

Work Group on Relief Association Conversions and Dissolutions

Monday, July 23, 2018 1:30 – 3:00 p.m.

State Capitol, Conference Room 316
75 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, MN 55155

AGENDA

1. Introductions
Membership list Tab A
2. Objectives of the Work Group
 - a) Session Law and Memo Tab B
 - b) Distinguish from other firefighter work groups
 - Fire State Aid Work Group (convened by PERA and LCPR Deputy Director)
 - Volunteer Fire Relief Association Working Group (*convened by the Office of the State Auditor*)
 - Statewide Voluntary Firefighters Retirement Plan (SVFRP) Advisory Board (*convened by PERA*)
3. Related Sections in the 2018 Pension Bill.....Tab C
 - a) Plymouth and similar relief associations
 - b) Maplewood
4. Statistics Tab D
 - a) Overfunded relief associations and municipal contributions
 - b) Combination Fire Departments
 - c) Fire Departments in the Statewide Plan
 - d) “Career” Fire Departments
 - e) Relief associations affiliated with a firefighting corporation
5. Current Minnesota Statutes
 - a) Conversions from Defined Benefit to Defined Contribution Tab E
 - b) Surplus Assets upon Dissolution/Plan Termination Tab F
6. Discussion
7. Election of Chair or Co-Chairs
8. Next Meeting Dates

Membership List for the Work Group on Relief Association Conversions and Dissolution

Date of list: July 23, 2018

This list notes the categories of membership required by the new law (Section 32, Article 14 of the 2018 pension bill, Laws 2018, Chapter 211) and members are listed under the category to which they relate.

At least two municipal officials, each from a municipality with an affiliated defined benefit relief association, designated by the League of Minnesota Cities:

1. Merrill King
Finance Director, City of Minnetonka
2. Dean Lotter
New Brighton City Manager
3. William Reynolds
City Administrator, City of Shakopee

One representative from the League of Minnesota Cities:

4. Anne Finn

At least two fire chiefs, designated by the Minnesota State Fire Chiefs Association, from fire departments that use both volunteers covered by a defined benefit relief association and salaried firefighters covered by the public employees police and fire retirement plan:

5. George Esbensen
Fire Chief/Director of Emergency Preparedness, Eden Prairie Fire Department
6. Greg Peterson
Fire Chief, White Bear Lake Fire Department
7. Marty Scheerer
Fire Chief, Waconia Fire Department
8. Tim Wiebe
Fire Chief, Chaska Fire Department

At least two active volunteer firefighters covered by a defined benefit relief association, designated by the Minnesota State Fire Departments Association;

9. Bruce Hemstad
Bemidji Fire Relief Association

10. Mike Walstien
Plymouth Fire Relief Association

A fire chief or volunteer of an independent nonprofit firefighting corporation affiliated with a defined benefit relief association:

11. Bruce Carlson
Treasurer, Lake Johanna Fire Relief Association

One representative of the Office of the State Auditor, designated by the state auditor:

12. Rose Hennessy-Allen
Pension Division Director

Any other individual or individuals designated by the Legislative Commission on Pensions and Retirement.

13. Aaron Englesrud
President, Woodbury Fire Relief Association

14. Michael Kruse
Treasurer, Falcon Heights Fire Department Relief Association (DC Plan)

The work group is being convened by Susan Lenczewski, Executive Director of the Legislative Commission on Pensions and Retirement, as required by the statute. Susan's contact information is:

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The Commission Assistant is Lisa Diesslin. Lisa's contact information is:

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TO: Work Group on Relief Association Conversions and Dissolutions
FROM: Susan Lenczewski, Executive Director
DATE: July 23, 2018
SUBJECT: Objectives of the Work Group and Topics for Consideration

The 2018 pension bill requires that a work group be convened to consider a number of topics and render a report summarizing its findings and recommendations by December 31, 2018. Quoting from the bill, the work group is to study:

- (1) the statutes governing conversions from a defined benefit plan to a defined contribution plan and aspects of such conversions that are not addressed or that are addressed by statutes that are ambiguous or unclear;
- (2) the statutes governing dissolution of relief associations and the disposition of surplus assets;
- (3) the prevalence of overfunded defined benefit relief associations in the state and the status of transitions underway at fire departments in the state from using the services of volunteer firefighters to employing salaried firefighters;
- (4) alternatives for determining accrued benefits, vesting, and surplus assets upon conversion and for allocating surplus assets among firefighters, the affiliated municipality, or the state in the form of a reversion of fire state aid;
- (5) alternatives for legislation that amends or supplements the statutes identified in clauses (1) and (2); and
- (6) any related issues identified by the work group.

Taking these topics and putting them into questions that are less technical, the work group might begin to respond to the above directives by answering these questions:

- (1) Should relief associations be able to convert from a defined benefit plan to a defined contribution plan?
- (2) If so, how should accrued benefits and vesting be handled for active, deferred and retired firefighters in a conversion? (Federal tax implications.)

- (3) If a relief association has assets in excess of benefit liabilities, what should happen to the surplus when the relief association converts?
- (4) What should happen to a relief association when the municipality decides to transition from “volunteers” to full-time salaried firefighters and EMTs?
- (5) Should a relief association be required to terminate the pension plan and dissolve the relief association when the municipality terminates the services of all its volunteer firefighters?
- (6) What to do with surplus assets when a relief association dissolves? Should the surplus be paid to the firefighters, the municipality, a combination of the two, or revert to the state? Does the answer change depending on whether the municipality made required or voluntary contributions?
- (7) Any other concerns with overfunded defined benefit relief associations when fire departments transition from volunteer firefighters to salaried firefighters?

Other related questions:

- (1) Why do relief associations have such long vesting schedules? Wouldn't attracting firefighters be easier if they could feel confident about getting the lump sum pension amount they accrue for each year of service?
- (2) Why retain lump sum pension benefits or defined contribution accounts until age 50?
- (3) Why shouldn't deferred interest be eliminated as it has been eliminated for all the statewide public pension plans under the 2018 pension bill (called “augmentation” under those plans)?
- (4) Any concerns about the disparity in lump sum pension amounts for rural versus urban firefighters? If wholly attributable to fire state aid and investment earnings, should surplus assets be spread around for the benefit of rural firefighters with small lump sum amounts?
- (5) If a relief association can raise its lump sum amount, why not go ahead with it despite no approval by the municipality, and simply reserve enough assets in principal-protected investments to cover the entire cost of the increased lump sum benefits?
- (6) Why have defined benefit pension plans at all? Why not avoid the problem with surplus assets altogether and transition all relief associations to defined contribution plans?

Laws 2018, Chapter 211, Article 14, Section 32
SF2620, 1st Unofficial Engrossment

194.13 Sec. 32. **RELIEF ASSOCIATION WORK GROUP.**

194.14 (a) The executive director of the Legislative Commission on Pensions and Retirement
194.15 shall convene a work group immediately following the end of the regular 2018 legislative
194.16 session to study the following:

194.17 (1) the statutes governing conversions from a defined benefit plan to a defined
194.18 contribution plan and aspects of such conversions that are not addressed or that are addressed
194.19 by statutes that are ambiguous or unclear;

194.20 (2) the statutes governing dissolution of relief associations and the disposition of surplus
194.21 assets;

194.22 (3) the prevalence of overfunded defined benefit relief associations in the state and the
194.23 status of transitions underway at fire departments in the state from using the services of
194.24 volunteer firefighters to employing salaried firefighters;

194.25 (4) alternatives for determining accrued benefits, vesting, and surplus assets upon
194.26 conversion and for allocating surplus assets among firefighters, the affiliated municipality,
194.27 or the state in the form of a reversion of fire state aid;

194.28 (5) alternatives for legislation that amends or supplements the statutes identified in
194.29 clauses (1) and (2); and

194.30 (6) any related issues identified by the work group.

195.1 (b) Members of the work group shall include as many of the following individuals as
195.2 are available, not to exceed twelve individuals:

195.3 (1) at least two municipal officials, each from a municipality with an affiliated defined
195.4 benefit relief association, designated by the League of Minnesota Cities;

195.5 (2) one representative from the League of Minnesota Cities;

195.6 (3) at least two fire chiefs, designated by the Minnesota State Fire Chiefs Association,
195.7 from fire departments that use both volunteers covered by a defined benefit relief association
195.8 and salaried firefighters covered by the public employees police and fire retirement plan;

195.9 (4) at least two active volunteer firefighters covered by a defined benefit relief association,
195.10 designated by the Minnesota State Fire Departments Association;

195.11 (5) a fire chief or volunteer of an independent nonprofit firefighting corporation affiliated
195.12 with a defined benefit relief association;

195.13 (6) one representative of the Office of the State Auditor, designated by the state auditor;
195.14 and

195.15 (7) any other individual or individuals designated by the Legislative Commission on
195.16 Pensions and Retirement.

195.17 (c) Participation in the activities of the work group shall not be considered lobbying
195.18 under Minnesota Statutes, chapter 10A. A municipality or relief association may not retaliate
195.19 against an individual because of the individual's participation in the work group.

195.20 (d) The work group shall elect a chair from among its members.

195.21 (e) The work group shall submit a report by December 31, 2018, that summarizes the
195.22 findings of the work group and provides the work group's recommendations to the chair
195.23 and vice-chair of the Legislative Commission on Pensions and Retirement.

195.24 (f) The work group shall disband as of the end of the 2019 legislative session and any
195.25 special session thereafter.

195.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Laws 2018, Chapter 211, Article 14, Sections 25, 29 & 30
SF2620, 1st Unofficial Engrossment

179.2 Sec. 25. Minnesota Statutes 2016, section 424B.20, is amended by adding a subdivision
179.3 to read:

179.4 Subd. 4a. **Disposition of surplus assets upon dissolution of certain volunteer**
179.5 **firefighters relief associations.** Notwithstanding any provision to the contrary in subdivision
179.6 4, if a volunteer firefighters relief association provides a lump-sum service pension equal
179.7 to \$9,500 or more for each year of service as of the effective date of this section, upon
179.8 dissolution under this section and payment of the last service pension or benefit due and
179.9 owing, any remaining assets in the trust fund cancel as follows:

179.10 (1) if the municipality was required to make contributions to the relief association under
179.11 chapter 424A at any time during the ten years preceding the effective date of this section,
179.12 the remaining assets cancel to the general fund of the municipality; or

179.13 (2) if the municipality was not required to make contributions to the relief association
179.14 under chapter 424A at any time during the ten years preceding the effective date of this
179.15 section, the remaining assets cancel to the general fund of the state.

