

Pension Division Newsletter

Inside this issue:

Excel 2003 and OpenOffice	2
Working Group Update	3
Fire Equipment Certification Form	4
New IRS Reinstatement Procedure	4
Pension Division Staff	4

Reporting Forms Available

The 2013 Reporting Forms for volunteer fire relief associations are available for download from the Office of the State Auditor (OSA) website. The 2014 Schedule Form and 2014 Maximum Benefit Worksheet are also now available for download. The reporting forms can be accessed at: <https://www.auditor.state.mn.us/safes/>.

Please be aware that many relief associations will have an earlier reporting deadline during 2014 because of a recent legislative change. During the 2013 legislative session, the threshold at which a relief association is required to have an audit was increased from \$200,000 to \$500,000.

Beginning with reporting forms due during 2014 that cover the 2013 calendar year, relief associations with assets and liabilities of less than \$500,000 must submit reporting forms, but need not obtain an audit. The financial Reporting Form must be certified by an independent public accountant or auditor. The reporting forms and accountant or auditor certification are due by March 31, 2014.

Relief associations with assets or liabilities of at least \$500,000 must submit an audit report and reporting forms. The audit report and reporting forms are due by June 30, 2014.

Detailed instructions for accessing the online reporting forms, along with helpful hints for completing them, can be viewed in a PDF document available on the OSA website at:

http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_infoandhelpfulhints.pdf.

The online reporting forms are accessed through the State Auditor Form Entry System (SAFES), which is the OSA's secure web application for downloading, submitting, and electronically signing forms. Relief associations can renew SAFES access for their accountants, auditors, and consultants by completing the 2014 SAFES User Authorization Form that is available for download at:

<http://www.auditor.state.mn.us/default.aspx?page=20130131.000>.



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 15:**

Fire Equipment Certification Form (FA-1 Form) is due to the Department of Revenue.

March 15:

Supplemental benefit reimbursements are paid by the State to the municipality, for transfer to the affiliated relief association, for qualified reimbursement requests received by the Department of Revenue on or before February 18.

March 31:

Reporting forms for relief associations with assets and liabilities of less than \$500,000 are due to the Office of the State Auditor.

March 31:

Investment Business Recipient Disclosure Form is due to the Legislative Commission on Pensions and Retirement

Excel 2003 and OpenOffice

As of April 8, 2014, Microsoft will no longer support the Windows XP operating system or any of the programs in its Office 2003 software suite, which includes Word 2003 and Excel 2003. Specifically, Microsoft will not offer bug or security fixes to users of these products from that date forward. The OSA strongly recommends that relief associations update to a supported version of Windows and Office prior to this date.

Because of the security issues that may occur due to the lack of technical support for Windows XP and Office 2003, SAFES will no longer accept documents saved in the default file format created by Office 2003, which includes Excel files with the extension ".xls," after April 8, 2014.

The 2013 Reporting Forms that are available for download in SAFES are in the Excel 2007 through 2013 default file format of ".xlsx." Reporting forms saved in this file format can be successfully uploaded through SAFES. Prior to April 8, 2014, ".xls" versions of the 2013 Reporting Forms will be available upon request and can be submitted through SAFES.

As an alternative to purchasing an updated version of Excel or the entire Office software suite, a relief association may choose to complete its reporting forms using Apache OpenOffice. OpenOffice is an open-source software suite that can be downloaded and used free of charge. Updates to the 2013 Reporting Forms have been made in an effort to ensure that they may be completed using OpenOffice.

If your relief association is interested in completing its reporting forms using OpenOffice, please contact the Pension Division at pension@osa.state.mn.us or at (651) 282-6110 to obtain copies of your reporting forms in a format that will work best with OpenOffice.

Information about OpenOffice and links to download the free program are available on the OpenOffice website at: <http://www.openoffice.org/>.

If you have questions or concerns regarding this technology change please contact Rose Hennessy Allen at Rose.Hennessy-Allen@osa.state.mn.us or at (651) 296-5985.

Working Group Update

Sample Bylaw Guides:

LUMP-SUM

City Fire Department

Town Fire Department

Joint-Powers Fire Department

Independent Corporation

DEFINED-CONTRIBUTION

City Fire Department

Town Fire Department

Joint-Powers Fire Department

Independent Corporation

The 2013-2014 Volunteer Fire Relief Association Working Group held its final meeting on February 19. The Group discussed the status of its legislative proposals. All of the proposals received unanimous consent by the Working Group members. Most of the proposed legislative changes are technical corrections or clarifications.

The changes include a clarification that the five-percent portfolio limit on investment in below-investment-grade bonds applies to both domestic and international bonds that fall into that category.

Another change included in the Working Group legislation simplifies the bylaw ratification process for relief associations affiliated with an independent nonprofit firefighting corporation. Under the proposal, the board of the independent nonprofit firefighting corporation may ratify relief association bylaw and benefit changes instead of each change having to be ratified by each contracting municipality. This ensures that the entity responsible for paying any required contribution to the relief association is ratifying benefit levels.

Under the legislation, defined contribution plans would be allowed to amend their bylaws to permit ancillary benefit payments to individuals who are not active or deferred.

The Working Group legislation also clarifies that supplemental benefit reimbursements are to be based on the pre-tax lump-sum distribution excluding any interest that may have been credited during a member's period of deferral.

The Group spent the majority of its February 19 meeting discussing relief association training needs and opportunities. The OSA, with support from the Working Group members, plans to offer some relief association training sessions later this year and next year.

Information about training opportunities and updates on the progress of the Working Group's legislative proposals will be provided in future Newsletters.

Working Group meeting materials are available at:

<http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>.

Fire Equipment Certification Form

Statements of Position:

The 2013 Fire Equipment Certification (FA-1) Form is due to the Minnesota Department of Revenue by March 15, 2014. Submission of the form is required for communities to be eligible for 2014 fire state aid. The form must be signed by the fire chief and by the appropriate municipal or fire department representative.

Retention of Records

Five percent of a community’s fire state aid is forfeited for each week or fraction of a week that the form is submitted past the March 15 due date. A copy of the FA-1 Form and instructions for completing the form are provided on the Minnesota Department of Revenue’s website, at:

Return to Service

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/fsa.aspx.

Investment Authority

New IRS Reinstatement Procedure

Records Management

The Internal Revenue Service (IRS) recently released a procedure for reinstating the tax-exempt status of organizations, including volunteer fire relief associations, that have had their tax-exempt status automatically revoked because the organization failed to file annual returns with the IRS for three consecutive years. The procedures include a streamlined process for an organization to obtain retroactive reinstatement of its tax-exempt status. An organization must apply for reinstatement of its tax-exempt status within a specific timeframe to be eligible for the streamlined process.

Required Municipal Contributions

Additional information about the new IRS procedure is provided on the IRS website at: http://www.irs.gov/irb/2014-3_IRB/ar08.html.

Pension Division Staff

If you have questions, please contact us:

Aaron Dahl, Pension Analyst
(651) 297-2765

Aaron.Dahl@osa.state.mn.us

Jim Jensen, Pension Analyst
(651) 284-3423

Jim.Jensen@osa.state.mn.us

Michael Johnson, Pension Analyst
(651) 282-5430

Michael.Johnson@osa.state.mn.us

Gail Richie, Office & Admin Assistant
(651) 282-6110

Gail.Richie@osa.state.mn.us

Rose Hennessy Allen, Pension Director
(651) 296-5985

Rose.Hennessy-Allen@osa.state.mn.us