

Pension Division Newsletter

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Supplemental Benefit Reimbursements

Supplemental benefit reimbursement forms are due to the Minnesota Department of Revenue (DOR) by February 17, 2014, to receive reimbursement in March 2014.

Our November 2013 Pension Division Newsletter provided information regarding the new online reporting form that must be used to apply for supplemental benefit reimbursements. The DOR is requiring that relief associations provide their Minnesota ID number on the reimbursement form. If you do not know your relief association's ID number, you can obtain it by calling the DOR at (651) 282-5225 during business hours.

The reimbursement form, instructions, and a sample form are available on the DOR website at:

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/sbr.aspx.

The November 2013 Pension Division Newsletter can be accessed at:

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



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SAFES User Authorization Form

Access to the State Auditor's Form Entry System (SAFES) for many accountants, auditors, and other consultants who work with volunteer fire relief associations expired at the end of the 2013 calendar year. SAFES access allows an authorized individual to download, submit, and electronically-sign relief association reporting forms.

Relief associations should renew SAFES access for their accountants, auditors, and consultants by completing the SAFES User Authorization Form that is available for download at:

<http://www.auditor.state.mn.us/default.aspx?page=20130131.000>.

Completed forms can be submitted to the Pension Division by e-mail at pension@osa.state.mn.us or by fax at (651) 282-5298.

What's Ahead:**February 17:**

Final deadline for submitting 2013 Supplemental Benefit Reimbursement Forms to the Department of Revenue.

February 19:

Working Group meeting from 11:00 a.m. to 1:00 p.m.

March 15:

Fire Equipment Certification Form (FA-1 Form) is due to the Department of Revenue.

March 31:

Reporting forms for relief associations with assets and liabilities of less than \$500,000 are due to the Office of the State Auditor.

March 31:

Investment Business Recipient Disclosure Form is due to the Legislative Commission on Pensions and Retirement

Records Retention Schedule Reminder

Relief associations are governmental entities that receive and manage public money. Therefore, they must follow state guidelines that govern the retention of records. Until recently, a relief association did not have authority to destroy records unless that association had received specific individual approval from the State Records Disposition Panel.

A relief association now has several options for the retention of its records. A relief association can choose to adopt the general records retention schedule in its entirety and notify the Minnesota Historical Society of its adoption. Relief associations choosing this option may destroy certain types of records after they have been maintained for a specified length of time.

Alternatively, a relief association can choose to modify the general records retention schedule or to create its own schedule. Relief associations choosing these options must submit the proposed schedule to the Records Disposition Panel for approval before the customized schedule may be used and records destroyed.

If a relief association fails to choose one of these options, the association must permanently retain all of its records.

The general records retention schedule, instructions on how to use the schedule, and a form for use in notifying the Minnesota Historical Society that the schedule has been adopted can be found at:

http://www.mnhs.org/preserve/records/docs_pdfs/Complete_MFRASchedule2012.pdf.

Additional information about the retention of records and records management for relief associations is available on the Office of the State Auditor (OSA) website.

See the Statement of Position on the retention of records at: <http://www.auditor.state.mn.us/default.aspx?page=20120928.000> and see the Statement of Position on records management at: <http://www.auditor.state.mn.us/default.aspx?page=20110527.008>.

Finally, an article written by the OSA on this topic for the Minnesota Fire Chief magazine can be viewed at:

http://www.auditor.state.mn.us/other/columns/RecordsManagementforMNFIRECHIEF_1211.pdf.

Sample Bylaw Guides:

LUMP-SUM

[City Fire Department](#)

[Town Fire Department](#)

[Joint-Powers Fire Department](#)

[Independent Corporation](#)

DEFINED-CONTRIBUTION

[City Fire Department](#)

[Town Fire Department](#)

[Joint-Powers Fire Department](#)

[Independent Corporation](#)

Deferred Interest Changes Now in Effect

Important State law changes became effective on January 1, 2014, that affect how relief associations pay interest to deferred members.

Payment Methods

Deferred-interest payment methods are now defined in State law. Relief associations that elect to pay interest to a deferred member must decide on an interest payment method, including the interest payment starting date and ending date. Default payment methods for each deferred-interest type are set in the new law. 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.

Ratification Requirements

Defined-benefit lump-sum and monthly/lump-sum combination plans have the option of paying interest to deferred members at a rate of interest, up to five percent, that is set by the relief association’s board of trustees. State law now clearly requires any change in the interest rate set by the board of trustees, up or down, to be ratified by the city council or town board of the municipality affiliated with the relief association before the new rate becomes effective. For relief associations affiliated with an independent nonprofit firefighting corporation, the interest rate must be ratified by the board of the independent nonprofit firefighting corporation.

Timing of Interest Rates

Interest rates set by a relief association’s board of trustees become payable beginning on the January 1 following the date on which the rate was ratified by the municipality or independent nonprofit firefighting corporation. For example, a relief association’s board of trustees sets an interest rate of three percent on February 15, 2014. The affiliated city council ratifies the interest rate at its council meeting on March 5, 2014. The interest rate will become effective on January 1, 2015.

Information regarding these law changes, including links to additional helpful documentation, is provided in the OSA’s 2013 Legislative Update, which can be viewed at:

http://www.auditor.state.mn.us/other/PensionDocs/2013_Legislative_Update.pdf

Working Group Update

Statements of Position:

The Volunteer Fire Relief Association Working Group met on January 22. The Working Group conducted a final review of its legislative proposals, and adopted them with a few minor modifications.

[Retention of Records](#)

The Group's legislative proposals include numerous technical changes that eliminate out-of-date statutory references and provide for better statutory construction. The Working Group's proposals also clarify a reporting exception for certain municipalities.

[Return to Service](#)

The final meeting of the 2013-2014 Working Group will be held on Wednesday, February 19. Working Group meeting materials are available at: <http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>.

[Investment Authority](#)

Reminder to Submit Amended Bylaws

[Records Management](#)

Relief associations that were notified of bylaw compliance issues last year when the OSA conducted its review of the associations' reporting forms should submit a revised copy of their governing bylaws to the OSA this year with the 2013 reporting-year forms, if not earlier. When submitting amended bylaws, submit copies of the relief association meeting minutes and of the municipal meeting minutes or resolution reflecting approval of the bylaw changes.

[Required Municipal Contributions](#)

Any amendments to your bylaws which have been adopted should be incorporated into the bylaws. The bylaws serve as a governing document of the relief association. Any policies that are important should be incorporated into the bylaws.

Pension Division Staff

If you have questions, please contact us:

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