Legislative Update

The Legislative Commission on Pensions and Retirement (LCPR) held several meetings in March and plans to complete its work on the 2021 Pension and Retirement Bill during its meeting on April 6.

The LCPR unanimously approved the Volunteer Fire Relief Association Working Group proposals. In addition to making some technical changes, the proposals would:

- Change how vesting is determined when relief associations elect to authorize combined service pension payments for firefighters with service in more than one fire department;
- Allow relief associations with defined benefit plans to define a minimum length of time, of at least five years, during which service credit for nonvested members who have separated from firefighting service must be retained;
- Clarify language that defines when an audit is required, that the audit threshold is based solely on special fund assets, and when a relief association’s financial reporting form must be certified by a certified public accountant; and
- Authorize, until January 1, 2022, relief associations with a defined contribution plan to amend their bylaws to modify how currently-deferred members receive interest or additional investment performance to comply with the 2020 law change. (See our September 2020 Pension Division Newsletter for more details on the 2020 change.)

The LCPR also considered a bill, which was not part of the Working Group proposals, that would change the calculation method for supplemental state aid paid to relief associations and to fire departments that participate in the Statewide Volunteer Firefighter Plan administered by the Public Employees Retirement Association. The LCPR tabled this item, meaning they postponed discussion on this topic, and instead are considering the creation of a separate work group to discuss this and possibly other relief association topics during the interim.

Information about this bill can be found on the March 23 LCPR meeting page.

The agenda and materials for the April 6 LCPR will be posted on the LCPR website when they are available.
**What’s Ahead:**

- **March 31:** Reporting forms for relief associations with assets and liabilities of less than $500,000 are due to the OSA.
- **March 31:** Investment Business Recipient Disclosure Form is due to the Legislative Commission on Pensions and Retirement.
- **June 30:** Reporting forms for relief associations with assets or liabilities of at least $500,000 are due to the OSA.

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**Supplemental Benefit Reimbursements**

A list of the 2021 supplemental benefit reimbursement amounts, released by the Department of Revenue (DOR), is now available on the Office of the State Auditor (OSA) website.

The supplemental benefit reimbursements were disbursed on or about March 15, 2021, for relief associations that submitted reimbursement application forms to the DOR by February 15, 2021.

If your relief association paid supplemental benefits but did not submit a reimbursement form by the February 15 deadline, the form to file for reimbursement in March 2022 will be available on the DOR website in mid-November.

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**Training Survey**

The OSA is planning to hold some virtual training sessions on relief association topics. We have created a survey to gather information on the training format that you would prefer and the types of topics you would like covered during the session. If you would like to complete the survey to help us design the best training possible, please access the survey at the link below.

[https://www.surveymonkey.com/r/7CXVM5T](https://www.surveymonkey.com/r/7CXVM5T)

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**Annual Business Renewal**

Every volunteer fire relief association must register annually as a nonprofit corporation with the Minnesota Secretary of State’s Office. If a relief association fails to register or to notify the Secretary of State of corporate name or address changes, the Secretary of State may reject the registration and dissolve the relief association’s nonprofit corporation status.

A relief association can learn of its status by going to the Secretary of State’s website. Relief associations with a renewal due date displayed as 12/31/2021, must complete the registration before December 31, 2021, or face possible dissolution of the association’s nonprofit corporation status. If a relief association has completed its registration for this calendar year, the “renewal due date” displayed on the Secretary of State’s website will read 12/31/2022.

The annual registration can be completed online at the Secretary of State’s website.
### Reporting Reminder

Relief associations with special fund assets of less than $500,000 and special fund liabilities of less than $500,000, and that have not exceeded this statutory threshold in a previous year, must submit 2020 reporting forms and an agreed-upon procedures report by March 31.

The Agreed-Upon Procedures Guide and a Sample Independent Accountant’s Report are available on the [OSA website](http://osa.state.mn.us).

An informational document is available on the [OSA website](http://osa.state.mn.us) that provides detailed instructions for accessing, submitting and electronically signing the reporting forms.

Also on our website is the [Key Reporting Requirements](http://osa.state.mn.us) calendar, which identifies required relief association reporting forms and their due dates.

### Fire Prevention Personnel

Fire department members who solely supervise or perform fire prevention duties can be members of a relief association, provided that the municipality (or municipalities) and the independent nonprofit firefighting corporation, if applicable, approve their employment as fire prevention personnel. To be eligible for a service pension from a relief association, a fire department member must also meet the minimum service and membership requirements.

A fire department should have a position description for its fire prevention personnel that lists the qualifications, duties and responsibilities of the position. The position description could serve as one form of documentation to verify that an individual employed by the fire department is in a position eligible for relief association pension coverage. As a best practice, fire departments should consider having position descriptions for all fire department personnel listing their fire suppression and/or fire prevention duties.

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