

OFFICE OF THE STATE AUDITOR

2016 Financial and Investment Reporting Entry Instructions (FIRE-16)

These instructions are intended for use in completing the 2016 Financial and Investment Reporting Entry form (FIRE-16) that is required to be submitted by each volunteer fire relief association. The FIRE-16 must be submitted by March 31, 2017, to the Office of the State Auditor (OSA) if plan assets and liabilities are less than \$500,000, or by June 30, 2017 if plan assets or liabilities are at least \$500,000 or have exceeded this threshold in a previous year. All data must be reported as of December 31, 2016.

Please carefully read and complete each section. If you have questions, please contact the Pension Division at 651-282-6110 or at pension@osa.state.mn.us.

After you have completed the FIRE-16, please upload the form using the State Auditor's Form Entry System (SAFES) at <https://www.osa.state.mn.us/safes/login.aspx> and retain a copy for your records. SAFES is the OSA's secure web application for accessing, submitting, and electronically signing reporting forms. If you do not have a SAFES username or password, please contact the Pension Division using the phone number or e-mail address listed above.

Important Notes

- Submit the FIRE-16 by uploading it through SAFES.
- Signatures are required on the form. **The signature pages are provided in the PDF version of the form that is created after the form is uploaded.**
- The PDF version of the form should be available in SAFES within a few minutes after the form's submission.
- The form can be signed electronically in SAFES or paper signature pages can be submitted. **The form submission is not complete until all required signatures are provided.**
- The FIRE-16 combines the separate RF, SID, DC, MBP, and MBW forms that relief associations were previously required to complete. Defined benefit lump-sum plans must continue to complete the separate SC form that is available in SAFES.
- In addition to the FIRE-16, each relief association must submit an agreed-upon procedures engagement report or audit report, depending on the association's level of assets and liabilities.

Materials Needed

Before you begin completing the FIRE-16, you will need to gather the following:

- An up-to-date copy of the relief association bylaws as of December 31, 2016;
- A roster of the relief association members as of December 31, 2016, including birth dates and entry dates for each member;
- Benefit information for any members paid during 2016;
- Bank statements for the Special Fund and General Fund;
- Investment statements, including ticker symbols for any mutual funds or exchange-traded funds, for the Special Fund and General Fund;
- A copy of the 2015 Financial and Investment Reporting Entry (FIRE-15) form;
- A copy of the 2015 audit report, if applicable;
- A copy of the most recent actuarial valuation (*defined benefit monthly and monthly/lump-sum combination plans, only*);
- A copy of the 2015 Defined Contribution Allocation Table (DC-15), if an alternative form was completed instead of the DC tab of the FIRE-15 (*defined contribution plans, only*).

After you have gathered the necessary materials, you can proceed to the next section of these instructions.

Home Tab

When you first open the FIRE-16 form you will find yourself on the Home Tab. No data entry is required on this tab. The purpose of this tab is to share important information about the form from one convenient location. The tab includes a link to view these instructions, which are provided as a separate PDF document. The Home Tab also displays the form due-date and version number. Occasionally, multiple versions of a form may be released to make improvements or to correct errors. If you contact us with questions, knowing which version of the form you are working on will be important.

The Home Tab also provides a total count of any red error messages contained within the form. Red error messages indicate that data must be entered or corrected before the form can be submitted. As you complete each tab within the FIRE-16 form, you should review the error count on the Home Tab to make sure that no red error messages remain.

Plan Information Tab

The purpose of the Plan Information Tab is to provide the OSA with information about the composition, benefits, plan type, and bond of the relief association.

Fire Department Affiliation & Member Counts

Materials Needed: A roster of the relief association members as of December 31, 2016, including birth dates and entry dates for each member.

1. Please review whether the relief association is affiliated with a municipality that has a fire department or with an independent nonprofit firefighting corporation that contracts with municipalities. The form is populated with the fire department affiliation that we have in our records. Please contact us if the affiliation is incorrect so that we can update our records. If you are uncertain of the affiliation, the fire department policies and/or articles of incorporation should identify the type.

2. Enter the number of active, deferred, and other inactive members. When entering membership numbers, remember that the numbers are for the relief association only (not the fire department) as of December 31, 2016. Note that these numbers may differ from those numbers reported on the SC-16.

