

Pension Division Newsletter

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SAFES FAQs

The State Auditor’s Form Entry System, or SAFES, is the secure web application that relief associations and other local government entities use to access, submit, and electronically-sign reporting forms filed with our office. Below are answers to some frequently asked questions about SAFES.

Q: I entered the name and contact information of our relief association’s new treasurer into SAFES. Why is the contact information not being displayed?

A: Information for new relief association contacts is not displayed in SAFES until it has been verified by our staff. Feel free to notify us if there are changes awaiting verification.

Q: Why is my phone number or e-mail address not displayed in SAFES? I know that you have the information on file in your records because I receive correspondence from your office.

A: Telephone numbers and e-mail addresses for the work location(s) at which you conduct city or relief association business are public, and we will display them in SAFES if we can confirm that they meet these criteria.

Q: I am a certified public accountant working with a relief association. Why do I not have access to the relief association’s reporting forms when I log into SAFES?

A: SAFES access for accountants, auditors, and other consultants who work with relief associations must be renewed annually. This security precaution is in place because relief association reporting forms accessed through SAFES contain not-public member data. Submit a completed 2016 User Authorization Form to renew SAFES access for the 2016 calendar year. The Form is available at: <http://www.auditor.state.mn.us/default.aspx?page=20130131.000>.

Q: How can I obtain a new SAFES password?

A: You can obtain a new password at: <https://www.auditor.state.mn.us/safes/PasswordRecovery.aspx>.



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What's Ahead:

March 31: (For this year, extended to April 30)

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

June 30:

Reporting forms for relief associations with assets or liabilities of at least \$500,000 are due to the Office of the State Auditor.

August 1:

The 2016 Schedule Form must be certified to the municipality or independent nonprofit firefighting corporation.

September 15:

First certification deadline for 2016 fire state aid. To be certified as eligible, all 2015 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

Financial and Investment Report

The State Auditor's Financial and Investment Report of Volunteer Fire Relief Associations for the year ended December 31, 2014 now is available. The report summarizes and evaluates the finances, basic benefit structure, and investment performance of Minnesota's volunteer fire relief associations. Annual benefit levels, municipal contribution amounts, fire state aid amounts, and rates of return for each relief association are included in the report.

To view the complete Report, which includes an Executive Summary, tables, and graphs, go to the Office of the State Auditor (OSA) website at:

<http://www.auditor.state.mn.us/default.aspx?page=20160330.001>.

Investment Performance Information

Minnesota law requires the OSA to annually provide information to volunteer fire relief associations on the investment performance of the Minnesota State Board of Investment and on the voluntary Statewide Plan administered by the Public Employees Retirement Association. Investment performance for the 2015 calendar year is provided in the 2016 Investment Performance Information document that can be found on the OSA website at:

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

Annual Business Renewal

Every relief association must register annually as a nonprofit corporation with the Minnesota Secretary of State's Office (SOS). If a relief association fails to register or to notify the SOS of corporate name or address changes, the SOS may reject the registration and dissolve the relief association's nonprofit corporation status.

A relief association can check its current registration status by going to the SOS website. Relief associations with a "renewal due date" displayed as "12/31/2016" must complete the registration before December 31, 2016, or face dissolution of the association's nonprofit corporation status. If the relief association has completed its registration for this calendar year, the renewal due date will be displayed as 12/31/2017.

The annual registration can be completed online at the SOS website at: <https://mblsportal.sos.state.mn.us/Business/Search>.

Service Pension Rollovers and Safe Harbor Notices

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](#)

Minnesota law allows transfers of single, lump sum benefit payments by relief associations in certain situations. First, the relief association must be a qualified pension plan under the IRS Code, and second, it must be a plan that provides a single payment service pension. If those two conditions are met, then, at the written request of the retiring member, the relief association can transfer the member’s lump sum pension to the member’s individual retirement account (IRA).

In addition, if the two conditions are met, then upon the death of an active member and at the written request of the surviving spouse, the spouse’s survivor benefit may be transferred to the spouse’s IRA.

Relief associations do not have authority to roll over service pensions or survivor benefits to 401(k) retirement plans.

In addition, relief associations are required under the Internal Revenue Code to provide a safe harbor notice to recipients of eligible rollover distributions. A safe harbor notice is a written explanation that describes the direct rollover rules, the mandatory income tax withholding rules for distributions not directly rolled over, the tax treatment of distributions not rolled over, and the circumstances when distributions may be subject to different restrictions and tax consequences after being rolled over.

For additional information regarding safe harbor notice requirements and sample safe harbor explanations, see Internal Revenue Notices 2009-68 at: http://www.irs.gov/irb/2009-39_IRB/ar14.html and 2014-74 at: <http://www.irs.gov/pub/irs-drop/n-14-74.pdf>.

Language is provided in the OSA’s Sample Bylaw Guides authorizing service pension rollovers to a retiring member’s IRA and survivor benefit rollovers to a surviving spouse’s IRA. Links to the Sample Bylaw Guides are provided to the left, or the Guides can be found on the OSA website in both MS Word and Adobe PDF formats at:

<http://www.auditor.state.mn.us/default.aspx?page=20120208.000>.

Broker Certification Form

Statements of Position:

[Required Municipal Contributions](#)

[Return to Service Members](#)

[Firefighter Service Credit Determinations](#)

[Maximum Benefit Levels](#)

Volunteer fire relief associations using the services of a broker must complete a uniform Broker Certification Form that is provided by the OSA. The Broker Certification Form must be completed before a relief association may enter into a business arrangement with a broker, and must be completed annually thereafter. A copy of each completed form should be submitted to the OSA with the relief association’s annual reporting forms.

If any portion of the relief association’s assets are held by a security broker or its agent, the security broker or its agent must acknowledge in writing annually that sufficient insurance has been obtained from the Securities Investor Protection Corporation (SIPC), supplemented by additional insurance, if necessary, to cover the full amount of the relief association’s assets held by the security broker or its agent.

The Broker Certification Form for volunteer fire relief associations is available on the Pension Forms page of the OSA website, under “Current Forms.” The Pension Forms page can be found at: <http://www.auditor.state.mn.us/default.aspx?page=20070105.001>.

Information about investment authority and investment policies for relief associations can be found in our Statement of Position on each topic, under the “Pensions” heading at: <http://www.auditor.state.mn.us/default.aspx?page=statements>.

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