married to the member at the time of the member's death.~~

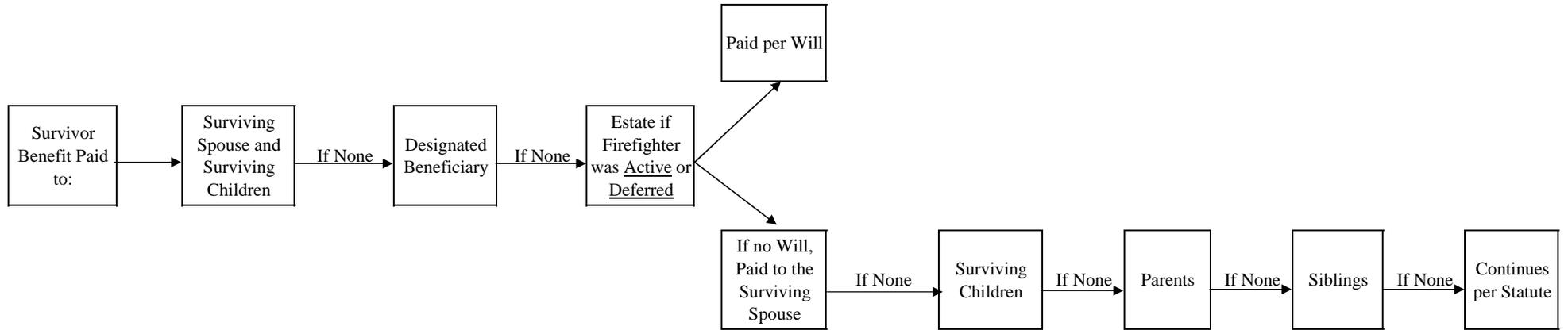
Survivor Benefit Issues and Optional Solutions

Issues	Optional Solutions	Considerations	Language
1. Monthly plans would like to limit the duration of survivor benefit payments to reduce their exposure to excessive costs.	A. Allow monthly plans to limit the duration of survivor benefit payments through their bylaws.		See Option #4 on Page 4.
	B. Allow monthly plans to only pay survivor benefits to surviving spouses and children, unless the bylaws authorize payments to a designated beneficiary.	Raises equity concerns for members who aren't married and have no children, and would like their benefit to be paid to a parent or sibling.	See Option #3 on Page 4.
2. Relief associations would like to change the definition of a "surviving spouse."	A. Remove the statutory definition so that relief associations may use the commonly-understood meaning of the term and possibly add parameters through their bylaws.		See Page 5.
	B. Modify the statutory definition to add options or to allow the bylaws to define the term.	A definition with options isn't a uniform definition and doesn't provide much guidance.	Not Drafted.
3. Allow survivor benefits to be paid directly to a trust.	A. Allow benefits to be paid to a trust if the trust is designated as the beneficiary, even if there are a surviving spouse and children.	Raises policy questions about allowing the benefit to bypass the member's surviving children.	Not Drafted.
	B. Allow only if there is no spouse and the trust is payable to the surviving children.		See Option #5 on Pages 4 and 5.
4. Allow payments directly to a designated beneficiary.	A. Change the payment order so that designated beneficiaries are first in line.		Not Drafted.
	B. Allow the surviving spouse to waive his or her right to the benefit if there are no children so that it can be paid to a designated beneficiary.		See Option #2 on pages 4 and 5.

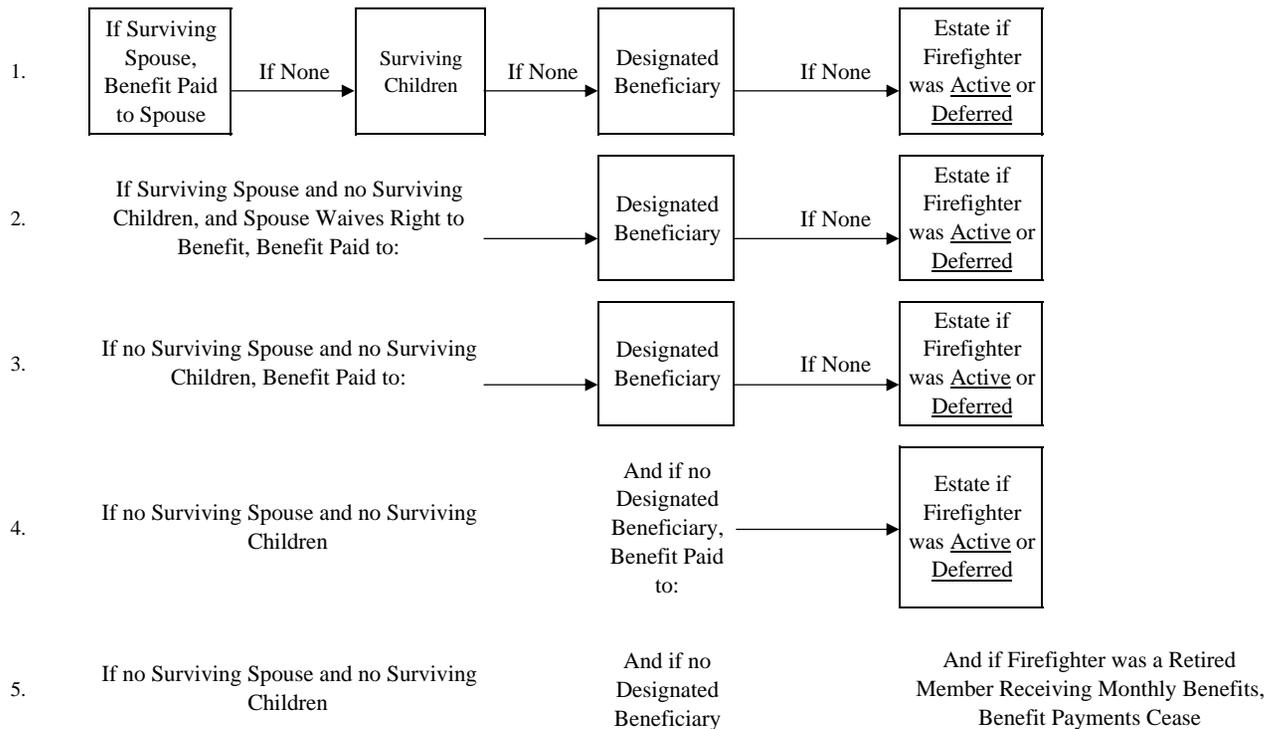
<p>5. Whether the surviving spouse and surviving children should have equal weighting, or whether benefits should be paid to the surviving spouse, and if none, to the surviving children.</p>	<p>A. Leave the payment order as is, so the spouse and children have equal weighting.</p>	<p>Causes confusion about whether benefits have to be divided if there is a spouse and there are children, and if so, how the benefit should be divided.</p>	<p>Current law.</p>
	<p>B. Change the payment order so that benefits are paid to the surviving spouse, and if none, to the surviving children.</p>	<p>If the children are living with a former spouse, the children wouldn't receive anything. The former spouse may receive a portion of the benefit pursuant to the divorce settlement.</p>	<p>See Option #1 on pages 4 and 5.</p>

Order of Payment for Survivor Benefits

Current Law:



Different Scenarios under Optional Changes:



**Volunteer Firefighter Relief Association
DESIGNATION OF BENEFICIARY**

Member's Name: _____

Social Security Number: _____

Address: _____

Spouse's Name: _____

Spouse's Date of Birth: _____

Instructions

This Designation of Beneficiary Form is effective upon receipt by the Volunteer Firefighter Relief Association and supersedes all prior designations. In designating beneficiaries, use full, proper names. If a trust is named as a beneficiary, include its name, the date the trust was established and its address. This Designation of Beneficiary is subject to the Laws of Minnesota.