3. Enter the number of distributions paid to any members or their beneficiaries during the year 2016. These numbers should correspond to the number of members listed on the Pension Payments tab of this form. Please note that only monthly and monthly/lump-sum combination plans should complete the monthly benefit recipient row. The number of monthly benefit recipients entered should correspond to the number of members listed on the MBP tab of this form.

Plan Type & Benefit Information

Materials Needed: An up-to-date copy of the relief association bylaws as of December 31, 2016.

1. The relief association's plan type is populated into the form. If the plan type has changed, please notify the OSA.

2. If the relief association is a defined-benefit *lump-sum* plan type, enter the benefit amount payable for each year of service on the right. If the relief association is a *monthly* plan type, enter the date of the most recent actuarial valuation and the benefit per month per year of service on the right. If the relief association is a defined-benefit *monthly/lump-sum combination* plan type, you should complete all three rows. If the relief association is a *defined-contribution* plan type, you must complete the DC tab within this form or submit your own defined contribution allocation table.

Vesting & Ancillary Benefits

Materials Needed: An up-to-date copy of the relief association bylaws as of December 31, 2016.

The information you enter must be stated in the most recent version of the relief association's bylaws as of December 31, 2016. If the information provided in the relief association's bylaws is no longer current, a copy of the bylaws incorporating the new amendment(s) and applicable approvals must be submitted to the OSA.

1. Enter the years of active service in the fire department and in the relief association required for full vesting. State statute requires a relief association member of a lump-sum, monthly, or monthly/lump-sum combination plan to have at least 20 years of active service with the fire department and a minimum of 5 years with the relief association to fully vest. A member of a defined-contribution plan is eligible to fully vest after 10 years of active service with the fire department and a minimum of 5 years with the relief association if provided for in the bylaws and approved by the municipality.

2. Indicate whether the bylaws allow for partial vesting by clicking the arrow below the question and selecting either "Yes" or "No." Enter the minimum years to vest and the minimum age required to receive benefits. State statute requires a relief association member to be at least 50 years old to receive a service pension, and have at least 5 years of active service in the fire department and at least 5 years of active membership in the relief association to vest.

3. Complete the section related to other benefits only if the relief association offers them. Enter the amount of "Short-term Disability" benefits offered and whether they are paid per day, week, month, or other. Enter the amount of "Long-term Disability" benefits offered and whether they are paid per month, year of service, balance of account, or other. Finally, enter the amount of the "Survivor Benefit" offered and whether it is paid per month, year of service, balance of account, or other.

Bonding, Bylaws & Resolutions

1. State law requires treasurers to be bonded for a minimum of 10 percent of the relief association assets, although the amount of the bond need not exceed \$500,000. Please indicate whether the relief association's treasurer was bonded for at least 10 percent of the Special Fund assets (as of December 31, 2016) by clicking the arrow and selecting either "Yes" or "No." If "Yes," enter the amount of the treasurer's bond. If "No," enter the original amount of the treasurer's bond, the increased bond amount, and the date the bond was increased.

2. Indicate whether the secretary was bonded, and if so, the amount of the bond. The secretary of the relief association is not required to be bonded.

3. Indicate whether the relief association amended its bylaws for 2016. If so, a copy of the new bylaws incorporating the amendment(s) and the applicable approval(s) must be sent to the OSA.

4. Indicate whether the relief association modified its benefits for 2016. If so, a copy of the municipal or independent nonprofit board resolution approving the change, with a copy of the relief association's amended bylaws and minutes, must be provided.

Investment Forms & Information

1. Click the arrow and select "Yes" or "No" to indicate whether the relief association has collected and retained a signed Broker Certification Form from each investment broker. If you do not use the services of an investment broker, select "N/A."

2. Click the arrow and select "Yes" or "No" to indicate whether the relief association has collected and retained Statement of Economic Interest forms from the board members. These forms are to be completed annually.

3. Click the arrow and select "Yes" or "No" to indicate whether the relief association has collected and retained the Investment Business Recipient Disclosure Form. This form is to be completed annually.

4. Click the arrow and select "Yes" or "No" to indicate whether the relief association has collected and retained required market value information.

5. Click the arrow and select "Yes" or "No" to indicate whether the relief association has collected and retained required injection and withdrawal information.

6. Click the arrow and select "Yes" or "No" to indicate whether the relief association amended its investment policy statement in 2016. If the policy has been amended, an updated copy must be submitted to the OSA.

Investments Tab

Materials Needed: Bank and investment statements for the Special Fund and General Fund, including ticker symbols for any mutual funds or exchange-traded funds.

