Statewide Volunteer Firefighter Plan

Advisory Board 2025 Control Book

October 22, 2025

Table of Contents

Page	Table of Contents
2	• Table of Contents
3	• Advisory Board Governance
4	• Advisory Board Composition
5 – 9	• Membership Data
10 – 12	• Plan Asset Information
13 – 15	• Funding Status Information
16 – 20	• Prior Year Advisory Board Positions
21	• Incentive Payment Summary
Appendix A	• Plan Description (Available on PERA's Website)
Appendix B	• SVF July 1, 2025 Investment Prospectus
Appendix C	• Minnesota Statutes Chapter 353G

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SVF Advisory Board Governance

Summary	Explanation
Name	Statewide Volunteer Firefighter Plan Advisory Board
Purpose	The advisory board shall meet periodically to provide advice to the board of trustees of the Public Employees Retirement Association about the retirement coverage needs of volunteer firefighters who are members of the retirement plan and about the legislative and administrative changes that would assist the retirement plan in accommodating volunteer firefighters who are not members of the retirement plan.
Administration	The policy-making, management, and administrative functions related to the Statewide Volunteer Firefighter Plan and fund are vested in the board of trustees and the executive director of the Public Employees Retirement Association. Their duties, authority, and responsibilities are as provided in section 353.03. Fiduciary activities of the plan and fund must be undertaken in a manner consistent with chapter 356A.
Meeting Rules	Per 8/6/09 meeting: The Advisory Board is content having PERA staff chair meetings. PERA staff will prepare and distribute the agenda, prepare minutes, and set up the meetings. Decisions at the meetings are to be made by consensus. In cases where the group can not come to consensus, a motion may be made to allow a majority ruling on a specific issue.
Plan Advocacy	Advocacy for the Plan lies with various statewide associations rather than PERA.

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SVF Advisory Board Composition

Number	Representing	Requirements	Appointing Authority	Current Members (term end)
1	Townships	Either lump-sum or monthly benefit	Minnesota Association of Townships	Steve Fenske (12/31/23)
2	Cities	Either lump-sum or monthly benefit	League of Minnesota Cities	Anne Finn (12/31/26) Calvin Larson (12/31/26)
1	Fire Chiefs	Must be a fire chief	Minnesota State Fire Chiefs Association	Justin Sorenson (12/31/26)
2	Volunteer Firefighters	Both must be active, one in lump-sum plan, one in monthly plan	Minnesota State Fire Chiefs Association	Jay Wood (12/31/27) Anthony Scavo (12/31/27)
3	Volunteer Firefighters	Must be active and in lump-sum plan	Minnesota State Fire Departments Association	John King (12/31/21) Justin Nielsen (12/31/23) Steve Shykes (12/31/27)
1	Office of the State Auditor		State Auditor	Rose Hennessy-Allen

* Terms on the advisory board other than the Office of the State Auditor representative are three years.