A. I hereby designate the following as my Primary Beneficiary(ies):

PRIMARY BENEFICIARY

Name	Relationship	SSN	Date of Birth	Percentage

Must equal 100%*

B. In the event there is no primary beneficiary(ies) at my death, I hereby designate the following as contingent beneficiary(ies):

CONTINGENT BENEFICIARY

Name	Relationship	SSN	Date of Birth	Percentage

Must equal 100%

I have completed, understand and agree to all (2) pages of this Designation of Beneficiary Form. I hereby revoke all prior designations (if any) of primary and contingent beneficiaries.

Member's Signature

Date

* When more than one beneficiary is designated and no percentage is specified, payment to each surviving beneficiary will automatically be made in equal shares, or 100 percent to the last surviving beneficiary.

C. Current Marital Status: The member and the spouse should both sign this form when designating someone other than the spouse as a primary beneficiary. Failure to obtain the spouse's witnessed signature may result in the automatic designation of the spouse as beneficiary.

Check one:

_____ I **am not** married. I understand that if I become married in the future, this form may automatically cease to apply and I should file a new Designation of Beneficiary.

_____ I **am** married. If my spouse is not the only Primary Beneficiary, my spouse has signed the consent on the bottom of this form. I understand that, if my marital status changes, this Designation may remain in effect until I file a new Designation.

Member Signature

Date

GOVERNMENT DATA PRACTICES NOTICE: The data you supply on this form will be used by the Relief Association to process your benefit application. You are not legally required to provide this data, but if you do not provide it, the Relief Association may not be able to properly process your benefit application.

D. Consent by Spouse

I certify that I am the spouse of the member named at the beginning of this form. I have read the form as completed and signed by my spouse. I hereby consent to the Designation of Beneficiary. I acknowledge that, to the extent anyone other than me is designated as a Primary Beneficiary, I am waiving any rights that I may otherwise have to receive benefits from the Volunteer Firefighter Relief Association after my spouse's death.

Spouse's Signature

Date

Subscribed before me on this _____ day of _____, 20__

County of: _____

State of: _____

Notary Public's signature: _____

A bill for an act

relating to retirement; volunteer fire relief associations; authorizing Minnesota deferred compensation plan service pension transfers; amending Minnesota Statutes 2009 Supplement, sections 424A.015, by adding a subdivision; 424A.05, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2009 Supplement, section 424A.015, is amended by adding a subdivision to read:

Subd. 5. **Minnesota deferred compensation plan transfers.** If the governing articles of incorporation or bylaws so provide, if the volunteer firefighter participates in the Minnesota deferred compensation plan at the time of retirement, and if the applicable retiring firefighter requests in writing that the relief association do so, a relief association may directly transfer on an institution-to-institution basis the eligible member's lump sum pension amount to the requesting member's account in the Minnesota deferred compensation plan.

Sec. 2. Minnesota Statutes 2009 Supplement, section 424A.05, subdivision 3, is amended to read:

Subd. 3. Authorized disbursements from the special fund. (a) Disbursements from the special fund may not be made for any purpose other than one of the following:

(1) for the payment of service pensions to retired members of the relief association if authorized and paid under law and the bylaws governing the relief association;

(2) for the purchase of an annuity for the applicable person under section 424A.015, subdivision 3, or for the transfer of service pension or benefit amounts to the applicable person's individual retirement account under section 424A.015, subdivision 4, or to the

2.1 applicable person's account in the Minnesota deferred compensation plan under section
2.2 424A.015, subdivision 5;

2.3 ~~(2)~~ (3) for the payment of temporary or permanent disability benefits to disabled
2.4 members of the relief association if authorized and paid under law and specified in amount
2.5 in the bylaws governing the relief association;

2.6 ~~(3)~~ (4) for the payment of survivor benefits to surviving spouses and surviving
2.7 children, or if none, to designated beneficiaries, of deceased members of the relief
2.8 association, and if no survivors and if no designated beneficiary, for the payment of a
2.9 death benefit to the estate of the deceased active or deferred firefighter, if authorized by
2.10 and paid under law and specified in amount in the bylaws governing the relief association;

2.11 ~~(4)~~ (5) for the payment of the fees, dues and assessments to the Minnesota State
2.12 Fire Department Association and to the Minnesota Area Relief Association Coalition in
2.13 order to entitle relief association members to membership in and the benefits of these
2.14 associations or organizations;

2.15 ~~(5)~~ (6) for the payment of insurance premiums to the state Volunteer Firefighters
2.16 Benefit Association, or an insurance company licensed by the state of Minnesota offering
2.17 casualty insurance, in order to entitle relief association members to membership in and the
2.18 benefits of the association or organization; and

2.19 ~~(6)~~ (7) for the payment of administrative expenses of the relief association as
2.20 authorized under section 69.80.

2.21 (b) For purposes of this chapter, for a monthly benefit volunteer fire relief association
2.22 or for a combination lump-sum and monthly benefit volunteer fire relief association where
2.23 a monthly benefit service pension has been elected by or a monthly benefit is payable with
2.24 respect to a firefighter, a designated beneficiary must be a natural person. For purposes of
2.25 this chapter, for a defined contribution volunteer fire relief association, for a lump-sum
2.26 volunteer fire relief association, or for a combination lump-sum and monthly benefit
2.27 volunteer fire relief association where a lump-sum service pension has been elected by
2.28 or a lump-sum benefit is payable with respect to a firefighter, a designated beneficiary
2.29 may be a trust created under chapter 501B.