The purpose of the Investments Tab is to report the year-end market value for each asset class for both the Special Fund and General Fund and any accrued interest for the Special Fund. Please list the market value of the investment on December 31, 2016. The market value does not include accrued interest. Accrued interest for Special Fund investments should be reported in the Special Fund Accrued Interest column. If the market value is not available, you may report the original cost. Note that all amounts should be *rounded to the nearest dollar*.

1. Looking at the relief association's year-end statements, enter the value in each asset row for both the Special Fund and General Fund.

2. Enter the value of any interest that was accrued at year-end for Special Fund investments in the applicable asset row. General Fund accrued interest does not need to be reported on this tab.

3. For State Board of Investment (SBI) accounts, enter the market value in the row that corresponds to the specific SBI account.
4. If you have “Other” investments that were not included in any asset class, the SBI section, and are not mutual funds or exchange-traded funds, please enter a description of the investment in the “Description” column and enter the market value in the corresponding row.

Mutual Funds Tab

Materials Needed: Bank and investment statements for the Special Fund and General Fund, including ticker symbols for any mutual funds or exchange-traded funds.

The purpose of the Mutual Funds Tab is to report the year-end market value for each mutual fund and exchange-traded fund for both the Special Fund and General Fund and any interest accrued on the Special Fund investments.

1. If you have mutual fund or exchange-traded fund investments in either the Special Fund or the General Fund, enter the ticker symbol (e.g., SNOWX), the precise fund or account name (e.g., Snowshoe Small Cap Fund), fund class (e.g. class A, B, or C), and dollar amount (e.g., \$30,126) as of December 31, 2016. Note that the fund family name (e.g., “Snowshoe”) is not sufficient. If the ticker symbol that you enter is for a mutual fund or exchange-traded fund that is contained in the form’s fund list, the corresponding account name will be automatically displayed. You can type over the account name to make any necessary changes.
2. If any of the Special Fund mutual funds or exchange-traded funds had interest that was accrued at year-end, enter the accrued interest amount in the Special Fund Accrued Interest column.
3. If the mutual fund is a money market mutual fund, click on the cell for that mutual fund in the “Money Market Mutual Fund?” column and choose “Yes.” This information is used to help determine if the relief association meets the requirements to be considered “fully invested” with the SBI and can submit less detailed investment information.

Financial Information Tab

Materials Needed: A copy of the FIRE-15 Form, bank and investment statements for the Special Fund and General Fund, and benefit information for any members paid in 2016.

The purpose of the Financial Information Tab is to report the revenues and expenditures the relief association received or incurred in 2016 for both the Special Fund and General Fund. All revenue and expenditure figures must be as of December 31, 2016.

Revenues – 2016

1. Find the total net assets on December 31, 2015, on the FIRE-15 and enter this number in the first row on the Financial Information Tab of the FIRE-16 titled “Total Net Assets as of December 31, 2015.” The ending 2015 balance should equal the beginning 2016 balance. Confirm that this amount matches the asset value from the relevant bank and investment statements.
2. Enter the combined total of fire state aid and supplemental state aid that the relief association received or should have received in 2016 in the “Fire State Aid” row, excluding supplemental benefit reimbursements. If the fire state aid and supplemental state aid were not received in 2016, enter the amount the relief association should have received in this row and also list it as an accounts receivable in Section F below.
3. Enter the amount of supplemental benefit reimbursements for 2016 in the “State 10% Supplemental Reimbursement” row. This is separate from fire state aid and represents a reimbursement to the relief association for qualified supplemental benefit payments made to members.
4. Enter the amount received from the municipality in the Special Fund “Municipal/Independent Fire Department Contributions” row. If the relief association is affiliated with an independent nonprofit firefighting corporation, enter the corporation’s contribution. *Money received from municipalities must be credited to the Special Fund.*
5. Enter the amounts of any contributions and/or dues provided by relief association members in the “Member Contributions/Dues” row. Review the relief association’s bylaws to ensure that the money was deposited into the correct fund.
6. Enter all interest and dividends received in 2016 from investments in the “Interest & Dividends” row. Include interest that was earned in 2015 but not credited to the account until 2016. Any accrued interest will be reported on the Investments Tab.
7. In the “Appreciation/(Depreciation) in Fair Market Value” row, enter the appreciation or depreciation (marked by parentheses) of the relief association’s investments. Include realized gains and losses on investments that were bought and sold during the year, netted against unrealized gains and losses.
8. Enter any periodic money manager fees, brokerage or investment advisor fees, front-end loads, deferred sales charges, and other investment management fees in the “LESS: Investment Management Fees” row. (Enter the fees as a positive amount; the form will subtract them.)
9. Enter any fundraising revenues. Do not net expenses from the revenues. Revenues received from fundraising events (other than lawful gambling events) can be deposited into either the Special Fund or the General Fund, but fundraising expenses can only be paid from the General Fund.

