



Pension Division Newsletter

October 2020

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State Auditor's Working Group

The Volunteer Fire Relief Association Working Group convened by the Office of the State Auditor (OSA) met on October 6 and October 20. The agenda of these first two meetings included the Working Group's selection of topics to be discussed by the group this year. Selection of discussion topics indicates that the group has interest in talking about an issue—not that there is agreement on how to resolve the issue or even whether it needs resolution. When the Working Group proposes legislative change, it only does so when there is unanimous agreement on the change. Some of the items that the Working Group is discussing or plans to discuss this year include the following:

- The Working Group discussed at its October 20 meeting whether firefighters who are employed on a full-time basis by a municipality should be prohibited from separately working as a paid-on-call firefighter with the same fire department. Discussion on this topic will continue at the November 10 meeting.
- The Working Group also plans to discuss at its November 10 meeting whether relief associations should be required to invest pension assets through the Minnesota State Board of Investment, rather than with local investment brokers.
- Draft language approved by the Working Group that clarifies supplemental benefit eligibility for members who are paid more than one lump-sum distribution. The Working Group members also approved draft language that defines the term “municipal clerk” in the relief association statutes, and a change to permit forfeiture of a nonvested defined contribution plan member account if the former member passes away and no survivor or death benefit is payable.

Upcoming Working Group meetings are scheduled for November 10, November 17, and December 15. Meeting agendas and information are available on the Working Group page of the [OSA website](#).

Meetings are live-streamed on the OSA's [YouTube channel](#), and recordings are available on the channel following each meeting.

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What's Ahead:**November 1:**

Second certification deadline for 2020 fire state aid.

November 10:

Working Group meeting from 11:00 a.m. to 12:30 p.m. via Zoom.

November 15:

Fire state aid is paid for those relief associations certified as eligible on the second certification deadline.

November 17:

Working Group meeting from 11:00 a.m. to 12:30 p.m. via Zoom.

November 30:

Final deadline for submitting 2019 reporting-year forms to avoid forfeiture of fire state aid.

Keeping SAFES Login Information Secure

October is Cybersecurity Awareness Month, and we wanted to take this opportunity to share a reminder about the importance of keeping your SAFES login information secure.

SAFES is the State Auditor's Form Entry System, which is the secure web application used to access, submit, and electronically sign reporting forms. Because relief association reporting forms posted in SAFES contain member data classified as nonpublic under the Minnesota Government Data Practices Act, relief associations must take steps to protect this data. Here are steps all relief association trustees should take:

- Store your SAFES login information in a secure location. Never share it.
- When new officers are elected, the relief association should contact Pension Division staff to obtain a new SAFES account for the new officer.
- Make sure that the e-mail account used to receive the SAFES password and other account confirmations is only accessible by the individual associated with the account. Do not use shared relief association e-mail accounts.

In addition to these steps, relief associations should consider using a password manager, which is a secure tool for storing, organizing, and protecting passwords. There are many low and no-cost password managers available for download. A simple search for "password managers" will provide internet articles that provide reviews and recommendations. Be sure to conduct your own due diligence to choose a password manager best suited for your relief association's needs.

2021 User Authorization Form

Access to reporting forms for accountants, auditors, and other consultants who work with relief associations will expire at the end of the calendar year. Access occurs primarily through the State Auditor's Form Entry System (SAFES), but also extends to other offline relief association documents.

Relief associations will need to renew access for their accountants, auditors, and consultants by completing the 2021 User Authorization Form that is now available for download on the [OSA website](#).

SBI Investment Portfolio Limits

Statements of Position:

[Investment Authority](#)

[Investment Policies](#)

[Management of Records](#)

[Checking Accounts for Relief Associations and Fire Departments](#)

Relief associations have authority to transfer special fund assets to the State Board of Investment (SBI) for investment in the Minnesota Supplemental Investment Fund. The Minnesota Supplemental Investment Fund was established by the legislature to provide an investment vehicle for various public retirement plans, including volunteer fire relief associations. There currently are six accounts within the Fund that relief associations can choose for investment.

Investments in the Minnesota Supplemental Investment Fund must conform to the statutory limitations governing a relief association’s asset mix. For example, relief associations may invest up to 85 percent of their special fund portfolio in a combination of all corporate stock and “other investments.” This limit applies to all stock investments, including those through mutual funds, exchange traded funds, and the SBI Supplemental Investment Fund.

Additional information about relief association investment authority and portfolio limitations can be found in our [Statement of Position](#) on this topic. Information about the Supplemental Investment Fund can be found on the [SBI’s website](#).

Trustees of relief associations that invest in the Supplemental Investment Fund should make sure that transfer verifiers are on file with the SBI. A verifier is an officer of the relief association who the SBI will contact when processing a wire transfer request, to confirm the account number to which the money should be transferred. Having a designated individual who will be the contact person to confirm transfer requests is a good internal control and helps to protect the pension assets.

Pension Division Staff

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