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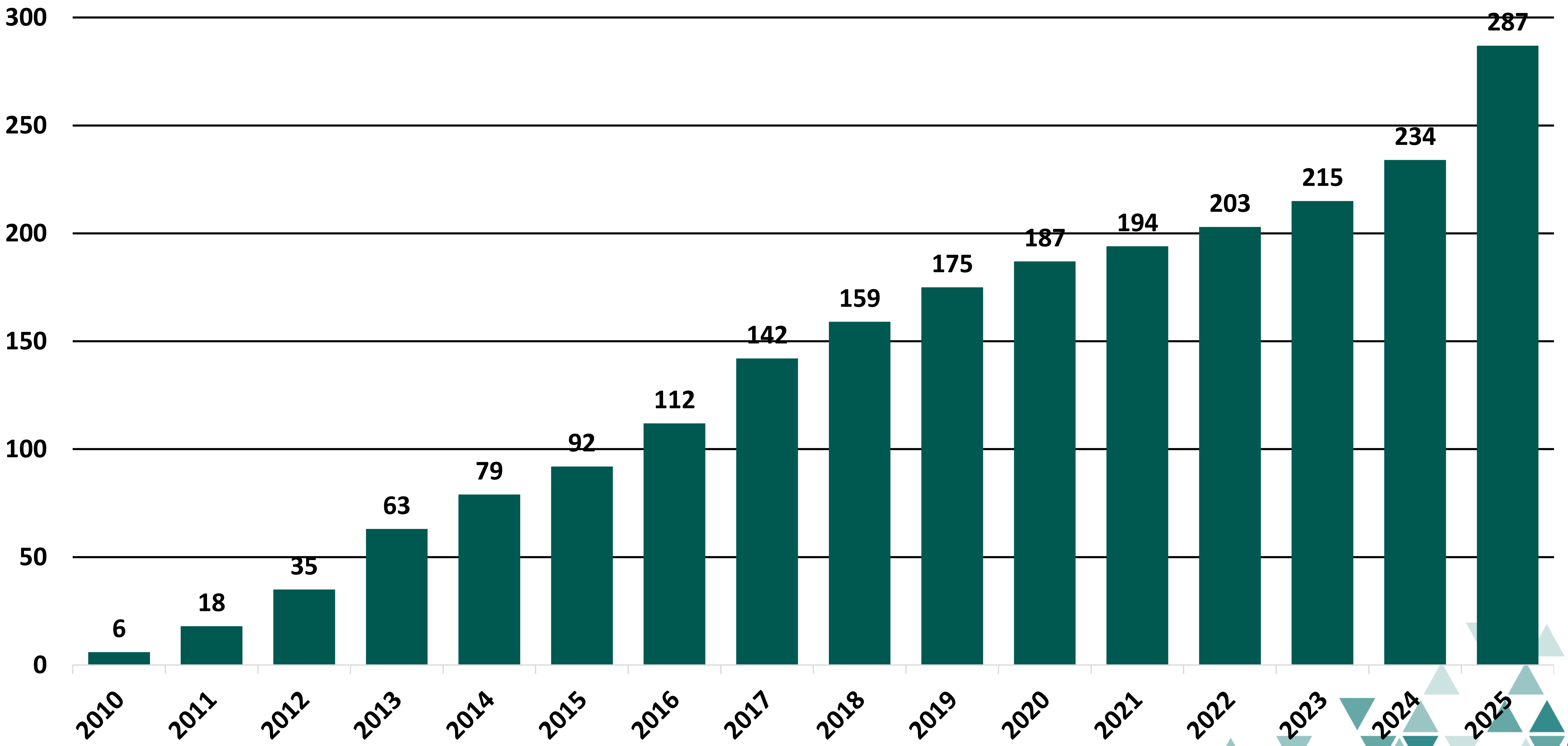
Number of Plans as of January 1



