



Pension Division Newsletter

February 2024

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Legislative Update

The 2024 Fire Relief Association Working Group bill has been introduced in both the House ([HF 3636](#), Cha) and Senate ([SF 3574](#), Pappas; Gustafson; Frentz), and was heard by the Legislative Commission on Pensions and Retirement (LCPR) on February 26. The bill was approved unanimously and we anticipate it will move forward in a Pension Omnibus Bill.

Proposals in the bill would:

- Specify the period of time over which investment returns must be allocated to deferred member accounts for relief associations with a defined contribution plan;
- Define the benefit calculation and reporting requirements that apply when a relief association is involuntarily dissolved;
- Add definitions to the relief association statutes of “volunteer,” “paid on-call,” “part-time,” and “full-time/career” firefighter;
- Update firefighter and relief association references to reflect the new definitions; and
- Clarify when municipal ratification of a benefit level or bylaw change is required.

We’ll continue to keep you updated through our [Pension Division Newsletter](#) and the Office of the State Auditor (OSA)’s [Weekly Update](#) on the status of these legislative initiatives. Please contact us with any questions.

2024 User Authorization Form

If you haven’t already done so, please complete the [2024 User Authorization Form](#) to provide access to reporting forms for accountants, auditors, and other consultants who work with your relief association.

Access occurs primarily through the State Auditor’s Form Entry System (SAFES), but also extends to other offline relief association documents.

A completed 2024 User Authorization Form provides access to relief association reporting information through December 31, 2024.

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What’s Ahead:

March 15:

Fire State Aid 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 \$750,000 are due to the OSA.

March 31:

[Investment Business Recipient Disclosure Form](#) is due to the Legislative Commission on Pensions and Retirement.

June 30:

Reporting forms for relief associations with assets or liabilities of at least \$750,000 are due to the OSA.

Broker Certification Form

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 Minnesota 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 fire relief associations is available on the [Pension Forms](#) page of the OSA website, under “Current Forms.”

Fire State Aid Reporting

Form FA-1 must be submitted to the Minnesota Department of Revenue (DOR) by **March 15, 2024**, to avoid a reduction in fire state aid. The form is signed by the municipal clerk, and can be found on the [DOR website](#). Contact information for DOR staff and a list of forms received by the DOR are also posted on that site.

Investment Performance Information

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

Investment performance for the 2023 calendar year is provided in the 2024 Investment Performance Information document that can be found on the [OSA website](#).

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 Pension

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

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