2.30 Sec. 3. **EFFECTIVE DATE.**

2.31 Sections 1 and 2 are effective July 1, 2010.

1.1 A bill for an act

1.2 relating to retirement; volunteer firefighter relief associations; implementing the
1.3 technical change recommendations of the state auditor's volunteer firefighter
1.4 relief association working group; amending Minnesota Statutes 2008, section
1.5 356A.06, subdivision 8; Minnesota Statutes 2009 Supplement, sections 69.772,
1.6 subdivision 6; 69.773, subdivision 6; 424A.01, subdivisions 1, 6; 424A.016,
1.7 subdivisions 4, 7; 424A.02, subdivision 10; 424A.05, by adding a subdivision.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2009 Supplement, section 69.772, subdivision 6, is
1.10 amended to read:

1.11 Subd. 6. **Municipal ratification for plan amendments.** If the special fund of the
1.12 relief association does not have a surplus over full funding pursuant to subdivision 3,
1.13 clause (2), subclause (e), ~~or~~ and if the municipality is required to provide financial support
1.14 to the special fund of the relief association pursuant to this section, the adoption of or
1.15 any amendment to the articles of incorporation or bylaws of a relief association which
1.16 increases or otherwise affects the retirement coverage provided by or the service pensions
1.17 or retirement benefits payable from the special fund of any relief association to which this
1.18 section applies is not effective until it is ratified by the governing body of the municipality
1.19 in which the relief association is located and the officers of a relief association shall not
1.20 seek municipal ratification prior to preparing and certifying an estimate of the expected
1.21 increase in the accrued liability and annual accruing liability of the relief association
1.22 attributable to the amendment. If the special fund of the relief association has a
1.23 surplus over full funding pursuant to subdivision 3, clause (2), subclause (e), and if the
1.24 municipality is not required to provide financial support to the special fund of the relief
1.25 association pursuant to this section, the relief association may adopt or amend its articles

2.1 of incorporation or bylaws which increase or otherwise affect the retirement coverage
2.2 provided by or the service pensions or retirement benefits payable from the special fund
2.3 of the relief association which are effective without municipal ratification so long as this
2.4 does not cause the amount of the resulting increase in the accrued liability of the special
2.5 fund of the relief association to exceed 90 percent of the amount of the surplus over full
2.6 funding reported in the prior year and this does not result in the financial requirements of
2.7 the special fund of the relief association exceeding the expected amount of the future fire
2.8 state aid to be received by the relief association as determined by the board of trustees
2.9 following the preparation of an estimate of the expected increase in the accrued liability
2.10 and annual accruing liability of the relief association attributable to the change. If a relief
2.11 association adopts or amends its articles of incorporation or bylaws without municipal
2.12 ratification pursuant to this subdivision, and, subsequent to the amendment or adoption,
2.13 the financial requirements of the special fund of the relief association pursuant to this
2.14 section are such so as to require financial support from the municipality, the provision
2.15 which was implemented without municipal ratification is no longer effective without
2.16 municipal ratification and any service pensions or retirement benefits payable after that
2.17 date may be paid only in accordance with the articles of incorporation or bylaws as
2.18 amended or adopted with municipal ratification.

2.19 Sec. 2. Minnesota Statutes 2009 Supplement, section 69.773, subdivision 6, is
2.20 amended to read:

2.21 Subd. 6. **Municipal ratification for plan amendments.** If the special fund of the
2.22 relief association does not have a surplus over full funding pursuant to subdivision 4, ~~or~~
2.23 and if the municipality is required to provide financial support to the special fund of
2.24 the relief association pursuant to this section, the adoption of or any amendment to the
2.25 articles of incorporation or bylaws of a relief association which increases or otherwise
2.26 affects the retirement coverage provided by or the service pensions or retirement benefits
2.27 payable from the special fund of any relief association to which this section applies is
2.28 not effective until it is ratified by the governing body of the municipality in which the
2.29 relief association is located. If the special fund of the relief association has a surplus over
2.30 full funding pursuant to subdivision 4, and if the municipality is not required to provide
2.31 financial support to the special fund of the relief association pursuant to this section,
2.32 the relief association may adopt or amend its articles of incorporation or bylaws which
2.33 increase or otherwise affect the retirement coverage provided by or the service pensions
2.34 or retirement benefits payable from the special fund of the relief association which are
2.35 effective without municipal ratification so long as this does not cause the amount of the

3.1 resulting increase in the accrued liability of the special fund of the relief association to
3.2 exceed 90 percent of the amount of the surplus over full funding reported in the prior year
3.3 and this does not result in the financial requirements of the special fund of the relief
3.4 association exceeding the expected amount of the future fire state aid to be received by the
3.5 relief association as determined by the board of trustees following the preparation of an
3.6 updated actuarial valuation including the proposed change or an estimate of the expected
3.7 actuarial impact of the proposed change prepared by the actuary of the relief association.
3.8 If a relief association adopts or amends its articles of incorporation or bylaws without
3.9 municipal ratification pursuant to this subdivision, and, subsequent to the amendment or
3.10 adoption, the financial requirements of the special fund of the relief association pursuant
3.11 to this section are such so as to require financial support from the municipality, the
3.12 provision which was implemented without municipal ratification is no longer effective
3.13 without municipal ratification and any service pensions or retirement benefits payable after
3.14 that date may be paid only in accordance with the articles of incorporation or bylaws as
3.15 amended or adopted with municipal ratification.

3.16 Sec. 3. Minnesota Statutes 2008, section 356A.06, subdivision 8, is amended to read:

3.17 Subd. 8. **Minimum liquidity requirements.** A covered pension plan described by
3.18 subdivision 6, ~~paragraph (a) or 7~~, in order to pay benefits as they come due, shall invest
3.19 a portion of its assets in authorized short-term debt obligations that can be immediately
3.20 liquidated without accrual of a substantial determinable penalty or loss and that have an
3.21 average maturity of no more than 90 days. The chief administrative officer of the plan
3.22 shall determine the minimum liquidity requirement of the plan and shall retain appropriate
3.23 documentation of that determination for three years from the date of determination.

3.24 Sec. 4. Minnesota Statutes 2009 Supplement, section 424A.01, subdivision 1, is
3.25 amended to read:

3.26 Subdivision 1. **Minors.** ~~(a) No volunteer firefighters' relief association associated~~
3.27 ~~with a municipality or an independent nonprofit firefighting corporation may include as a~~
3.28 ~~relief association member a minor serving as a firefighter, except for members of a youth,~~
3.29 ~~civic, or educational organization or program who participate with uninterrupted adult~~
3.30 ~~supervision, as allowed by federal law and by section 181A.04. Such organizations or~~
3.31 ~~programs include, but are not limited to, Boy Scout Explorer programs or firefighting~~
3.32 ~~degree programs.~~

4.1 ~~(b)~~ No volunteer firefighters' relief association associated with a municipality or an
4.2 independent nonprofit firefighting corporation may include as a relief association member
4.3 a minor serving as a volunteer firefighter.

4.4 Sec. 5. Minnesota Statutes 2009 Supplement, section 424A.01, subdivision 6, is
4.5 amended to read:

4.6 Subd. 6. **Return to active firefighting after break in service.** (a) The provisions of
4.7 this section apply to all breaks in service, except breaks in service governed by federal or
4.8 state law.

