



Pension Division Newsletter

March 2022

Inside this issue:

<i>Supplemental Benefit Reimbursements</i>	2
<i>Financial and Investment Report</i>	2
<i>Annual Business Renewal</i>	2
<i>Reporting Reminder and FIRE Form Tip</i>	3
<i>Pension Division Staff</i>	3

Legislative Update

The Legislative Commission on Pensions and Retirement (LCPR) held several meetings in March and completed its work on the 2022 Omnibus Pension and Retirement Bill. The LCPR unanimously approved the Volunteer Fire Relief Association Working Group proposals, with some amendments introduced by LCPR staff. In addition to making some technical changes, the proposals would:

- Modify the limit on maximum benefit levels to be the lesser of \$15,000 per year of service (for lump sum plans), or the existing limit determined in statute if the benefit increase was not ratified by the affiliated municipality;
- Authorize payment to a former spouse under a qualified domestic relations order and allow relief associations to amend their bylaws to pay the benefit to an alternate payee immediately, rather than wait until the firefighter reaches age 50;
- Provide greater transparency by requiring that a fire chief provide a written explanation and documentation of service credit amounts when a firefighter appeals his or her certified amount of service credit; and
- Permit a supplemental benefit to be paid for each distribution from a relief association, including instances when a firefighter receives more than one lump sum distribution, and authorizes the Department of Revenue to reimburse relief associations for each benefit.

The LCPR also considered a bill, which was not part of the Working Group proposals, we mentioned in last month's Pension Division Newsletter. The bill would have required relief associations to invest through the State Board of Investment (SBI). The LCPR amended this bill so that investment through the SBI would no longer be required. Instead, the Office of the State Auditor (OSA) is required to provide additional information on the annual "Investment Report Card" that we email to each relief association, showing a comparison of relief association and SBI rates of return. The bill also requires each relief association's board of trustees to review this investment information and certify to the OSA that the information has been reviewed.

The Omnibus Pension and Retirement Bill is being considered in Senate and House committees this week, as it works its way through the legislative process. You can see the language of the Bill and track its progress on the [LCPR website](#), and we also will provide updates of its progress in future Pension Division Newsletters.

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 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.

June 30:

Reporting forms for relief associations with assets or liabilities of at least \$500,000 are due to the OSA.

Supplemental Benefit Reimbursements

A list of the 2022 supplemental benefit reimbursement amounts, released by the Department of Revenue (DOR), is now available on the OSA [website](#).

The supplemental benefit reimbursements were disbursed on or about March 15, 2022, for relief associations that submitted reimbursement application forms to the DOR by February 15, 2022.

If your relief association paid supplemental benefits but did not submit a reimbursement form by the February 15 deadline, the form to file for reimbursement in March 2023 will be available on the DOR website in mid-November.

Financial and Investment Report

The State Auditor's [Financial and Investment Report](#) of Volunteer Fire Relief Associations for the year ended December 31, 2020, was released.

The Report summarizes and evaluates the finances, basic benefit structure, and investment performance of Minnesota's volunteer fire relief associations. Annual benefit levels, municipal contribution amounts, fire state aid amounts, and rates of return for each relief association are included in the Report.

State Auditor Blaha's [press release](#) announcing the report's publication can also be viewed on our website.

Annual Business Renewal

Every volunteer fire relief association must register annually as a nonprofit corporation with the Minnesota Secretary of State's Office. If a relief association fails to register or to notify the Secretary of State of corporate name or address changes, the Secretary of State may reject the registration and dissolve the relief association's nonprofit corporation status.

A relief association can learn of its status by going to the Secretary of State's website. Relief associations with a renewal due date displayed as "12/31/2022," must complete the registration before December 31, 2022, or face possible dissolution of the association's nonprofit corporation status. If a relief association has completed its registration for this calendar year, the renewal due date displayed on the Secretary of State's website will read "12/31/2023."

The annual registration can be completed online at the [Secretary of State's website](#).

Reporting Reminder and FIRE Form Tip

Statements of Position:

Relief associations with special fund assets of less than \$500,000 and special fund liabilities of less than \$500,000, and that were not required to submit an audit during the prior year, must submit 2021 reporting forms and an agreed-upon procedures report by March 31, 2022.

Supplemental Benefits

Reporting forms are accessed through the [State Auditor’s Form Entry System \(SAFES\)](#). The Agreed-Upon Procedures Guide and a Sample Independent Accountant’s Report are available on the [OSA website](#).

Considerations When Making Benefit Changes

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.

FIRE Form Tip

Relief Association Governance

We’ve received some inquiries about a new question on the “Plan Administration” page of the 2021 FIRE Form. The question asks if a fire state aid allocation agreement with the municipality was in effect for 2021 state aid.

Joint Powers Fire Departments and Fire Districts

A law change that went into effect on January 1, 2021, allows fire state aid to be allocated between a relief association and affiliated municipality if the fire department is a combination fire department, and both the relief association and municipality have mutually agreed to an allocation method. The municipality may use the portion of fire state aid it retains pursuant to the agreement to pay employer contributions to the Public Employees Retirement Association on behalf of its full-time firefighters.

The new authority is described in [Minn. Stat. § 477B.042](#).

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