



Pension Division Newsletter

August 2020

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Fire State Aid Deadline

The first certification deadline for 2020 fire state aid and supplemental state aid is **September 15**. If your relief association has submitted its reporting forms but has been notified by our Pension Division team that additional information is needed, please provide the requested information as soon as possible. To be certified as eligible for receipt of your fire state aid in the first round of payments, all required 2019 reporting information must be submitted to the Office of the State Auditor (OSA), our review of the information must be completed, and any issues identified by the OSA must be resolved by September 15.

Relief associations ineligible to receive 2020 state aid in the first round of state aid payments may be eligible to receive their state aid in the second round of payments if the OSA review has been completed and any identified issues are resolved by November 1.

The 2020 fire state aid amounts will be available in mid-September. Lists of the state aid amounts will be posted on the OSA and Minnesota Department of Revenue websites. A link to the state aid list will be provided in next month's Pension Division Newsletter.

Membership Dues

A relief association has authority to deposit membership dues in its special fund if the bylaws specify that the dues are payable as contributions to the special fund. If a relief association wishes to deposit membership dues in the special fund, the bylaws should clearly reflect this intent. If dues are collected from members but the bylaws do not specify which fund should receive the revenue, the dues should be deposited into the general fund.

Note that relief associations are not required to collect dues from their members.

The OSA's [Sample Bylaw Guides](#) provide sample language that may be used to authorize the deposit of membership dues in the special fund (see Article II).

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Board of Trustees

What's Ahead:

September 15:

First certification deadline for 2020 fire state aid. To be certified as eligible, all 2019 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

October 1:

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

November 1:

Second certification deadline for 2020 state aid.

A volunteer fire relief association must be managed by a board of trustees. The OSA sometimes finds that activities required by law to be performed by the board of trustees during a meeting of the board are instead performed incorrectly by the affiliated fire department or municipality.

The board's responsibilities include: determining plan benefits and eligibility for membership or benefits; determining the amount or duration of benefits; determining funding requirements and contribution amounts; maintaining necessary administrative records; reviewing expenditures; and investing pension plan assets.

The board consists of nine members: six trustees elected from the relief association's membership, and three trustees from the municipality or municipalities. How municipal representatives are designated and who designates them depends on the legal structure of the fire department with which the relief association is associated.

The municipal trustees for a relief association associated with a municipal fire department are the fire chief, one elected municipal official, and one elected or appointed municipal official. The municipal governing body designates the elected municipal official and the elected or appointed municipal official who serve as trustees, and their terms are for one year. A municipal trustee has all the rights and duties of any other trustee, except the right to be an officer of the relief association board of trustees. This means, for example, that the fire chief cannot serve as a relief association's treasurer.

A board must have at least three officers elected by the full board or by the membership, as specified in the bylaws. The officers are elected from among the elected trustees. A trustee may hold only one elected office at a time on the board. Elected trustees and officers may be elected for terms not to exceed three years, as specified in the bylaws. If the terms exceed one year, the elections should be staggered on as equal a basis as is practicable.

All trustees, including the three municipal trustees, are fiduciaries. Each trustee must act in good faith and exercise the degree of judgment and care that a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs.

Charitable Gambling Funds

Statements of Position:

Some relief associations operate a charitable gambling fund that is separate from the relief association’s special and general funds. As a reminder, gambling fund money cannot be used for the benefit of a pension or retirement fund. A relief association, therefore, cannot deposit money from its charitable gambling fund into its special fund.

Joint Powers Fire Departments and Fire Districts

Sometimes, the OSA receives questions from communities that are finding it difficult to pay required contributions to their relief associations. These communities are looking for creative funding sources, and have inquired about using gambling fund money. A municipality cannot use charitable gambling fund money to make the required or voluntary contribution to its affiliated relief association.

Combined Service Pensions

In addition, relief associations are not authorized to use special fund money to reimburse a charitable gambling fund for losses or to pay any assessed fines or penalties. If a relief association’s charitable gambling fund incurs losses or is assessed fines, the losses or fines must be paid using general fund money or a different funding source.

Paying a Lump-Sum Service Pension

Questions regarding charitable gambling funds can be directed to the Minnesota Gambling Control Board (GCB), at (651) 539-1900. For additional information, visit the [GCB website](#).

Firefighter Service Credit Determinations

Pension Division Staff

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