



# Pension Division Newsletter

January 2021

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## State Auditor's Working Group

The Volunteer Fire Relief Association Working Group convened by the Office of the State Auditor (OSA) held its last meeting of the season on January 12. The Working Group members conducted a final review and approval of draft legislation for introduction during the 2021 Legislative Session. In addition to some technical changes, the Working Group approved moving forward with:

- Changing how vesting is determined when relief associations elect to authorize combined service pension payments for firefighters with service in more than one fire department;
- Allowing relief associations with defined benefit plans to define a minimum length of time, of at least five years, during which service credit for nonvested members who have separated from firefighting service must be retained; and
- Clarifying language that defines when an audit is required, that the audit threshold is based solely on special fund assets (not special and general fund), and when a relief association's financial reporting form must be certified by a certified public accountant.

We will keep relief association trustees updated in future editions of the Pension Division Newsletter on the progress of the Working Group legislation. Meeting agendas and materials are available on the Working Group page of the [OSA website](#), and recordings of the meetings can be viewed on the OSA's [YouTube channel](#). If you have questions regarding any of the Working Group proposals, please contact Rose Hennessy Allen by [email](#) or by phone at (651) 296-5985.

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## 2020 Reporting-Year Forms

The 2020 FIRE Form and 2021 Schedule Form will be available for completion very soon. An email notice will be sent when the forms are posted in the State Auditor's Form Entry System (SAFES).

If you have not already done so, please complete and submit the [2021 User Authorization Form](#) to provide the relief association's accountant or auditor with access to the relief association's reporting information.

**What's Ahead:**

**February 15:**

Final deadline for submitting 2021 Supplemental Benefit Reimbursement Forms to the Department of Revenue

**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

## Fire Chief Certification Reminders

A new law that went into effect during 2019 requires the fire chief to annually certify, by March 31, service credit information for each volunteer (and paid on-call) firefighter.

Fire departments are responsible for establishing the minimum service requirements to earn service credit, calculating the service credit for each firefighter, and determining whether each firefighter is in good standing.

Administratively, relief association trustees need service credit information when determining eligibility for pension credit. The certification, therefore, must be provided by the fire chief to an officer of the relief association and to the municipal clerk or clerk treasurer of the largest municipality in population served by the associated fire department. The relief association and municipality must keep the certification for the length of time required by each entity's records retention policy.

The fire chief must also provide to each active firefighter notification of the amount of service credit rendered by the firefighter for the previous calendar year. The service credit notification must be provided to the firefighter 60 days prior to its certification to the relief association and municipality, along with a description of the process and deadlines for the firefighter to challenge the fire chief's determination.

A copy of the certification is not required to be submitted to the OSA, and there is not a specific form or format that must be used to make the certification. The fire chief has flexibility to create a form that contains a firefighter service credit listing that meets the needs of the relief association and complies with this new statutory requirement.

Communities are encouraged to review their local fire department policies to make sure they clearly define minimum standards that firefighters must meet to be eligible for service credit. In addition, the municipal governing board may wish to consider (in consultation with its legal counsel) the value of establishing processes around how disputes over certification amounts will be addressed, whether and what documentation should be kept as to how the service credit amounts were determined, and any other measures that help assure and demonstrate that service credit determinations are being made properly.

Additional information about firefighter service credit determinations is provided in our [Statement of Position](#) on this topic.

**Statements of Position:**

[Return to Service for Relief Association Members](#)

[Joint Powers Fire Departments and Fire Districts](#)

[Maintaining a General Fund after Joining the PERA Statewide Plan](#)

[Supplemental Benefits](#)

**Fire Equipment Certification Form**

The 2021 Fire Equipment Certification (FA-1) Form and the Certification of Service Areas Protected are due to the Minnesota Department of Revenue (DOR) by March 15, 2021. Submission of the information is required for communities to be eligible for 2021 fire state aid.

The FA-1 Form and certification were sent by mail to the municipal clerk, or secretary of the independent nonprofit firefighting corporation, in early January, and must be signed by the fire chief and by the municipal clerk or secretary of the independent nonprofit firefighting corporation, as applicable.

Five percent of a community’s fire state aid is forfeited for each week or fraction of a week that the FA-1 Form is submitted past the March 15 due date. Additional information about this reporting requirement and a list of fire departments for which the forms have been received are provided on the [DOR website](#).

**Supplemental Benefit Reimbursements**

Relief associations seeking reimbursement of supplemental benefits paid during 2020 must submit the reimbursement form to the DOR by February 15, 2021, to receive reimbursement in March 2021.

Relief associations must use the online Supplemental Benefit Reimbursement form that is available on the DOR website. The online form requires relief associations to provide their Minnesota Tax ID number. If a relief association does not know its ID number, it can be obtained by calling the DOR at (651) 282-5225 during business hours. The reimbursement form and instructions are available on the [DOR website](#).

**Pension Division Staff**

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