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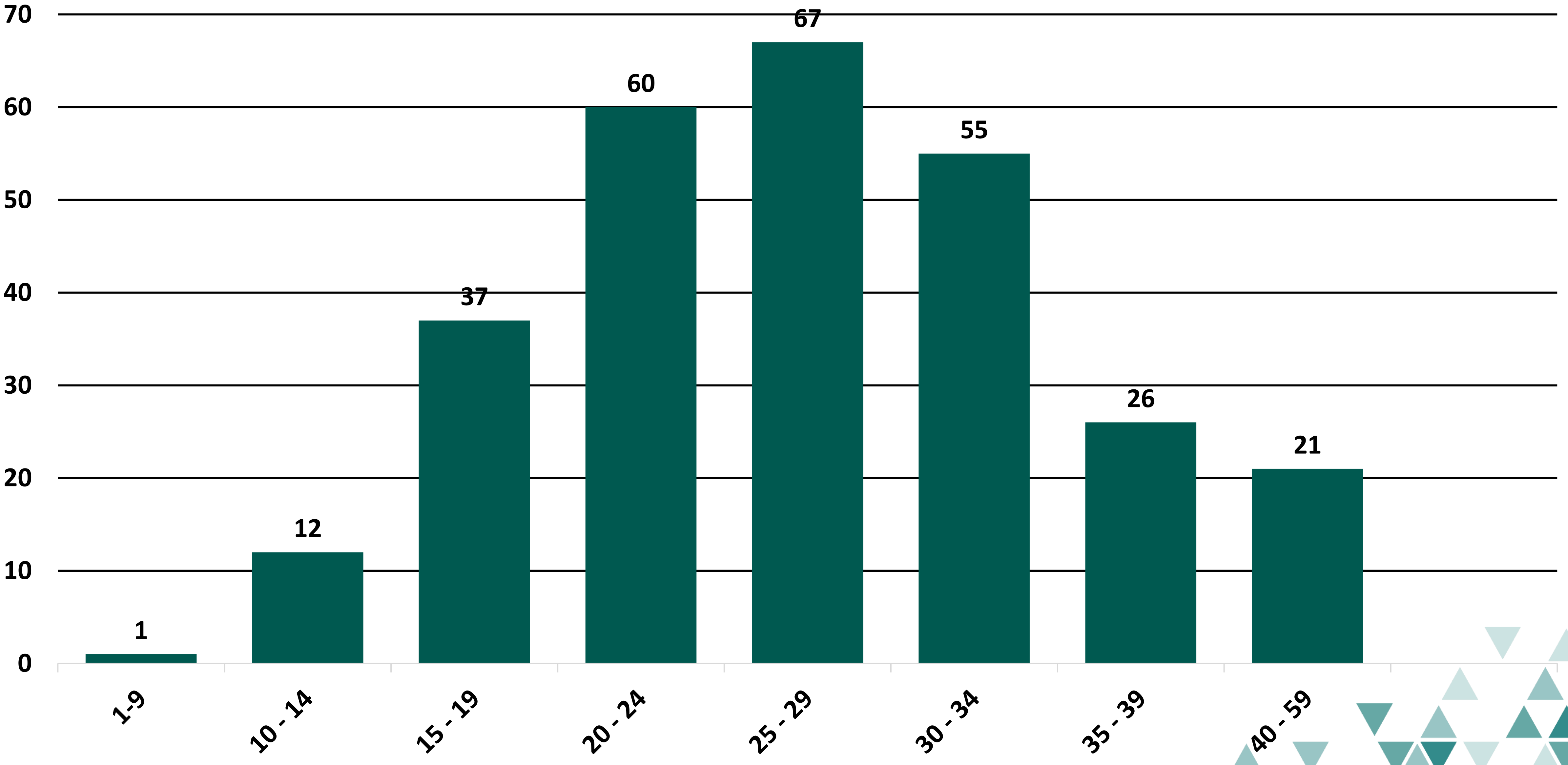