179.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and
179.17 applies to dissolutions initiated retroactive to May 8, 2018.

187.21 Sec. 29. **CERTAIN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION**
187.22 **SERVICE PENSIONS.**

187.23 (a) As used in this section, "qualifying volunteer firefighters relief association" means
187.24 a volunteer firefighters relief association with a funding ratio of greater than 100 percent
187.25 as of the most recent fiscal year end, and which provides a lump sum pension benefit based
187.26 on a lump sum pension amount equal to \$9,500 or more, as of the effective date of this
187.27 section. For purposes of this section, "qualifying volunteer firefighters relief association"
187.28 does not include an association whose maximum lump-sum pension amount is specifically
187.29 established by other provisions of this bill.

187.30 (b) Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision
187.31 3, paragraph (d), to the contrary, the maximum lump-sum pension amount for each year of
187.32 service credited that may be provided for in the bylaws of a qualifying volunteer firefighters
187.33 relief association is the maximum service pension figure corresponding to the average
188.1 amount of available financing per active covered firefighter for the applicable specified
188.2 period:

188.3	<u>Minimum Average Amount of Available Financing</u>	<u>Maximum Lump-Sum Service</u>
188.4	<u>per Firefighter</u>	<u>Pension Amount Payable for Each</u>
188.5		<u>Year of Service</u>
188.6	\$...	\$ 10
188.7	<u>11</u>	<u>20</u>
188.8	<u>16</u>	<u>30</u>
188.9	<u>23</u>	<u>40</u>
188.10	<u>27</u>	<u>50</u>
188.11	<u>32</u>	<u>60</u>
188.12	<u>43</u>	<u>80</u>
188.13	<u>54</u>	<u>100</u>
188.14	<u>65</u>	<u>120</u>
188.15	<u>77</u>	<u>140</u>
188.16	<u>86</u>	<u>160</u>

188.17	<u>97</u>	<u>180</u>
188.18	<u>108</u>	<u>200</u>
188.19	<u>131</u>	<u>240</u>
188.20	<u>151</u>	<u>280</u>
188.21	<u>173</u>	<u>320</u>
188.22	<u>194</u>	<u>360</u>
188.23	<u>216</u>	<u>400</u>
188.24	<u>239</u>	<u>440</u>
188.25	<u>259</u>	<u>480</u>
188.26	<u>281</u>	<u>520</u>
188.27	<u>302</u>	<u>560</u>
188.28	<u>324</u>	<u>600</u>
188.29	<u>347</u>	<u>640</u>
188.30	<u>367</u>	<u>680</u>
188.31	<u>389</u>	<u>720</u>
188.32	<u>410</u>	<u>760</u>
188.33	<u>432</u>	<u>800</u>
188.34	<u>486</u>	<u>900</u>
188.35	<u>540</u>	<u>1000</u>
188.36	<u>594</u>	<u>1100</u>
188.37	<u>648</u>	<u>1200</u>
188.38	<u>702</u>	<u>1300</u>
189.1	<u>756</u>	<u>1400</u>
189.2	<u>810</u>	<u>1500</u>
189.3	<u>864</u>	<u>1600</u>
189.4	<u>918</u>	<u>1700</u>
189.5	<u>972</u>	<u>1800</u>
189.6	<u>1026</u>	<u>1900</u>
189.7	<u>1080</u>	<u>2000</u>
189.8	<u>1134</u>	<u>2100</u>
189.9	<u>1188</u>	<u>2200</u>
189.10	<u>1242</u>	<u>2300</u>
189.11	<u>1296</u>	<u>2400</u>
189.12	<u>1350</u>	<u>2500</u>
189.13	<u>1404</u>	<u>2600</u>
189.14	<u>1458</u>	<u>2700</u>
189.15	<u>1512</u>	<u>2800</u>
189.16	<u>1566</u>	<u>2900</u>
189.17	<u>1620</u>	<u>3000</u>
189.18	<u>1672</u>	<u>3100</u>
189.19	<u>1726</u>	<u>3200</u>
189.20	<u>1753</u>	<u>3250</u>
189.21	<u>1780</u>	<u>3300</u>
189.22	<u>1820</u>	<u>3375</u>
189.23	<u>1834</u>	<u>3400</u>
189.24	<u>1888</u>	<u>3500</u>
189.25	<u>1942</u>	<u>3600</u>
189.26	<u>1996</u>	<u>3700</u>
189.27	<u>2023</u>	<u>3750</u>
189.28	<u>2050</u>	<u>3800</u>
189.29	<u>2104</u>	<u>3900</u>
189.30	<u>2158</u>	<u>4000</u>
189.31	<u>2212</u>	<u>4100</u>
189.32	<u>2265</u>	<u>4200</u>
189.33	<u>2319</u>	<u>4300</u>
189.34	<u>2373</u>	<u>4400</u>
189.35	<u>2427</u>	<u>4500</u>

189.36	<u>2481</u>	4600
189.37	<u>2535</u>	4700
189.38	<u>2589</u>	4800
190.1	<u>2643</u>	4900
190.2	<u>2697</u>	5000
190.3	<u>2751</u>	5100
190.4	<u>2805</u>	5200
190.5	<u>2859</u>	5300
190.6	<u>2913</u>	5400
190.7	<u>2967</u>	5500
190.8	<u>3021</u>	5600
190.9	<u>3075</u>	5700
190.10	<u>3129</u>	5800
190.11	<u>3183</u>	5900
190.12	<u>3237</u>	6000
190.13	<u>3291</u>	6100
190.14	<u>3345</u>	6200
190.15	<u>3399</u>	6300
190.16	<u>3453</u>	6400
190.17	<u>3507</u>	6500
190.18	<u>3561</u>	6600
190.19	<u>3615</u>	6700
190.20	<u>3669</u>	6800
190.21	<u>3723</u>	6900
190.22	<u>3777</u>	7000
190.23	<u>3831</u>	7100
190.24	<u>3885</u>	7200
190.25	<u>3939</u>	7300
190.26	<u>3993</u>	7400
190.27	<u>4047</u>	7500
190.28	<u>4101</u>	7600
190.29	<u>4155</u>	7700
190.30	<u>4209</u>	7800
190.31	<u>4263</u>	7900
190.32	<u>4317</u>	8000
190.33	<u>4371</u>	8100
190.34	<u>4425</u>	8200
190.35	<u>4479</u>	8300
190.36	<u>4533</u>	8400
190.37	<u>4587</u>	8500
190.38	<u>4641</u>	8600
191.1	<u>4695</u>	8700
191.2	<u>4749</u>	8800
191.3	<u>4803</u>	8900
191.4	<u>4857</u>	9000
191.5	<u>4911</u>	9100
191.6	<u>4965</u>	9200
191.7	<u>5019</u>	9300
191.8	<u>5073</u>	9400
191.9	<u>5127</u>	9500
191.10	<u>5181</u>	9600
191.11	<u>5235</u>	9700
191.12	<u>5289</u>	9800
191.13	<u>5343</u>	9900
191.14	<u>5397</u>	10,000
191.15	<u>5451</u>	10,100
191.16	<u>5505</u>	10,200

191.17	<u>5559</u>	<u>10,300</u>
191.18	<u>5613</u>	<u>10,400</u>
191.19	<u>5667</u>	<u>10,500</u>
191.20	<u>5721</u>	<u>10,600</u>
191.21	<u>5775</u>	<u>10,700</u>
191.22	<u>5729</u>	<u>10,800</u>
191.23	<u>5883</u>	<u>10,900</u>
191.24	<u>5937</u>	<u>11,000</u>
191.25	<u>5991</u>	<u>11,100</u>
191.26	<u>6045</u>	<u>11,200</u>
191.27	<u>6099</u>	<u>11,300</u>
191.28	<u>6153</u>	<u>11,400</u>
191.29	<u>6207</u>	<u>11,500</u>
191.30	<u>6261</u>	<u>11,600</u>
191.31	<u>6315</u>	<u>11,700</u>
191.32	<u>6369</u>	<u>11,800</u>
191.33	<u>6423</u>	<u>11,900</u>
191.34	<u>6477</u>	<u>12,000</u>
191.35	<u>6531</u>	<u>12,100</u>
191.36	<u>6585</u>	<u>12,200</u>
191.37	<u>6639</u>	<u>12,300</u>
191.38	<u>6693</u>	<u>12,400</u>
192.1	<u>6747</u>	<u>12,500</u>
192.2	<u>any amount in excess of 6747</u>	<u>12,500</u>

192.3 (c) The maximum monthly service pension amount per month for each year of service
192.4 credited that may be provided for in the bylaws of the volunteer firefighters relief association
192.5 must be set pursuant to Minnesota Statutes, section 424A.02, subdivision 3, paragraph (c).

192.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

192.7 **Sec. 30. MAPLEWOOD FIREFIGHTERS RELIEF ASSOCIATION;**
192.8 **TERMINATION AND DISSOLUTION.**

192.9 (a) Notwithstanding any provision of Minnesota Statutes, chapters 424A, 424B, or any
192.10 other law to the contrary, the Maplewood Firefighters Relief Association will be dissolved
192.11 and its pension plan terminated in accordance with the provisions of this section following
192.12 the payment by the relief association of all benefit obligations to all members and deferred
192.13 members, the discharge of any other legal obligations, and the distribution of all remaining
192.14 assets of the relief association.

192.15 (b) Each member of the Maplewood Firefighters Relief Association who was employed
192.16 as a volunteer firefighter by the Maplewood Fire Department on February 27, 2018, shall
192.17 become 100 percent vested in the member's retirement benefit determined by taking into
192.18 account each full year of service and fractional year of service, as defined in the bylaws of
192.19 the relief association, until the member's separation from service as a volunteer firefighter.
192.20 The member will be considered a retired member of the relief association.

192.21 (c) Each of the members specified in paragraph (b) is entitled to a lump sum benefit in
192.22 an amount equal to \$11,000 multiplied by the number of full and fractional years of service
192.23 earned by the member.

