



Pension Division Newsletter

February 2022

Inside this issue:

<i>Investment Performance Information</i>	2
<i>Broker Certification Form</i>	2
<i>2021 Reporting-Year Forms</i>	2
<i>Management of Records</i>	3
<i>Pension Division Staff</i>	3

Proposals Affecting Relief Associations

Supplemental State Aid

As mentioned in previous Newsletters, legislation enacted last year required the Office of the State Auditor (OSA) to convene a work group to discuss and articulate options to the legislature on changing the method of allocating supplemental state aid. Supplemental state aid is paid with a relief association's annual fire state aid distribution, and is currently allocated based on the population and estimated market value of your fire service area.

The Supplemental State Aid Work Group (Work Group) has been meeting monthly to identify options on how supplemental state aid could be allocated. Before analyzing each option, the Work Group members would like input on how any change to the existing aid calculation method could impact fire departments and their pension funds.

Specifically, the Work Group would like to hear examples and stories of how an increase or decrease in supplemental state aid would impact the recruitment and retention of firefighters in your community. The Work Group would also like to hear about the adequacy of fire department resources and if a form of compensation other than a service pension would be helpful in terms of firefighter recruitment and retention.

Those interested in sharing their thoughts can do so during the March 10 meeting of the Work Group being held via Zoom, or can submit comments by [email](#). If you would like to participate in the March 10 meeting via Zoom, please send us an [email](#) indicating so and an invitation with the Zoom link and login details will be sent to you.

Additional information about the [Supplemental State Aid Work Group](#) is available on our website, including meeting recordings and materials.

Pending Investment Legislation

A bill being considered this legislative session would require relief associations to invest through the Minnesota State Board of Investment (MSBI) (current law allows relief associations the option to invest through MSBI but does not require it). The bill was heard by the Legislative Commission on Pensions and Retirement (LCPR) on February 8. Additional hearings on it may be scheduled in the future.

A link to watch a recording of the hearing, and links to the bill and background information can be found on the [LCPR website](#).

Office of the State Auditor
Pension Division
525 Park Street, Suite 500
Saint Paul, MN 55103
(651) 282-6110
Fax: (651) 282-5298
pension@osa.state.mn.us

What’s Ahead:

March 10:
 Supplemental State Aid
 Work Group Meeting
 2:00 p.m. to 3:30 p.m.
 via Zoom.

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.

Investment Performance Information

Minnesota law requires the OSA to annually provide information to volunteer fire relief associations on the investment performance of the Minnesota State Board of Investment and on the voluntary Statewide Volunteer Firefighter Plan administered by the Public Employees Retirement Association (PERA).

Investment performance for the 2021 calendar year is provided in the 2022 Investment Performance Information document that can be found on the [OSA website](#).

Broker Certification Form

Volunteer fire relief associations using the services of a broker must complete a uniform Broker Certification Form that is provided by the OSA. The Broker Certification Form must be completed before a relief association may enter into a business arrangement with a broker, and must be completed annually thereafter. A copy of each completed form should be submitted to the OSA with the relief association’s annual reporting forms.

If any portion of the relief association’s assets are held by a security broker or its agent, the security broker or its agent must acknowledge in writing annually that sufficient insurance has been obtained from the Securities Investor Protection Corporation (SIPC), supplemented by additional insurance, if necessary, to cover the full amount of the relief association’s assets held by the security broker or its agent.

Note that the State Board of Investment (SBI) is not considered a broker for purposes of this reporting requirement. A relief association that invests with the SBI is therefore not required to have the SBI complete a Broker Certification Form.

The Broker Certification Form (BC-1) for volunteer fire relief associations is available on the [Pension Forms](#) page of the OSA website, under “Current Forms.”

2021 Reporting-Year Forms

The OSA announced last month that the 2021 FIRE Form and 2022 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. Also on our website is the [Key Reporting Requirements](#) calendar, which identifies required relief association reporting forms and their due dates.

Finally, if your relief association has not already done so, please complete the [2022 User Authorization Form](#) to provide the relief association’s auditor with access to this year’s reporting forms.

Management of Records

Statements of Position:

All government entities, including relief associations, create and possess records (electronic and paper). Records collected, created, received, maintained, or disseminated by a relief association regardless of their physical form are “government data.” As governmental entities that receive and manage public money, relief associations are subject to Minnesota Statutes, section 138.17, which states that records cannot be destroyed except at the direction of the state’s Records Disposition Panel.

Management of Records

A relief association has options for the retention of its records. A relief association's board of trustees may choose to adopt the General Records Retention Schedule for Volunteer Fire Relief Associations in its entirety and notify the Minnesota Historical Society of its adoption. Relief associations choosing this option may destroy certain types of records after they have been maintained for a specified length of time as detailed in the schedule.

Investment Authority

Alternatively, a relief association may choose to modify the General Records Retention Schedule or to create its own schedule. Relief associations choosing these options must submit the proposed schedule to the State Records Disposition Panel for approval before the customized schedule can be used and any records destroyed.

Investment Policies

If a relief association does not choose and implement one of these options, the relief association must permanently retain all of its records.

Paying a Lump-Sum Service Pensions

The OSA’s Statement of Position on management of records for relief associations includes a link to the General Records Retention Schedule, and information about how to use the schedule and notify the Minnesota Historical Society that the schedule has been adopted.

Pension Division Staff

If you have questions, please contact us:

Michael Johnson, Pension Analyst
(651) 282-5430

michael.johnson@osa.state.mn.us

Molly Resch, Pension Analyst
(651) 297-2765

molly.resch@osa.state.mn.us

Maia Dabney-Miller, Pension Analyst
(651) 284-3423

maia.dabney-miller@osa.state.mn.us

Robin Paulsen, Administrative Specialist
(651) 296-6267

robin.paulsen@osa.state.mn.us

Rose Hennessy Allen, Pension Director
(651) 296-5985

rose.hennessy-allen@osa.state.mn.us