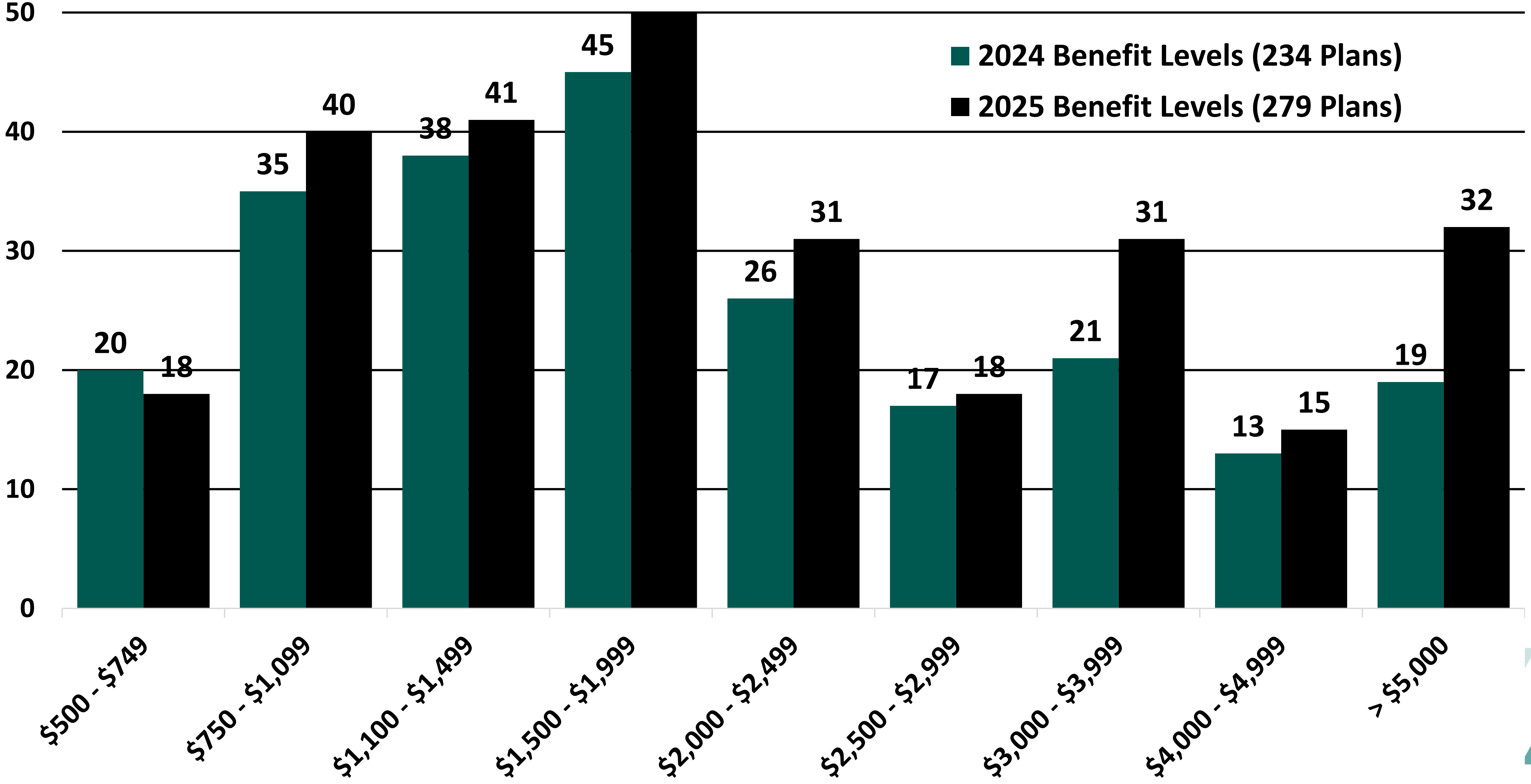
Distribution of Plans by Headcount