192.24 (d) Prior to the distribution of benefits under this section, the Maplewood Firefighters
192.25 Relief Association shall amend its bylaws to reestablish a defined benefit lump sum service
192.26 pension plan that provides the benefits described in this section and shall rescind any bylaws
192.27 inconsistent with this section. The relief association may amend its bylaws to incorporate
192.28 any provisions necessary to satisfy tax qualification requirements under the Internal Revenue

- 192.29 Code and make any other changes necessary to permit members to elect a direct rollover
192.30 of their benefit into a retirement account. Any bylaws amendment shall be approved by a
192.31 majority of the members of the relief association in attendance at a meeting of the
192.32 membership held to consider the bylaws amendment.
- 192.33 (e) Prior to dissolution, the Maplewood Firefighters Relief Association shall:
- 193.1 (1) distribute the retirement benefits of all members and deferred members in the form
193.2 of a lump sum payment or direct rollover, regardless of the age of the member or deferred
193.3 member, and otherwise in accordance with this section and the bylaws of the relief association
193.4 discharge all pension benefit obligations;
- 193.5 (2) to the extent authorized under Minnesota Statutes, section 424A.05, subdivision 3,
193.6 discharge any other legal obligation the relief association owes to any other party; and
- 193.7 (3) pay a supplemental lump sum benefit to each member and survivor who satisfies the
193.8 requirements of Minnesota Statutes, section 424A.10, subdivision 2, except that,
193.9 notwithstanding any requirements in Minnesota Statutes, section 424A.10, subdivision 2,
193.10 to the contrary, the benefit shall be paid to a member only if the member had attained at
193.11 least age 50 as of the date the member received a distribution of the member's retirement
193.12 benefit under clause (1).
- 193.13 (f) The city of Maplewood shall file for and receive reimbursement pursuant to Minnesota
193.14 Statutes, section 424A.10, subdivision 3, of supplemental benefits paid to any member who
193.15 had attained at least age 50 as of the date the member received a distribution of the member's
193.16 retirement benefit under paragraph (e) and to any survivor and deposit the reimbursement
193.17 in the city's general fund.
- 193.18 (g) Upon completion of paragraphs (b) through (e), the Maplewood Firefighters Relief
193.19 Association shall be dissolved and its affairs wound up in accordance with Minnesota
193.20 Statutes, section 424B.20, subdivision 5.
- 193.21 (h) Upon dissolution of the Maplewood Firefighters Relief Association:
- 193.22 (1) the remaining balance in the relief association special fund shall be transferred to
193.23 the city of Maplewood general fund and none of the relief association special fund may be
193.24 transferred to the relief association general fund;
- 193.25 (2) the remaining balance in the relief association general fund shall be distributed in
193.26 equal shares to all members; and
- 193.27 (3) if the relief association files the financial report and audit required under Minnesota
193.28 Statutes, section 69.051, subdivision 1, and the state auditor files the certification regarding
193.29 the relief association with the commissioner of revenue pursuant to Minnesota Statutes,
193.30 section 6.495, subdivision 3, the Department of Revenue shall pay the fire state aid under
193.31 Minnesota Statutes, chapter 69, for calendar year 2017 to the city of Maplewood.
- 193.32 **EFFECTIVE DATE; LOCAL APPROVAL.** The provisions of this section shall take
193.33 effect only if approved within 45 days of the enactment of this section by:
- 194.1 (1) the board of trustees of the Maplewood Firefighters Relief Association;
- 194.2 (2) a majority of the members of the relief association in attendance at a meeting of the
194.3 membership to consider this section; and
- 194.4 (3) the Maplewood city council.

Legislative Commission on Pensions and Retirement

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Relief Associations with a Surplus over Full Funding and Municipal Contributions

Compiled from information provided
by the Office of the State Auditor

April 2018

At the end of 2016, there were 425 relief associations with surpluses over full funding based on information provided to the Office of the State Auditor on the annual reporting forms.

Of the 425 relief associations with surpluses:

- 363 received a contribution (required or voluntary) from the affiliated municipality in at least one of the years during the ten-year period ending in 2016. Of this 363:
 - 257 received a required municipal contribution in at least one of the years.
 - 106 of the associations received voluntary municipal contributions, solely, during the ten-year period.
- 62 relief associations with reported surpluses that received no municipal contribution during the ten-year period ending in 2016.

Of the relief associations with surpluses that received no municipal contribution during the ten-year period in question, the associations that reported the largest 2016 surplus amounts are as follows:

Relief Association Name	2016 Surplus Amount
Plymouth Fire Relief Association	\$2,189,343
White Bear Lake Fire Relief Association	\$959,390
Stillwater Fire Relief Association	\$914,462
Bayport Fire Relief Association	\$550,442
Red Wing Fire Relief Association	\$316,317
Long Lake Fire Relief Association	\$243,932
Glyndon Fire Relief Association	\$178,083
Milan Fire Relief Association	\$173,338
Cottonwood Fire Relief Association	\$144,225
Cotton Fire Relief Association	\$141,212

Legislative Commission on Pensions and Retirement

55 State Office Building
Phone: 651-296-2750

100 Rev. Dr. Martin Luther King Jr. Blvd.
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St. Paul, MN 55155-1201
www.lcpr.leg.mn

TO: Members of the Fire State Aid Work Group
FROM: Rachel Barth, Deputy Director
DATE: January 31, 2018
RE: Combination Fire Departments

Combination Fire Departments

All data is as of December 31, 2016, from the Office of the State Auditor and PERA. Police & Fire (“P&F”) members are estimates and based on employers reporting individuals as “firefighters” to PERA for P&F membership. Municipal contributions for relief associations includes both required and voluntary contributions. Municipal contributions for PERA-SVF plan members include only required contributions.

Relief Association Name	Active Memb.	Total Memb.	P&F Memb. (Est.)	P&F Contributions 2017	Plan Type	Lump-Sum Benefit Level	Monthly Benefit Level	2016 State Aid	2016 Municipal Contribution	Net Assets	Accrued Liability	Funding Ratio
Albert Lea Fire District	15	27	16	\$110,872.24	PERA-SVF							
Albertville Fire Relief Assoc.	24	31	1	\$9,861.68	LS	\$2,400		63,315	-	738,158	680,509	108%
Alexandria Fire Relief Assoc.	30	35	1	\$9,357.60	LS	\$7,725		136,992	-	2,871,203	3,084,120	93%
Andover Fire Relief Assoc.	55	92	3	\$30,402.96	DC			167,844	55,000	3,959,122	3,959,122	100%
Anoka-Champain Fire Relief Assoc.	39	54	6	\$37,751.87	DC			215,024	12,935	3,594,419	3,594,419	100%
Apple Valley Fire Relief Assoc.	59	82	2	\$8,893.80	MO/LS	\$6,700	\$45	281,578	259,830	6,581,831	7,512,916	88%
Austin Fire Relief Assoc.	22	36	9	\$65,901.75	DC			-	-	1,169,485	1,169,485	100%
Bemidji Fire Relief Assoc.	36	39	8	\$54,138.00	LS	\$6,000		193,923	-	3,059,805	2,380,653	129%
Brainerd Fire Relief Assoc.	34	39	2	\$16,379.75	LS	\$8,750		194,646	60,768	2,929,326	2,627,094	112%
Brooklyn Center Fire Relief Assoc.	32	41	1	\$6,502.05	MO/LS	\$7,600	\$24	146,002	-	3,673,474	3,425,191	107%
Brooklyn Park Fire Relief Assoc.	52	105	28	\$205,063.45	DC			404,421	55,000	10,704,622	10,704,622	100%
Cambridge Fire Dept.	29	32	1	\$7,994.74	PERA-SVF	\$3,500		74,946	-	626,588	684,193	92%
Centennial Fire Relief Assoc.	45	73	1	\$8,123.65	LS	\$4,500		158,282	25,500	3,438,199	2,777,784	124%
Chanhassen Fire Relief Assoc.	39	66	2	\$14,334.56	MO/LS	\$6,000	\$21	176,831	-	2,113,570	2,365,025	89%
Chaska Fire Relief Assoc.	38	47	2	\$20,932.02	MO/LS	\$6,255	\$25	151,139	276,146	5,152,061	5,786,524	89%

LS = Lump Sum; DC=Defined Contribution; MO=Monthly Benefit (revised 2/1/18)

