

Pension Division Newsletter

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Supplemental Benefit Reimbursements

A listing of the 2019 supplemental benefit reimbursement amounts, released by the Department of Revenue (DOR), is now available on the Office of the State Auditor (OSA) [website](#).

The supplemental benefit reimbursements were disbursed on or about March 15, 2019, for relief associations that submitted reimbursement application forms to the DOR by February 15, 2019.

If your relief association paid supplemental benefits during the preceding year but did not submit a reimbursement application form to the DOR by the February 15 deadline, your association may still be eligible to receive reimbursement in March 2020 if a reimbursement application is properly submitted to the DOR.

The form to file for reimbursement in March 2020 will be available on the DOR website in mid-November, and will be due to the DOR by February 15, 2020.

Relief Association Reporting Reminder

Relief associations with assets and liabilities of less than \$500,000, and that have not exceeded this statutory threshold in a prior year, 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](#).

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).

Investment performance for the 2018 calendar year is provided in the 2019 Investment Performance Information document that can be found on the [OSA website](#).



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What's Ahead:**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.

June 30:

Reporting forms for relief associations with assets or liabilities of at least \$500,000 are due to the OSA.

Legislative Update

There are a number of proposals being considered this legislative session that could impact volunteer firefighters and relief associations. A few of the relief association-related proposals are discussed below.

State Auditor's Working Group Bill

The State Auditor's Working Group drafted a bill that has been passed by the Legislative Commission on Pensions and Retirement (LCPR). The Working Group provisions will be included in the 2019 Omnibus Retirement Bill, which still needs to work its way through the legislative process.

The Working Group bill, if passed into law, would allow defined-benefit relief associations to offer full vesting to firefighters who complete ten years of active service. Currently, firefighters in defined-benefit relief associations must complete 20 years of active service to be fully vested. This change would be optional, so each relief association could decide locally whether to amend its bylaws to take advantage of the lower vesting requirement.

The bill would also require that service pensions for firefighters who have a break in service at the end of their firefighting career be calculated using the benefit level in effect when they began their break (i.e., the benefit level when the firefighter last was active) rather than the benefit level when the firefighter separated from active service.

The bill would make a change to the "return to service" provision in statute allowing relief associations to define a shorter vesting requirement for firefighters who resume active service after being paid a service pension. The intent is to help retain firefighters in the fire service.

Another change within the bill would expand eligibility for supplemental survivor benefits to include designated beneficiaries and estates. Currently, only surviving spouses and surviving children qualify for a supplemental survivor benefit.

The Working Group bill also makes technical corrections to the relief association statutes and clarifies wording within the vesting and deferred interest provisions. If you have questions regarding any of the Working Group's proposals, please contact the OSA's Pension Division at (651) 296-5985 or at pension@osa.state.mn.us.

Legislative Update—Continued

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](#)

Fire State Aid

A proposal was drafted that implements the recommendations of the Fire State Aid Work Group. The proposal would allow municipalities with combination fire departments to split fire state aid between the relief association and the full-time firefighters covered by the PERA Police and Fire Retirement Plan. The proposal would only allow for fire state aid to be split if there is an agreement between the relief association and the municipality.

The proposal was heard by the LCPR at a meeting this month, but no action was taken. It is unclear as of this Newsletter’s drafting date whether action will be taken on the proposal this year.

Supplemental State Aid

A bill has been introduced that would change how supplemental state aid is calculated. The supplemental state aid program was established during 2013 to provide additional funding for fire and police retirement plans. About \$5.5 million is allocated annually for relief associations and for volunteer firefighters covered by the voluntary Statewide Plan administered by PERA. Currently, the supplemental state aid amount that a relief association receives is equal to the proportionate share that each association receives of fire state aid. Fire state aid, in turn, is calculated based on the market value of real property in the fire service area and on the population of each fire service area.

The bill would change how supplemental state aid is calculated so that it instead would be allocated based on the number of firefighters who received service credit for the year. As of this Newsletter’s drafting date, the bill has not had any hearings in either the House or the Senate.

Next Steps

We will continue to keep you updated on the progress of these proposals. A listing of 2019 pension legislation is provided on the [LCPR website](#), with links to view the text of the various bills and their status.

How to Sign Forms in SAFES

Statements of Position:

Forms submitted through the State Auditor’s Form Entry System (SAFES) are usually available for viewing and signing immediately after they have been successfully uploaded. You will receive a confirmation ID for each form that uploads successfully.

Management of Records

Signatures are required on the reporting forms. The forms can be signed electronically in SAFES, or paper signature pages can be printed, signed, and submitted to the OSA. To sign forms electronically, begin by logging into [SAFES](#).

Considerations When Making Benefit Changes

If this is your first time logging into SAFES this year, you will be asked to verify your contact information. Review your contact information on the “Contact Information” tab. Make any necessary updates and then click the “Verify” button.

Maximum Benefit Levels

Next, select the “Forms” tab and choose the appropriate reporting year. You will see a list of your relief association’s required and submitted reporting forms for each reporting year, along with the status of each form.

Required Municipal Contributions

Forms that are available for signing electronically will have a blue “View Form” link next to the form name. Click on the blue link to view the form. If the information in the form is accurate, sign the form by clicking the “Sign” button. After you click the button, a 32-character unique identifier is displayed on the form, which represents your electronic signature.

If you have questions regarding any of the information on the form, contact the individual who submitted it for clarification.

Pension Division Staff

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