Distribution of Plans by Benefit Level



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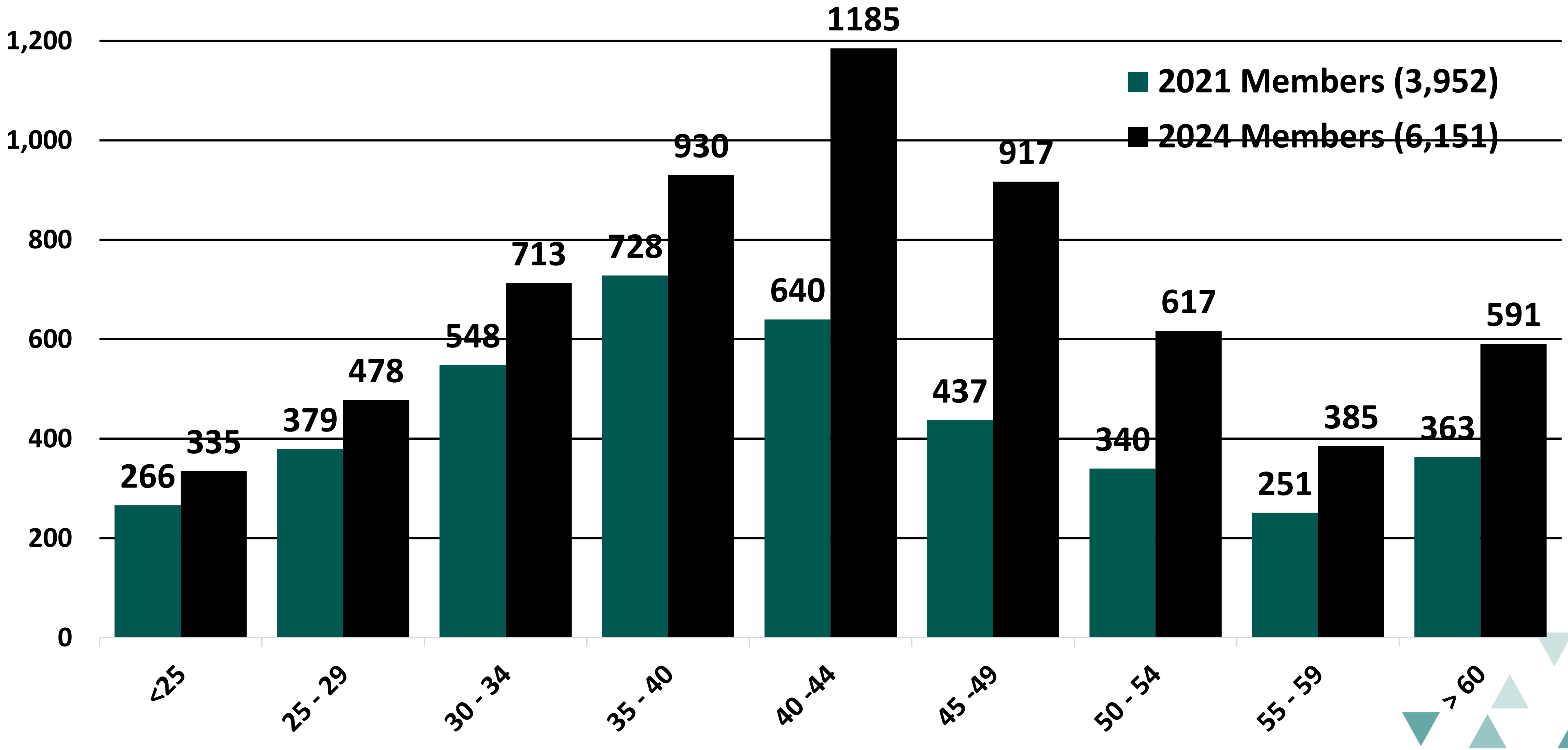
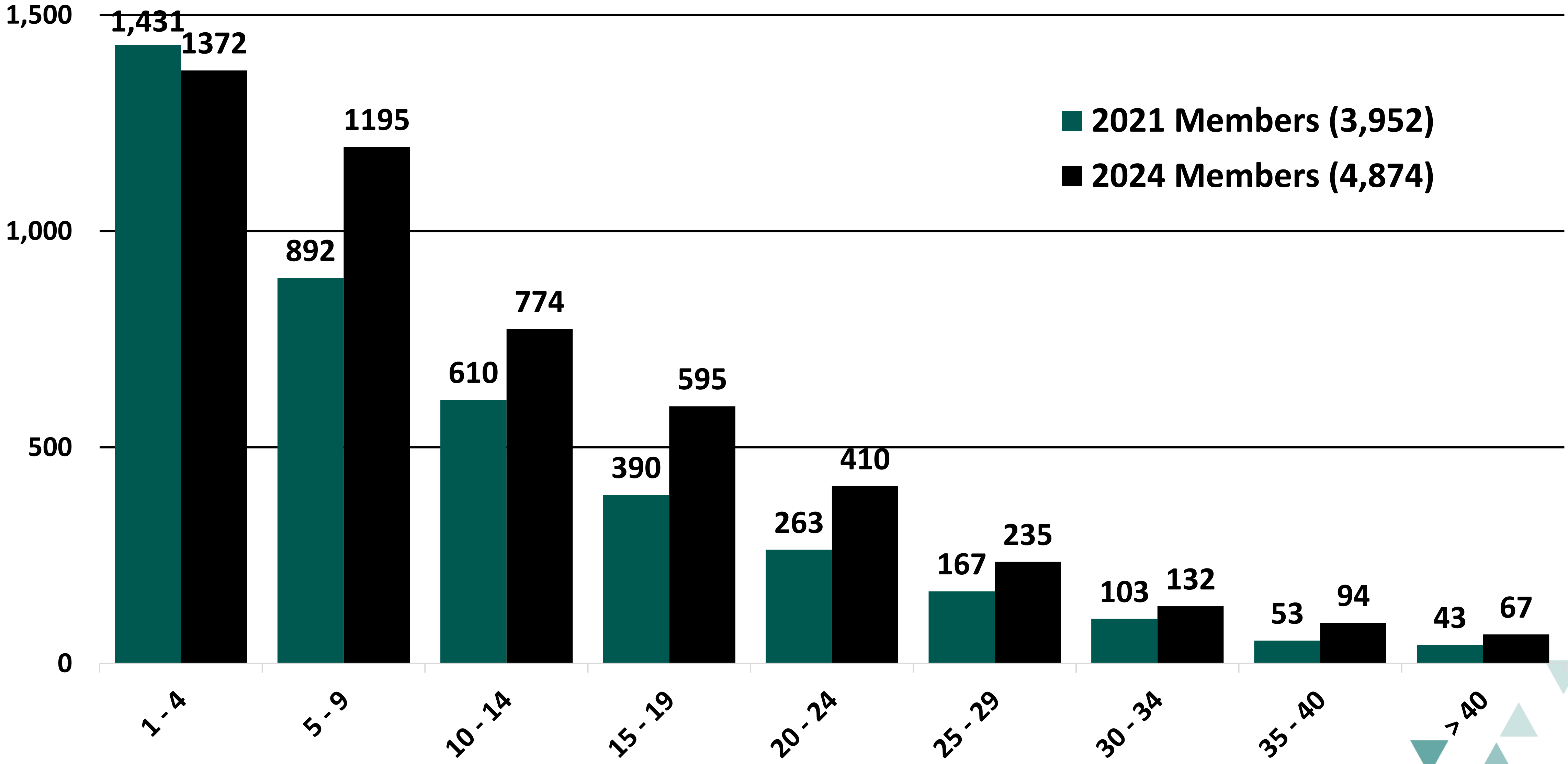
Distribution of Members by Age