4.9 (b) If a former active firefighter who has ceased to perform or supervise fire
4.10 suppression and fire prevention duties for at least 60 days resumes performing active
4.11 firefighting with the fire department associated with the relief association, if the bylaws
4.12 of the relief association so permit, the person may again become an active member
4.13 of the relief association.

4.14 ~~(b)~~ (c) A firefighter who returns to active relief association membership under
4.15 paragraph ~~(a)~~ (b) may qualify for the receipt of a service pension from the relief
4.16 association for the resumption service period if the firefighter meets a minimum period of
4.17 resumption service specified in the relief association bylaws.

4.18 ~~(c)~~ (d) A firefighter who returns to active lump-sum relief association membership
4.19 and who qualifies for a service pension under paragraph ~~(b)~~ (c) must have, upon a
4.20 subsequent cessation of duties, any service pension for the resumption service period
4.21 calculated as a separate benefit. If a lump-sum service pension had been paid to the
4.22 firefighter upon the firefighter's previous cessation of duties, a second lump-sum service
4.23 pension for the resumption service period must be calculated to apply the service pension
4.24 amount in effect on the date of the firefighter's termination of the resumption service for all
4.25 years of the resumption service. No firefighter may be paid a service pension twice for the
4.26 same period of service. If a lump-sum service pension had not been paid to the firefighter
4.27 upon the firefighter's previous cessation of duties and the firefighter meets the minimum
4.28 service requirement of section 424A.02, subdivision 2, or section 424A.016, subdivision
4.29 3, a service pension must be calculated to apply the service pension amount in effect on the
4.30 date of the firefighter's termination of the resumption service for all years of service credit.

4.31 ~~(d)~~ (e) A firefighter who had not been paid a lump-sum service pension returns
4.32 to active relief association membership under paragraph ~~(a)~~ (b), who does not qualify
4.33 for a service pension under paragraph ~~(b)~~ (c), but who does meet the minimum service
4.34 requirement of section 424A.02, subdivision 2, or section 424A.016, subdivision 3,
4.35 based on the firefighter's previous years of active service, must have, upon a subsequent

5.1 cessation of duties, a service pension calculated for the previous years of service based
5.2 on the service pension amount in effect on the date of the firefighter's termination of the
5.3 resumption service, or, if the bylaws so provide, based on the service pension amount in
5.4 effect on the date of the firefighter's previous cessation of duties.

5.5 ~~(e)~~ (f) If a firefighter receiving a monthly benefit service pension returns to active
5.6 monthly benefit relief association membership under paragraph ~~(a)~~ (b), any monthly
5.7 benefit service pension payable to the firefighter is suspended as of the first day of the
5.8 month next following the date on which the firefighter returns to active membership.
5.9 If the firefighter was receiving a monthly benefit service pension, and qualifies for a
5.10 service pension under paragraph ~~(b)~~ (c), the firefighter is entitled to an additional monthly
5.11 benefit service pension upon a subsequent cessation of duties calculated based on the
5.12 resumption service credit and the service pension accrual amount in effect on the date of
5.13 the termination of the resumption service. The suspended initial service pension resumes
5.14 as of the first of the month next following the termination of the resumption service.
5.15 If the firefighter was not receiving a monthly benefit service pension and meets the
5.16 minimum service requirement of section 424A.02, subdivision 2, a service pension must
5.17 be calculated to apply the service pension amount in effect on the date of the firefighter's
5.18 termination of the resumption service for all years of service credit.

5.19 ~~(f)~~ (g) A firefighter who was not receiving a monthly benefit service pension returns
5.20 to active relief association membership under paragraph ~~(a)~~ (b), who does not qualify
5.21 for a service pension under paragraph ~~(b)~~ (c), but who does meet the minimum service
5.22 requirement of section 424A.02, subdivision 2, based on the firefighter's previous years
5.23 of active service, must have, upon a subsequent cessation of duties, a service pension
5.24 calculated for the previous years of service based on the service pension amount in effect
5.25 on the date of the firefighter's termination of the resumption service, or, if the bylaws so
5.26 provide, based on the service pension amount in effect on the date of the firefighter's
5.27 previous cessation of duties.

5.28 Sec. 6. Minnesota Statutes 2009 Supplement, section 424A.016, subdivision 4, is
5.29 amended to read:

5.30 Subd. 4. **Individual accounts.** (a) An individual account must be established for
5.31 each firefighter who is a member of the relief association.

5.32 (b) To each individual active member account must be credited an equal share of:

5.33 (1) any amounts of fire state aid received by the relief association;

6.1 (2) any amounts of municipal contributions to the relief association raised from
6.2 levies on real estate or from other available municipal revenue sources exclusive of fire
6.3 state aid; and

6.4 (3) any amounts equal to the share of the assets of the special fund to the credit of:

6.5 (i) any former member who terminated active service with the fire department to
6.6 which the relief association is associated before meeting the minimum service requirement
6.7 provided for in subdivision 2, paragraph (b), and has not returned to active service with
6.8 the fire department for a period no shorter than five years; or

6.9 (ii) any retired member who retired before obtaining a full nonforfeitable interest in
6.10 the amounts credited to the individual member account under subdivision 2, paragraph
6.11 (b), and any applicable provision of the bylaws of the relief association. In addition, any
6.12 investment return on the assets of the special fund must be credited in proportion to the
6.13 share of the assets of the special fund to the credit of each individual active member
6.14 account. Administrative expenses of the relief association payable from the special
6.15 fund may be deducted from individual accounts in a manner specified in the bylaws of
6.16 the relief association.

6.17 (c) The relief association, if the bylaws so permit and as the bylaws define, may credit
6.18 any investment return on the assets of the special fund to the accounts of inactive members.

6.19 (d) Amounts to be credited to individual accounts must be allocated uniformly for
6.20 all years of active service and allocations must be made for all years of service, except for
6.21 caps on service credit if so provided in the bylaws of the relief association. The allocation
6.22 method may utilize monthly proration for fractional years of service, as the bylaws or
6.23 articles of incorporation of the relief association so provide. The bylaws or articles of
6.24 incorporation may define a "month," but the definition must require a calendar month to
6.25 have at least 16 days of active service. If the bylaws or articles of incorporation do not
6.26 define a "month," a "month" is a completed calendar month of active service measured
6.27 from the member's date of entry to the same date in the subsequent month.

6.28 ~~(d)~~ (e) At the time of retirement under subdivision 2 and any applicable provision
6.29 of the bylaws of the relief association, a retiring member is entitled to that portion of the
6.30 assets of the special fund to the credit of the member in the individual member account
6.31 which is nonforfeitable under subdivision 3 and any applicable provision of the bylaws of
6.32 the relief association based on the number of years of service to the credit of the retiring
6.33 member.

