

Investment Performance Information for Volunteer Fire Relief Associations



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Legislation passed into law during 2013 requires the Office of the State Auditor (OSA) to annually provide information to volunteer fire relief associations on the recent and historic investment performance results of the various accounts within the Minnesota State Board of Investment (SBI)'s Supplemental Investment Fund in which associations are eligible to invest. The OSA must also provide relief associations with information about how to utilize the SBI's Supplemental Investment Fund as an investment option.

In addition, the OSA must provide basic information to relief associations on the voluntary Statewide Plan that is administered by the Public Employees Retirement Association (PERA).

We hope that you find this information helpful.

The SBI Supplemental Investment Fund

The SBI was established by Article XI of the Minnesota Constitution to invest state funds. The SBI is responsible for the investment management of various retirement funds, trust funds, and cash accounts. The Supplemental Investment Fund (SIF) is one of the funds under management by the SBI. Assets for relief associations electing to invest through the SBI are held in the SIF. The SIF consists of eight accounts which have different investment objectives designed to meet a wide range of needs and objectives. Volunteer fire relief associations may use all of the accounts in the SIF except for the Fixed Interest Account.

The accounts in the SIF available to relief associations are the:

- Income Share Account (balanced asset mix);
- Growth Share Account (actively-managed domestic stocks);
- Common Stock Index Account (passively-managed domestic stocks);
- International Share Account (international stocks);
- Bond Market Account (actively-managed bonds); and the
- Money Market Account (short-term securities).

**Additional
Information**

The SBI Supplemental Investment Fund — Continued

Recent and historical rates of return for these SIF accounts are as follows:

Account	2013	3-Year	5-Year	10-Year	15-Year
Income Share Account	19.72%	11.43%	13.91%	7.14%	5.66%
Growth Share Account	35.92%	16.72%	19.33%	7.74%	4.76%
Common Stock Index Account	33.55%	16.15%	18.74%	7.99%	5.33%
International Share Account	17.78%	5.93%	13.55%	7.99%	5.93%
Bond Market Account	-1.34%	4.10%	7.07%	4.94%	5.61%
Money Market Account	0.18%	0.23%	0.24%	1.88%	2.54%

**SBI Letter to Relief
Associations**

To begin investing in the SIF, a relief association must complete two forms and return them to the SBI. The “Relief Association Contact Form” provides the SBI with contact information so that monthly reports and other correspondence can be sent to the association. The “Relief Association Wire Instructions Form” provides the SBI with the name of the financial institution and wire instructions that will be used for all withdrawals. Both forms can be found on the SBI website at: <http://mn.gov/sbi/ReliefAssociations.html>.

**Procedures for
Investing with the
SBI**

After a relief association begins investing with the SBI, the association may contribute, withdraw, or transfer funds on any business day of the month. These transactions can be done online, or by completing the “Relief Association Transaction Form” found on the SBI website at: <http://mn.gov/sbi/ReliefAssociations.html>.

SIF Prospectus

**SBI 2013 Annual
Report**

Detailed procedures for opening an account with the SBI, contributing funds, and withdrawing funds are provided at: <http://mn.gov/sbi/reliefassocdocs/2013procedures.pdf>.

**SBI Contact
Information**

Voluntary Statewide Plan

Additional Information

The Statewide Volunteer Firefighter Retirement Plan (Plan) created by the Legislature, is a voluntary plan administered by the Public Employees Retirement Association (PERA). When a volunteer fire relief association joins the Plan, PERA takes over the administration of the pension fund. Under the Plan, a relief association's entire special fund is transferred to the SBI and the association ceases to exist as a public pension fund.

Plan Enrollment Process

Currently, 79 fire departments belong to the Plan. Each entity in the Plan has its own separate account, but assets are pooled for investment purposes. The Plan investments are managed by the SBI and have a long-term expected return of six percent.

Plan Description

The decision to join the Plan is made jointly by the municipality or independent nonprofit firefighting corporation operating the fire department and by the relief association (if one exists). The process for joining begins with a request to PERA for a cost analysis of the prospective retirement coverage. If a decision is made to join the Plan and the process for joining is completed, coverage by the Plan begins effective the following January 1.

Plan Investment Information

Plan Benefit Calculations

A description of the Plan enrollment process is provided on PERA's website at: [http://www.mnpera.org/vertical/Sites/%7BCB6D4845-437C-4F52-969E-51305385F40B%7D/uploads/SVFRP Enrollment Process.pdf](http://www.mnpera.org/vertical/Sites/%7BCB6D4845-437C-4F52-969E-51305385F40B%7D/uploads/SVFRP%20Enrollment%20Process.pdf).

Request for Cost Analysis

Additional information about the Plan can be viewed on PERA's website at: http://www.mnpera.org/index.asp?Type=B_BASIC&SEC={D09EE783-90AF-4CE0-B34E-4A85C43E3EFA}.

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