Distribution of Members by Service



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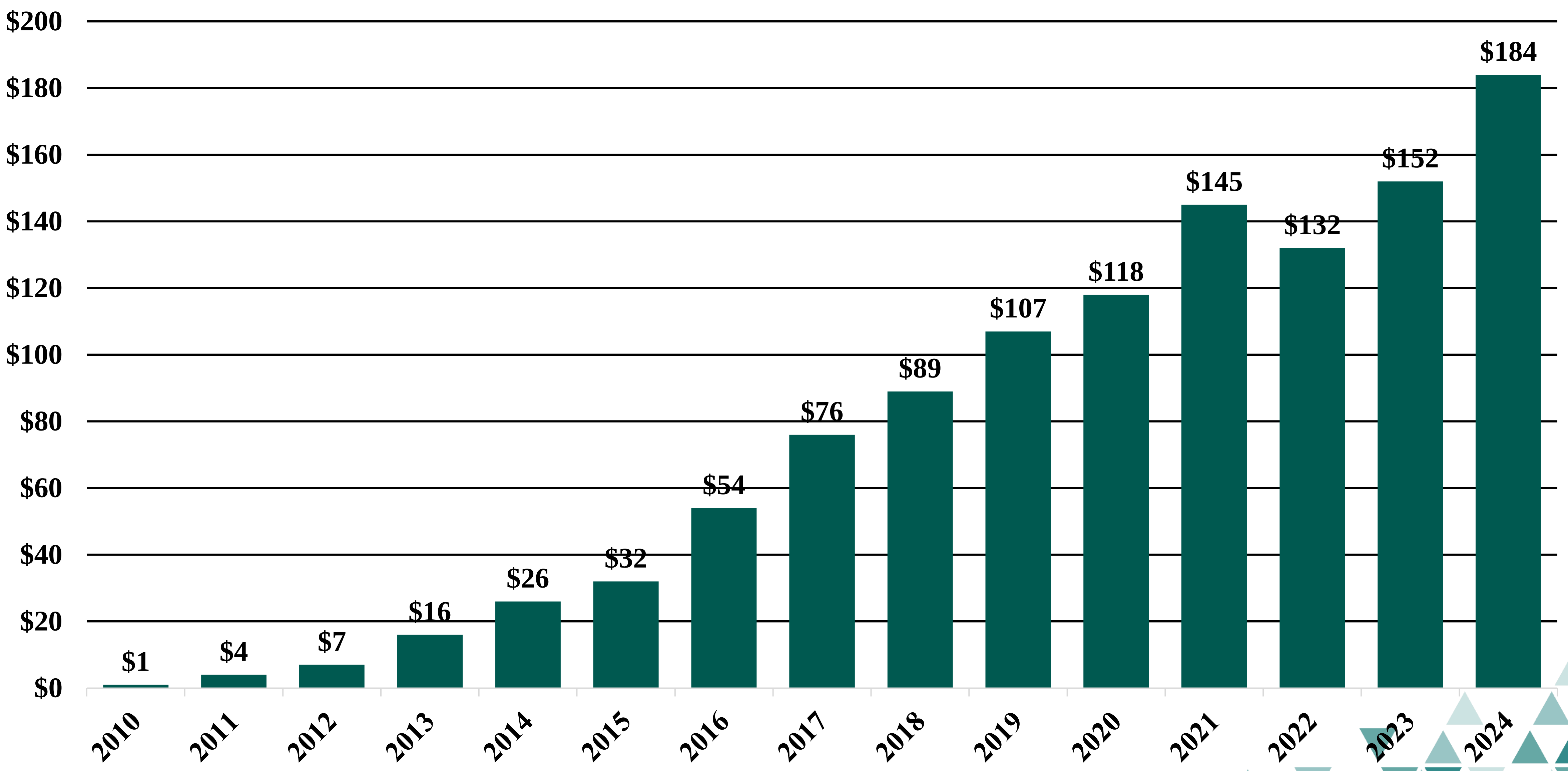
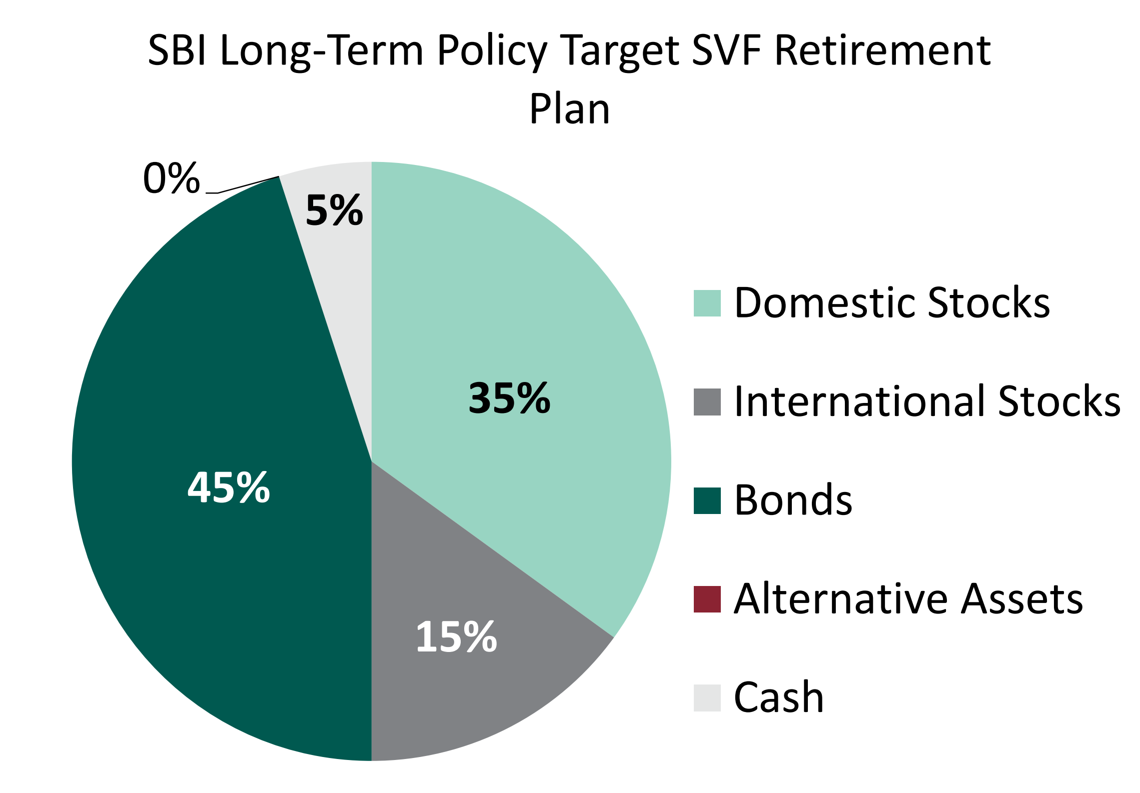
SVF Plan Assets (in $M as of June 30)



