

# Investment Performance Information for Volunteer Fire Relief Associations

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.



Office of the State Auditor  
Pension Division  
525 Park Street, Suite 500  
Saint Paul, MN 55103  
(651) 282-6110  
Fax: (651) 282-5298  
[pension@osa.state.mn.us](mailto:pension@osa.state.mn.us)

## 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. Its membership, as specified in the Constitution, is comprised of the Governor (who is designated as chair of the Board), the State Auditor, the Secretary of State, and the State Attorney General. All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in Minnesota Statutes, Chapter 11A and Chapter 356A.

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 SBI Supplemental Investment Fund — Continued

### Additional Information

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

- Balanced Fund (balanced asset mix);
- U.S. Stock Actively Managed Fund (actively-managed domestic stocks);
- U.S. Stock Index Fund (passively-managed domestic stocks);
- Broad International Fund (international stocks);
- Bond Fund (actively-managed bonds); and the
- Money Market Account (short-term securities).

### [SBI Letter to Relief Associations](#)

### [Procedures for Investing with the SBI](#)

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

Account	2015	3-Year	5-Year	10-Year	15-Year
Balanced Fund	0.59 %	9.67 %	8.80 %	6.71 %	5.57 %
U.S. Stock Actively Managed Fund	0.13 %	15.14 %	12.30 %	7.09 %	5.16 %
U.S. Stock Index Fund	0.52 %	14.75 %	12.13 %	7.45 %	5.44 %
Broad International Fund	(2.88) %	3.16 %	2.07 %	3.69 %	4.50 %
Bond Fund	0.68 %	1.78 %	3.81 %	4.83 %	5.33 %
Money Market Account	0.18 %	0.16 %	0.20 %	1.43 %	1.77 %

### [SIF Prospectus](#)

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>.

### [SBI 2015 Annual Report](#)

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>.

### [SBI Contact Information](#)

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

## 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, 112 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}](http://www.mnpera.org/index.asp?Type=B_BASIC&SEC={D09EE783-90AF-4CE0-B34E-4A85C43E3EFA}).

## Pension Division Staff

If you have questions, please contact us:

Michael Johnson, Pension Analyst

(651) 282-5430

[michael.johnson@osa.state.mn.us](mailto:michael.johnson@osa.state.mn.us)

Abigail Mediger, Pension Analyst

(651) 297-2765

[abigail.mediger@osa.state.mn.us](mailto:abigail.mediger@osa.state.mn.us)

Ryan Sendelbach, Pension Analyst

(651) 284-3423

[ryan.sendelbach@osa.state.mn.us](mailto:ryan.sendelbach@osa.state.mn.us)

Rose Hennessy Allen, Pension Director

(651) 296-5985

[rose.hennessy-allen@osa.state.mn.us](mailto:rose.hennessy-allen@osa.state.mn.us)