6.34 ~~(e)~~ (f) Annually, the secretary of the relief association shall certify the individual
6.35 account allocations to the state auditor at the same time that the annual financial statement

7.1 or financial report and audit of the relief association, whichever applies, is due under
7.2 section 69.051.

7.3 Sec. 7. Minnesota Statutes 2009 Supplement, section 424A.016, subdivision 7, is
7.4 amended to read:

7.5 Subd. 7. **Limitation on ancillary benefits.** (a) A defined contribution relief
7.6 association may only pay an ancillary benefit which would constitute an authorized
7.7 disbursement as specified in section 424A.05. The ancillary benefit for active members
7.8 must equal the vested ~~or~~ and nonvested amount of the individual account of the member.

7.9 (b) For deferred members, the ancillary benefit must equal the vested amount of
7.10 the individual account of the member. For the recipient of installment payments of a
7.11 service pension, the ancillary benefit must equal the remaining balance in the individual
7.12 account of the recipient.

7.13 Sec. 8. Minnesota Statutes 2009 Supplement, section 424A.02, subdivision 10, is
7.14 amended to read:

7.15 Subd. 10. **Local approval of bylaw amendments; filing requirements.** (a) Each
7.16 defined benefit relief association to which this section applies must file a revised copy
7.17 of its governing bylaws with the state auditor upon the adoption of any amendment to
7.18 its governing bylaws by the relief association or upon the approval of any amendment
7.19 to its governing bylaws granted by the governing body of each municipality served by
7.20 the fire department to which the relief association is directly associated. Failure of the
7.21 relief association to file a copy of the bylaws or any bylaw amendments with the state
7.22 auditor disqualifies the municipality from the distribution of any future fire state aid until
7.23 this filing requirement has been completed.

7.24 (b) If the special fund of the relief association does not have a surplus over full
7.25 funding under section 69.772, subdivision 3, clause (2), subclause (e), or 69.773,
7.26 subdivision 4, and if the municipality is required to provide financial support to the special
7.27 fund of the relief association under section 69.772 or 69.773, no bylaw amendment which
7.28 would affect the amount of, the manner of payment of, or the conditions for qualification
7.29 for service pensions or ancillary benefits or disbursements other than administrative
7.30 expenses authorized under section 69.80 payable from the special fund of the relief
7.31 association is effective until it has been ratified ~~by the governing body or bodies of the~~
7.32 ~~appropriate municipalities~~ as required under section 69.772, subdivision 6, or 69.773,
7.33 subdivision 6. If the special fund of the relief association has a surplus over full funding
7.34 under section 69.772, subdivision 3, or 69.773, subdivision 4, and if the municipality is

8.1 not required to provide financial support to the special fund under this section, the relief
8.2 association may adopt or amend without municipal ratification its articles of incorporation
8.3 or bylaws which increase or otherwise affect the service pensions or ancillary benefits
8.4 payable from the special fund ~~so long as the changes do not cause the amount of the~~
8.5 ~~resulting increase in the accrued liability of the special fund to exceed 90 percent of the~~
8.6 ~~amount of the surplus over full funding reported in the prior year and the changes do not~~
8.7 ~~result in the financial requirements of the special fund exceeding the expected amount~~
8.8 ~~of the subsequent calendar year's fire state aid to be received by the relief association if~~
8.9 authorized under section 69.772, subdivision 6, or 69.773, subdivision 6.

8.10 (c) If the relief association pays only a lump-sum pension, the financial requirements
8.11 are to be determined by the board of trustees following the preparation of an estimate
8.12 of the expected increase in the accrued liability and annual accruing liability of the
8.13 relief association attributable to the change. If the relief association pays a monthly
8.14 benefit service pension, the financial requirements are to be determined by the board of
8.15 trustees following either an updated actuarial valuation including the proposed change
8.16 or an estimate of the expected actuarial impact of the proposed change prepared by the
8.17 actuary of the relief association. If a relief association adopts or amends its articles
8.18 of incorporation or bylaws without municipal ratification under this subdivision, and,
8.19 subsequent to the amendment or adoption, the financial requirements of the special fund
8.20 under this section are such so as to require financial support from the municipality, the
8.21 provision which was implemented without municipal ratification is no longer effective
8.22 without municipal ratification, and any service pensions or ancillary benefits payable after
8.23 that date must be paid only in accordance with the articles of incorporation or bylaws as
8.24 amended or adopted with municipal ratification.

8.25 Sec. 9. Minnesota Statutes 2009 Supplement, section 424A.05, is amended by adding a
8.26 subdivision to read:

8.27 Subd. 3b. **Corrections of erroneous special fund deposits.** Upon notification of
8.28 funds deposited in error in the special fund and after presentation of evidence that the
8.29 error occurred in good faith, the state auditor may require the provision by the relief
8.30 association of a written legal opinion concluding the transfer of funds from the special
8.31 fund is consistent with federal and state law. Taking into consideration the evidence of
8.32 good faith and the legal opinion, if any, the state auditor may order the transfer from the
8.33 special fund to the appropriate fund or account equal to the funds deposited in error.

1.1 A bill for an act

1.2 relating to retirement; volunteer firefighter relief associations; implementing the
1.3 substantive change recommendations of the state auditor's volunteer firefighter
1.4 relief association working group; revising the 2009 authorization for individuals
1.5 to return to active relief association membership after breaks in service or
1.6 retirement; amending Minnesota Statutes 2009 Supplement, section 424A.01,
1.7 subdivision 6.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2009 Supplement, section 424A.01, subdivision 6,
1.10 is amended to read:

1.11 Subd. 6. **Return to active firefighting after break in service.** (a) The provisions of
1.12 this section apply to all breaks in service, except breaks in service governed by federal or
1.13 state law.

1.14 (b) If a ~~former active~~ firefighter who has ceased to perform or supervise fire
1.15 suppression and fire prevention duties for at least 60 days resumes performing active
1.16 firefighting with the fire department associated with the relief association, if the bylaws of
1.17 the relief association so permit, the ~~person~~ firefighter may again become an active member
1.18 of the relief association. A firefighter who returns to active service and membership is
1.19 subject to the service pension calculation requirements under this section.

1.20 (1) A firefighter who has been granted an approved leave of absence not exceeding
1.21 one year by the fire department or by the relief association is exempt from the minimum
1.22 period of resumption service requirement of this section.

1.23 (2) A person who has a break in service not exceeding one year but has not been
1.24 granted an approved leave of absence and who has not received a service pension or

2.1 disability benefit may be made exempt from the minimum period of resumption service
2.2 requirement of this section by the relief association board of trustees.

