



March 2009

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Reporting Reminder

The 2008 reporting year forms are due by March 31, 2009, for volunteer fire relief associations with assets and liabilities of less than \$200,000. Reporting forms for relief associations with assets or liabilities of at least \$200,000 are due by June 30, 2009. Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms. Please note that once a relief association's assets or liabilities exceed the statutory threshold of \$200,000, the relief association maintains the June 30 reporting deadline and audit requirement, even if the association's assets and liabilities subsequently drop below the threshold.

The online Excel reporting forms can be accessed through the State Auditor's Form Entry System at <https://www.auditor.state.mn.us/safes/login.aspx>. If you have questions regarding your reporting requirements or need to obtain the username and password to access your online forms, please contact Gail Richie at (651) 282-6110 or at Gail.Richie@state.mn.us.

Online Reporting Form Access

The Pension Division has a new policy regarding online reporting form access for relief associations. Previously, only trustees of a relief association's board were given usernames and passwords for accessing the online reporting forms. To accommodate relief association requests, we will now allow accountants and auditors working for a relief association to obtain log-in information.

In order for accountants and auditors to be granted access, a letter of authorization must be received from the relief association's board of trustees. The letter of authorization may be submitted to the Pension Division via e-mail, fax, or U.S. mail, and will authorize the accountant or auditor to have access to the online reporting forms through the end of this calendar year. Only accountants and auditors working for the relief association will be granted access pursuant to this policy. To submit the letter of authorization, please contact Gail Richie at (651) 282-6110 or at Gail.Richie@state.mn.us.

Market Concerns – FAQs

In previous newsletters we provided answers to questions we received from relief association trustees and municipal representatives in response to the recent market volatility. We are providing a few more questions and answers that we hope you will find helpful.

Q: Our relief association’s assets decreased substantially during 2008. We ended the year with assets and liabilities both well below \$200,000. Are we still required to have an audit prepared this year, now that our assets and liabilities are below the \$200,000 threshold?

A: Yes. Pursuant to state statute, once a relief association’s assets or liabilities exceed the \$200,000 statutory threshold an audit is required, even if the assets and liabilities subsequently drop below the threshold.

Q: I’ve heard that deficits for lump sum plans are amortized over a ten-year period. What does this mean?

A: Lump sum plans have a rolling ten-year full funding date. Deficits incurred during a year are tracked separately and attributed to that year, and are “paid off” over a ten-year period. Ten percent of the deficit is paid off each year that the relief association has a deficit, until each deficit is fully retired. Deficit amortization payments are also a component of the required municipal contribution amount. Required municipal contributions must be paid in full during the year in which they are due. For more information regarding municipal contribution calculations, see our Statement of Position at: http://www.auditor.state.mn.us/other/Statements/required%20municipal%20contributions_0901.pdf.

New Statement of Position

A new Statement of Position has been posted on our website that discusses record retention requirements for relief associations. The document explains types of relief association records that are required to be retained, and records that are public and must be accessible to the public. The new Statement of Position can be viewed at:

http://www.auditor.state.mn.us/other/Statements/recordsmanagementforreliefassns_0903_statement.pdf.

Working Group Legislative Proposals

The Legislative Commission on Pensions and Retirement heard the Volunteer Fire Relief Association Working Group bill on March 6 and adopted it for inclusion in the pension omnibus bill. Two technical amendments were also adopted which corrected references to funeral benefits (that are no longer authorized) and minor typos identified during our final review of the bill. We will continue to keep you updated on the progress of the bill as it makes its way through the legislative process. A copy of the pension omnibus bill can be viewed at: <http://www.commissions.leg.state.mn.us/lcpr/omnibus.htm>.

Submit SC-08 Forms

The 2009 Schedule Form for lump sum plans will be released earlier than usual this year so that relief associations may begin calculating required municipal contribution projections for next year. In order for your relief association’s member information to be pre-populated on the 2009 form, we must have received and reviewed your 2008 Schedule Form. If you have not submitted your 2008 Schedule Form yet, **please submit it at your earliest convenience** so that we can conduct a preliminary review of the information and ensure that the membership data is pre-populated on your 2009 form.

Pension Training Reminder

The Pension Division's free annual training sessions have begun, with the first held in Saint Joseph on March 24. Thirteen free training sessions are being offered around the state between March 24 and April 29. The training sessions will include a discussion regarding reporting forms and reporting requirements, a legislative update, and a group question-and-answer component focusing on market concerns, funding requirements and calculations, and the impact of investment losses on relief association benefit levels. A registration form with dates and times for the training sessions is available on our website at: http://www.auditor.state.mn.us/Other/PensionDocs/pensiontraining_09_form.pdf.

Certification Update

The Office of the State Auditor is pleased to announce that 56 volunteer fire relief associations were certified as eligible for receipt of their 2008 state fire aid for the third round of aid disbursements. State aid was disbursed on or about March 15 for those relief associations certified as eligible. All but two volunteer fire relief associations have now been certified for their 2008 state aid. The final certification deadline for 2008 aid is June 1, 2009. Listings of the fire and police state aid amounts are available on our website at:

<http://www.auditor.state.mn.us/list.aspx?type=frm&div=pen>.

The first certification deadline for 2009 state fire aid is September 15, 2009. Fire and police aid amounts for 2009 will not be available until late summer or early fall.

If you have questions please contact us:

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