



Pension Division Newsletter

January 2022

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Reporting Forms Update

Last week, we sent an email notice announcing the release of this year's relief association reporting forms. The notice also explained that the Office of the State Auditor (OSA) found a mistake within the formulas of the 2021 Schedule Form (SC-21) that relief associations with a defined-benefit lump-sum plan were required to certify last year. The mistake affected how accrued liabilities were calculated for active members of some relief associations.

We have corrected the formula mistake and have posted new SC-21 forms in the State Auditor's Form Entry System (SAFES). A relief association that has already submitted its SC-21 forms should log into SAFES to review the corrected form and save a copy for the relief association's records. A relief association that has not yet submitted its SC-21 form should log into SAFES and download the corrected Excel form for completion and submission.

If you have questions regarding the changes made to the SC-21 active member accrued liabilities, please contact the Pension Division at (651) 282-6110 or at pension@osa.state.mn.us.

The OSA is pleased to announce that the 2021 FIRE Form (FIRE-21) and 2022 Schedule Form (SC-22) are now available for download and completion. The forms are accessed through [SAFES](#).

Please see the [reporting checklist](#) for detailed instructions on how to access, submit, and electronically sign the reporting forms.

If you have not already done so, please complete and submit the [2022 User Authorization Form](#) to provide the relief association's accountant or auditor with access to the relief association's reporting information.

Relief associations with special fund assets of less than \$500,000 and special fund liabilities of less than \$500,000 must submit 2021 reporting forms and an [agreed-upon procedures report](#) by **March 31, 2022**.

Relief associations with special fund assets or liabilities of at least \$500,000, or that have exceeded this threshold in a prior year, must submit 2021 reporting forms and an audit report by **June 30, 2022**. The [Legal Compliance Audit Guide](#) for Relief Associations will be available soon on the OSA website, and prescribes the minimum procedures and audit scope.

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What’s Ahead:

February 15:

Final deadline for submitting 2022 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

Fire Chief Certification Reminders

A new law that went into effect during 2019 requires the fire chief to annually certify, by March 31, service credit information for each active volunteer (and paid on-call) firefighter.

Fire departments generally 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 21 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.

Additional information about firefighter service credit determinations is provided in our [Statement of Position](#) on this topic.

Fire Equipment Certification Form

Statements of Position:

The 2022 Fire Equipment Certification (Form FA-1) and documentation of any service area changes are due to the Minnesota Department of Revenue (DOR) by March 15, 2022.

[Return to Service for Relief Association Members](#)

Submission of the information is required for communities to be eligible for 2022 fire state aid. Five percent of a community’s fire state aid is forfeited for each week or fraction of a week that the FA-1 Form is submitted past the March 15 due date.

[Joint Powers Fire Departments and Fire Districts](#)

Form FA-1 can be completed online this year, on the [DOR website](#). A Fire Service Areas report is also posted at the above link, with information on the documentation that the DOR needs to confirm any fire department service area changes. Instructions for completing the form and a list of forms received by the DOR are also provided.

Supplemental Benefit Reimbursements

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

Relief associations seeking reimbursement of supplemental benefits paid during 2021 must submit the reimbursement form to the DOR by February 15, 2022, to receive reimbursement in March 2022.

[Supplemental Benefits](#)

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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