



SF 3588 (Pappas); HF 3456 (Cha): Legislation Recommended by the State Auditor's Firefighters Relief Association Working Group

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Introduction

- Affected Plans:** Fire Relief Associations
- Laws Amended:** Sections in Minnesota Statutes, Chapter 424A
- Brief Description:** The bill contains the 2026 recommendations of the State Auditor's Fire Relief Association Working Group for legislation amending the statutes that govern firefighter relief associations.

General Summary

[SF3588/HF3456](#) makes both technical and substantive changes to the statutes governing firefighter relief associations. The substantive changes include the following:

- revises the definition of "firefighting service" to include duties performed by volunteer emergency medical personnel and revises the definitions of "separation of active service," "break in service," and "firefighter" to refer to the defined term of "firefighting service";
- clarifies the provisions governing the service pension calculation requirements for firefighters who return to active fire department service and relief association membership following a break in service;
- increases the threshold at which an annual audit is required from \$750,000 to \$1,000,000 and provides a one-year grace period before audits become required when a relief association exceeds the threshold; and
- allows special fund disbursements to be used to purchase an annuity to replace a monthly benefit service pension.

Background

SF3588/HF3456 is legislation recommended by the State Auditor's Fire Relief Association Working Group (Working Group). This 13-member group consists of officers of firefighters relief associations from around the state, two representatives from municipalities, one representative each from the Minnesota

State Fire Department Association and the Minnesota State Fire Chiefs Association, and the State Auditor.

The Office of the State Auditor has convened the Working Group for many years to discuss changes to the statutes governing volunteer firefighter relief associations. The Working Group was not established by Minnesota law and has no official status. The Working Group's purpose statement is the following:

To identify and work through current and pressing relief association issues while maintaining effective and efficient Office of the State Auditor oversight. We will do this by bringing together the major volunteer fire relief association stakeholders to develop relationships, facilitate communication, discuss relief association issues and make the Pension Process easier and more effective. The ultimate goal is to help volunteer fire relief association plans be successful.

SF3588/HF3456 consists of the recommendations from the Working Group's meetings from July 2025 through September 2025.

Section- by- Section Summary

Sections 1–4: Revising Definitions

Section 1 amends section 424A.001, subdivision 8, which is the definition of "firefighting service." Section 1 expands the definition to include duties performed by emergency volunteer emergency medical personnel, if approved by the presiding municipality or municipalities under section 424A.01.

Section 2 amends section 424A.001, subdivision 9, which is the definition of "separate from active service." Section 2 revises the definition to use "firefighting service," which is a defined term, rather than list different types of duties, so that "separate from active service" means permanently ceasing to perform and supervise all firefighting service within a particular fire department.

Section 3 amends section 424A.001, subdivision 9a, which is the definition of "break in service." Section 3 revises the definition to use "firefighting service," which is a defined term, rather than list different types of duties, so that a "break in service" means temporarily ceasing to perform and supervise all firefighting service within a particular fire department.

Section 4 amends section 424A.001, subdivision 9b, which is the definition of "firefighter." Section 4 adds that a "firefighter" is a person (i.e. a volunteer firefighter, paid on-call firefighter, part-time firefighter, full-time firefighter, career firefighter, or a combination of positions) who is a member of the fire department and engages in firefighting service.

Sections 1 through 4 are effective January 1, 2027.

Sections 5, 7, and 10: Return to Active Firefighting Service

Sections 5 and 10 recodify current Minnesota Statutes, section 424A.01, subdivision 6, into new section 424A.012. Section 424A.01, subdivision 6, governs the service pension calculation requirements for firefighters who return to active fire department service and relief association membership following a break in service.

Section 10 repeals section 424A.01, subdivision 6.

Section 5 generally inserts what was in section 424A.01, subdivision 6, into new section 424A.012, but reorganizes and revises the provisions to improve readability and reduce ambiguity. Specifically, section 5 reorganizes the provisions into two subdivisions. Subdivision 1 establishes the pension calculation for firefighters who return to active service after a break in service and have not previously received a pension or disability benefit. Subdivision 2 establishes the service pension calculation for firefighters who return to active service after a break in service and have previously been paid a service pension or disability benefit.

Section 5 does not change how a firefighter's pension is calculated. Section 5 does clarify that only defined benefit relief associations may define in their bylaws a minimum resumption service requirement that applies to firefighters who return to active membership but have not been paid a pension or disability benefit for their original period of service. However, section 5 removes the condition that a firefighter must meet the minimum resumption service requirements if a firefighter returns to active firefighter service after being paid a pension or disability benefit from the relief association. Instead, section 5 allows a relief association to define vesting requirements in their bylaws solely for former firefighters who have been paid a pension or disability benefit and return to active relief association membership.

Section 7 amends 424A.016, subdivision 4, by making one conforming change to reflect the recodification.

Sections 5, 7, and 10 are effective January 1, 2027.

Section 6: Increasing Audit Threshold Amount

Section 6 amends section 424A.014, subdivision 1, to increase the threshold at which an annual financial report and audited financial statements are required. The threshold is increased from \$750,000 to \$1,000,000. If the \$1,000,000 threshold is exceeded, the relief association must file an annual financial report and audited financial statements with the State Auditor in the calendar year following the year in which the threshold was exceeded.

Section 6 is effective December 31, 2026, and applies to audited financial statements for calendar year 2026 and thereafter. A relief association that does not have special fund assets or special fund liabilities that exceed \$1,000,000 on December 31, 2026, is not required to submit audited financial statements under section 424A.014, subdivision 1, unless and until the association's special fund assets or special fund liabilities exceed \$1,000,000, even if audited financial statements were required immediately prior to the effective date.

Section 8: Technical Changes to Deferred Member Allocations

Section 8 amends section 424A.016, subdivision 6, to remove “interest or” from the provisions that explain how investment performance on a deferred pension must be allocated. By removing “interest or,” the provisions only refer to “additional investment performance” on the deferred pension.

Section 8 is effective the day following final enactment.

Section 9: Adding Authorized Special Fund Disbursement

Section 9 amends section 424A.05, subdivision 3, which specifies the purposes for which disbursements from the special fund may be made. Section 3 adds language allowing relief associations to use a special fund disbursement for the purchase of an annuity that replaces a monthly benefit service pension.

Section 9 is effective the day following final enactment.