

Pension Division Newsletter

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2013 Fire State Aid

The Office of the State Auditor (OSA) is pleased to announce that 591 volunteer fire relief associations and other pension plans met all reporting requirements to be certified as eligible for receipt of their 2013 fire state aid in the first round of aid disbursements. These relief associations are also eligible to receive in the first round of disbursements their portion of fire state aid under the new supplemental state aid program. Both state aid distributions will occur on or about October 1 for those plans that met the reporting requirements.

Listings of the 2013 fire and police state aid amounts from the Minnesota Department of Revenue have been posted to the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20120214.000>.

Relief associations that were not included in the first distribution of 2013 fire state aid may be eligible to receive their aid during the second round of aid payments. To be certified as eligible in the second round of payments, a relief association must have submitted all required 2012 reporting information, the OSA review must have been completed, and any issues identified by the OSA must be resolved by November 1.

The municipal treasurer is required under State law to transmit fire state aid to the treasurer of the affiliated relief association within 30 days after receipt, if there is a relief association organized and the association has filed a financial report with the municipality. The Reporting Form that must be signed annually by the municipal clerk and submitted to the OSA qualifies as the financial report referred to in this statutory provision.

The relief association treasurer should make sure that the fire state aid is promptly deposited into the association's Special Fund.



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What's Ahead:**October 1:**

Fire state aid is paid for those relief associations certified as eligible on the first certification deadline.

November 1:

Second certification deadline for 2013 fire state aid.

November 15:

Fire state aid is paid for those relief associations certified as eligible on the second certification deadline.

November 30:

Final deadline for submitting 2012 reporting-year forms to avoid forfeiture of fire state aid.

Deferred-Service Pension Payment Methods

Payment methods for each deferred-interest option were defined in the 2012 and 2013 legislative sessions. Relief associations that elect to pay interest to a deferred member must select an interest payment method, including the interest payment starting date and ending date. Default payment methods for each deferred interest type are set in statute. A relief association may choose to define a different payment method in its bylaws, but if a method is not defined in the bylaws, or if the bylaw definition does not include the payment starting date and ending date, the default established in state statute applies.

If a relief association chooses to pay interest, its bylaws must reflect the association's payment intent. The statutory defaults will apply to members unless and until the relief association amends its bylaws to define a different payment method.

For example, a lump-sum relief association that chooses to pay interest to a deferred member at a rate of interest set by the association's board of trustees up to five percent, and that has not defined a payment method in the bylaws, will have interest paid beginning on the first day of the month following the date on which the member separates from active service and membership and ending on the last day of the month immediately before the month in which the deferred member begins to receive the deferred service pension.

To further illustrate this example, the member separates from active service on May 5, and elects to receive his or her deferred service pension on April 22 of the following year. The member receives interest starting on June 1 and continues to receive interest until March 31 of the following year, unless the relief association's bylaws specify a different payment method.

Several documents are available on the OSA website that provide additional information about deferred-service pension payment methods. One is our Statement of Position on this topic at: <http://www.auditor.state.mn.us/default.aspx?page=20110527.005>.

A second is the Pension Division's 2013 Legislative Update, with references to sections within the Sample Bylaw Guides, can be viewed at: http://www.auditor.state.mn.us/other/PensionDocs/2013_Legislative_Update.pdf.

Helpful Links:

[2013 Legislative Update](#)

[Key Reporting Requirements](#)

[Selected Relevant Statutes Summary](#)

[Information for New Trustees](#)

[Helpful Contact Information](#)

Important Notice About Windows XP

On April 8, 2014, Microsoft will no longer support the Windows XP operating system or any of the programs in its Office 2003 software suite, which includes Word 2003 and Excel 2003. Specifically, Microsoft will not offer bug or security fixes to users of these products from that date forward.

This lack of technical support will create a serious security issue for computers running Windows XP and/or Office 2003. Computer security experts believe that hackers are targeting that date to unleash a wide variety of malware, which can include computer viruses, “Trojan Horses”, or “worms”, that can invade a computer’s system and cause serious damage.

The Office of the State Auditor strongly recommends that any local government offices, including volunteer fire relief association offices, with computers running Windows XP, Office 2003, or any prior versions update your computers to a supported operating system and software before April 8, 2014.

It is important to note that because of the security issues that may occur due to the lack of technical support for Windows XP and Office 2003, the OSA’s State Auditor’s Form Entry System (SAFES) will no longer accept documents saved in the default file format created by Office 2003, which includes Excel files with the extension “.xls”, after April 8, 2014.

More information on this issue is available on the Microsoft website at: <http://www.microsoft.com/en-us/windows/endofsupport.aspx>.

Working Group Nominations

There is currently one open seat on the Volunteer Fire Relief Association Working Group for a municipal representative. Potential candidates must be a city or town official who has experience with an affiliated volunteer fire relief association.

The Working Group typically holds about five weekday meetings during the fall and early winter at our office in Saint Paul. Anyone who meets the requirements described above and who would like to be considered for this seat should contact Rose Hennessy Allen by October 11 at (651) 296-5985 or Rose.Hennessy-Allen@osa.state.mn.us.

New Supplemental State Aid Program

Statements of Position:

[Firefighter Service Credit Determinations](#)

[Return to Service](#)

[Investment Authority](#)

[Survivor Benefits](#)

[Special and General Funds, and Charitable Gambling Funds](#)

Most relief associations will notice that they receive additional state aid this year. A new supplemental state aid program was passed into state law to provide additional funding for fire and police retirement plans. Effective for the fiscal year that begins July 1, 2013, an appropriation of \$15,500,000 annually will be made to the new aid program. Of this appropriation, about \$5.5 million will be allocated annually for volunteer fire relief associations and for volunteer firefighters covered by the voluntary Statewide Plan. The remaining amount will be allocated to the Public Employees Retirement Association police and fire fund and to the state patrol plan administered by the Minnesota State Retirement System.

The supplemental state aid amount that a relief association receives will be equal to the proportionate share that each association currently receives of fire state aid.

Helpful Information for Relief Association Trustees

The OSA provides contact information, including phone numbers, e-mail addresses, and websites, for many of the government offices and agencies with which the volunteer fire relief associations interact. The information can be found by going to the “Pension Forms” page on the OSA website. Then, under the “Resources for Completing Forms” heading, click on “Helpful Contact Information for Volunteer Fire Relief Associations.” You can access the “Pension Forms” page directly by clicking on the following link:

<http://www.auditor.state.mn.us/default.aspx?page=20070105.001>.

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