



May 2007

Pension Division Newsletter

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Broker Certification Requirement

This year, the Office of the State Auditor (OSA) is requiring all relief associations that use a broker to submit a copy of the signed certification form to be eligible for 2007 state fire aid.

If your relief association uses the services of a broker, state law requires that your association provide annually to the broker a written statement of investment restrictions applicable under state law or applicable under your plan's investment policy. The certification requirement is meant to protect relief association assets and the association's current and future retirees.

The OSA provides a form called the Broker Certification Form (BC-1) for relief associations to use to comply with this statutory requirement. The OSA has become aware of instances where relief association brokers haven't signed the certification form or have tried to use an alternative form that does not meet the statutory requirement.

The definition of a broker under state law includes broker-dealers, investment advisors, investment managers, and third party agents. Your broker must annually acknowledge receipt of the investment restrictions and must agree to handle your relief association's investments and assets in accord with the provided investment restrictions. Relief associations may not enter into or continue a business arrangement with a broker until the broker has provided this written acknowledgement.

Please forward a copy of the signed form (or forms, if your relief association works with more than one broker) to the Pension Division at 525 Park Street, Suite 500, Saint Paul, MN 55103 or (651) 282-5298 (fax). A copy of the BC-1 form is available in the Forms section of the State Auditor's website at www.auditor.state.mn.us.

Reporting Deadlines

Reporting forms for relief associations with assets and liabilities of less than \$200,000 were due March 31. There are 175 relief associations with the March 31 due date that have not yet submitted some or all of their 2006 reporting forms. The Pension Division will be sending a late notice via mail and email within the next few days notifying officers of relief associations that missed the March 31 deadline. Reporting forms for relief associations with assets or liabilities of at least \$200,000 are due June 30, 2007. Please contact Gail Richie with the Pension Division if you have questions regarding your relief association's reporting requirements.

If you have questions please contact us:

Paul Rosen, Pension Analyst
(651) 282-5430 Paul.Rosen@state.mn.us

Rose Hennessy Allen, Pension Director
(651) 296-5985 Rose.Hennessy-Allen@state.mn.us

Stephen McDaniel, Student Intern
(651) 282-2391 Stephen.McDaniel@state.mn.us

Gail Richie, Office Specialist
(651) 282-6110 Gail.Richie@state.mn.us