2.3 ~~(b)~~ (c) If a former firefighter who has received a service pension or disability benefit
2.4 returns to active relief association membership under paragraph (a) (b), the firefighter
2.5 may qualify for the receipt of a service pension from the relief association for the
2.6 resumption service period if the firefighter meets a the minimum period of resumption
2.7 service specified in the relief association bylaws service requirements of section 424A.02,
2.8 subdivision 2 or section 424A.016, subdivision 3.

2.9 (d) If a former firefighter who has not received a service pension or disability benefit
2.10 returns to active relief association membership under paragraph (b), the firefighter may
2.11 qualify for the receipt of a service pension from the relief association for the resumption
2.12 service period if the firefighter meets the minimum period of resumption service specified
2.13 in the relief association bylaws and the service requirements of section 424A.02,
2.14 subdivision 2 or section 424A.016, subdivision 3.

2.15 ~~(e)~~ (e) A firefighter who returns to active lump-sum relief association membership
2.16 and who qualifies for a service pension under paragraph (b) (c) or (d) must have, upon
2.17 a subsequent cessation of duties, any service pension for the resumption service period
2.18 calculated as a separate benefit. If a lump-sum service pension had been paid to the
2.19 firefighter upon the firefighter's previous cessation of duties, a second lump-sum service
2.20 pension for the resumption service period must be calculated to apply the service pension
2.21 amount in effect on the date of the firefighter's termination of the resumption service for all
2.22 years of the resumption service. No firefighter may be paid a service pension twice for the
2.23 same period of service. If a lump-sum service pension had not been paid to the firefighter
2.24 upon the firefighter's previous cessation of duties and the firefighter meets the minimum
2.25 service requirement of section 424A.02, subdivision 2, or 424A.016, subdivision 3, a
2.26 service pension must be calculated to apply the service pension amount in effect on the
2.27 date of the firefighter's termination of the resumption service for all years of service credit.

2.28 ~~(d)~~ (f) A firefighter who had not been paid a lump-sum service pension returns
2.29 to active relief association membership under paragraph (a) (b), who does not qualify
2.30 for a service pension under paragraph (b) (d), but who does meet the minimum service
2.31 requirement of section 424A.02, subdivision 2, or 424A.016, subdivision 3, based on the
2.32 firefighter's previous years of active service, must have, upon a subsequent cessation of
2.33 duties, a service pension calculated for the previous years of service based on the service
2.34 pension amount in effect on the date of the firefighter's termination of the resumption
2.35 service, or, if the bylaws so provide, based on the service pension amount in effect on the
2.36 date of the firefighter's previous cessation of duties.

3.1 (g) If the bylaws so provide, a firefighter who returns to active relief association
3.2 membership under paragraph (b) may continue to collect a monthly service pension,
3.3 notwithstanding the service pension eligibility requirements under chapter 424A.

3.4 ~~(e) (h) If a firefighter receiving a monthly benefit service pension returns to active~~
3.5 ~~monthly benefit relief association membership under paragraph (a) (b), any monthly~~
3.6 ~~benefit service pension payable to the firefighter is suspended as of the first day of the~~
3.7 ~~month next following the date on which the firefighter returns to active membership.~~
3.8 ~~If the firefighter was receiving a monthly benefit service pension, and qualifies for a~~
3.9 ~~service pension under paragraph (b) (c), the firefighter is entitled to an additional monthly~~
3.10 ~~benefit service pension upon a subsequent cessation of duties calculated based on the~~
3.11 ~~resumption service credit and the service pension accrual amount in effect on the date of~~
3.12 ~~the termination of the resumption service. The suspended initial service pension resumes~~
3.13 ~~as of the first of the month next following the termination of the resumption service.~~
3.14 If the firefighter was not receiving a monthly benefit service pension and meets the
3.15 minimum service requirement of section 424A.02, subdivision 2, a service pension must
3.16 be calculated to apply the service pension amount in effect on the date of the firefighter's
3.17 termination of the resumption service for all years of service credit.

3.18 ~~(f) (i) A firefighter who was not receiving a monthly benefit service pension returns~~
3.19 ~~to active relief association membership under paragraph (a) (b), who does not qualify~~
3.20 ~~for a service pension under paragraph (b) (d), but who does meet the minimum service~~
3.21 ~~requirement of section 424A.02, subdivision 2, based on the firefighter's previous years~~
3.22 ~~of active service, must have, upon a subsequent cessation of duties, a service pension~~
3.23 ~~calculated for the previous years of service based on the service pension amount in effect~~
3.24 ~~on the date of the firefighter's termination of the resumption service, or, if the bylaws so~~
3.25 ~~provide, based on the service pension amount in effect on the date of the firefighter's~~
3.26 ~~previous cessation of duties.~~



REBECCA OTTO
STATE AUDITOR

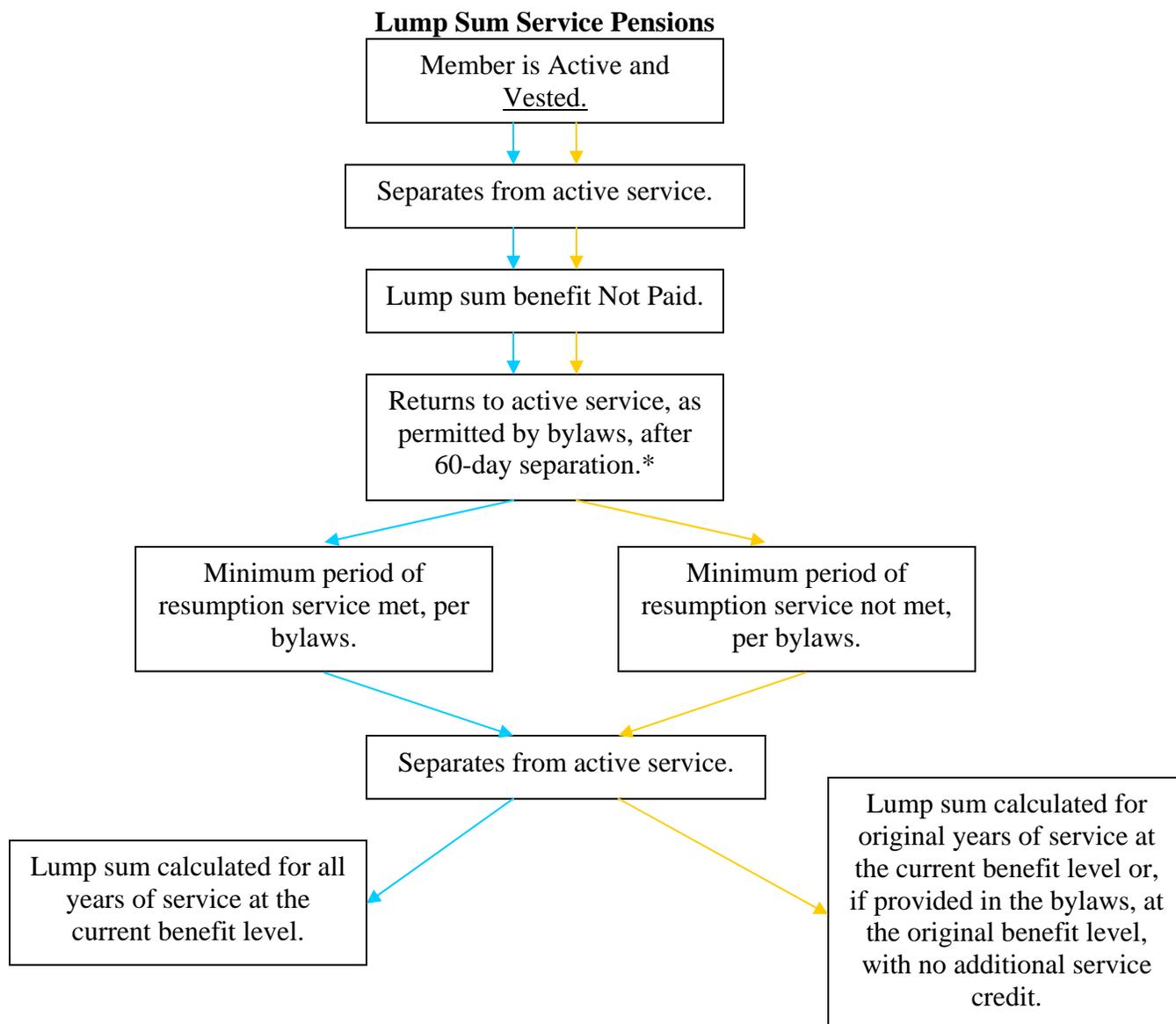
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Volunteer Fire Relief Associations Return to Service Flow Chart



