



**STATE OF MINNESOTA
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**Statement of Position
Supplemental Benefits of Firefighters**

Date Reviewed: 12/26/2025

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This Statement of Position is not legal advice and is subject to revision.

Fire relief associations that pay a lump-sum service pension must also pay a lump-sum supplemental benefit to the recipient of the pension.¹ The supplemental benefit is intended to help offset taxes that must be paid by the recipient on the service pension or benefit distribution.

Supplemental benefits are paid to those receiving lump-sum defined-benefit service pensions and lump-sum defined-contribution service pensions. Supplemental benefits are not paid to monthly service pension recipients.

Calculating the Supplemental Benefit

For service pensions and disability benefits, the amount of the supplemental benefit is equal to 10 percent of the lump-sum distribution, up to a maximum of \$1,000. For survivor benefits, the amount of the supplemental benefit is equal to 20 percent of the survivor benefit distribution, up to a maximum of \$2,000. The supplemental survivor benefit is payable to the surviving spouse, or, if none, to the surviving child or children of the deceased active or deferred firefighter. For active and deferred members who passed away on or after January 1, 2019, and who have no surviving spouse or surviving children, a supplemental survivor benefit is payable to the designated beneficiary, or if no beneficiary was designated, to the estate.²

Supplemental benefits should be calculated based on the pre-tax pension or benefit amount *excluding* any interest that may have been earned during a member's period of deferral. In addition, interest should not accrue on the supplemental benefit. Supplemental benefits are payable to members who are fully vested and to those members who are partially vested.

Supplemental benefits are payable to qualified recipients regardless of how they elect to receive their distribution. Members who elect to rollover their service pension or benefit into an Individual Retirement Account (IRA) would receive the supplemental benefit at the time of the rollover. Members who elect to receive their service pension or benefit distribution directly would receive the supplemental benefit with their distribution.

¹ See Minn. Stat. § 424A.10.

² Minn. Stat. § 424A.10, subd. 1(2).

State Reimbursement of Supplemental Benefit Payments

Relief associations are eligible to apply for reimbursement from the State of Minnesota for supplemental benefits paid to qualified recipients. Relief associations apply for reimbursement between mid-November and February 15 by completing an online application form on the [Department of Revenue's website](#).

Reimbursement payments are disbursed annually in March. The payment is distributed by the State of Minnesota and transmitted to the largest municipality affiliated with the relief association, usually through an electronic funds transfer. The municipal treasurer has 30 days to transfer the supplemental benefit reimbursement amount to the treasurer of the relief association. Reimbursement payments must be deposited into a relief association's special fund.