



Pension Division Newsletter

April 2023

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Legislative Update

We wanted to provide an update on several bills making their way through the legislative process.

The [Pension and Retirement Omnibus Policy Bill](#) includes one of the Fire Relief Association Working Group proposals and has been passed unanimously by the House. The policy bill awaits action by the Senate. The Working Group provision included in this bill would increase the threshold at which an annual audit is required, from the current \$500,000 in special fund assets or liabilities to \$750,000. The change, if passed into law, would become effective on December 31, 2023, and apply to audits of calendar year 2023 and thereafter.

The House has also unanimously passed the [Pension Budget Omnibus Bill](#). While this bill initially included a \$5 million appropriation for additional supplemental state aid to the approximately 300 fire departments that receive the smallest state aid amounts, the version of the bill moving forward no longer includes this appropriation. The budget bill includes a separate \$5 million appropriation to be used for an incentive program to encourage relief associations to join the Statewide Volunteer Firefighter Plan administered by the Public Employees Retirement Association. The budget bill awaits Senate action.

The Working Group proposals not included in the policy bill are now included in a separate bill, [H.F. 3286](#). While there is a chance the Working Group bill could be heard yet this session, it seems more likely that it will be considered during the interim for action during next year’s legislative session.

Financial and Investment Report

The State Auditor’s [Financial and Investment Report of Volunteer Fire Relief Associations](#) for the year ended December 31, 2021, was released.

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

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

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What’s Ahead:

June 30:

Reporting forms for relief associations with assets or liabilities of at least \$500,000 are due to the OSA.

August 1:

The 2023 Schedule Form must be certified to the municipality or independent nonprofit firefighting corporation.

September 15:

First certification deadline for 2023 fire state aid. To be certified as eligible, all 2022 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

Resources for Auditors

Resources are available on the OSA website for auditors working with volunteer fire relief associations. The [2022 Minnesota Legal Compliance Audit Guide for Relief Associations](#) prescribes the minimum procedures and audit scope for legal compliance audits.

The OSA has developed minimum procedures and a reporting format for [agreed-upon procedures engagements](#) for relief associations. A sample client representation letter is also provided.

[Audit reports](#) prepared by the OSA of local public pension plans are posted on our website and can be used as a reference.

Submitting Agreed-Upon Procedures and Audit Reports

Agreed-upon procedures and audit reports for relief associations should be submitted to the OSA electronically through [SAFES](#), the State Auditor’s Form Entry System. A link to SAFES is posted at the top of the OSA homepage for quick and easy access.

To be submitted through SAFES, the report must be saved as a PDF document and be uploaded by the relief association’s accountant or auditor.

A relief association must authorize SAFES access for its accountant or auditor by completing and submitting a [2023 User Authorization Form](#). A new User Authorization Form must be completed and submitted each calendar year to enable access to a relief association’s reporting information during that calendar year.

To submit a report, choose the “Submit Documents” tab within SAFES. Browse and select the document for submission. When submitting the agreed-upon procedures report, choose “Agreed-Upon Procedures Report” when specifying the document type. To submit an audit report through SAFES, choose “Pension Audit Report” when specifying the document type.

When submitting audit reports, please be sure that the management letter is included in the submission. When submitting PDF documents through SAFES, the financial statements, required supplementary information, and management letter should be saved and submitted as one PDF document.

For relief associations with the agreed-upon procedures requirement, the FIRE Form should be certified by the same accountant or auditor who completes the agreed-upon procedures report.

Website Resources

Statements of Position:

[Management of Records](#)

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

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

[Relief Association Governance](#)

We'd like to remind you of helpful resources available on the [OSA website](#).

Newsletters and Topics

The monthly Pension Division Newsletter can be found under the "News" menu option. Articles from the monthly Newsletter, published over the years, can be accessed by topic on the "Pension Topics" page under the "Training + Guidance" menu option. Topics include: benefit levels, board of trustees and membership, internal controls, and pension and benefit payments.

Training Videos

Recorded training videos are available under the "Training + Guidance" menu option. Filter by the "Pension" category to find videos on completing reporting forms, a legislative update, and a new trustee training video.

Statements of Position

Statements of Position, found under the "Training + Guidance" menu option, are educational resources providing information and guidance on select topics. Filter by the "Pensions" category to find statements on topics that include: service credit determinations, municipal contributions, and investment authority.

Reports

The annual Financial and Investment Report of Volunteer Fire Relief Associations can be accessed by going to the "Reports + Data Analysis" menu option and then choosing "Pension Reports." The reports summarize data from the annual reporting forms filed with the OSA, including benefit levels, rates of return, state aid, and municipal contribution amounts.

Working Group Meeting Materials

Meeting materials, recordings of previous meetings, and links to watch live meetings of the Fire Relief Association Working Group can be found by going to the "About" menu option and then choosing "Councils + Groups."

Pension Division Staff

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