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that didn't exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association board of trustees.



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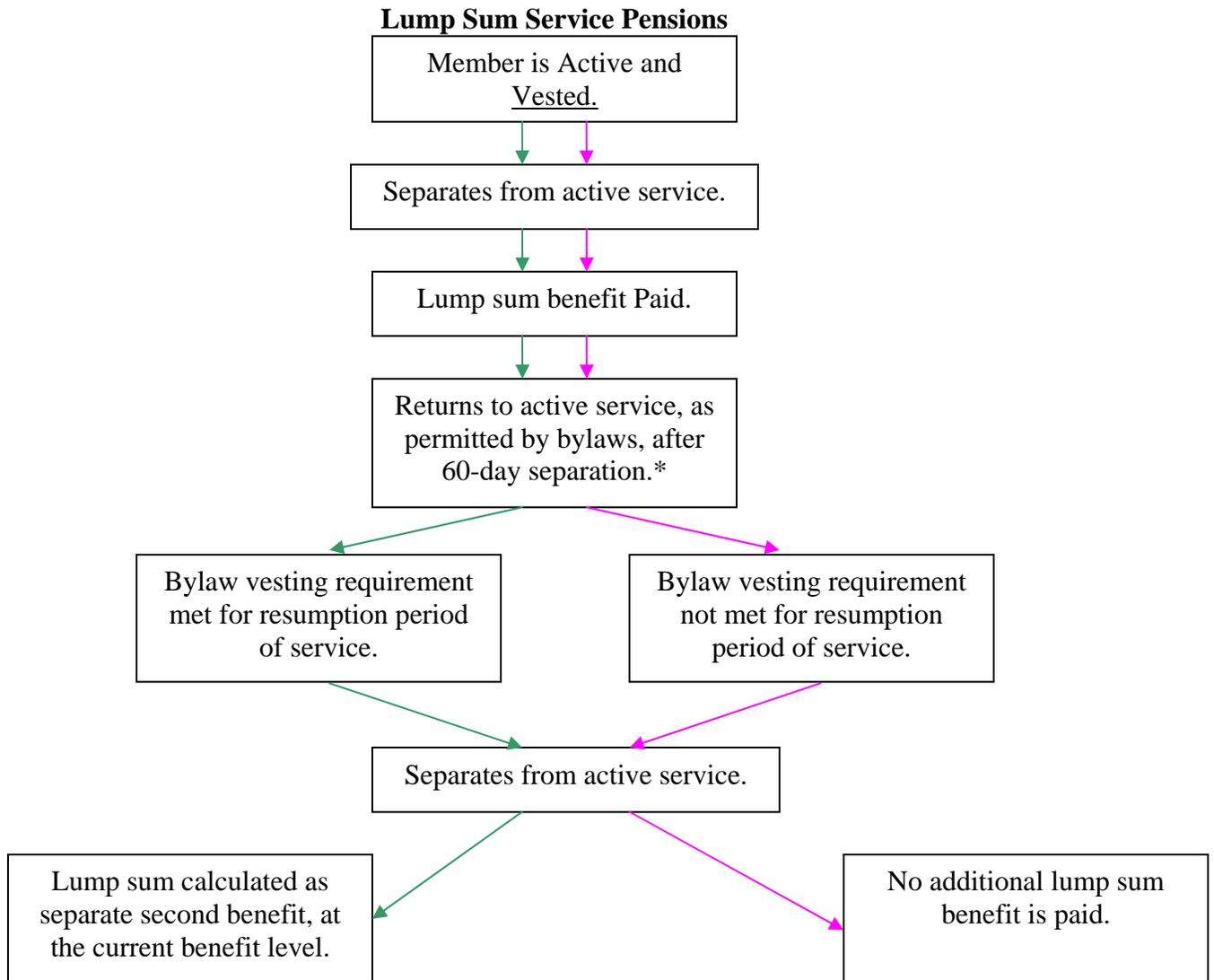
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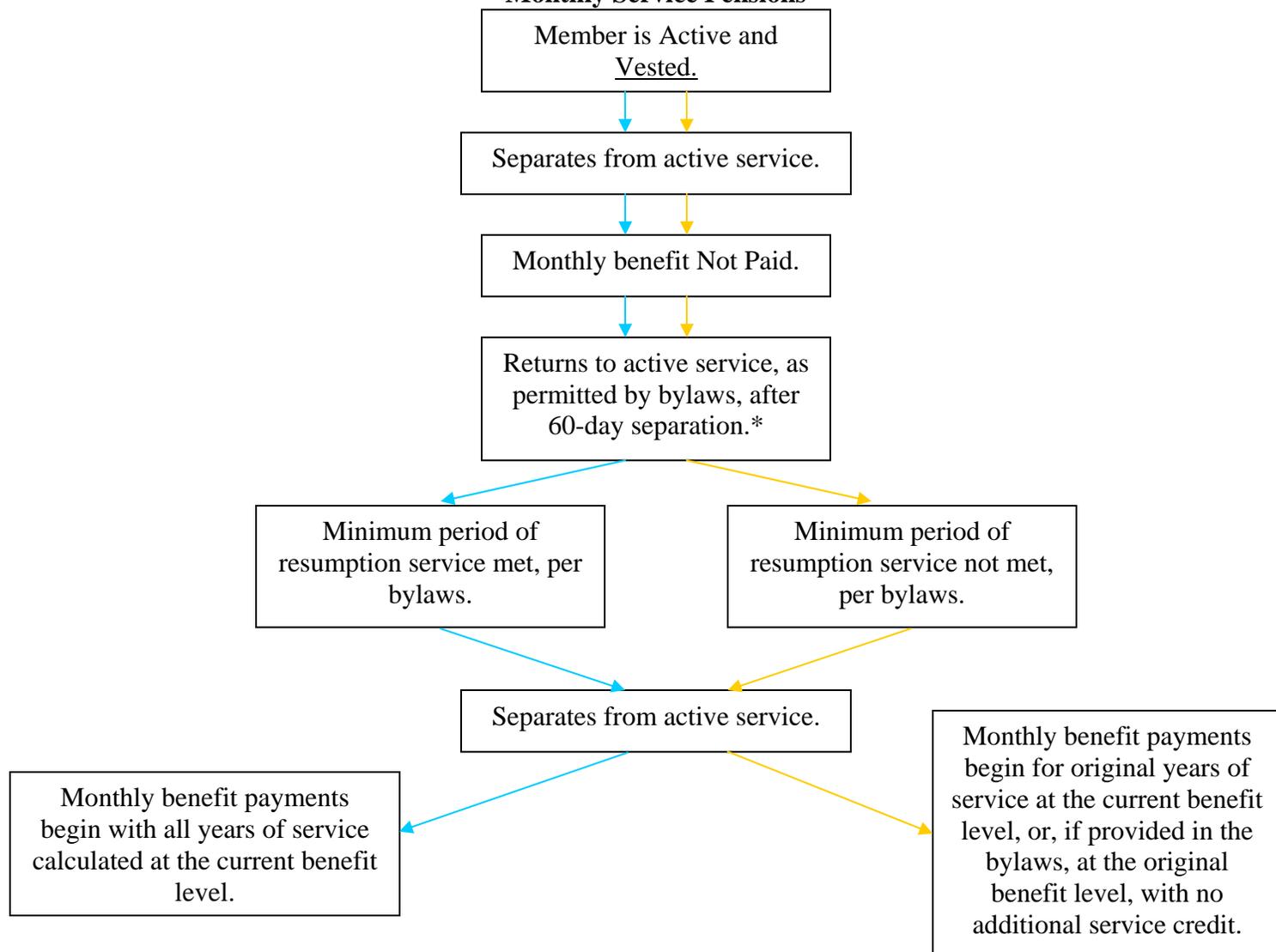
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Volunteer Fire Relief Associations Return to Service Flow Chart

