



Pension Division Newsletter

August 2021

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Fire State Aid Deadline

The first certification deadline for 2021 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 2020 reporting information must be submitted to the Office of the State Auditor (OSA), our review of the information must be completed, and any issues identified by the OSA must be resolved by September 15.

Relief associations ineligible to receive 2021 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 2021 fire state aid amounts will be available in mid-September. Lists of the state aid amounts will be posted on the OSA and Department of Revenue websites when they are available.

State Auditor's Working Group

There is an open seat on the State Auditor's Volunteer Fire Relief Association Working Group for a defined contribution plan representative. Potential candidates must be a current trustee or member of a relief association with a defined contribution (split-the-pie) plan.

It is anticipated that the Working Group will hold five or six weekday meetings between October and December. The meetings will be held following whatever safety guidance exists at the time we start. Meetings will be live-streamed so those interested in viewing from around the State can do so, and participating by Zoom will be an option.

Anyone who has questions or would like to be considered for this open position should contact Rose Hennessy Allen at (651) 296-5985 or rose.hennessy-allen@osa.state.mn.us.

Please forward any topics that you would like the Working Group to consider to us using the above phone number or email address.

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Defined Contribution Plan Law Changes

What's Ahead:

September 15:

First certification deadline for 2021 fire state aid. To be certified as eligible, all 2020 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 2021 fire state aid.

November 30:

Final deadline for submitting 2020 reporting-year forms to avoid forfeiture of fire state aid.

The [2020 Pension and Retirement Bill](#) that was passed into law last year includes changes to investment return allocations for members of relief associations with a defined contribution plan. Inactive members and deferred members must now be credited with investment returns on the assets of the special fund. Note that these changes apply to defined contribution plans only; no changes were made to interest options for defined-benefit plan members.

Investment gains or losses for **inactive members** must be credited on a pro rata basis, in proportion to the share of the special fund assets to the credit of each individual inactive member account. This means that investment returns for inactive members must now be allocated in the same manner as investment returns are credited to active members. This law change affects allocations to inactive members beginning with the 2020 Defined Contribution Allocation Table.

Beginning January 1, 2021, **deferred members** of defined contribution plans must be credited with investment returns. *This new requirement applies to members who are currently deferred, and to future deferred members.* There are three options for crediting investment returns to defined-contribution plan deferred members. The options are:

1. Crediting the rate actually earned on a separate investment account;
2. Crediting the rate actually earned on a separate investment vehicle;
3. Crediting full investment gains and losses, allocated in the same manner as for active members.

If a relief association's bylaws do not define a method for crediting investment returns, deferred members will be credited with full investment gains and losses under option 3 above, beginning on January 1, 2021.

If a defined contribution plan does not currently provide investment returns to its deferred members and wishes to credit deferred members with the rate actually earned on a separate investment account or separate investment vehicle, the bylaws must be amended on or before January 1, 2022, to reflect the relief association's intent.

A relief association may choose to change the method used to provide investment returns to currently deferred members, by amending the bylaws on or before January 1, 2022. For example, if deferred members are receiving investment returns based on option 1 above, but the relief association would like all deferred members (both those who are currently deferred and those who will defer in the future) to receive investment returns based on option 3 above, the relief association may do so by amending the bylaws to reflect this intent on or before the January 1, 2022, deadline.

Statements of Position:

[Survivor Benefits](#)

SSAE No. 19 Reports for Accountants

In December 2019, the Auditing Standards Board of the AICPA issued Statement on Standards for Attestation Engagements (SSAE) 19, *Agreed-Upon Procedures Engagements*. SSAE No. 19 is effective for agreed-upon procedures reports dated on or after July 15, 2021.

The OSA has released an updated Agreed-Upon Procedures Guide and Sample Independent Accountant's Report for volunteer fire relief associations implementing SSAE No. 19. These documents and a sample client representation letter can be found on our [website](#).

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

Certificates of Good Standing

We have heard from a few relief associations that received invoices in the mail from a non-government agency seeking payment for a Certificate of Good Standing. If a relief association wishes to receive a Certificate of Good Standing, it can do so directly through the [Office of the Secretary of State's](#) website. The certificate is not something that relief associations are required to file with the OSA.

Relief associations can check to see if they are up-to-date with their annual renewal with the Secretary of State by searching [here](#).

[Maximum Benefit Levels](#)

Training Session Recordings

Last month, the OSA offered three trainings for relief associations via webinar. The training sessions covered topics for new relief association trustees, provided a legislative update, included tips for avoiding pitfalls, and provided answers to questions frequently asked by relief association officers. If you missed the trainings or would like to revisit portions, recordings of the webinars are now available on our [website](#) under the "Pension Division" sub-header.

Pension Division Staff

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