

Volunteer Fire Relief Association Working Group

2014/2015 Potential Topic List

<u>Topic</u>	<u>Description</u>
Administrative Expenses (69.80)	1. Consider updating the list of authorized special fund administrative expenses to clarify that preparation of tax forms and all accounting fees (not just those paid to an auditor) are authorized.
Audit and Attestation (69.051, subs. 1 and 1a)	2. Discuss the new \$500,000 audit threshold and how it will affect the number of relief associations being audited. 3. Consider changing the language for relief associations below the audit threshold to require a Review and update the terminology to match accounting standards.
Investments (356A.06, subd. 7(e))	4. Discuss increasing the five-percent below-investment-grade bond limitation.
Maximum Benefit Levels (424A.02, subs. 3 and 3a)	5. Consider changing the statute regarding the penalty that is applied if a relief association pays a service pension using a benefit level greater than the applicable maximum. 6. Discuss the maximum benefit level calculation, whether it is an appropriate measure of the maximum benefit level a relief association can (or should) establish, and any better alternatives.
Membership	7. Define when membership in a relief association starts (e.g., upon employment with the fire department and meeting any requirements established locally). 8. Clarify that membership in a relief association is for volunteer firefighters and service credit is accrued only for service performed as a volunteer.
Municipal Ratification Requirements (424A.001, subd. 3 and 424A.02, subd. 10)	9. Review municipal approval requirements for relief associations affiliated with an independent nonprofit firefighting corporation. Based on the definition of "municipality" in 424A, it appears that each contracting municipality would be required to approve a bylaw change. Also, deferred interest rates established by the board must be approved by the "municipality." Perhaps change the definition of municipality to include independent nonprofit firefighting corporations. Some precedent - tort limits.
Plan Design	10. Clarify that only one volunteer fire relief association may be affiliated with a particular fire department. 11. Consider allowing a relief association to offer both a defined benefit plan and a defined contribution plan.
Return to Service (424A.01, subd. 6)	12. Clarify how installment payments should be handled for members who return to service and membership. 13. Considering allowing firefighters who return to service after being paid a service pension to have different (lower) vesting requirements than other relief association members. 14. Discuss allowing members who return to service to keep any interest that had been accrued during their period of deferral.
Rollovers (424A.015, subd. 4)	15. Consider allowing members of defined contribution plans to rollover their account balances to an IRA before reaching age 50.
Service Credit	16. Discuss ways to make portability between or among relief associations easier.

17. Discuss allowing benefit level changes to be made on a prospective basis so the change only applies to future years of service accrued by a member.
18. Discuss creating a tiered pension system so that those members who respond to fewer calls and complete fewer trainings receive a lesser pension amount.

19. Consider allowing vesting percentages to be prorated monthly for fractional years of service.

Vesting
(424A.016, subd. 3 and 424A.02, subd. 2.)

Technical Changes

1. Clarify that the authority to pay postretirement increase applies only to monthly benefit recipients in cases of a monthly/lump sum combination plan.
 2. Clarify the last sentence of 424A.02, subd. 12.
 3. Update fire state aid references in 424A to include both fire state aid and supplemental state aid.
-