Monthly Service Pensions



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that didn't exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association board of trustees.



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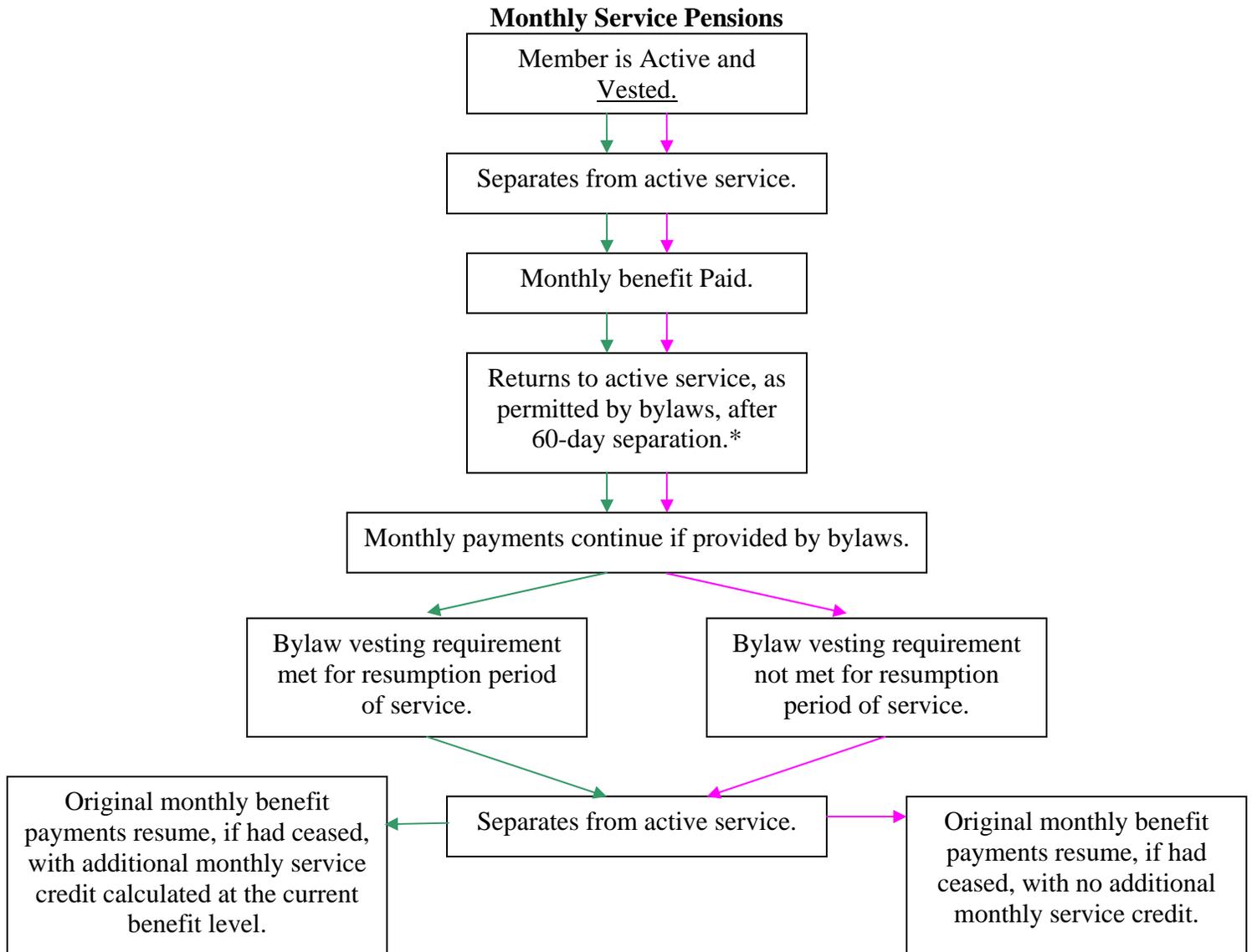
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Volunteer Fire Relief Associations Return to Service Flow Chart



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that didn't exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association board of trustees.