

Pension Division Newsletter

Inside this issue:

Defined Contribution Allocation Reminders	2
Investment Performance Information	3
Management of Records	3
Pension Division Staff	3

State Auditor’s Working Group

A copy of the Volunteer Fire Relief Association Working Group’s 2020 bill has been posted to the [Office of the State Auditor \(OSA\)’s website](#).

A summary of the Working Group proposals was provided in the [January Pension Division Newsletter](#). We will continue to keep you updated on the progress of the Working Group bill as it makes its way through the legislative process.

Broker Certification Form

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.

Note that the State Board of Investment (SBI) is not considered a broker for purposes of this reporting requirement. A relief association that invests with the SBI is therefore not required to have the SBI complete a Broker Certification Form.

The Broker Certification Form for volunteer fire relief associations is available on the [Pension Forms](#) page of the OSA website, under “Current Forms.”



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) is due to the Department of Revenue.

March 31:

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

March 31:

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

Defined Contribution Allocation Reminders

Below are a few reminders that relief associations with a defined contribution plan should keep in mind as the year-end 2019 allocation tables are being prepared:

- To the extent possible, please be sure to provide exact fire department entry and separation dates for members on the allocation table, and correct member birth dates. Sometimes, relief associations report January 1 as the fire department entry date for members, even though the members started on various dates throughout the year. Even if a relief association's bylaws do not allow members to receive allocations for partial years of service, it is important to provide actual entry and separation dates to properly track a member's length of service for vesting purposes.
- Relief associations may only provide allocations to members who are active for partial years (rather than an entire calendar year) if the bylaws specifically allow for the monthly proration of service credit. If the bylaws authorize the monthly proration of service credit, members receive contribution and other allocations for each completed month of active service. If the bylaws do not authorize the monthly proration of service credit, members receive allocations only if they were active for the entire calendar year.
- Investment management fees should be deducted on a pro rata basis from the accounts of all members who shared in investment earnings or losses during the year.
- Defined contribution plans that do not currently credit deferred members with interest or additional investment income should monitor the progress of the State Auditor's Working Group legislation (see page one of this Newsletter). The legislation, if passed into law, would require these deferred members to be credited with interest or additional investment income and, would apply to currently deferred members.

Additional information about allocations and deductions for defined contribution plans is provided in a Statement of Position on this topic, available on the [OSA website](#).

Statements of Position:

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 (PERA).

[Combined Service Pensions](#)

Investment performance for the 2019 calendar year is provided in the 2020 Investment Performance Information document that can be found on the [OSA website](#).

[Firefighter Service Credit Determinations](#)

Management of Records

All government entities, including relief associations, create and possess records (electronic and paper). Records collected, created, received, maintained, or disseminated by a relief association regardless of their physical form are “government data.” As governmental entities that receive and manage public money, relief associations are subject to Minnesota Statutes, section 138.17, which states that records cannot be destroyed except at the direction of the state’s Records Disposition Panel.

[Return to Service](#)

[Interest Earnings for Deferred Members](#)

The OSA’s Statement of Position on management of records for relief associations includes a link to a general records retention schedule for volunteer fire relief associations, and information about how to use the schedule and notify the Minnesota Historical Society that the schedule has been adopted. Information about how to maintain different types of relief association records is also included. The Statement of Position can be accessed on the [OSA website](#).

Pension Division Staff

If you have questions, please contact us:

Michael Johnson, Pension Analyst

Molly Resch, Pension Analyst

Maia Dabney-Miller, Pension Analyst

(651) 282-5430

(651) 297-2765

(651) 284-3423

michael.johnson@osa.state.mn.us

molly.resch@osa.state.mn.us

maia.dabney-miller@osa.state.mn.us

Robin Paulsen, Administrative Specialist

Rose Hennessy Allen, Pension Director

(651) 296-6267

(651) 296-5985

robin.paulsen@osa.state.mn.us

rose.hennessy-allen@osa.state.mn.us