Legislative Commission on Pensions and Retirement

Relief Association Name	Active Memb.	Total Memb.	P&F Memb. (Est.)	P&F Contributions 2017	Plan Type	Lump-Sum Benefit Level	Monthly Benefit Level	2016 State Aid	2016 Municipal Contribution	Net Assets	Accrued Liability	Funding Ratio
Cloquet Area Fire District Fire Relief Assoc.	22	34	26	\$214,721.30	DC			73,607	-	501,608	501,608	100%
Columbia Heights Fire Relief Assoc.	23	50	10	\$89,427.25	DC			96,868	-	1,709,013	1,709,013	100%
Coon Rapids Fire Relief Assoc.	51	68	25	\$254,276.32	DC			321,387	-	8,277,034	8,277,034	100%
Cottage Grove Fire Relief Assoc.	46	63	12	\$87,437.93	LS	\$5,200		191,271	5,265	2,367,396	2,028,213	117%
Detroit Lakes Fire Relief Assoc.	30	36	1	\$1,083.60	LS	\$6,250		95,838	24,620	1,681,444	1,473,796	114%
Eagan Fire Relief Assoc.	95	177	6	\$50,224.56	DC			402,273	318,939	12,011,179	12,011,179	100%
East Grand Forks Fire Relief Assoc.	29	31	10	\$76,400.37	LS	\$3,000		68,281	-	1,140,907	1,033,202	110%
Eden Prairie Fire Relief Assoc.	101	117	6	\$64,826.51	MO/LS	\$10,000	\$56	447,848	388,664	20,087,435	22,727,698	88%
Edina Fire Relief Assoc.	43	53	23	\$247,642.41	DC			414,098	-	9,220,132	9,220,132	100%
Elk River Fire Relief Assoc.	43	48	3	\$31,117.43	LS	\$5,510		179,192	30,000	3,096,419	2,843,580	109%
Excelsior Fire Relief Assoc.	39	49	2	\$18,873.29	LS	\$7,050		143,743	-	5,411,322	4,600,106	118%
Fergus Falls Fire Relief Assoc.	41	56	2	\$13,040.96	LS	\$4,400		92,376	-	2,452,277	2,001,800	123%
Forest Lake Fire Relief Assoc.	30	36	1	\$10,479.46	LS	\$4,800		134,422	18,500	2,470,987	1,823,085	136%
Fridley Fire Relief Assoc.	36	59	6	\$59,121.44	DC			148,297	-	2,758,974	2,758,974	100%
Golden Valley Fire Relief Assoc.	44	53	3	\$30,208.01	LS	\$7,750		151,252	3,532	4,876,016	3,917,522	124%
Ham Lake Fire Relief Assoc.	33	45	1	\$13,267.72	LS	\$3,400		86,893	-	1,606,941	1,434,491	112%
Hastings Fire Relief Assoc.	49	64	17	\$154,628.01	LS	\$5,100		177,612	-	4,146,826	2,994,262	138%
Hibbing Fire Relief Assoc.	17	22	25	\$171,397.07	LS	\$1,200		24,587	-	245,923	131,230	187%
Hopkins Fire Relief Assoc.	34	47	4	\$27,818.59	LS	\$6,900		101,547	32,463	2,904,865	2,801,949	104%
Hutchinson Fire Relief Assoc.	32	36	1	\$8,580.56	MO Only		\$17	106,662	75,000	2,074,399	2,578,296	80%
International Falls Fire Relief Assoc.	26	37	8	\$40,276.63	LS	\$2,900		64,522	-	727,082	659,034	110%
Inver Grove Heights Fire Relief Assoc.	63	72	1	\$12,202.10	LS	\$7,900		195,016	25,000	5,030,903	4,747,916	106%
Isanti Area Joint Operating Fire District	29	46	2	\$14,925.55	PERA-SVF	\$5,500		79,019	-	2,228,429	2,140,788	104%
Lake Elmo Fire Relief Assoc.	19	24	8	\$13,551.09	LS	\$3,400		59,136	-	1,075,446	778,856	138%
Lake Johanna Fire Relief Assoc.	74	79	1	\$33,812.57	MO/LS	\$6,229	\$38	281,342	96,598	5,609,510	4,407,324	127%
Lakeville Fire Relief Assoc.	77	97	4	\$41,185.48	LS	\$6,877		342,276	-	7,821,651	5,893,517	133%
Lino Lakes Fire Dept.	23	19	1	\$11,351.94	PERA-SVF	\$5,000		-	-	-	26,930	0%
Little Falls Fire Relief Assoc.	34	35	1	\$8,562.79	LS	\$3,400		85,645	8,000	1,426,415	1,427,796	100%
Long Lake Fire Relief Assoc.	39	47	1	\$9,430.35	LS	\$3,800		102,476	-	1,919,719	1,675,787	115%
Lower Saint Croix Valley Fire Relief Assoc.	27	30	1	\$7,101.00	LS	\$3,250		48,011	-	1,618,604	1,303,724	124%
Mahtomedi Fire Relief Assoc.	17	32	2	\$18,289.42	LS	\$4,900		75,564	-	1,770,326	1,214,057	146%
Maple Grove Fire Relief Assoc.	84	149	10	\$76,886.10	DC			411,094	231,816	15,141,412	15,141,412	100%
Maplewood Fire Relief Assoc.	22	42	26	\$209,640.01	LS	\$10,000		230,347	-	4,461,361	3,571,631	125%
Minnetonka Fire Relief Assoc.	74	160	7	\$61,445.60	MO/LS	\$6,910	\$53	374,889	-	15,389,190	14,965,223	103%
Mound Fire Relief Assoc.	38	46	1	\$11,072.62	MO/LS	\$5,585	\$30	108,904	125,000	4,872,773	5,633,445	86%

LS = Lump Sum; DC=Defined Contribution; MO=Monthly Benefit (revised 2/1/18)

Legislative Commission on Pensions and Retirement

Relief Association Name	Active Memb.	Total Memb.	P&F Memb. (Est.)	P&F Contributions 2017	Plan Type	Lump-Sum Benefit Level	Monthly Benefit Level	2016 State Aid	2016 Municipal Contribution	Net Assets	Accrued Liability	Funding Ratio
New Brighton Fire Relief Assoc.	39	46	1	\$8,800.09	LS	\$6,500		124,661	-	3,864,364	2,941,453	131%
New Ulm Fire Relief Assoc.	39	56	1	\$9,858.51	MO/LS	\$4,125	\$25	93,158	30,128	2,360,704	2,191,648	108%
North Saint Paul Fire Relief Assoc.	36	43	4	\$24,701.70	LS	\$5,000		59,125	22,000	1,287,303	1,430,201	90%
Oakdale Volunteer Fire Dept.	36	52	9	\$86,834.98	PERA-SVF	\$5,000		155,025		2,606,445	2,020,897	129%
Owatonna Fire Relief Assoc.	28	36	6	\$48,868.37	LS	\$6,100		164,223	-	3,339,899	2,577,386	130%
Plymouth Fire Relief Assoc.	71	91	11	\$79,245.00	MO/LS	\$9,500	\$25	485,748	-	8,555,597	6,366,254	134%
Prior Lake Fire Relief Assoc.	46	57	1	\$10,712.43	LS	\$7,100		214,891	20,000	4,229,942	3,939,859	107%
Ramsey Fire Relief Assoc.	52	74	2	\$18,638.37	DC			155,457	17,753	2,951,489	2,951,489	100%
Red Wing Fire Relief Assoc.	22	26	25	\$218,989.48	LS	\$4,000		112,854	-	1,438,809	1,122,492	128%
Rogers Fire Relief Assoc.	39	43	2	\$16,890.60	LS	\$3,300		94,896	9,000	1,272,966	1,358,633	94%
Roseville Fire Relief Assoc.	25	38	21	\$106,658.84	MO/LS	\$3,200	\$32	220,324	-	10,302,168	9,684,890	106%
Saint Anthony Fire Relief Assoc.	29	34	7	\$68,274.20	LS	\$3,300		50,174	6,000	901,635	863,358	104%
Saint Francis Fire Relief Assoc.	21	27	2	\$1,709.05	LS	\$2,900		35,592	-	688,713	526,162	131%
Savage Fire Relief Assoc.	38	45	2	\$21,552.55	MO/LS	\$5,572	\$36	161,295	184,514	5,756,952	5,736,517	100%
Shakopee Fire Relief Assoc.	42	62	7	\$51,998.06	LS	\$7,800		246,910	-	5,636,103	4,928,090	114%
Spring Lake Park Fire Dept. Inc.	56	145	11	\$72,602.81	PERA-SVF		\$38	427,661		12,753,422	10,091,704	126%
Stillwater Fire Relief Assoc.	34	41	7	\$60,820.93	LS	\$6,000		162,730	-	3,826,688	2,912,226	131%
Thief River Falls	25	26	7	\$52,765.65	LS	\$3,000		68,096	-	1,017,290	893,438	114%
Vadnais Heights Fire Relief Assoc.	30	52	3	\$26,576.76	LS	\$3,600		77,745	-	1,336,624	922,577	145%
Victoria Fire Dept.	35	54	1	\$8,552.20	PERA-SVF	\$3,000		62,285	-	970,810	900,264	108%
Waseca Fire Relief Assoc.	29	34	3	\$19,402.63	LS	\$3,700		69,664	-	1,554,894	1,440,129	108%
West Metro Fire Relief Assoc.	59	109	7	\$72,352.40	DC			219,246	155,062	8,899,977	8,899,977	100%
Willmar Fire Dept.	40	63	1	\$10,005.97	PERA-SVF	\$3,500		104,601	-	1,284,689	1,229,573	104%
Woodbury Fire Relief Assoc.	70	129	12	\$125,698.85	LS	\$6,720		400,737	-	10,988,972	8,534,702	129%
Zimmerman Fire Relief Assoc.	30	34	1	\$7,992.27	LS	\$4,000		70,451	30,000	1,085,034	1,018,200	107%

