

# Pension Division Newsletter

**Inside this issue:**

|                                     |   |
|-------------------------------------|---|
| Fire Chief Certification Reminders  | 2 |
| Fire Equipment Certification Form   | 3 |
| Supplemental Benefit Reimbursements | 3 |
| Pension Division Staff              | 3 |

## State Auditor’s Working Group

The Office of the State Auditor (OSA)’s Volunteer Fire Relief Association Working Group met on January 23. The Working Group members conducted a final review and approval of draft legislation for introduction during the 2020 Legislative Session. In addition to some technical changes, the Working Group approved proposal of the following legislative changes:

- Authorizing a supplemental benefit payment with each lump-sum distribution that a firefighter may receive;
- Requiring that deferred members of a relief association with a defined contribution plan be credited with interest or additional investment income during their period of deferral;
- Reducing the length of time that fire chiefs must wait to certify service credit amounts to the relief association and municipality after the amounts have been communicated to firefighters; and
- Changing accrued liability calculations for relief associations with a defined benefit plan so that the calculations are based on a relief association’s specific vesting requirements and each member’s age and length of service.

We will keep relief associations updated on the progress of the Working Group legislation in our monthly Pension Division Newsletter and in future Updates. Working Group meeting materials are available on the [OSA website](#).



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## 2019 Reporting-Year Forms

The OSA announced earlier this month that the 2019 FIRE Form and 2020 Schedule Form are available for completion. The reporting forms are accessed through the [State Auditor’s Form Entry System \(SAFES\)](#).

An informational document is available on the [OSA website](#) that provides detailed instructions for accessing, submitting and electronically signing the reporting forms.

## Fire Chief Certification Reminders

### What's Ahead:

#### February 15:

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

#### March 15:

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

#### 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.

A new law that went into effect last year requires the fire chief to annually certify, by March 31, service credit information for each volunteer (and paid on-call) firefighter.

Fire departments are responsible for establishing the minimum service requirements to earn service credit, calculating the service credit for each firefighter, and determining whether each firefighter is in good standing.

Administratively, relief association trustees need service credit information when determining eligibility for pension credit. The certification, therefore, must be provided by the fire chief to an officer of the relief association and to the municipal clerk or clerk treasurer of the largest municipality in population served by the associated fire department. The relief association and municipality must keep the certification for the length of time required by each entity's records retention policy.

The fire chief must also provide to each active firefighter notification of the amount of service credit rendered by the firefighter for the previous calendar year. The service credit notification must be provided to the firefighter 60 days prior to its certification to the relief association and municipality, along with a description of the process and deadlines for the firefighter to challenge the fire chief's determination.

A copy of the certification is not required to be submitted to the OSA, and there is not a specific form or format that must be used to make the certification. The fire chief has flexibility to create a form that contains a firefighter service credit listing that meets the needs of the relief association and complies with this new statutory requirement.

Communities are encouraged to review their local fire department policies to make sure they clearly define minimum standards that firefighters must meet to be eligible for service credit. In addition, the municipal governing board may wish to consider (in consultation with its legal counsel) the value of establishing processes around how disputes over certification amounts will be addressed, whether and what documentation should be kept as to how the service credit amounts were determined, and any other measures that help assure and demonstrate that service credit determinations are being made properly.

## Fire Equipment Certification Form

**Statements of Position:**

The 2020 Fire Equipment Certification (FA-1) Form and the Certification of Service Areas Protected are due to the Minnesota Department of Revenue (DOR) by March 15, 2020. Submission of the forms is required for communities to be eligible for 2020 fire state aid.

[Supplemental Benefits](#)

The forms were sent by mail to the municipal clerk or secretary of the independent nonprofit firefighting corporation in early January, and must be signed by the fire chief and by the municipal clerk or secretary of the independent nonprofit firefighting corporation, as applicable.

[Firefighter Service Credit Determinations](#)

Five percent of a community's fire state aid is forfeited for each week or fraction of a week that the forms are submitted past the March 15 due date. Additional information about this reporting requirement and a list of fire departments for which the forms have been received are provided on the [DOR website](#).

[Survivor Benefits](#)

## Supplemental Benefit Reimbursements

[Management of Records](#)

Relief associations seeking reimbursement of supplemental benefits paid during 2019 must submit the reimbursement form to the DOR by February 15, 2020, to receive reimbursement in March 2020.

Relief associations must use the online Supplemental Benefit Reimbursement form that is available on the DOR website. The online form requires relief associations to provide their Minnesota Tax ID number. If a relief association does not know its ID number, it can be obtained by calling the DOR at (651) 282-5225 during business hours. The reimbursement form and instructions are available on the [DOR website](#).

## Pension Division Staff

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