

# Pension Division Newsletter

**Inside this issue:**

<i>State Aid Forfeiture Deadline</i>	2
<i>Relevant Statutes Booklet Released</i>	2
<i>Fire and Supplemental State Aid</i>	2
<i>Beneficiary Designation Form</i>	3
<i>Pension Division Staff</i>	3

## Working Group Update

The Volunteer Fire Relief Association Working Group met on October 22. The Group reviewed potential topics for consideration submitted by relief association trustees and consultants, and discussed some technical changes identified by Office of the State Auditor (OSA). The Group also discussed new Governmental Accounting Standards Board Statements that relate to accounting and financial reporting for pension plans and employers.

The next meeting of the Working Group will be held on November 13 from 11:00 a.m. to 1:00 p.m. at our 525 Park Street office in Saint Paul. Meetings are open to the public. Working Group meeting materials are available at:

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

## New GASB Reporting Requirements

In June 2012, the Governmental Accounting Standards Board (GASB) issued two new public pension accounting standards that will take effect in fiscal years 2014 for public pension plans (including volunteer fire relief associations) and 2015 for local and state governments.

The new Statements relate to accounting and financial reporting issues only. The Statements do not change state law requirements related to pension plan funding. For relief associations, required municipal contribution amounts will still be calculated using the Schedule Form (lump-sum plans) or actuarial valuation (monthly and monthly/lump-sum combination plans).

Additionally, the new GASB Statements do not impact whether a relief association is required to have an audit. The audit requirement is defined in Minnesota Statutes and is triggered when a relief association's assets or liabilities exceed \$500,000.

We encourage relief associations, municipalities, and their auditors to work together to address the requirements of these new accounting Standards.



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**What's Ahead:**

**November 1:**

Second certification deadline for 2014 fire state aid.

**November 13:**

Working Group Meeting from 11:00 a.m. to 1:00 p.m. at the OSA.

**November 15:**

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

**November 30:**

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

**December 2:**

Working Group Meeting from 11:00 a.m. to 1:00 p.m. at the OSA.

**December 8:**

Working Group Meeting from 11:00 a.m. to 1:00 p.m. at the OSA.

## State Aid Forfeiture Deadline

To avoid automatic forfeiture of your relief association's 2014 fire state aid and supplemental state aid, all 2013 reporting-year forms must be submitted to the OSA by November 30, 2014. Notices were sent by e-mail and U.S. Mail to relief associations that have not yet submitted all required reporting information.

If you have questions regarding relief association reporting requirements, please contact the Pension Division at (651) 282-6110 or at [pension@osa.state.mn.us](mailto:pension@osa.state.mn.us).

## Relevant Statutes Booklet Released

An updated version of the Volunteer Fire Relief Association Selected Relevant Statutes Booklet is now available. The booklet contains many of the State laws applicable to relief associations, including law changes enacted during the 2014 legislative session. Trustees are encouraged to download the booklet for reference when updating bylaws, making investment decisions, and calculating benefit payments. The complete booklet can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20080304.004>.

## Fire and Supplemental State Aid

Fire state aid and supplemental state aid were disbursed on or about October 1 for most relief associations in Minnesota. The municipal treasurer is required under State law to transmit both the fire state aid and supplemental state aid to the treasurer of the affiliated relief association within 30 days after receipt if an organized relief association exists and the association has filed a financial report with the municipality.

The financial report is the OSA Reporting Form signed annually by the municipal clerk and submitted to the OSA. The relief association treasurer should ensure that the fire state aid and supplemental state aid are timely deposited into the association's Special Fund.

A list of the 2014 fire state aid and supplemental state aid amounts is available on our website at:

<http://www.auditor.state.mn.us/default.aspx?page=20140926.000>.

## Beneficiary Designation Form

**Statements of Position:**

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

[Firefighter Service Credit Determinations](#)

[Combined Service Pensions for Volunteer Firefighters](#)

[Considerations When Making Benefit Changes](#)

Relief associations that authorize in their bylaws the payment of survivor benefits may pay a survivor benefit to a designated beneficiary when a deceased firefighter has no surviving spouse and no surviving children and a beneficiary has been designated.

Relief associations cannot recognize a beneficiary designation if a firefighter has a surviving spouse or surviving children. There is one exception, however, for firefighters who have a surviving spouse but no surviving children. If a firefighter has no surviving children, the firefighter’s surviving spouse may waive, wholly or partially, the spouse’s entitlement to a survivor benefit. The waiver must be in writing. If the surviving spouse has waived entitlement, the survivor benefit may be paid to a designated beneficiary. When a lump-sum benefit is being distributed, a trust created under Minnesota Statutes, Chapter 501B, may be a designated beneficiary.

Relief association trustees should ask new members to complete a designation of beneficiary form for those that offer survivor benefits. Members should be encouraged to review their beneficiary designations at least annually to ensure that the designations are updated following major life events.

A sample designation of beneficiary form is available on the OSA website at: <http://www.auditor.state.mn.us/Other/pensionDocs/DesignationOfBeneficiaryForm1014.pdf>

Additional information about calculating survivor benefits, survivor supplemental benefits, and the order of eligibility for collecting a survivor benefit can be found in our Statement of Position on this topic, at:

<http://www.auditor.state.mn.us/default.aspx?page=20120315.001>.

## Pension Division Staff

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