List of Combo FDs 2.2018 Rachel.docx

PERA Statewide Volunteer Firefighter Retirement Plan
List of Plan Participants

Statewide Volunteer Firefighter Retirement Plan Statistics as of December 31, 2016										
Plan Count	Lump Sum Fire Departments	Membership Date	Members	Benefit Amount Per Year of Service	Net Assets	Accrued Liability	Funding Ratio %	Normal Cost	2016 Fire State Aid	2018 Required Contribution
1	Aitkin (City)	January 1, 2015	28	\$2,500	\$942,371	\$944,931	92%	\$81,796	\$57,971	\$14,562
2	Albert Lea (Township)	January 1, 2013	19	\$2,500	\$286,834	\$272,708	95%	\$28,115	\$7,708	\$9,339
3	Albion (Township)	January 1, 2010	23	\$800	\$203,781	\$196,757	95%	\$17,511	\$14,230	\$14,642
4	Alden (City)	January 1, 2011	25	\$1,000	\$218,714	\$207,072	94%	\$25,350	\$11,859	\$13,637
5	Ashby (City)	January 1, 2013	30	\$900	\$427,096	\$363,070	111%	\$21,728	\$17,523	\$9,487
6	Aurora (City)	January 1, 2016	20	\$1,400	\$202,015	\$197,934	91%	\$24,001	\$10,747	\$11,266
7	Barnum (City)	January 1, 2014	28	\$700	\$323,923	\$162,597	180%	\$17,523	\$13,637	\$9,487
8	Barrett (City)	January 1, 2017	21	\$700	\$143,414	\$120,102	107%	\$14,424	\$10,747	\$11,266
9	Belview Fire (City)	January 1, 2016	21	\$800	\$224,783	\$250,146	83%	\$19,794	\$13,682	\$13,044
10	Biwabik (Township)	January 1, 2011	13	\$1,200	\$245,926	\$213,515	107%	\$16,178	\$15,612	\$3,726
11	Blomkest (City)	January 1, 2016	15	\$1,200	\$169,503	\$144,822	107%	\$13,682	\$11,266	\$13,044
12	Brandon (City)	January 1, 2012	31	\$1,300	\$306,891	\$352,287	79%	\$34,808	\$14,211	\$3,726
13	Breitung (Township)	January 1, 2012	21	\$1,000	\$296,644	\$161,001	167%	\$17,024	\$13,044	\$11,889
14	Brevator (Township)	January 1, 2013	17	\$700	\$175,281	\$118,808	134%	\$11,889	\$7,115	\$13,044
15	Bricelyn (City)	January 1, 2017	18	\$1,100	\$408,563	\$346,977	111%	\$19,714	\$13,044	\$10,080
16	Brook Park (City)	January 1, 2016	26	\$1,200	\$243,497	\$247,076	90%	\$23,718	\$10,080	\$17,074
17	Browerville (City)	January 1, 2017	20	\$1,000	\$306,335	\$246,621	114%	\$21,927	\$17,074	\$8,845
18	Buyck VFD	January 1, 2011	15	\$800	\$94,556	\$46,157	172%	\$8,845	\$7,115	\$74,946
19	Cambridge (City)	January 1, 2015	27	\$3,500	\$732,013	\$799,414	82%	\$92,731	\$25,541	\$25,541
20	Canby (City)	January 1, 2013	31	\$2,000	\$510,288	\$400,796	115%	\$43,208	\$18,570	\$26,972
21	Carsonville (Township)	January 1, 2012	30	\$1,100	\$235,316	\$187,779	110%	\$25,465	\$13,416	\$11,859
22	Center City (City)	January 1, 2015	22	\$1,500	\$391,514	\$276,748	129%	\$26,972	\$13,416	\$11,859
23	Central Lakes VFD	January 1, 2014	18	\$500	\$35,583	\$12,785	197%	\$5,283	\$12,647	\$13,046
24	Clarks Grove (City)	January 1, 2016	27	\$800	\$144,830	\$123,916	104%	\$15,168	\$8,301	\$8,894
25	Clifton (Township)	January 1, 2013	29	\$1,250	\$408,320	\$230,356	159%	\$25,799	\$13,046	\$14,122
26	Colvill VFD	January 1, 2012	18	\$800	\$128,363	\$127,971	91%	\$13,370	\$8,301	\$29,163
27	Colvin VFD	January 1, 2017	13	\$1,200	\$82,282	\$71,456	100%	\$10,582	\$8,894	\$13,826
28	Cosmos (City)	January 1, 2017	23	\$1,000	\$272,597	\$185,320	134%	\$18,237	\$14,122	\$6,522
29	Cottage Grove (City)	January 1, 2017	62	\$6,000	\$2,360,530	\$2,186,472	97%	\$256,159	\$191,271	\$6,366
30	Crane Lake VFD	January 1, 2011	18	\$1,000	\$149,834	\$145,094	93%	\$15,208	\$6,366	\$10,673
31	Crookston VFD	January 1, 2017	29	\$3,100	\$586,509	\$921,650	59%	\$78,329	\$35,877	\$29,163
32	Culver (Township)	January 1, 2016	11	\$600	\$69,829	\$56,903	111%	\$6,034	\$10,673	\$13,826
33	Dalbo VFD	January 1, 2013	26	\$1,500	\$400,083	\$353,963	105%	\$26,929	\$13,826	\$6,522
34	DeGraff (City)	January 1, 2010	15	\$500	\$47,641	\$32,746	123%	\$6,055	\$6,522	\$10,673
35	Delavan (City)	January 1, 2016	21	\$1,300	\$221,965	\$218,767	92%	\$22,764	\$18,870	\$11,859
36	Dent (City)	January 1, 2013	30	\$900	\$357,536	\$334,502	99%	\$26,732	\$18,870	\$7,708
37	Eagle's Nest (Township)	January 1, 2014	11	\$500	\$23,147	\$7,238	223%	\$3,157	\$7,708	\$14,626
38	Echo (City)	January 1, 2013	17	\$700	\$257,729	\$192,859	124%	\$14,626	\$10,080	\$8,301
39	Elbow Tulaby Lakes VFD	January 1, 2011	13	\$800	\$134,188	\$104,313	117%	\$10,021	\$8,301	\$11,859

PERA Statewide Volunteer Firefighter Retirement Plan
List of Plan Participants

Statewide Volunteer Firefighter Retirement Plan										
Statistics as of December 31, 2016										
Plan Count	Lump Sum Fire Departments	Membership Date	Members	Benefit Amount Per Year of Service	Net Assets	Accrued Liability	Funding Ratio %	Normal Cost	2016 Fire State Aid	2018 Required Contribution
40	Elisburg VFD	January 1, 2012	24	\$900	\$107,844	\$82,768	115%	\$10,707	\$4,151	\$298
41	Elmore (City)	January 1, 2015	14	\$1,250	\$244,756	\$178,174	125%	\$17,011	\$9,120	-
42	Ely (City)	January 1, 2016	33	\$1,800	\$442,982	\$467,270	85%	\$52,160	\$24,617	\$130
43	Embarrass Region VFD	January 1, 2012	27	\$1,000	\$230,208	\$210,920	101%	\$16,102	\$8,894	-
44	Emmons (City)	January 1, 2011	21	\$800	\$386,761	\$258,615	139%	\$19,485	\$11,266	-
45	Evergreen VFD	January 1, 2014	13	\$500	\$28,018	\$10,399	195%	\$3,984	\$7,708	-
46	Fairfax (City)	January 1, 2013	29	\$1,500	\$342,949	\$266,575	115%	\$30,420	\$23,315	-
47	Federal Dam VFD	January 1, 2013	9	\$500	\$145,109	\$50,445	264%	\$4,450	\$6,522	-
48	Forada (City)	January 1, 2016	32	\$1,500	\$473,827	\$402,004	106%	\$43,460	\$10,673	-
49	Fredenberg VFD	January 1, 2013	24	\$1,000	\$232,555	\$189,235	111%	\$19,617	\$9,739	-
50	French (Township)	January 1, 2017	24	\$800	\$149,529	\$167,069	81%	\$17,954	\$14,823	-
51	Frost (City)	January 1, 2017	19	\$900	\$208,047	\$203,453	95%	\$15,603	\$13,044	-
52	Geneva (City)	January 1, 2017	29	\$500	\$200,998	\$233,546	80%	\$16,733	\$11,266	-
53	Gilbert (City)	January 1, 2013	21	\$1,250	\$248,954	\$255,928	88%	\$25,463	\$11,859	-
54	Gnesen VFD	January 1, 2013	29	\$1,500	\$291,321	\$354,394	74%	\$37,502	\$14,231	\$9,647
55	Goodview (City)	January 1, 2015	32	\$2,000	\$388,008	\$522,552	67%	\$53,586	\$19,963	\$17,036
56	Grand Lake (Township)	January 1, 2013	34	\$1,500	\$465,385	\$315,748	134%	\$31,428	\$17,788	-
57	Grand Marais (City)	January 1, 2011	25	\$1,500	\$399,605	\$372,721	98%	\$36,197	\$19,733	-
58	Granite Falls (City)	January 1, 2013	35	\$1,500	\$557,508	\$536,405	95%	\$49,471	\$29,869	-
59	Greenwood (Township)	January 1, 2017	25	\$1,900	\$595,166	\$352,653	133%	\$39,065	\$17,788	-
60	Hardwick (City)	January 1, 2012	24	\$500	\$164,268	\$115,908	152%	\$7,784	\$12,556	-
61	Henning (City)	January 1, 2017	28	\$1,100	\$369,573	\$364,274	93%	\$32,591	\$16,560	-
62	Hermantown VFD	January 1, 2017	23	\$4,200	\$1,340,598	\$1,115,313	112%	\$79,733	\$17,741	-
63	Hewitt (City)	January 1, 2014	16	\$900	\$140,105	\$107,249	118%	\$11,759	\$8,894	-
64	Hill City (City)	January 1, 2016	35	\$800	\$185,059	\$243,277	70%	\$22,993	\$16,602	\$383
65	Hitterdal (City)	January 1, 2017	26	\$600	\$227,467	\$162,424	129%	\$13,807	\$8,894	-
66	Hollandale (City)	January 1, 2016	19	\$500	\$149,046	\$105,478	129%	\$10,033	\$10,554	-
67	Houston (City)	January 1, 2014	27	\$1,250	\$451,777	\$405,495	102%	\$38,557	\$16,790	-
68	Hovland VFD	January 1, 2013	21	\$1,250	\$172,955	\$91,878	157%	\$18,276	\$7,212	-
69	Hoyt Lakes (City)	January 1, 2016	29	\$1,500	\$323,961	\$297,769	98%	\$33,828	\$11,859	-
70	Industrial VFD	January 1, 2013	16	\$1,000	\$332,588	\$266,812	116%	\$20,639	\$9,487	-
71	Isanti VFD	January 1, 2016	44	\$5,500	\$2,379,500	\$2,405,485	91%	\$220,507	\$79,019	-
72	Kellier (City)	January 1, 2016	30	\$600	\$221,506	\$206,599	98%	\$18,511	\$10,673	-
73	Kettle River (City)	January 1, 2015	16	\$800	\$154,157	\$103,345	136%	\$9,819	\$9,487	-
74	Lake Bronson (City)	January 1, 2013	24	\$500	\$180,756	\$100,276	163%	\$10,312	\$14,823	-
75	Lakeland VFD	January 1, 2011	23	\$1,000	\$333,273	\$260,541	117%	\$23,099	\$10,080	-
76	Lancaster (City)	January 1, 2017	30	\$500	\$136,743	\$83,046	146%	\$10,424	\$11,266	-
77	Le Sueur (City)	January 1, 2013	27	\$3,500	\$1,098,516	\$1,028,851	98%	\$94,431	\$41,003	-
78	Lester Prairie (City)	January 1, 2012	29	\$1,200	\$368,643	\$433,461	78%	\$38,429	\$16,602	\$3,522