10. To enter outside donations and other income click on the blue “click here” link. You will be brought to the Other Items Tab. Choose the revenue type (outside donation or other income), enter a detailed description of donor names and sources for other income, and enter the amount. The amounts should be entered in the row that corresponds with the description that has been entered.

Benefit Expenditures - 2016

1. Enter the total amount of service pensions paid to defined-benefit lump-sum or defined contribution retirees in the first row. Enter the total amount paid to members receiving monthly benefits in the second row. Complete the rest of the service pension, disability, and survivor benefit rows accordingly.

Administrative Expenditures - 2016

1. Enter administrative expenditures for 2016 by the categories given. Note that an Investment Performance Evaluation includes expenses for the performance evaluation of investment results (i.e., rate of return calculations, comparison of investment results to benchmarks, etc.).

2. If you cannot find a category for an administrative expense, report it as an other expenditure. Click on the blue “click here” link. You will be brought to the Other Items Tab. Chose other expenditure, enter a detailed description of the expenditure, and enter the amount. Filing and application fees payable by the relief association to federal or other governmental entities, such as Internal Revenue Service or Minnesota Secretary of State filing fees, should be reported as other expenditures. Penalties and fines cannot be paid from a relief association’s Special Fund.

Lines C, D, and E

1. Line C, “Total Expenditures,” is automatically calculated by adding the “Total Benefit Expenditures” and “Total Administrative Expenditures” lines.

2. Enter any transfers made during 2016 in line D, “Transfers.” Note that transfers can only be made from the General Fund to the Special Fund. The entry in the General Fund should be a negative number.

3. Line E, “Total Net Assets,” is automatically calculated by adding lines A and B, subtracting line C, and adding or subtracting line D. Please return to the Plan Information Tab to make sure the treasurer is bonded for at least 10 percent of the total net assets before proceeding to the next section.

F. Selected Assets and Liabilities

1. Enter any outstanding amounts owed to the relief association at year-end, such as fire state aid, supplemental state aid, or supplemental benefit reimbursements, but not received until after December 31, 2016, in the “Accounts Receivable” row. Note that all 2016 accounts receivable

must be listed in the revenues section above. All accounts receivable on the FIRE-15 that were not received in 2016 must also be included in the "Accounts Receivable" row.

2. Enter any Other Assets, such as prepaid expenses, net fixed assets, or inventory in the "Other Assets" row.

3. Enter any outstanding amounts owed to vendors for services or goods provided, or any outstanding benefit amounts payable at year-end, in the "Accounts Payable or Other Liabilities" row. Note that all 2016 accounts payable must be listed in the expenditures section above. All accounts payable on the FIRE-15 that were not paid in 2016 should also be included in the "Accounts Payable or Other Liabilities" row.

4. For lump-sum plans, the 2016 accrued liability is based on the SC-16 information. The number may be adjusted for any benefit payments that were made after the SC-16 was completed. For defined contribution plans, the 2016 accrued liability should be equal to the 2016 "Total Net Assets." For monthly and monthly/lump-sum combination plans, the 2016 accrued liability is based on the actuarial valuation.

5. After you have completed this section, check to verify that the year-end investment and net asset figures tie with one another. To check, take "Total Investments at 12/31/16" from the Investments Tab and the total of all accrued interest from the Investments Tab, add any accounts receivable and other assets, and subtract any accounts payable. This number must equal the "Total Net Assets at December 31, 2016" above. If it does not, the form has been completed incorrectly. Investigate the discrepancy before continuing.

Other Items Tab

Materials Needed: Bank and investment statements for the Special Fund and General Fund.

The purpose of the Other Items Tab is to report all outside donations, other income, and other expenditures received or paid in 2016 for both the Special Fund and General Fund.

1. Click on the arrow and select the receipt of disbursement type.

2. Enter a detailed description of the transaction and enter the amount into the Special Fund or General Fund column, as applicable.

