



March 2012

## Pension Division Newsletter

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### ***2011 Reporting-Year Forms***

The 2011 reporting-year forms are due by March 31, 2012, for volunteer fire relief associations with assets and liabilities of less than \$200,000. Reporting forms for relief associations with assets or liabilities of \$200,000 or more are due by June 30, 2012. Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms. Once a relief association's assets or liabilities exceed the \$200,000 statutory threshold, 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 2011 reporting-year forms can be accessed through the State Auditor's Form Entry System at <https://www.auditor.state.mn.us/safes/>.

Information about the reporting forms and helpful hints for completing them can be viewed at: [http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf\\_infoandhelpfulhints.pdf](http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_infoandhelpfulhints.pdf).

In addition, please remember that relief associations are required under state law to submit a revised copy of their governing bylaws with the Office of the State Auditor upon the adoption or approval of any amendment. Relief associations that amended their bylaws during 2011 should submit the amended bylaws and approvals to the Office of the State Auditor with the association's 2011 reporting-year forms, if not earlier. When submitting amended bylaws, remember to submit copies of the relief association meeting minutes and the municipal meeting minutes or of the resolution reflecting approval of the bylaw changes.

### ***2010 Financial and Investment Report***

The State Auditor released the Financial and Investment Report of Volunteer Fire Relief Associations for the year ended December 31, 2010. The report summarizes and evaluates the finances, basic benefit structure, and investment performance of Minnesota's volunteer fire relief associations. The report also includes investment information on three salaried police relief

associations, and one salaried fire relief association. To view the complete report, which includes tables and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20120314.000>.

### ***2012 Supplemental Benefit Reimbursements***

The 2012 supplemental benefit reimbursement amounts are now available on the Office of the State Auditor's website at: <http://www.auditor.state.mn.us/default.aspx?page=20120328.000>.

Supplemental benefit reimbursements were disbursed on or about March 15, 2012, for relief associations that properly submitted reimbursement application forms to the Minnesota Department of Revenue by February 15, 2012.

### ***New Statement of Position***

The Office of the State Auditor released a new Statement of Position entitled "Survivor Benefits." The Statement discusses payment of survivor benefits to surviving spouses, surviving children, and designated beneficiaries of deceased volunteer firefighters. The Statement also addresses when and to whom survivor benefits can be paid and how to calculate the amount. The new Statement can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20120315.001>.

### ***IRS Tax-Exempt Status Revocations***

A coalition was formed last year to work with relief associations to resolve federal tax status issues. The coalition is comprised of the Minnesota State Fire Chiefs Association, the Minnesota State Fire Department Association, and the Minnesota Area Relief Association Coalition. In addition, the League of Minnesota Cities and the Office of the State Auditor are providing technical assistance. The coalition retained a law firm to provide general guidance to coalition members and to create template "response packets" for responding to IRS penalty assessment and revocation letters, in addition to assisting relief associations in seeking tax exemption. The coalition released a notice regarding these response packets. The notice can be viewed on the Minnesota State Fire Chiefs Association website at:

[http://www.msfc.org/committees/legislativew\\_updates/2012/IRS/IRS%20990%20Annoucement%20Final%20Draft.pdf](http://www.msfc.org/committees/legislativew_updates/2012/IRS/IRS%20990%20Annoucement%20Final%20Draft.pdf).

### ***Working Group & Investment Study Group Updates***

The 2011 and 2012 Working Group bills and the Investment Study Group bill were heard and passed by the Legislative Commission on Pensions and Retirement and included in the Omnibus Retirement Bill. The Omnibus Retirement Bill was heard by policy committees within the House and Senate, but still must be heard by additional committees before being brought before the full House and Senate. If passed by both the House and Senate, the bill must be signed by the Governor before becoming law. We will continue to keep you updated on the progress of the bill as it makes its way through the legislative process.

Additional information about the Working Group, including copies of the 2011 and 2012 bills, can be viewed at <http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>. Information about the Investment Study Group and a copy of the bill can be viewed at: <http://www.auditor.state.mn.us/default.aspx?page=20100826.001>.

### ***State Aid Certification Update***

The Office of the State Auditor is pleased to announce that 59 volunteer fire relief associations were certified as eligible for receipt of their 2011 fire state aid for the third round of aid disbursements. State aid was disbursed on or about March 15 for those relief associations certified as eligible for the third round of state aid payments. All but six volunteer fire relief associations have now been certified for their 2011 state aid. The final certification deadline for 2011 aid is June 1, 2012. The first certification deadline for 2012 fire state aid is September 15, 2012.

The 2011 fire state aid amounts are available on our website at:  
<http://www.auditor.state.mn.us/default.aspx?page=20110927.002>.

### ***Updated Selected Relevant Statutes Booklet***

An updated version of the Selected Relevant Statutes booklet is now available. The booklet was updated to include state laws applicable to volunteer fire relief associations that are referenced in the recently-released Sample Bylaw Guides. Relief association trustees are encouraged to download the booklet for reference when updating bylaws, making investment decisions, and calculating benefit payments.

The Selected Relevant Statutes Booklet can be accessed on our website by going to:  
<http://www.auditor.state.mn.us/default.aspx?page=20080304.004>.

The Sample Bylaw Guides can be accessed on our website by going to:  
<http://www.auditor.state.mn.us/default.aspx?page=20120208.000>.

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*If you have questions please contact us:*

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