PERA Statewide Volunteer Firefighter Retirement Plan
List of Plan Participants

Statewide Volunteer Firefighter Retirement Plan Statistics as of December 31, 2016										
Plan Count	Lump Sum Fire Departments	Membership Date	Members	Benefit Amount Per Year of Service	Net Assets	Accrued Liability	Funding Ratio %	Normal Cost	2016 Fire State Aid	2018 Required Contribution
79	Lexington (City)	January 1, 2011	25	\$3,500	\$593,988	\$621,974	87%	\$60,702	\$11,266	\$11,644
80	Lino Lakes (City)	January 1, 2015	19	\$5,000	\$44,527	\$123,744	25%	\$57,277	\$27,922	-
81	Linwood (Township)	January 1, 2014	32	\$2,500	\$763,965	\$737,474	94%	\$71,464	\$15,673	-
82	Lutsen (Township)	January 1, 2011	21	\$1,500	\$234,424	\$216,113	97%	\$24,779	\$13,044	-
83	Lynd (City)	January 1, 2017	11	\$1,000	\$81,247	\$78,518	92%	\$10,115	\$8,894	-
84	Mahtomedi (City)	January 1, 2017	31	\$5,200	\$1,786,299	\$1,035,823	158%	\$95,552	\$75,564	-
85	Mahtowa (Township)	January 1, 2014	22	\$500	\$223,632	\$118,002	174%	\$10,353	\$9,487	-
86	Manchester (City)	January 1, 2010	17	\$1,000	\$171,616	\$71,387	204%	\$12,707	\$16,009	-
87	Mayer (City)	January 1, 2013	32	\$2,000	\$749,730	\$690,271	100%	\$61,893	\$7,886	\$3,726
88	McGregor (City)	January 1, 2017	26	\$1,900	\$691,292	\$655,432	97%	\$55,009	\$33,550	-
89	McKinley (City)	January 1, 2012	12	\$600	\$99,806	\$56,754	159%	\$6,015	\$2,493	-
90	Meirose (City)	January 1, 2013	37	\$1,500	\$526,490	\$406,878	117%	\$45,018	\$31,093	-
91	Milaca (City)	January 1, 2017	31	\$2,500	\$737,088	\$603,844	111%	\$57,301	\$45,273	-
92	Montrose (City)	January 1, 2016	37	\$3,000	\$874,211	\$934,580	85%	\$89,704	\$14,987	\$14,347
93	Mountain Iron (City)	January 1, 2014	21	\$2,000	\$354,552	\$265,403	120%	\$30,985	\$7,115	-
94	Newfolden (City)	January 1, 2017	16	\$600	\$172,392	\$117,426	135%	\$10,313	\$8,894	-
95	Normanna (Township)	January 1, 2012	16	\$500	\$75,651	\$41,071	160%	\$6,143	\$9,487	-
96	North Star (Township)	January 1, 2010	25	\$500	\$79,286	\$70,548	99%	\$9,417	\$2,965	-
97	Northland VFD	January 1, 2015	6	\$1,250	\$76,183	\$70,514	99%	\$6,230	\$9,576	-
98	Northome (City)	January 1, 2013	24	\$700	\$165,247	\$173,294	87%	\$16,395	\$28,400	-
99	Norwood Young America (City)	January 1, 2013	37	\$2,000	\$748,798	\$796,209	86%	\$74,015	\$45,174	-
100	Oak Grove (City)	January 1, 2014	42	\$2,500	\$1,397,543	\$1,176,751	109%	\$101,685	\$155,025	-
101	Oakdale VFD	January 1, 2014	46	\$5,000	\$2,848,243	\$2,249,954	116%	\$208,250	\$18,354	-
102	Ogilvie (City)	January 1, 2014	31	\$1,250	\$325,425	\$343,491	86%	\$36,162	\$28,465	-
103	Osakis (City)	January 1, 2013	22	\$3,300	\$777,928	\$788,604	90%	\$75,623	\$17,894	-
104	Ottertail (City)	January 1, 2010	25	\$1,000	\$487,328	\$352,336	128%	\$27,817	\$11,546	-
105	Palisade (City)	January 1, 2016	20	\$900	\$206,992	\$177,762	107%	\$15,114	\$13,044	-
106	Palo VFD	January 1, 2012	17	\$1,300	\$320,185	\$281,430	105%	\$24,156	\$12,556	-
107	Parkers Prairie (City)	January 1, 2016	30	\$1,300	\$369,971	\$465,094	73%	\$40,394	\$15,094	\$12,501
108	Pennock (City)	January 1, 2012	25	\$900	\$403,865	\$309,855	120%	\$25,711	\$7,708	-
109	Pequaywan Lake VFD	January 1, 2012	18	\$500	\$98,843	\$76,732	116%	\$8,783	\$14,823	-
110	Pickwick VFD	January 1, 2017	22	\$500	-	-	-	-	-	-
111	Pike Sandy Britt VFD	January 1, 2017	19	\$1,700	\$337,493	\$365,619	84%	\$33,895	\$17,788	-
112	Plato (City)	January 1, 2015	31	\$1,250	\$357,821	\$409,257	80%	\$35,627	\$14,230	\$1,973
113	Porter (City)	January 1, 2014	29	\$1,000	\$573,760	\$523,445	102%	\$36,505	\$16,738	-
114	Raymond (City)	January 1, 2016	22	\$1,000	\$308,074	\$277,055	103%	\$22,860	\$21,087	-
115	Rice Lake (City)	January 1, 2013	27	\$2,000	\$598,641	\$539,056	102%	\$50,562	\$16,439	-
116	Sabin Elmwood VFD	January 1, 2015	30	\$900	\$341,292	\$281,434	111%	\$26,190	\$14,823	-
117	Sacred Heart (City)	January 1, 2015	25	\$800	\$134,896	\$134,917	89%	\$16,841	\$10,673	-
118	Saint Leo (City)	January 1, 2015	18	\$600	\$211,197	\$144,910	135%	\$11,593	\$33,224	-

PERA Statewide Volunteer Firefighter Retirement Plan
List of Plan Participants

Statewide Volunteer Firefighter Retirement Plan										
Statistics as of December 31, 2016										
Plan Count	Lump Sum Fire Departments	Membership Date	Members	Benefit Amount Per Year of Service	Net Assets	Accrued Liability	Funding Ratio %	Normal Cost	2016 Fire State Aid	2018 Required Contribution
119	Scandia (City)	January 1, 2011	28	\$2,800	\$723,514	\$757,156	87%	\$75,659	\$14,843	-
120	Scandia Valley (Township)	January 1, 2012	22	\$1,250	\$336,627	\$241,927	126%	\$25,372	\$9,487	-
121	Shevlin (City)	January 1, 2013	24	\$800	\$306,817	\$225,582	125%	\$19,737	\$15,842	-
122	Silver Lake (City)	January 1, 2016	31	\$1,000	\$346,829	\$438,456	73%	\$35,838	\$15,842	\$5,949
123	Solway (Cloquet)	January 1, 2017	21	\$1,700	\$259,689	\$180,031	127%	\$24,055	\$17,788	-
124	Solway Rural VFD Beltrami Co	January 1, 2017	16	\$500	\$121,460	\$54,117	199%	\$6,859	\$11,266	-
125	Spring Grove (City)	January 1, 2017	31	\$800	\$205,539	\$185,452	100%	\$20,243	\$15,954	-
126	St Francis (City)	January 1, 2017	26	\$2,900	\$685,791	\$517,341	120%	\$52,745	\$35,592	-
127	St Paul Park (City)	January 1, 2017	30	\$2,900	\$761,009	\$692,752	99%	\$76,531	\$28,697	-
128	Stephen VFD	January 1, 2017	28	\$900	\$266,846	\$189,606	126%	\$22,582	\$18,296	-
129	Sunburg (City)	January 1, 2012	27	\$500	\$214,200	\$179,308	111%	\$14,366	\$13,637	-
130	Tower (City)	January 1, 2012	22	\$600	\$196,077	\$102,547	172%	\$11,244	\$8,894	-
131	Twin Valley (City)	January 1, 2010	33	\$1,000	\$290,833	\$223,588	117%	\$24,582	\$12,452	-
132	Ulen (City)	January 1, 2013	23	\$800	\$229,665	\$233,146	92%	\$16,746	\$14,230	-
133	Vesta (City)	January 1, 2017	21	\$600	\$144,204	\$139,356	95%	\$13,214	\$10,080	-
134	Victoria (City)	January 1, 2014	53	\$3,000	\$1,064,511	\$1,110,607	87%	\$115,362	\$62,285	-
135	Waconia (City)	January 1, 2015	36	\$3,500	\$1,329,338	\$1,071,982	113%	\$107,144	\$85,177	-
136	Waite Park (City)	January 1, 2014	31	\$2,100	\$756,917	\$590,634	117%	\$57,394	\$39,862	-
137	Warba - Feeley - Sago (City/Twp)	January 1, 2011	18	\$600	\$192,970	\$91,245	192%	\$9,513	\$11,266	-
138	Willmar (City)	January 1, 2012	49	\$3,500	\$1,383,234	\$1,335,737	94%	\$141,979	\$104,601	-
139	Winnbago (City)	January 1, 2017	37	\$1,300	\$470,982	\$435,986	100%	\$35,633	\$22,024	-
140	Wolf Lake (City)	January 1, 2013	30	\$1,000	\$217,173	\$151,003	129%	\$17,964	\$13,863	-
141	Wright (City)	January 1, 2014	14	\$1,250	\$164,257	\$73,483	190%	\$12,820	\$7,708	-
	Subtotals Lump Sum Plans		3516		\$57,658,648					
	Monthly Annuity Fire Departments									
142	Spring Lake Park*	January 1, 2016	63	\$38	\$14,514,552	\$10,091,704	144%	\$177,443	\$2,016	\$0
	Totals Lump Sum and Monthly Plans		3579		\$72,173,199				\$427,661	
These figures are unaudited. Net assets represent the market value of investments in each entity's account. Accrued liabilities and normal cost are approximations based on spreadsheets approved by PERA's actuary, but are not calculated by the actuary.										
2016 Fire State Aid consists of both the Fire State Aid and the Fire Supplement Aid.										
Both amounts were paid by the State and deposited into each fire department's account during FY16.										
* Amounts Based on Actuarial Valuation as of 1/1/2017										

Legislative Commission on Pensions and Retirement

55 State Office Building
Phone: 651-296-2750

100 Rev. Dr. Martin Luther King Jr. Blvd.
TDD: 651-296-9896; Fax: 651-297-3697

St. Paul, MN 55155-1201
www.lcpr.leg.mn

TO: Members of the Fire State Aid Work Group
FROM: Rachel Barth, Deputy Director
DATE: January 4, 2018
RE: Career Fire Departments

Career Fire Departments

Career fire departments have career/full-time firefighters, who are covered by PERA Police & Fire. Based on recent data provided by the OSA and PERA, there are 15 career fire departments.