Pension Payments Tab

Materials Needed: Benefit information for any members paid in 2016.

The purpose of the Pension Payments Tab is to report any benefit payments made in 2016. Only relief associations that have defined-benefit lump-sum or monthly/lump-sum combination and defined contribution plans must complete this section. Monthly and monthly/lump-sum

combination plans should complete the MBP Tab for recipients of *monthly benefits*. Please carefully review the relief association's bylaws for information on service requirements and vesting percentages.

1. Enter the name of the member who received the service pension or benefit payment. If a survivor benefit was paid, enter the relief association member name and not the name of the benefit recipient.
2. Click on the arrow to select the benefit payment type.
3. Enter the amount of the regular service pension or benefit amount. This is the payment amount before any deferred interest or supplemental benefit is added.
4. Enter the amount of any deferred interest paid. Deferred members are eligible to receive interest during their period of deferral if the bylaws in effect when they separated from active service permitted the payment of interest. If interest is payable, it must be calculated as defined in the bylaws that were effective when the member separated.
5. Enter the supplemental benefit amount that was paid. For service pensions and disability benefits, the supplemental benefit is equal to 10 percent of the lump-sum distribution, but not to exceed \$1,000. Upon the payment of a lump-sum survivor benefit to a survivor of a deceased active or deferred volunteer firefighter, the supplemental benefit is 20 percent of the survivor benefit amount, but not to exceed \$2,000. The supplemental survivor benefit is payable to the surviving spouse, or, if none, to the surviving child and children. If there are no surviving spouse and children, no supplemental benefit can be paid with the survivor benefit.
6. Enter the member's date of birth, fire department entry date, and fire department separation date.
7. Enter the amount of all leaves of absence and breaks in service, measured in months. For example, if the member had breaks in service that totaled two years, enter 24 months.
8. Enter the completed years of service on which the service pension or benefit was calculated. Enter the completed months of service if the relief association bylaws that were effective when the member separated allowed for the monthly proration of service credit.
9. Enter the vesting percentage amount used to calculate the service pension or benefit. The vesting percentage must be based on the completed years of active service.
10. Enter the yearly benefit amount. This is the per-year-of-service benefit level that was in effect when the member separated. For defined contribution plans, leave this column blank.
11. If a deferred service pension was paid, click on the arrow to choose the type of interest that was paid and the period over which it was calculated. The deferred interest type and period should be defined in the bylaws that were in effect when the member separated.

12. Click on the arrow to indicate whether the member was a “return to service” member. Choose “Yes” if the member had a resumption of active service after a break in service or a leave of absence and the member’s service pension or benefit was calculated according to a “return to service” bylaw provision.

13. Use the calculation notes section to provide us with any notes or comments that you think are helpful for us to know regarding the payment. For example, if the member elected to take the distribution in installments and only a portion was paid in 2016, please let us know. Please also note any calculation errors that were identified after the payment was made and how the error was resolved.

14. If an exclamation mark is displayed to the left of the member’s name, scroll right to view the error or informational message.

Cash Flows Tab

Materials Needed: Bank and investment statements for each quarter, and a copy of the FIRE-15.

The purpose of the Cash Flows Tab is to provide the OSA with Special Fund cash flow and investment management fee data. The OSA uses this information to calculate a rate of return for the relief association, so please ensure the information provided is accurate. If the relief association is considered to be “fully invested” with the SBI, market value and cash flow information is not required to be provided. The first section of this tab determines whether the relief association meets the statutory requirements to be considered “fully invested” with the SBI. Only Special Fund information is to be reported on this tab.

1. The market value as of December 31, 2016, for assets invested through the SBI will be populated from the information entered on the Investments Tab.
2. The market value of all cash equivalent investments other than those at the SBI as of December 31, 2016 will be populated from the information entered on the Investment and Mutual Funds Tabs.
3. Enter the expected administrative expenses and benefit payment expenses for the first six months of 2017. These values do not need to be exact as they are estimates for current and/or future expenses. The form will automatically calculate the “Total expected expenses for first six months of 2017.”
4. If your relief association is determined to be “fully invested” with the SBI, the question “Are Market Values and Cash Flows required to be completed?” will be marked “No.” This question is automatically answered based upon the asset value and expense amounts you have entered. If the question is marked “No,” your relief association is not required to complete the market value and cash flow sections on this tab; they will be grayed out. If the question is marked “Yes,” your relief association is required to complete the market value and cash flow sections and should proceed to the next step.

