



# Pension Division Newsletter

July 2020

## Inside this issue:

<i>Maximum Benefit Levels</i>	2
<i>Municipal Ratification of Benefit Levels</i>	3
<i>Pension Division Staff</i>	3

## Schedule Form Reminders

The 2020 Schedule Form for lump-sum volunteer fire relief associations must be certified by relief associations on or before August 1, 2020. The certification must be made to the entity responsible for satisfying the minimum required contribution to the relief association's special fund.

The 2020 Schedule Form is designed to help determine the relief association's projected assets and liabilities for 2020 and the minimum required contribution for 2021. The Schedule Form is available for download from the [State Auditor's Form Entry System \(SAFES\)](#).

For additional information about required contributions, see the Office of the State Auditor (OSA)'s Statement of Position on this topic by clicking [here](#).

Information about required contributions for relief association's that pay or offer monthly service pensions can be found [here](#).

## Protecting Private Member Data

As relief associations are holding remote meetings and conducting business using electronic means, trustees should be sure that private member data is being protected in accordance with Minnesota's Data Practices Act.

Some reporting forms that a relief association completes contain private member information. For example, the annual Schedule Form contains member birth dates, years of service, leaves of absence, and vesting information. A relief association, therefore, should not share or post a copy of the Schedule Form or other reporting forms containing private member data without first redacting (removing or covering up) all private data, unless sharing the information with an individual authorized to access the data.

The [Data Practices Office](#) within the Minnesota Department of Administration provides information about data practices and classifications on its website.

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](mailto:pension@osa.state.mn.us)

## Maximum Benefit Levels

### What’s Ahead:

Volunteer fire relief associations that offer or pay lump-sum, monthly, or monthly/lump-sum combination service pensions must annually calculate the average amount of available financing per active covered firefighter.

#### August 1:

The 2020 Schedule Form must be certified to the municipality or independent nonprofit firefighting corporation.

The OSA provides the Maximum Benefit Worksheet to help relief associations perform this calculation. The calculation determines the maximum lump-sum and monthly benefit levels the relief association is authorized to establish for the year. Relief associations are to perform the maximum benefit calculation on or before August 1 as part of the association’s annual certification of the financial requirements and minimum municipal obligation.

#### September 15:

First certification deadline for 2020 fire state aid. To be certified as eligible, all 2019 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

A relief association does not have the authority to set a benefit level higher than the maximum level, even if the benefit level is ratified by the affiliated municipality. It is very important for relief association trustees and municipal officials to monitor maximum benefit levels. Penalties for paying service pensions using a benefit level higher than the maximum level may include the disqualification from receiving fire state aid.

#### October 1:

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

There are some limited circumstances in which a relief association that discovers it is operating at a benefit level higher than the calculated maximum benefit level may continue to do so. A relief association may discover it is operating at a benefit level higher than the calculated maximum benefit level. A relief association may continue to operate at a benefit level higher than the allowable maximum benefit level if: 1) the benefit level was properly adopted; 2) the benefit level was at or below the allowable maximum benefit level when it was established; and 3) the decrease to the calculated maximum benefit level was due to either a decrease in fire state aid or an increase in the number of active members.

Relief associations that qualify to be “grandfathered in” at their current benefit level cannot increase their benefit level until the annual calculation shows that an increase is allowed.

The Maximum Benefit Worksheet is contained within the Schedule Form or FIRE Form and can be accessed in [SAFES](#).

For additional information about maximum benefit levels, see our Statement of Position on this topic by clicking [here](#).

## Municipal Ratification of Benefit Levels

**Statements of Position:**

Many relief associations review their finances in the summer, after completing their annual Schedule Form, and determine whether to seek a change to their benefit levels.

[Allocations and Deductions for Defined Contribution Plans](#)

As a reminder, a relief association initiates a change in benefit levels by amending its bylaws. A city council or town board can choose to approve or not approve a relief association’s proposed benefit change. Once the bylaws are ratified by the governing body, however, the benefit levels are guaranteed by the municipality.

[Paying a Lump-Sum Service Pension](#)

In approving benefit levels, the city council or town board assumes responsibility for ensuring the relief association special fund has sufficient assets to cover approved benefit levels.

[Survivor Benefits](#)

The OSA knows of no authority for a city council or town board to ratify a relief association benefit level while simultaneously limiting any future contributions to the relief association to amounts less than those required by Minnesota law. Minnesota law is clear that a municipality is required to make any contributions that become due to the relief association at the approved benefit level.

[Return to Service for Relief Association Members](#)

For more information regarding the process for changing relief association benefit levels, please see the OSA’s Statement of Position on this topic by clicking [here](#).

## Pension Division Staff

If you have questions, please contact us:

Michael Johnson, Pension Analyst

(651) 282-5430

[michael.johnson@osa.state.mn.us](mailto:michael.johnson@osa.state.mn.us)

Molly Resch, Pension Analyst

(651) 297-2765

[molly.resch@osa.state.mn.us](mailto:molly.resch@osa.state.mn.us)

Maia Dabney-Miller, Pension Analyst

(651) 284-3423

[maia.dabney-miller@osa.state.mn.us](mailto:maia.dabney-miller@osa.state.mn.us)

Robin Paulsen, Administrative Specialist

(651) 296-6267

[robin.paulsen@osa.state.mn.us](mailto:robin.paulsen@osa.state.mn.us)

Rose Hennessy Allen, Pension Director

(651) 296-5985

[rose.hennessy-allen@osa.state.mn.us](mailto:rose.hennessy-allen@osa.state.mn.us)