Fire Department Name

Burnsville Fire Department
Crookston (City) Fire Department
Duluth Fire Department
Faribault Fire Department
Mankato Department of Public Safety
Minneapolis Fire Department
Moorhead Fire Department
Richfield Fire Department
Rochester City Fire Department
Saint Cloud Fire Department
Saint Louis Park Fire Department
Saint Paul Fire Department
South Metro Fire Department (South St. Paul & West St. Paul)
Virginia Fire Department
Winona Fire Department

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Relief Associations Affiliated with an Independent Nonprofit Firefighting Corporation Compiled by the Office of the State Auditor (June 2018)

<u>Relief Association Name</u>	<u>Contact Name</u>	<u>Title</u>
Alaska Fire Relief Association.....	Mathew Hawthorne.....	President
Albany Fire Relief Association.....	Steve Frericks	Secretary
Brimson Fire Relief Association.....	Gail Kupferschmidt.....	Treasurer
Brownsdale Fire Relief Association.....	Brad Peterson	Treasurer
Clinton Fire Relief Association [St Louis].....	Michele Mayry	Treasurer
Cotton Fire Relief Association	Bruce Harpster	Treasurer
Eitzen Fire Relief Association	Tim Paus	Treasurer
Finland Fire Relief Association.....	James Sinderman.....	Treasurer
Gunflint Trail Fire Relief Association.....	Andrew McDonnell	Treasurer
Hackensack Fire Relief Association.....	Dana Stanko.....	President
Hamel Fire Relief Association.....	Tom Manning.....	Presiden
Kelsey Fire Relief Association.....	Scott Simek.....	President
Lake George Fire Relief Association	Dennis Bittmann	Treasurer
Lake Johanna Fire Relief Association.....	Bruce Carlson.....	Treasurer
Little Canada Fire Relief Association	Jamie Suciu.....	President
London Fire Relief Association.....	Aaron Goslee	Treasurer
Longville Fire Relief Association	Scott Wicks.....	President
Loretto Fire Relief Association.....	Nicole West.....	President
Makinen Fire Relief Association	Dan Mackey.....	Treasurer
Maple Hill Fire Relief Association	Daryl Hennen	Secretary
McDavitt Fire Relief Association.....	Denise Allan.....	Treasurer
Meadowlands Fire Relief Association.....	Ann Bishop.....	Treasurer
Moose Lake Fire Relief Association	Robert Hoffmann.....	Treasurer
Randall Fire Relief Association.....	Chris Magee	Treasurer
Silica Fire Relief Association	Cheryl Kuusinen.....	Treasurer
Swanville Fire Relief Association	Mike Loxterkamp	President
Toivola Fire Relief Association.....	Laura Lignell.....	Treasurer
Twin Lakes Fire Relief Association (VFD).....	David Snetsinger.....	Treasurer
Underwood Fire Relief Association	Jason Allen.....	Secretary
Watson Fire Relief Association.....	Don Cary.....	Treasurer
Waverly Fire Relief Association	John Voitalla.....	Secretary

CHAPTER 424A

VOLUNTEER FIREFIGHTERS RETIREMENT

<p>424A.001 DEFINITIONS.</p> <p>424A.002 AUTHORIZATION OF NEW OR CONTINUING VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATIONS.</p> <p>424A.01 MEMBERSHIP IN A VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION.</p> <p>424A.015 GENERALLY APPLICABLE VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION PENSION PLAN REGULATION.</p> <p>424A.016 DEFINED CONTRIBUTION VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION SPECIFIC REGULATION.</p> <p>424A.02 DEFINED BENEFIT RELIEF ASSOCIATIONS; SERVICE PENSIONS.</p> <p>424A.021 CREDIT FOR BREAK IN SERVICE TO PROVIDE UNIFORMED SERVICE.</p> <p>424A.03 UNIFORMITY OF VOLUNTEER FIREFIGHTER SERVICE PENSION AND RETIREMENT BENEFITS.</p> <p>424A.04 VOLUNTEER RELIEF ASSOCIATIONS; BOARD OF TRUSTEES.</p>	<p>424A.05 RELIEF ASSOCIATION SPECIAL FUND.</p> <p>424A.06 RELIEF ASSOCIATION GENERAL FUND.</p> <p>424A.07 NONPROFIT FIREFIGHTING CORPORATIONS; ESTABLISHMENT OF RELIEF ASSOCIATIONS.</p> <p>424A.08 MUNICIPALITY WITHOUT RELIEF ASSOCIATION; AUTHORIZED DISBURSEMENTS.</p> <p>424A.091 VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION FINANCING GUIDELINES ACT; APPLICATION.</p> <p>424A.092 RELIEF ASSOCIATIONS PAYING LUMP-SUM SERVICE PENSIONS.</p> <p>424A.093 RELIEF ASSOCIATIONS PAYING MONTHLY SERVICE PENSIONS.</p> <p>424A.094 NONPROFIT FIREFIGHTING CORPORATIONS.</p> <p>424A.095 INVESTMENTS.</p> <p>424A.096 CITATION; APPLICATION OF OTHER LAWS.</p> <p>424A.10 STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.</p>
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424A.001 DEFINITIONS.

Subdivision 1. **Terms defined.** Unless the context clearly indicates otherwise, as used in this chapter, the terms defined in this section have the meanings given.

Subd. 1a. **Ancillary benefit.** "Ancillary benefit" means a benefit payable from the special fund of the relief association other than a service pension that is permitted by law and that is provided for in the relief association bylaws.

Subd. 1b. **Defined benefit relief association.** "Defined benefit relief association" means a volunteer firefighters relief association that provides a lump-sum service pension, provides a monthly benefit service pension, or provides a lump-sum service pension as an alternative to the monthly benefit service pension.

Subd. 1c. **Defined contribution relief association.** "Defined contribution relief association" means a volunteer firefighters relief association that provides a service pension based solely on an individual account balance rather than a specified annual lump-sum or monthly benefit service pension amount.

Subd. 2. **Fire department.** "Fire department" includes a municipal fire department or an independent nonprofit firefighting corporation.

Subd. 3. **Municipality.** "Municipality" means a municipality which has established a fire department with which the relief association is directly associated, or the municipalities which have entered into a contract with the independent nonprofit firefighting corporation of which the relief association is a subsidiary.

Subd. 4. **Relief association.** (a) "Relief association" or "volunteer firefighters relief association" means a volunteer firefighters relief association or a volunteer firefighters division or account of a partially salaried and partially volunteer firefighters relief association that is:

(1) organized and incorporated as a nonprofit corporation to provide retirement benefits to volunteer firefighters under chapter 317A and any laws of the state;

(2) governed by this chapter and sections 424A.091 to 424A.095; and

(3) directly associated with:

(i) a fire department established by municipal ordinance;

(ii) an independent nonprofit firefighting corporation that is organized under the provisions of chapter 317A and that operates primarily for firefighting purposes; or

(iii) a fire department operated as or by a joint powers entity that operates primarily for firefighting purposes.

(b) "Relief association" or "volunteer firefighters relief association" does not mean:

(1) the Bloomington Fire Department Relief Association governed by Laws 2013, chapter 111, article 5, sections 31 to 42; Minnesota Statutes 2000, chapter 424; and Laws 1965, chapter 446, as amended; or

(2) the voluntary statewide lump-sum volunteer firefighter retirement plan governed by chapter 353G.

(c) A relief association or volunteer firefighters relief association is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting and emergency first response.

Subd. 5. Special fund. "Special fund" means the special fund of a volunteer firefighters relief association or the account for volunteer firefighters within the special fund of a partially salaried and partially volunteer firefighters relief association.

Subd. 6. [Repealed, 2010 c 359 art 13 s 13]

Subd. 7. [Repealed, 2009 c 169 art 10 s 58]

Subd. 8. Firefighting service. "Firefighting service," if the applicable municipality approves for a fire department that is a municipal department, or if the applicable contracting municipality or municipalities approve for a fire department that is an independent nonprofit firefighting corporation, includes fire department service rendered by fire prevention personnel.

Subd. 9. Separate from active service. "Separate from active service" means that a firefighter permanently ceases to perform fire suppression duties with a particular volunteer fire department, permanently ceases to perform fire prevention duties, permanently ceases to supervise fire suppression duties, and permanently ceases to supervise fire prevention duties.

Subd. 10. Volunteer firefighter. "Volunteer firefighter" means a person who is a member of the applicable fire department or the independent nonprofit firefighting corporation and is eligible for membership in the applicable relief association and:

(i) is engaged in providing emergency response services or delivering fire education or prevention services as a member of a municipal fire department, a joint powers entity fire department, or an independent nonprofit firefighting corporation;

(ii) is trained in or is qualified to provide fire suppression duties or to provide fire prevention duties under subdivision 8; and

(iii) meets any other minimum firefighter and service standards established by the fire department or the independent nonprofit firefighting corporation or specified in the articles of incorporation or bylaws of the relief association.

Subd. 11. **Fiscal year.** The fiscal year for a volunteer firefighter relief association begins on January 1 of each calendar year and ends on December 31 of the same calendar year.

Subd. 12. **Membership start date.** Membership in a volunteer firefighter relief association begins upon the date of hire by a municipality, a joint powers board, or an independent nonprofit firefighting corporation with which the relief association is directly associated, unless otherwise specified in the relief association bylaws.

History: 1983 c 219 s 4; 1986 c 359 s 18,19; 1Sp1986 c 3 art 2 s 40; 1989 c 304 s 137; 1989 c 319 art 8 s 26; 1996 c 438 art 8 s 1,2; 2000 c 461 art 15 s 4; 2006 c 271 art 13 s 2,7; 2008 c 349 art 14 s 6,7; 2009 c 169 art 10 s 8-19; 2012 c 286 art 12 s 9; 2013 c 111 art 5 s 77,80; art 6 s 4; 2015 c 68 art 9 s 3; art 13 s 63

424A.002 AUTHORIZATION OF NEW OR CONTINUING VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATIONS.

Subdivision 1. **Authorization.** A municipal fire department or an independent nonprofit firefighting corporation, with approval by the applicable municipality or municipalities, may establish a new volunteer firefighter relief association or may retain an existing volunteer firefighter relief association. A municipal fire department or an independent nonprofit firefighting corporation may be associated with only one volunteer firefighter relief association at one time.

Subd. 2. **Defined benefit or defined contribution relief association.** The articles of incorporation or the bylaws of the volunteer firefighters relief association must specify that the relief association is either a defined benefit relief association subject to sections 424A.015, 424A.02, and 424A.091 to 424A.094 or is a defined contribution relief association subject to sections 424A.015 and 424A.016.