5. Enter the total fund “Beginning Value” for the first quarter of 2016. The total fund includes all investments (e.g., mutual funds) and accounts (e.g., checking account) for the Special Fund. Verify that the “Beginning Value” on January 1, 2016, equals the “Ending Value” on December 31, 2015, from the FIRE-15. If it does not, please investigate the discrepancy before continuing to complete this section.

6. Enter the total fund “Ending Value” for each quarter of 2016. Please remember to add accrued income earned on investments, such as certificates of deposit, to the ending market values. Accrued income occurs when an account earns interest or dividends on the assets in the account during that period, but the income is not credited to the account until the next period. Some investment statements include accrued income, but since many do not, please contact an investment advisor or the relief association's bank for instructions on calculating accrued income, if necessary. The “Ending Value” on December 31, 2016, is automatically calculated based on the information reported on the Investments Tab of the FIRE-16 form.

7. Scroll down to the “Cash Flows” portion of this section. Click the arrow and select the type of cash flow. If "Other" is selected, please type the description in the space provided. Type the date (mm/dd/yyyy) and the amount rounded to the nearest dollar for each cash flow. Please do this for all money received or disbursed by the Special Fund, *excluding* investment gains, interest, or dividends. Use the dates the transactions cleared the institution where the money was deposited.

The following are examples of cash flows in:

- State Aid
- Municipal Contributions
- Donations
- Transfers In
- Supplemental Benefit Reimbursements

The following are examples of cash flows out:

- Retirement Benefits
- Other Benefits
- Administrative Expenditures

Use the cash flow type “Investment Fees” to report all periodic money manager fees, brokerage or investment advisor fees, front-end loads, deferred sales charges, and other investment management fees that the relief association incurred. The following should *not* be reported as an investment fee cash flow:

- Money management fees that were netted from market values or investment earnings within an account;
- Commissions and other charges associated with investment transactions because they have already been deducted from the total cost of purchases and the net proceeds from sales; and

- Administrative fees such as those charged for audits or analysis of investment return. Instead, these fees should be reported as administrative expenditures.

DC Tab

Materials Needed: An up-to-date copy of the relief association bylaws, roster of the relief association members, benefit information for any members paid during 2016, and a copy of the FIRE-15.

The DC Tab is the 2016 Defined Contribution Allocation Table and is only viewable to relief associations that are defined contribution plans. The purpose of the tab is to allocate income and expenses and determine each member's individual account balance as of December 31, 2016. A relief association may choose to provide the defined contribution allocation information to the OSA using an alternative format. Please indicate that an alternative form is being submitted by choosing "Yes" from the drop-down list at the top of the DC Tab to remove error messages on the tab that would otherwise prevent the FIRE-16 form from being uploaded through SAFES. Please also contact the OSA to obtain instructions for submitting the alternative form.

Note: Much of the member data is populated on the DC Tab. Please review populated data to ensure accuracy. Make corrections or updates as needed.

1. Enter the name, birth date, and entry date for each member.
2. Enter the member status of each member by clicking on the box below "Status" that says "Choose." Select the status from the drop-down list. If a member was active and became deferred during 2016, change the member's status to Deferred and enter the member's separation date. If a member was paid during 2016, change the member's status to Paid and enter the member's separation date. Members with a status of Paid will not be shown on the DC Tab when the FIRE-17 form is populated. If a member separated before becoming vested, enter a status for the member of Separated/Not Vested and enter the member's separation date. Members with a status of Separated/Not Vested will need to be reported on the DC form for a minimum of five years before their account balance can be forfeited. When the member's account balance is forfeited, change the member's status to Forfeit.
3. If a member has had one or more leaves of absence or breaks in service, please review your bylaws to determine the appropriate service credit. Enter the cumulative length in months of the leave or break in the "Leaves of Absence and Breaks in Service" box. If there is no leave of absence or break in service, enter 0 or leave the cell blank.
4. Enter the member's Beginning Balance as of 12/31/2015. If the beginning balance was populated, please confirm the member's balance to ensure accuracy.
5. Enter the member's allocation of the Net Investment Income. Investment income should be allocated *in proportion to account balances* (pro rata) for all active members. Allocations may

not be made based on years of service. Investment income includes interest and dividend earnings from investments, gains and losses from sales of investments, and any unrealized increase or decrease in market value from the previous year. Deferred and inactive members may also be entitled to a portion of the Net Investment Income, as provided by and defined in the relief association bylaws.

