



*The Office of the*  
**Minnesota  
State Auditor**

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## **State Auditor Julie Blaha Concerned with Health of Firefighters**

2017 Financial and Investment Report of Volunteer Fire Relief Associations shows impressive financial health of funds, but finds a 101.1% increase in survivor and disability payouts

St. Paul, MN – Earlier today, State Auditor Julie Blaha released the 2017 Financial and Investment Report of Volunteer Fire Relief Associations. The report summarizes and evaluates the finances, basic benefit structure, and investment performance of Minnesota’s volunteer fire relief associations for the year ended December 31, 2017.

“While we are happy with the health of the funds, we are concerned with the health of the firefighters,” said State Auditor Julie Blaha. “We will continue to monitor the magnitude of survivor and disability benefit payouts and their financial impacts on these pension funds.”

While the financial health of the relief associations is impressive, the large increase in the amount paid in survivor and disability benefits is cause for concern. The amount paid in survivor and disability benefits increased by 101.1 percent between 2016 and 2017.

Highlights of this report include:

- Information on nearly all of the 580 relief associations that were in existence during 2017, and shows that, overall, the plans were well funded.
- The average funding ratio for the defined-benefit lump-sum relief associations was 138.5 percent, and only 49 relief associations had a funding ratio below 100 percent for the year (meaning they had a deficit).
- A total of \$34.7 million in service pensions was paid out by 329 different relief associations in 2017. The \$34.7 million paid out represents a 21.4 percent increase from the \$28.6 million paid in 2016.
- Other benefits, such as disability and survivor benefit payments, totaled \$1.7 million, a 101.1% increase from the 2016 total of \$840,401.

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Auditor Blaha will be testifying before the Legislative Commission on Pensions and Retirement Tuesday, March 11, at 5:00 pm in room Capitol G-3 on the State Auditor's Volunteer Fire Relief Association Working Group bill.

The entire report can be found at <http://www.auditor.state.mn.us/default.aspx?page=20190308.000>.

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*The Office of the State Auditor is the constitutional office that oversees more than \$20 billion in local government finances for Minnesota taxpayers. The Office of the State Auditor helps to ensure financial integrity and accountability in local government financial activities. Julie Blaha is Minnesota's 19th State Auditor. Follow us on Twitter @MNStateAuditor.*