

# Pension Division Newsletter

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## Training Survey

The Office of the State Auditor (OSA) is conducting a brief survey to gather information on training opportunities and preferences for volunteer fire relief associations. If you have not yet completed our survey and are interested in sharing your thoughts regarding relief association training sessions, please take a few moments to do so at:

<https://www.research.net/s/6BSSM27>.

Thank you to everyone who has completed the survey! The response has been extremely positive and will help us with our planning.

## New Statements of Position

Two new Statements of Position are available on the OSA website. The first new Statement, entitled Maintaining a General Fund after Joining the Statewide Plan, provides information for relief associations that join the Statewide Volunteer Firefighter Retirement Plan (Plan) administered by the Public Employees Retirement Association (PERA). The Statement explains changes that relief associations must make to the structure of their board of trustees and their governing documents to remain in compliance with Minnesota law if they choose to maintain their general fund and continue operating as a nonprofit corporation after they join the Plan.

The Statement can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20140407.000>.

The second new Statement, entitled Joint Powers Fire Departments and Fire Districts, provides information about the use of joint powers agreements for sharing fire services. The Statement lists areas that should be addressed in the joint powers agreement, discusses audit requirements for joint powers entities and fire districts, and more.

The Statement can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20140328.000>.



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**What's Ahead:**

**June 30:**

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

**August 1:**

The 2014 Schedule Form and 2014 Maximum Benefit Worksheet must be certified to the municipality or independent nonprofit firefighting corporation.

**September 15:**

First certification deadline for 2014 fire state aid. To be certified as eligible, all 2013 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

**October 1:**

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

## Updated Summary of Selected Relevant Statutes

An updated version of the Selected Relevant Statutes summary is now available. The summary provides a short, easy-to-read companion to the Selected Relevant Statutes booklet that is prepared annually by the OSA. The booklet contains many of the State statutes relevant to relief associations. Relief association trustees are encouraged to download both documents for reference when updating bylaws, making investment decisions, and calculating benefit payments.

The booklet and summary can be accessed at:

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

## Fire Prevention Personnel

Questions have arisen recently regarding the eligibility of certain fire department members for membership in a relief association and for service pensions.

Fire department members who perform fire prevention duties can be members of a relief association, provided that the municipality (or municipalities) and the independent nonprofit firefighting corporation, if applicable, approve their employment as fire prevention personnel. To be eligible for a service pension from a relief association, a fire department member must also meet the minimum service and membership requirements.

A fire department should have a position description for its fire prevention personnel that lists the qualifications, duties and responsibilities of the position. The position description could serve as one form of documentation to verify that an individual employed by the fire department is in a position eligible for relief association pension coverage.

As a best practice, fire departments should consider having position descriptions for all fire department personnel listing their fire suppression or fire prevention duties.

## Survivor Benefits and Beneficiaries

### 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

Relief associations may authorize in their bylaws payment of survivor benefits to a surviving spouse, surviving children, or designated beneficiaries of deceased volunteer firefighters. If a relief association chooses to offer survivor benefits, the order of eligibility for the benefits is defined by State law.

The survivor benefit must be paid to the surviving spouse of the deceased firefighter. If there is no surviving spouse, the benefit must be paid to the surviving children. If there is no surviving spouse and there are no surviving children, the survivor benefit must be paid to the designated beneficiary and, if no beneficiary was designated, the benefit must be paid as a death benefit to the estate if the deceased firefighter was active or deferred.

Relief associations therefore cannot recognize a beneficiary designation if a firefighter has a surviving spouse or surviving children. There is one exception, however, for firefighters without surviving children. If a firefighter has no surviving children, the firefighter’s surviving spouse may waive, wholly or partially, the spouse’s entitlement to a survivor benefit. The waiver must be in writing. If the surviving spouse has waived entitlement, the survivor benefit may be paid to a designated beneficiary.

Finally, for members of a defined-contribution plan, or a defined-benefit lump-sum or monthly/lump-sum combination plan where the member has elected a lump-sum benefit, a trust created under Minnesota Statutes, Chapter 501B, may be a designated beneficiary.

Additional information about calculating survivor benefits, survivor supplemental benefits, and the order of eligibility for collecting a survivor benefit can be found in our Statement of Position on this topic, at:

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

We have noted some confusion regarding the definition of the term “surviving spouse.” The definition of the term “surviving spouse” was removed from State law in 2010. The term is not required to be defined in a relief association’s bylaws.

## Windows XP and Office 2003 Reminder

**Statements of Position:**

As of April 8, 2014, Microsoft no longer supports the Windows XP operating system or any of the programs in its Office 2003 software suite, which includes Word 2003 and Excel 2003.

Retention of Records

The State Auditor’s Form Entry System (SAFES) no longer accepts documents saved in the default file format created by Office 97 through Office 2003, which includes Excel files with the extension “.xls.”

Considerations When Making Benefit Changes

Currently, relief association reporting forms that are available for download in SAFES are posted in the Excel 2007 through 2013 default file format of “.xlsx.” Reporting forms saved in this file format can be successfully uploaded through SAFES. Reporting forms in the “.xls” file format can no longer be submitted through SAFES.

Deferred Interest

The OSA recommends that relief associations update their software and operating systems to protect against security issues.

Paying a Defined-Benefit Lump-Sum Service Pension

If you choose to use a program like OpenOffice to complete your relief association’s reporting forms, please contact the Pension Division to obtain an alternate version of the forms in a format that will work best with the program.

Firefighter Service Credit Determinations

## Pension Division Staff

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