6. Enter the member's allocation of the Contributions and Forfeitures/Forfeiture Income. Defined contribution plans must allocate income according to Minn. Stat. § 424A.016, subd. 4. Allocations must be applied in *equal shares* to each *active* member from the following amounts:

a. *Fire state aid and supplemental state aid received, or receivable*, by the relief association,

b. *Municipal contributions*,

c. *Forfeitures*, which are amounts equal to the share of the assets of the Special Fund to the credit of: **(1)** any former member who terminated active service with the fire department to which the relief association is associated prior to meeting the minimum service requirement provided for in Minn. Stat. § 424A.016, subd. 1, and has not returned to active service with the fire department for a period no shorter than five years; or **(2)** any retired member who retired prior to obtaining a full non-forfeitable interest in the amounts credited to the individual member account pursuant to Minn. Stat. § 424A.016, subd. 2, and any applicable provision of the bylaws of the relief association,

d. *Other revenues* such as fund raisers, donations, and transfers.

Note: Upon retirement, members receive a supplemental benefit payment from the State of Minnesota (ten percent, up to a maximum of \$1,000). This is an additional lump-sum disbursement refunded by the Minnesota Department of Revenue and should *not* be shown on the allocation table as deducted from account balances in the Special Fund, or as a deposit upon refund. A relief association should include the money as an accounts receivable in its financial records, and on the Financial Information and Cash Flows tabs, in the year the payment is made. The relief association should list the Supplemental Benefit payment and accounts receivable refund separately. If correctly recorded, the transaction results in no net change and should have no effect on member account balances.

7. If a member is paid during 2016, enter the amount of the payment, excluding the supplemental benefit. The member's Ending Balance should equal \$0 unless the member elected to receive the benefit in installments.

8. Enter the member's allocation of the Administrative Expenses. The allocation may be deducted in equal shares from account balances, or pro rata, as defined in the relief association bylaws.

9. Enter the member's allocation of the Investment Fees. The allocation should be deducted in proration to account balances (pro rata.)

10. Confirm the Totals for all columns to ensure they match the amounts reported on the Financial Information Tab.

MBP Tab

Materials Needed: An up-to-date copy of the relief association bylaws, roster of the relief association members, benefit information for any members paid during 2016, and a copy of the FIRE-15.

The MBP Tab is the 2016 Monthly Benefit Payment Worksheet and is only viewable to relief associations that are defined benefit monthly or monthly/lump-sum combination plans. The purpose of the tab is to report benefit payment information for all members and beneficiaries who are receiving monthly benefits.

Note: Much of the member data is populated on the MBP Tab. Please review populated data to ensure accuracy. Make corrections or updates as needed.

1. Enter the name, birth date, fire department entry date, and fire department separation date for each member. If the monthly benefit is being paid to a beneficiary, please enter the beneficiary's name and the member's birth date, entry date, and separation date.
2. Click on the arrow to select the benefit payment type.
3. If a member has had one or more leaves of absence or breaks in service, please review your bylaws to determine the appropriate service credit. Enter the cumulative length in months of the leave or break in the "Leaves of Absence and Breaks in Service" box. For example, if the member had breaks in service that totaled two years, enter 24 months. If there is no leave of absence or break in service, enter 0 or leave the cell blank.
4. Enter the completed years of service on which the service pension or benefit was calculated. Enter the completed months of service if the relief association bylaws that were effective when the member separated allowed for the monthly proration of service credit.
5. Enter the vesting percentage amount used to calculate the service pension or benefit. The vesting percentage must be based on the completed years of active service.
6. Enter the monthly benefit amount that is payable for each year of active service. This is the monthly benefit level that was in effect when the member separated.
7. Enter the regular monthly retirement benefit. This is the calculated amount that a member or beneficiary is paid each month.
8. Enter the number of months in 2016 that the member or beneficiary was paid a monthly benefit.

9. Enter the total benefit paid in 2016. This is the total amount distributed to the member or beneficiary and should equal the regular monthly retirement benefit multiplied by the number of months in 2016 that the individual was paid.

10. If the member was a “return to service” member click on the arrow and choose “Yes.” A return to service member is a member who had a resumption of active service after a break in service or a leave of absence and the member’s service pension or benefit was calculated according to a “return to service” bylaw provision.

