

Pension Division Newsletter

Inside this issue:

Forgot your SAFES Password?	2
Treasurer Bonds	2
Reminders when Joining the PERA Statewide Plan	3
Pension Division Staff	3

Reporting Reminder

The 2015 reporting-year forms for volunteer fire relief associations with assets or liabilities of at least \$500,000 are due to the Office of the State Auditor (OSA) by June 30. Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms. After a relief association exceeds the \$500,000 threshold in either assets or liabilities, the relief association maintains the June 30 reporting deadline and audit requirement even if its assets and liabilities subsequently fall below the threshold.

Reporting forms for relief associations with assets and liabilities less than the \$500,000 threshold were due by April 30.

The 2015 reporting-year forms can be accessed through the State Auditor’s Form Entry System (SAFES) at:

<https://www.auditor.state.mn.us/safes/>.

Helpful hints for completing the reporting forms can be found at:

https://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_checklist.pdf.



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New Online Training Videos

The OSA has posted two additional online training videos to assist relief association officials in completing their annual reporting forms and to inform officials of their annual reporting requirements.

The videos explain how to complete each tab of the new Financial and Investment Reporting Entry (FIRE) form, the Schedule Form, and the Maximum Benefit Worksheet.

General information about accessing, submitting, and electronically signing the reporting forms using SAFES is provided in the “FIRE: General Information” video.

The training videos can be accessed under the “Pension Division” heading at: <http://www.auditor.state.mn.us/default.aspx?page=trainingopportunities>.

What’s Ahead:

June 30:

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

August 1:

The 2016 Schedule Form must be certified to the municipality or independent nonprofit firefighting corporation.

September 15:

First certification deadline for 2016 fire state aid. To be certified as eligible, all 2015 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.

Forgot your SAFES Password?

If you’ve forgotten your username or password for logging into SAFES, the secure web application for accessing, submitting, and electronically signing your relief association’s reporting forms, click on the link below.

<https://www.auditor.state.mn.us/safes/PasswordRecovery.aspx>.

After entering your SAFES username or e-mail address, a new temporary password will be generated and sent to you by e-mail. Usernames are generally “FirstName.LastName” or in the form of an e-mail address. After you log into SAFES using your temporary password, you can change the password to something of your choosing on the “User Maintenance” tab within SAFES.

Treasurer Bonds

Minnesota law requires the treasurer of a volunteer fire relief association to be bonded for at least ten percent of the association’s special fund assets. However, the amount of the bond need not exceed \$500,000.

Officers of relief associations affiliated with a city fire department where the city is bonded through the League of Minnesota Cities Insurance Trust (LMCIT) are automatically defined as covered employees on the city’s bond. The relief association does not need to purchase a separate bond because the association treasurer and other officers are already bonded. The relief association should obtain a copy of the city’s LMCIT bond to be sure that the amount of the bond is at least ten percent of the association assets (with the required amount capped at \$500,000).

Because the statutory requirement specifies that the bond must be in an amount equal to at least ten percent of the assets of the relief association, the bond should not be subject to a deductible. For relief associations covered by a LMCIT bond, the LMCIT will reimburse the association in full in the event of a covered loss, subject to the bond coverage limit. The city will reimburse the LMCIT for any deductible that applies to the loss. This arrangement is specified in the LMCIT bond coverage.

Relief association treasurers who are bonded through an entity other than the LMCIT should review their fidelity bond and make changes as necessary to ensure that it is not subject to a deductible.

Statements of Position:

[Checking Accounts for Fire Departments and Fire Relief Associations](#)

[Investment Policies](#)

[Firefighter Service Credit Determinations](#)

[Fundraisers and Donations](#)

Reminders when Joining the PERA Statewide Plan

The Statewide Volunteer Firefighter Retirement Plan (Plan), created by the Legislature, is a voluntary plan administered by the Public Employees Retirement Association (PERA). When a volunteer fire relief association joins the Plan, PERA takes over the administration of the pension fund. The Minnesota State Board of Investment (SBI) invests the assets of the Plan.

Under the Plan, a relief association’s entire special fund is transferred to the SBI and the relief association no longer pays service pensions or benefits. The relief association ceases to exist as a public pension fund.

Some relief associations have mistakenly retained special fund assets after joining the Plan thinking the assets were needed to pay final accounting and auditing expenses. All special fund assets are required by Minnesota law to be transferred to the SBI before a relief association joins the Plan. PERA will pay a relief association’s final accounting and auditing fees on behalf of the association.

A relief association that joins the Plan may choose to maintain its general fund and to continue operating as a nonprofit corporation. However, these relief associations must make changes to the structure of their board of trustees and to their governing documents to remain in compliance with Minnesota law. Relief associations electing to maintain a general fund after joining the Plan should consult with their legal counsel for guidance.

Information about maintaining a general fund after joining the Plan can be viewed in the OSA’s Statement of Position on this topic, at: <http://www.auditor.state.mn.us/default.aspx?page=20140407.000>.

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