



December 2011

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Working Group Update

The Volunteer Fire Relief Association Working Group met on December 13. Working Group members reviewed draft language for several technical legislative changes. The members also discussed three issues regarding deferred service pensions and interest allocations for deferred members.

The next Working Group meeting will be Tuesday, January 17, from 11:00 a.m. to 1:00 p.m. at our office in Saint Paul. Working Group meetings are open to the public and those interested are encouraged to attend.

Meeting agendas and materials are available on the Office of the State Auditor's website at: <http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>.

New Statement of Position – Combined Service Pensions

A new Statement of Position has been released which provides information about combined service pensions for volunteer firefighters. The Statement explains when firefighters with service in more than one volunteer fire department may be eligible for combined service pension payments, and how the payments would be calculated. The complete Statement can be viewed at: <http://www.auditor.state.mn.us/default.aspx?page=20111206.000>

Statements of Economic Interest Reminder

Every year, each volunteer fire relief association board member and chief administrative officer is required to complete a *Statement of Economic Interest*. The Statement must be filed with the chief administrative officer of the relief association and be made available for public inspection.

The chief administrative officer of a relief association must also submit a *Certified Listing of Individuals Who Filed a Statement of Economic Interest* form to the Campaign Finance and Public Disclosure Board by **January 15**. This form must list all individuals who have filed *Statements of Economic Interest* with the relief association for the preceding 12 months, along with the address of the office at which the statements are available for public inspection.

For your convenience, the *Statement of Economic Interest* and *Certified Listing of Individuals Who Filed a Statement of Economic Interest* forms are available in the Pension Forms section of our website under the “Current Forms” heading, or by going to:

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

Large Public Pension Plan Investment Report

The Office of the State Auditor has released the Large Public Pension Plan Investment Report. The report reviews the investment performance of Minnesota’s large public pension plans for the 2010 calendar year. These pension plans, together with the State Board of Investment, represent the retirement savings of hundreds of thousands of public employees and, as of December 31, 2010, held nearly \$47.8 billion in assets. To view the complete report, go to:

http://www.auditor.state.mn.us/reports/pen/2010/investment/investment_10_report.pdf.

Authorized Administrative Expenses

Many relief associations have year-end expenses to pay. As a reminder, Special Fund assets may only be disbursed for purposes expressly authorized under Minnesota law. Authorized Special Fund disbursements include service pension, disability, and survivor benefit payments and certain authorized administrative expenses. Administrative expenses that may be paid from the Special Fund include office expenses, officer salaries, training fees, and professional fees.

Two common compliance issues that occur with Special Fund disbursements relate to salaries and professional fees. State law allows salaries to be paid from the Special Fund only to a relief association’s president, secretary, and treasurer, or their designees. Relief associations do not have authority to pay salaries to other trustees unless specific language authorizing the payments was included in the association bylaws prior to January 1, 1986. Members of the board of trustees may be reimbursed from the Special Fund for reasonable and necessary expenses actually *paid* and *incurred* in the performance of their duties as members of the board. All other payments (such as per diems) to board members should be paid from the relief association’s General Fund.

The professional fees that a relief association may pay from the Special Fund are limited to authorized audit, actuarial, medical, legal, and investment and performance evaluation expenses. Relief associations do not have authority to pay for lobbying or consulting services from the Special Fund unless the services are provided by an individual or firm that fits one of the categories listed above. Authorized legal fees are fees paid to an attorney or a law firm.

Additional information regarding authorized Special Fund disbursements is available in our Statement of Position on this topic, which can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20110527.003>

State Aid Forfeiture Update

The Office of the State Auditor is pleased to announce that all but three volunteer fire relief associations submitted their 2010 reporting-year forms prior to the forfeiture deadline on November 30. State law requires automatic forfeiture of fire state aid for relief associations that do not file all reporting information by November 30. We would like to thank the relief association trustees, municipal representatives, accountants, investment brokers, and members of the Pension Division team, who worked right up to the deadline to ensure that reporting forms were submitted.

2011 Schedule Form Reminder

The Pension Division is performing preliminary reviews of 2011 Schedule (SC-11) forms submitted by lump-sum relief associations. The SC-11 was required to be certified to the municipality or independent nonprofit firefighting corporation by August 1, 2011, but the form is not required to be submitted to the Office of the State Auditor with the relief association's other 2011 reporting information until March or June 2012. However, for member data to be pre-populated on your 2012 Schedule form, the SC-11 form must be received and reviewed by the OSA before January 2012. If you haven't submitted your SC-11 form yet, please do so as soon as possible so that we can pre-populate your 2012 form.

If you have questions please contact us:

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