11. If the member or beneficiary became deceased during 2016 click on the arrow and choose “Yes.” By selecting “Yes” the member or beneficiary will not be populated when the FIRE-17 form is generated.

MBW Tab

Materials Needed: A copy of the FIRE-15 and actuarial valuation.

The MBW Tab is the 2017 Maximum Benefit Worksheet and is only required to be completed by relief associations that are defined benefit monthly or monthly/lump-sum combination plans. The tab will be grayed out for relief associations that are defined-benefit lump-sum or defined-contribution plans. Defined benefit lump-sum relief associations will complete the 2017 Maximum Benefit Worksheet tab within the 2017 Schedule Form.

The purpose of the tab is to calculate the maximum lump-sum and/or monthly benefit level that your relief association is authorized to establish for 2017. **THE MBW TAB DOES NOT CALCULATE THE MAXIMUM BENEFIT LEVEL THAT CAN BE SET WITHOUT CAUSING A DEFICIT OR A REQUIRED CONTRIBUTION.** The maximum benefit worksheet calculation is based primarily on revenue data. Your relief association's financial situation only indirectly affects the calculation. For this reason, increasing the benefit level to the maximum allowed may cause a relief association to be in a deficit situation with contribution requirements. Municipal or independent nonprofit firefighting corporation board approval may be required for a benefit increase. **There are severe penalties under State law, including the forfeiture of fire state aid, for relief associations that pay service pensions at a rate above the allowable maximum benefit amount.**

1. All of the data on the MBW Tab, except for the 10 percent of surplus amount for 2016, should be populated from information entered on the Plan Information Tab and Financial Information Tab within the FIRE-16 and from the prior-year MBW tab. Review the relief association’s actuarial valuation or audit to obtain the 10 percent of surplus amount for 2016. Please review populated data to ensure accuracy. Make corrections or updates as needed.

2. If any of the state aid, municipal contribution, or number of active members amounts are not populated, they can be obtained from the MBW-16.

3. After all information has been correctly entered, an amount for the Maximum Lump-Sum and/or Monthly Benefit Level under Minn. Stat. § 424A.02, subd. 3 is displayed. **This is the maximum benefit level that your relief association may establish for 2017.**

Error Checks and Submitting

Review the Home Tab. If any red messages remain it means that information was either omitted or entered incorrectly. Once all red messages have been corrected, you will be able to submit your FIRE-16. If you have questions regarding messages that you may have received, please contact the Pension Division at (651) 282-6110 or at pension@osa.state.mn.us.

After you have reviewed all messages and corrected any errors, retain a copy of the FIRE-16 for your records and upload the form through SAFES at:
<https://www.auditor.state.mn.us/safes/login.aspx>.

Signatures and Audit or Attestation

After the FIRE-16 is uploaded through SAFES a PDF version of the submitted form will be generated and displayed in SAFES. The PDF version of the form will contain two pages that require signatures. **The FIRE-16 submission is not complete until signed by the required form signers.**

The Relief Association and Municipal Certification page must be signed by an officer of the relief association, the municipal clerk, and, if applicable, the secretary of the independent nonprofit firefighting corporation.

For relief associations affiliated with a municipal fire department, the municipal clerk or clerk-treasurer of the municipality in which the association is located must sign the form. For relief associations affiliated with an independent nonprofit firefighting corporation, the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation must sign the form. In both of these situations, the chief financial official or the chief administrative official of the municipality may sign as the municipal clerk if the governing body of the municipality designates the position to perform this signing function.

For a relief association affiliated with a fire department that is not located in or associated with an organized municipality, the chief financial official of the county in which the relief association is located or primarily located must sign the form.

The Auditor or Accountant Certification page must be signed by a certified public accountant for those relief associations that have less than \$500,000 in assets and liabilities. In addition to signing the FIRE-16, the certified public accountant also must submit a copy of the agreed-upon procedures engagement report. The report can be submitted through SAFES as a PDF document.

Relief associations with assets or liabilities of at least \$500,000, and relief associations that have exceeded this threshold in a previous year, must submit an audit prepared by a certified public accountant. The audit can be submitted through SAFES as a PDF document. The certified public accountant need not sign the FIRE-16 if the relief association's assets or liabilities exceed the \$500,000 threshold.

Once a relief association crosses the \$500,000 statutory threshold, an audit is required even if the assets and/or liabilities subsequently drop below the threshold.

Congratulations on completing the FIRE-16!