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**Market Concerns**

A number of bills pertaining to volunteer fire relief associations, including the State Auditor’s Volunteer Fire Relief Association Working Group bill, have been introduced for consideration during this year’s legislative session.

As you may be aware, however, the Legislature is taking a break from regular operations to limit the spread of the COVID-19 virus. At this time, it is unknown whether an omnibus Pension Bill or any of the individual relief association-related bills will move forward. We will provide an update in our April Pension Division Newsletter.

**Supplemental Benefit Reimbursements**

A listing of the 2020 supplemental benefit reimbursement amounts, released by the Department of Revenue (DOR), is now available on the Office of the State Auditor (OSA) website.

The supplemental benefit reimbursements were disbursed on or about March 15, 2020, for relief associations that submitted reimbursement application forms to the DOR by February 15, 2020.

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 2021 will be available on the DOR website in mid-November.

**Open Meeting Requirements during a State of Emergency**

The Data Practices Office within the Department of Administration has developed helpful guidance for complying with the Data Practices Act and Open Meeting Law requirements during a State of Emergency. The guidance includes information about holding a meeting via telephone or other electronic means.

The guidance can be accessed on the Data Practices Office website.
### Market Concerns

We have received some questions from relief association trustees who are understandably concerned about the recent investment market volatility and its impact on relief association pension funds. We are providing information below regarding some inquiries we received that we hope you will find helpful.

### Required Contributions

Required municipal contribution amounts for relief associations with a defined-benefit lump-sum pension plan are determined annually using the Schedule Form. The 2019 Schedule Form, which calculates the amount of any required contribution payable during 2020, was to be completed by August 1, 2019. The form, therefore, was completed before the extreme market swings took place, and does not reflect any recent investment losses.

The 2020 Schedule Form will calculate the amount of any required municipal contribution for 2021. This form is required to be completed in July 2020, and certified by August 1, 2020. This form estimates investment returns through the end of the calendar year. Relief association trustees are encouraged to wait to complete the 2020 Schedule Form until July. This will allow some opportunity for the markets to stabilize and thus provide a more-accurate estimate of the annual investment rate of return.

### Benefit Levels

The 2020 Schedule Form is completed using the benefit level in effect for the year. Benefit level changes are effective on a going-forward basis only. In order for the 2020 Schedule Form and its calculated 2021 required contribution to be determined at a new benefit level, the benefit level change must be approved and become effective on or before December 31, 2020.

If the affiliated municipality or independent nonprofit firefighting corporation has ratified the relief association’s benefit level, the municipality or corporation must pay any contributions that are required to support the ratified benefit level.

Sometimes, relief association trustees inquire about their ability to reduce the relief association’s benefit level. A relief association may choose to approve a reduction to its benefit level, and may wish to temporarily reduce its benefit level.

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<th>What’s Ahead:</th>
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<td><strong>March 31:</strong> Reporting forms for relief associations with assets and liabilities of less than $500,000 are due to the OSA.</td>
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<tr>
<td><strong>March 31:</strong> Investment Business Recipient Disclosure Form is due to the Legislative Commission on Pensions and Retirement.</td>
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<tr>
<td><strong>June 30:</strong> Reporting forms for relief associations with assets or liabilities of at least $500,000 are due to the OSA.</td>
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Market Concerns—continued

One way to voluntarily decrease the benefit level would be for a relief association to draft its bylaws in such a way as to temporarily decrease its benefit level, and then return to the benefit level ratified by the municipality or independent nonprofit firefighting corporation after a specified period of time.

For example, a relief association could voluntarily choose to decrease its benefit level and adopt a bylaw amendment doing so with a specific expiration date. The decreased benefit level would be in effect only until the expiration date, at which point the previously ratified benefit amount would again become effective. Because the original bylaw amendment approving the higher benefit level remains in effect, this process would not require another bylaw amendment, so would not require municipal ratification of the benefit level a second time.

It is important to note that members separating from active service while the benefit level is temporarily decreased would receive service pensions or ancillary benefits based on the decreased benefit level, not the municipally-ratified level.

Changes to a relief association’s benefit level must be initiated by the relief association. An affiliated municipality or independent nonprofit firefighting corporation cannot initiate or unilaterally change a relief association’s benefit level. In the case of a temporary benefit decrease, the relief association can act unilaterally without consent from or ratification by the municipality or independent nonprofit firefighting corporation. However, if the relief association chooses to temporarily reduce its benefit level, it may wish to inform the municipality or corporation of the goals of and risks associated with the temporary benefit decrease.

Before approving any benefit level decrease a relief association should carefully consider the change and seek guidance from an attorney.