



May 2011

Pension Division Newsletter

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Legislative Update

The Volunteer Fire Relief Association Working Group and the Investment Study Group bills were both introduced this spring and had House and Senate authors. The Legislative Commission on Pensions and Retirement, a legislative body that first hears the bills, convened quite late in the session this year, and did not have time to hear or take action on either bill. Both bills therefore are on hold until the Commission reconvenes, which hopefully will occur in the fall.

Additional information about the Working Group legislative proposals can be found at: <http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>, while more information about the Investment Study Group proposals is available at: <http://www.auditor.state.mn.us/default.aspx?page=20100826.001>.

Reporting Reminder

The 2010 reporting-year forms are due by June 30, 2011, for volunteer fire relief associations with assets or liabilities of at least \$200,000. Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms. Please note that, once a relief association's assets or liabilities exceed \$200,000, the relief association maintains the June 30 reporting deadline and audit requirement, even if the association's assets and liabilities subsequently drop below the \$200,000 threshold.

Reporting forms for relief associations with assets and liabilities less than the \$200,000 statutory threshold were due by March 31. E-mail notices were sent on May 13 to relief association trustees, municipal officials, and auditors notifying them that reporting forms for their affiliated relief association are past due. Letters that detailed the specific forms that must be submitted were also sent to each relief association. If you have any questions regarding your relief association's reporting requirements, please contact Gail Richie at (651) 282-6110 or at Gail.Richie@osa.state.mn.us.

Helpful hints for completing the reporting forms can be found at: http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_infoandhelpfulhints.pdf.

New Statement of Position – Maximum Benefit Levels

A new Statement of Position is available on the Office of the State Auditor's website that provides information about maximum benefit levels for volunteer fire relief associations. The Statement explains the Maximum Benefit Worksheet calculations, provides information about maintaining a benefit level after the maximum allowable benefit level falls, and discusses the effective period for the maximum benefit level.

The Statement can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20110531.003>.

Reminder to Submit Bylaws and Approvals

Volunteer fire relief associations are required under state law to submit a revised copy of their governing bylaws to the Office of the State Auditor upon the adoption or approval of any amendment. When submitting amended bylaws, please remember to submit copies of the relief association meeting minutes and the municipal meeting minutes or resolution reflecting approval of the bylaw changes. For relief associations that are affiliated with an independent nonprofit firefighting corporation, a copy of the independent board approval should be submitted.

Investment Transfer Verifiers

Trustees of relief associations that invest through the State Board of Investment (SBI) should make sure that transfer verifiers are on file with the SBI. A verifier is an officer of the relief association whom the SBI will contact when it receives a wire transfer request to confirm the account number to which the money should be transferred. It appears that few relief associations have a verifier on file with the SBI. Having a designated individual who will be the contact person to confirm transfer requests is a good internal control and helps to protect the pension assets.

Note Our New E-mail Addresses

E-mail addresses have changed for employees of the Office of the State Auditor. Please make note of the new e-mail addresses for our Pension Team members, which are listed below.

If you have questions please contact us:

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