

Pension Division Newsletter

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Welcome From State Auditor Blaha

I'm Julie Blaha, your new State Auditor, and I am excited to say hello to all the recipients of our monthly Pension Division Newsletter. I am humbled that Minnesota has trusted me with this important job. We are here to provide public officials, including relief association trustees, the data and analysis they need to do the public's business. I want all of you to know where you stand – as a partner with me and the entire State Auditor's office. Thank you for the important work that all of you do. Let's go!

Work Group Updates

The fire state aid work group convened by the Public Employees Retirement Association (PERA) and other stakeholder groups completed its study of the allocation of fire state aid. Specifically, the work group considered whether changes to current law should be sought to allow municipalities that have "combination" fire departments to retain a portion of the fire state aid to pay employer contributions to PERA on behalf of their career firefighters. Currently, all fire state aid received by the municipality must be transferred to the volunteer fire relief association or to the statewide volunteer retirement plan administered by PERA.

The work group's recommendations are compiled in a report that was submitted to the Legislative Commission on Pensions and Retirement (LCPR) for consideration. A copy of the work group's report is available on the [LCPR website](#).

The work group convened by staff of the LCPR to review statutes governing relief association conversions and dissolutions is preparing a report outlining the group's recommendations. We will provide a link to the report when it is available, and will keep you updated through our Pension Division Newsletter of legislation resulting from either report's recommendations.



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2018 Reporting-Year Forms

What's Ahead:

February 15:

Final deadline for submitting 2018 Supplemental Benefit Reimbursement Forms to the Department of Revenue.

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 LCPR.

The Office of the State Auditor (OSA) is pleased to announce that the 2018 Financial and Investment Reporting Entry (FIRE-18) Form and 2019 Schedule (SC-19) Form for volunteer fire relief associations are now available for completion. Reporting forms are accessed through the [State Auditor's Form Entry System \(SAFES\)](#).

Relief associations with assets and liabilities of less than \$500,000 must submit 2018 reporting forms and an agreed-upon procedures report by March 31. The Agreed-Upon Procedures Guide and a Sample Independent Accountant's Report are available on the [OSA website](#).

Relief associations with assets or liabilities of at least \$500,000, or that have exceeded this threshold in a prior year, must submit 2018 reporting forms and an audit report by June 30. The [Legal Compliance Audit Guide for Relief Associations](#) prescribes the minimum procedures and audit scope for relief associations in Minnesota.

To submit the FIRE-18 and SC-19 forms, please upload the Excel files through SAFES. The audit report and agreed-upon procedures report should be submitted as PDF documents through SAFES.

Signatures are required on the FIRE-18 and the SC-19 forms. After the Excel forms are uploaded, PDF versions of the submitted forms are created and posted into SAFES. These PDF versions of the submitted forms contain the signature pages. The signature pages can be printed out and signed, or the forms can be signed electronically in SAFES.

To sign the forms electronically, a form signer clicks on the "Sign" button in SAFES. A 32-character unique ID is then displayed on the signature line of the form, which serves as the signer's electronic signature. Paper copies of the signature pages can be submitted to us by e-mail, fax, or mail.

An informational document is available on the Pension Forms page of the OSA website that provides detailed instructions for accessing, submitting, and electronically signing the forms. [Click here](#) to view the document.

New Fire Chief Certification Requirement

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](#)

On January 1, 2019, a new law went into effect that requires the fire chief to annually, by March 31, certify service credit information for each volunteer firefighter.

Fire departments are responsible for establishing the minimum service requirements to earn service credit, calculating the service credit for each firefighter, and determining whether each firefighter is in good standing. Administratively, relief association trustees need this information when determining eligibility for pension credit. The intent of the new law is to ensure relief association trustees have the information they need to correctly award service credit for pension purposes.

The certification must be provided by the fire chief to an officer of the relief association and to the municipal clerk or clerk-treasurer of the largest municipality in population served by the associated fire department. The relief association and municipality must keep the certification for the length of time required by each entity's record retention policy.

The fire chief must also provide to each active volunteer firefighter notification of the amount of service credit rendered by the firefighter for the previous calendar year. The service credit notification must be provided to the firefighter 60 days prior to its certification to the relief association and municipality, along with a description of the process and deadlines for the firefighter to challenge the fire chief's determination. This annual notification to each firefighter will help resolve service credit disputes in a timely manner, rather than when the firefighter requests the service pension distribution.

A copy of the certification is not required to be submitted to the OSA, and there is not a specific form or format that must be used to make the certification. The fire chief has flexibility to create a form that contains a firefighter service credit listing that meets the needs of the relief association and complies with this new statutory requirement.

Additional information about firefighter service credit determinations is provided in our Statement of Position on this topic that is posted on the [OSA website](#).

Statements of Position:

[Supplemental Benefits for Volunteer Firefighters](#)

[Management of Relief Association Records](#)

[Fundraisers and Donations for Fire Departments and Relief Associations](#)

[Joint Powers Fire Departments and Fire Districts](#)

Reminder to Submit Supplemental Benefit Reimbursement Forms

Relief associations seeking reimbursement of supplemental benefits paid during 2018 must submit the reimbursement form to the Minnesota Department of Revenue (DOR) by February 15, 2019, to receive reimbursement in March 2019.

Relief associations must use the online Supplemental Benefit Reimbursement form that is available on the DOR website. The online form requires relief associations to provide their Minnesota Tax ID number. If a relief association does not know its ID number, it can be obtained by calling the DOR at (651) 282-5225 during business hours. The reimbursement form and instructions are available on the [DOR website](#).

Fire Equipment Certification Form

The 2019 Fire Equipment Certification (FA-1) Form and the Certification of Service Areas Protected are due to the DOR by March 15, 2019. Submission of the forms is required for communities to be eligible for 2019 fire state aid. The FA-1 Form must be signed by the fire chief and by the municipal clerk or secretary of the independent nonprofit firefighting corporation, as applicable.

Five percent of a community’s fire state aid is forfeited for each week or fraction of a week that the forms are submitted past the March 15 due date. Additional information about this reporting requirement and a list of fire departments for which the forms have been received are provided on the [DOR’s website](#).

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