

Pension Division Newsletter

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Work Group Updates

The 2018 Omnibus Retirement Bill that was signed into law in May requires two new temporary work groups to be created. Updates regarding both new work groups are provided below.

The **Work Group** convened by staff of the Legislative Commission on Pensions and Retirement (LCPR) met on July 23. The work group is to study the statutes governing conversions from a defined benefit relief association to a defined contribution relief association, the statutes governing relief association dissolutions and how surplus assets are distributed, the prevalence of overfunded relief associations, and transitions to salaried full-time fire departments.

During the July 23 meeting the work group reviewed the relevant statutes and began considering options for the disposition of surplus assets upon a relief association dissolution. The work group also learned about potential Federal requirements to maintain a relief association’s qualified plan status if the relief association converts from a defined benefit plan to a defined contribution plan.

The next meeting of this work group is scheduled for Thursday, **August 16**, from 1:30 to 3:00 in Room G-23 of the State Capitol.

The **Fire State Aid Work Group** is being convened by the Public Employees Retirement Association (PERA). This work group will discuss whether a change to current law should be sought to allow municipalities that have “combination” fire departments consisting of both volunteer (or paid on-call) firefighters and salaried full-time firefighters to retain a portion of the fire state aid to pay employer contributions to PERA on behalf of their full-time firefighters. Currently, all fire state aid received by municipalities must be transferred to the volunteer fire relief association or to the statewide volunteer firefighter retirement plan administered by PERA.

An informal Fire State Aid Work Group held several meetings last fall and winter. The new work group will hold its first meeting on Tuesday, **August 21**, from 1:00 to 3:00. The meeting location is yet to be determined.



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What's Ahead:

September 15:

First certification deadline for 2018 fire state aid. To be certified as eligible, all 2017 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

October 1:

Fire state aid is paid for those relief associations certified as eligible on the first certification deadline.

November 1:

Second certification deadline for 2018 fire state aid.

November 30:

Final deadline for submitting 2017 reporting-year forms to the OSA to avoid forfeiture of fire state aid.

Fire State Aid Deadline

The first certification deadline for 2018 fire state aid and supplemental state aid is **September 15**. If your relief association has submitted its reporting forms but has been notified by our Pension Division team that additional information is needed, please provide the requested information as soon as possible. To be certified as eligible for receipt of your fire state aid in the first round of payments, all required 2017 reporting information must have been submitted to the Office of the State Auditor (OSA), our review of the information must have been completed, and any issues identified by the OSA must have been resolved by September 15.

Relief associations ineligible to receive 2018 state aid in the first round of state aid payments may be eligible to receive their state aid in the second round of payments if the OSA review has been completed and any identified issues are resolved by November 1.

The 2018 fire state aid amounts will be available in mid-September. Lists of the state aid amounts will be posted on the OSA and Minnesota Department of Revenue websites. A link to the state aid list will be provided in next month's Pension Division Newsletter.

Protecting Private Member Data

Some reporting forms that a relief association completes contain private member information. For example, the annual Schedule Form completed by defined-benefit lump-sum relief associations contains member birth dates, years of service, leaves of absence, and vesting information. Private data must be protected in accordance with Minnesota's Data Practices Act.

A relief association, therefore, should not post a copy of the Schedule Form or other reporting forms containing private member data in the fire hall or other public place without first redacting (removing or covering up) all private data.

The Data Practices Office within the Minnesota Department of Administration provides information about data practices on its website, at: <https://mn.gov/admin/data-practices/>.

Statements of Position:

[Survivor Benefits](#)

[Paying a Defined-Benefit Lump-Sum Service Pension](#)

[Firefighter Service Credit Determinations](#)

[Interest Earnings for Deferred Members](#)

Reminder about Requesting a Cost Analysis to Join the Statewide Plan

The OSA has received questions about the process for a relief association to join the Statewide Plan administered by PERA. The first step in the process to join the Statewide Plan is for the secretary of a relief association to ask the association’s board of trustees to approve a request for a cost analysis from PERA. In addition, the chief administrative officer of the municipality or the independent nonprofit firefighting corporation that sponsors the fire department must seek approval from the city council or town board, or the board of the independent nonprofit firefighting corporation, to request a cost analysis.

After the relief association board of trustees and the governing body have approved the request and PERA has performed a cost analysis, the decision to join the Statewide Plan is made by the city council, town board, or independent board. The relief association’s board of trustees has no formal role in deciding whether to join the Statewide Plan. It’s role is simply advisory.

Additional information about the Statewide Plan and the enrollment process can be found on PERA’s website at:

<https://www.mnpera.org/plan-information/statewide-volunteer-firefighter-retirement-plan/>.

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