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January/February 2009

Article for *Minnesota Fire Chief*

Fire Relief Association Working Group Reconvenes

By Rebecca Otto, State Auditor

The Office of the State Auditor reconvened the Volunteer Fire Relief Association Working Group this fall to address issues facing relief association pension plans. Members of the twelve-member group include relief association trustees from both the Metro Area and Greater Minnesota representing each plan type and the fire service organizations, municipal representatives, Legislative Pension Commission staff, and the State Auditor.

The Working Group bill from last year had great legislative success. The bill contained eight changes to statute, including Deferred Interest Options, Funeral Benefit Authority, and Title to Assets: all eight proposals, with few changes, were included in the final bill passed by the Legislature and signed into law by the Governor.

Help from the Defined Contribution Plan Sub-Group

The Working Group saw a need for a sub-group to be formed over the summer to focus on defined contribution plans and the state laws unique to their plan type. The Defined Contribution Plan Sub-Group met four times and worked to reorganize Chapter 424A, the section of state law that pertains to volunteer firefighter pensions and benefits. The task was to separate provisions for defined contribution from defined benefit plans. The purpose of this change was to make reading and using this section of law more user-friendly. In September the sub-group finished its work and forwarded draft legislation to the full Working Group for review.

Working Group Topics

The Working Group is taking on a number of topics this year, including the sub-group draft legislation, and the state law which places severe penalties on members who want to resume active service with the fire department after retirement and receipt of their pensions. Under current law, volunteer firefighters who resume active service with the

same volunteer fire department after retirement are required to repay their previously-received service pension, and are not eligible to accrue any additional service credit.

A change in statute is seen as beneficial to many volunteer fire departments, especially in Greater Minnesota, who are having a difficult time recruiting volunteers. The possible change being worked on is to have statute be permissive in allowing volunteer firefighters to resume active service with their fire department after retirement, with bylaws defining the terms of a return.

The Working Group is also working on a change that would allow a limited exception to the prohibition on allowing minors to serve with a fire department. Currently, minors are prohibited from serving in any capacity with a volunteer fire department. Working Group members have been concerned that this prohibition applies to youth groups, such as the Boy Scout Explorer Program. The Working Group is working on allowing for an exception in statute to this prohibition, for members of youth, civic, or educational programs who participate with uninterrupted adult supervision.

The final meeting of the Working Group is scheduled for January 27th at the Office of the State Auditor. From there, the Working Group bill will go to the Pension Commission at the Legislature for its consideration. Working Group meeting materials, including agendas and meeting minutes and other topics being considered by the Group, are available on the Office of the State Auditor's website. As the bill works its way through the Legislature, we will provide updates through our E-Updates. You can sign up to receive the E-Update on our website at www.osa.state.mn.us. To view the Working Group materials, go to:

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