



March 2008

Pension Division Newsletter

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Legislative Update

Several bills have been introduced this legislative session that have the potential to affect your relief association. Please remember that the bills are merely proposals for the legislature to consider. They do not become law unless and until they are passed by the legislature, and signed by the Governor. We will continue to keep you updated through our Pension Newsletters on the progress of these bills. Once the session is over, we will provide information on any law changes affecting relief associations and provide sample bylaw language that can be used for reference purposes.

Working Group Proposals – The Working Group bill, HF3938, has been introduced and a request for a hearing was filed. As you may recall, the proposal requiring pension plan trustees to report evidence of theft or misuse of pension assets was introduced in a separate bill. The bill numbers for this separate proposal are SF3444 and HF3665 (both bills carry identical language). The bill was heard by policy committees in both the House and Senate, and is moving along very smoothly. We will keep you posted on the progress of this bill in both bodies.

- **Increases to Service Pension Maximums** – Bills have been introduced (HF3715 and SF3325) that would increase the maximum monthly and lump sum pension amounts. If passed, the maximum monthly benefit level would increase from the current \$56 to \$100 per month per year of service and the maximum lump sum benefit level would increase from the current \$7,500 to \$10,000 per year of service. The bill has been introduced, but has not yet been heard by committee.
- **Voluntary Statewide Plan Proposal** – Bills have been introduced (HF3895 and SF3630) that would establish a voluntary statewide lump sum retirement plan. The bills have not yet been heard by committee.
- **Changes to Additional Amortization State Aid** – All relief associations are eligible to receive state fire aid that is derived from a two-percent tax on insurance premiums and is allocated based on the real property market values and on the population of each fire district. An additional allocation is given to relief associations with small numbers of active members to maintain at least a minimum amount of aid. Bills have been introduced (HF3744 and SF3532) that could slightly decrease the amount of money available for the additional distribution. The bills have not yet been heard by committee.

Please note that the bills do not change the amount or allocation of the two-percent state fire aid – just the additional allocation.

March 31 Reporting Deadline

The 2007 reporting year forms are due by March 31, 2008 for volunteer fire relief associations with assets and liabilities of less than \$200,000. 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 with the Pension Division at (651) 282-6110 or Gail.Richie@state.mn.us. Paper copies of the forms are available upon request. Reporting information for relief associations that exceed the \$200,000 threshold in either assets or liabilities is due by June 30, 2008.

Reporting Form Helpful Hints

When entering data into the online Excel forms, please be sure to enter whole dollar amounts only, with no decimals. If decimals are entered they are not displayed, but are stored. This means that if \$5.25 is entered, the form displays the number as \$5, but stores the decimals in the data field. This could cause investment and asset amounts to not balance, resulting in red error messages.

For lump sum plans, please be sure to submit your 2007 Schedule Form (SC-07) **as soon as possible**. In order for data to be pre-populated on your 2008 form to save you work and time, your SC-07 must be received and a preliminary review conducted.

Selected Relevant Statutes Summary

An updated version of the Selected Relevant Statutes Summary is now available on the Office of the State Auditor's website. The document summarizes many of the state laws applicable to volunteer fire relief associations. Relief association trustees may use the summary as a reference when updating bylaws, making investment decisions, or calculating benefit payments. The summary is provided for your convenience and is not a substitute for Minnesota Statutes. The Selected Relevant Statutes Booklet, which contains complete copies of the selected state laws, is also a good reference for relief association trustees. The summary and booklet are available at the following link:

http://www.auditor.state.mn.us/Other/pensionDocs/vfraStatutesSummary_0803.pdf.

If you have questions please contact us:

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