History: 2009 c 169 art 10 s 20; 2013 c 111 art 5 s 80; 2015 c 68 art 9 s 4

424A.01 MEMBERSHIP IN A VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION.

Subdivision 1. **Minors.** No volunteer firefighters relief association associated with a municipality or an independent nonprofit firefighting corporation may include as a relief association member a minor serving as a volunteer firefighter.

Subd. 2. **Status of substitute volunteer firefighters.** No person who is serving as a substitute volunteer firefighter may be considered to be a firefighter for purposes of chapter 69 or this chapter and no substitute volunteer firefighter is authorized to be a member of any volunteer firefighters relief association governed by chapter 69 or this chapter.

Subd. 3. **Status of nonmember volunteer firefighters.** No person who is serving as a firefighter in a fire department but who is not a member of the applicable firefighters relief association is entitled to any service pension or ancillary benefits from the relief association.

Subd. 3a. [Repealed, 1989 c 319 art 10 s 8]

Subd. 4. **Exclusion of persons constituting an unwarranted health risk.** The board of trustees of every relief association may exclude from membership in the relief association all applicants who, due to some medically determinable physical or mental impairment or condition, is determined to constitute a

424A.015 GENERALLY APPLICABLE VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION PENSION PLAN REGULATION.

Subdivision 1. **Separation from active service; exception.** (a) No service pension is payable to a person while the person remains an active member of the respective fire department, and a person who is receiving a service pension is not entitled to receive any other benefits from the special fund of the relief association.

(b) No relief association as defined in section 424A.001, subdivision 4, may pay a service pension or disability benefit to a former member of the relief association if that person has not separated from active service with the fire department to which the relief association is directly associated, unless:

(1) the person discontinues volunteer firefighter duties with the municipality or the independent nonprofit firefighting corporation, whichever applies, and performs duties within the municipal fire department or corporation on a full-time basis;

(2) the governing body of the municipality or of the corporation has filed its determination with the board of trustees of the relief association that the person's experience with and service to the fire department in that person's full-time capacity would be difficult to replace; and

(3) the bylaws of the relief association were amended to provide for the payment of a service pension or disability benefit for such full-time employees.

Subd. 2. **No assignment or garnishment.** A service pension or ancillary benefits paid or payable from the special fund of a relief association to any person receiving or entitled to receive a service pension or ancillary benefits is not subject to garnishment, judgment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518A.53. No person entitled to a service pension or ancillary benefits from the special fund of a relief association may assign any service pension or ancillary benefit payments, and the association does not have the authority to recognize any assignment or pay over any sum which has been assigned.

Subd. 3. **Purchase of annuity contract.** A relief association that provides a service pension in a single payment, if the governing articles of incorporation or bylaws so provide, may purchase an annuity contract on behalf of a retiring member in an amount equal to the service pension otherwise payable at the request of the person and in place of a direct payment to the person. The annuity contract must be purchased from an insurance carrier licensed to do business in this state.

Subd. 4. **Transfer to individual retirement account.** A relief association that is a qualified pension plan under section 401(a) of the Internal Revenue Code, as amended, and that provides a single payment service pension, at the written request of the applicable retiring member or, following the death of the active member, at the written request of the deceased member's surviving spouse, may directly transfer on an institution-to-institution basis the eligible member's lump-sum pension or the survivor benefit attributable to the member, whichever applies, to the requesting person's individual retirement account under section 408(a) of the Internal Revenue Code, as amended.

Subd. 5. **Minnesota deferred compensation plan transfers.** A relief association may directly transfer on an institution-to-institution basis the eligible member's lump-sum pension amount to the requesting member's account in the Minnesota deferred compensation plan, if:

(1) the governing articles of incorporation or bylaws so provide;

(2) the volunteer firefighter participates in the Minnesota deferred compensation plan at the time of retirement; and

(3) the applicable retiring firefighter requests in writing that the relief association do so.

Subd. 6. Governing benefit plan provisions. A service pension or ancillary benefit payable under this chapter is governed by and must be calculated under the general statute, special law, relief association articles of incorporation, and relief association bylaw provisions applicable on the date on which the member separated from active service with the fire department and active membership in the relief association.

History: 2009 c 169 art 10 s 22; 2010 c 359 art 13 s 6; 2013 c 111 art 6 s 6,7; 2014 c 296 art 12 s 5

CHAPTER 424B

VOLUNTEER FIREFIGHTERS, CONSOLIDATION, DISSOLUTION

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424B.01 DEFINITIONS.

Subdivision 1. **Generally.** Unless the context of the provision indicates that a different meaning is intended, each of the terms in the following subdivisions has the meaning indicated.

Subd. 2. **Applicable municipality.** "Applicable municipality" means the municipality or municipalities in which a consolidating relief association is located and to which a consolidating relief association is associated by virtue of the presence of at least one municipal official on the relief association board of trustees under section 424A.04.

Subd. 3. **Consolidating relief association.** "Consolidating relief association" means a volunteer firefighters relief association organized under chapter 317A and governed by chapter 424A that has initiated or has completed the process of consolidating with one or more other relief associations under this chapter.

Subd. 4. **Prior relief associations.** "Prior relief associations" means the two or more volunteer firefighters relief associations that have initiated the consolidation process under this chapter by action of the board of trustees of the relief association.

Subd. 5. **Relief association membership.** "Relief association membership" means all active members of the volunteer firefighters relief association, all deferred retirees and other vested inactive members of the volunteer firefighters relief association, and any persons regularly receiving a service pension or other retirement benefit from the volunteer firefighters relief association.

Subd. 6. **Subsequent relief association.** "Subsequent relief association" means the volunteer firefighters relief association that is designated to be the successor relief association in the consolidation initiative resolutions of the board of trustees of the prior relief associations or the volunteer firefighters relief association organized under chapters 317A and 424A for the purpose of operating as the successor relief association after consolidation under this chapter.

History: 2000 c 461 art 16 s 1

424B.02 CONSOLIDATION AUTHORIZED.

Subdivision 1. **Initiation.** (a) With the approval of the governing body of each applicable municipality, two or more relief associations associated with fire departments serving contiguous fire districts may initiate the consolidation of the relief associations into a subsequent relief association.

424B.20 DISSOLUTION WITHOUT CONSOLIDATION.

Subdivision 1. **Applicable dissolutions.** This section applies if the fire department associated with a volunteer firefighters relief association is dissolved or eliminated by action of the governing body of the municipality in which the fire department was located or by the independent nonprofit firefighting corporation, whichever applies, and no consolidation with another volunteer firefighters relief association under sections 424B.01 to 424B.10 is sought, or if a volunteer firefighters relief association is dissolved or eliminated with municipal approval, but the fire department associated with the volunteer firefighters relief association is not dissolved or eliminated, and no consolidation with another volunteer firefighters relief association under sections 424B.01 to 424B.10 is applicable.

Subd. 2. **Procedures.** As part of the dissolution process, all legal obligations of the relief association other than service pensions and benefits must be settled under subdivision 3, a benefit trust must be established under subdivision 4, and the affairs of the relief association must be concluded under subdivision 5.

Subd. 3. **Settlement of nonbenefit legal obligations.** (a) Prior to the effective date of the dissolution of the volunteer firefighters relief association established by the relief association board of trustees, the board shall determine the following:

(1) the fair market value of the assets of the special fund;

(2) the total amount of the accounts payable and other legal obligations of the special fund, excluding the accrued liability of the special fund for service pensions and other benefits; and

(3) the accrued liability of the special fund for service pensions and other benefits payable or accrued under the applicable bylaws of the relief association and chapter 424A.

(b) On or before the effective date of the dissolution of the volunteer firefighters relief association, the board shall liquidate sufficient special fund assets to pay the legal obligations of the special fund and must settle those legal obligations.

(c) On or before the effective date of the dissolution of the volunteer firefighters relief association, the board shall settle the legal obligations of the general fund of the relief association.

Subd. 4. **Benefit trust fund establishment.** (a) After the settlement of nonbenefit legal obligations of the special fund of the volunteer firefighters relief association under subdivision 3, the board of the relief association shall transfer the remaining assets of the special fund, as securities or in cash, as applicable, to the chief financial official of the municipality in which the associated fire department was located if the fire department was a municipal fire department or to the chief financial official of the municipality with the largest population served by the fire department if the fire department was an independent nonprofit firefighting corporation. The board shall also compile a schedule of the relief association members to whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the amount of the service pension or benefit payable based on the applicable bylaws and state law and the service rendered to the date of the dissolution, and the date on which the pension or benefit would first be payable under the bylaws of the relief association and state law.

(b) The municipality in which is located a volunteer firefighters relief association that is dissolving under this section shall establish a separate account in the municipal treasury which must function as a trust fund for members of the volunteer firefighters relief association and their beneficiaries to whom the volunteer firefighters relief association owes a service pension or other benefit under the bylaws of the relief association and state law. Upon proper application, on or after the initial date on which the service pension or benefit is payable, the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared

under paragraph (a) and the other records of the dissolved relief association. The trust fund under this section must be invested and managed consistent with chapter 356A and section 424A.095. Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel to the general fund of the municipality. If the special fund of the volunteer firefighters relief association had an unfunded actuarial accrued liability upon dissolution, the municipality is liable for that unfunded actuarial accrued liability.

Subd. 5. **Relief association affairs wind-up.** Upon dissolution, the board of trustees of the volunteer firefighters relief association shall transfer the records of the relief association to the chief administrative officer of the applicable municipality. The board shall also notify the commissioner of revenue, the state auditor, and the secretary of state of the dissolution within 30 days of the effective date of the dissolution.

History: 2000 c 461 art 16 s 11; 2013 c 111 art 5 s 80

424B.21 ANNUITY PURCHASES UPON DISSOLUTION.

The board of trustees of a volunteer firefighters relief association that is scheduled for dissolution may purchase annuity contracts under section 424A.015, subdivision 3, instead of transferring special fund assets to a municipal trust fund under section 424B.20, subdivision 4. Payment of an annuity for which a contract is purchased may not commence before the retirement age specified in the relief association bylaws and in compliance with section 424A.016, subdivision 2, or 424A.02, subdivision 1. Legal title to the annuity contract transfers to the municipal trust fund under section 424B.20, subdivision 4.

History: 2000 c 461 art 16 s 12; 2009 c 169 art 10 s 56