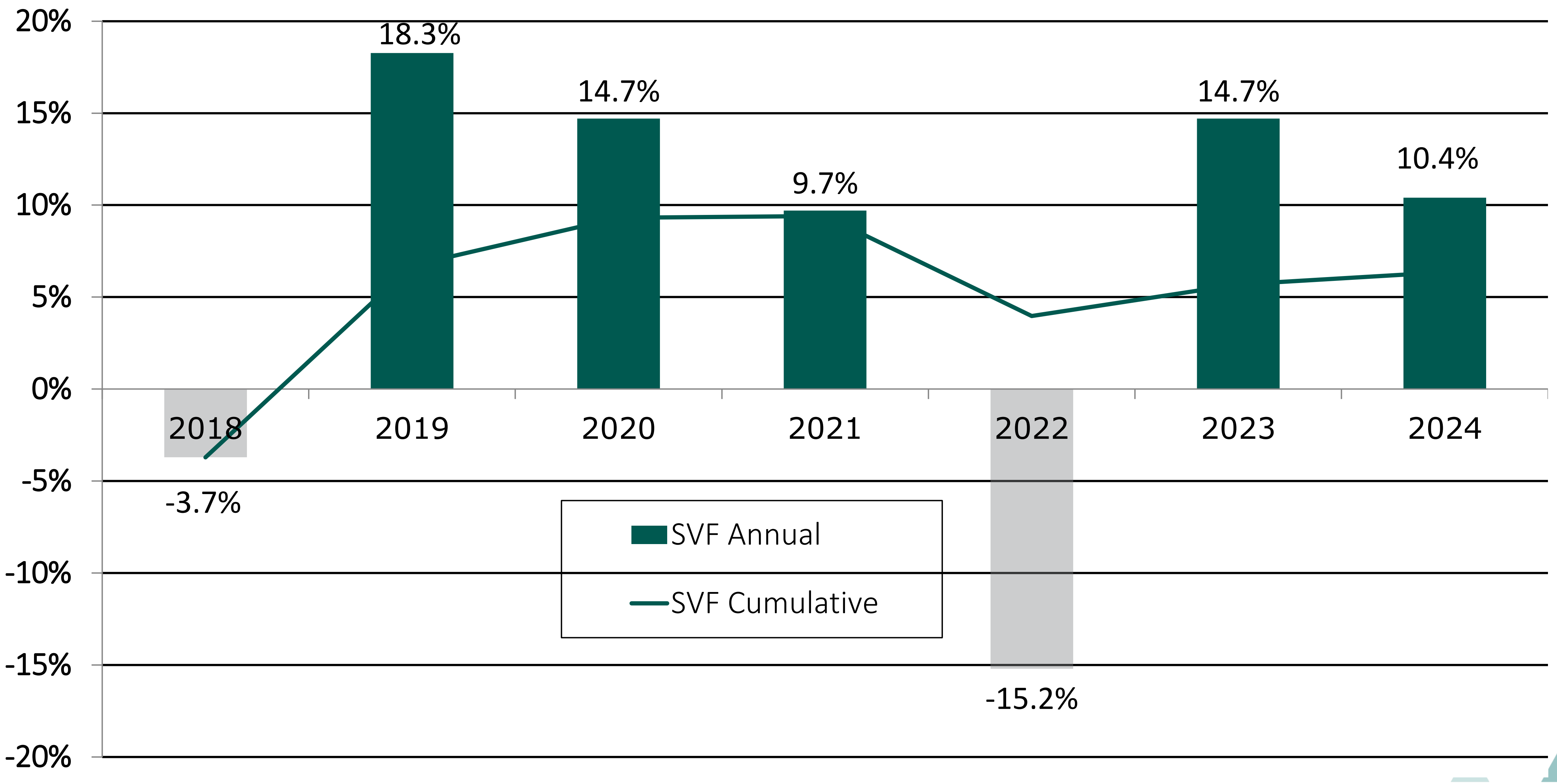
SVF Investment Allocation & Assumption

The State Board of Investment (SBI) invests the pension assets for each fire department in the SVF Plan. The SBI allocates SVF Plan pension assets among the following investment categories at the percentages indicated:



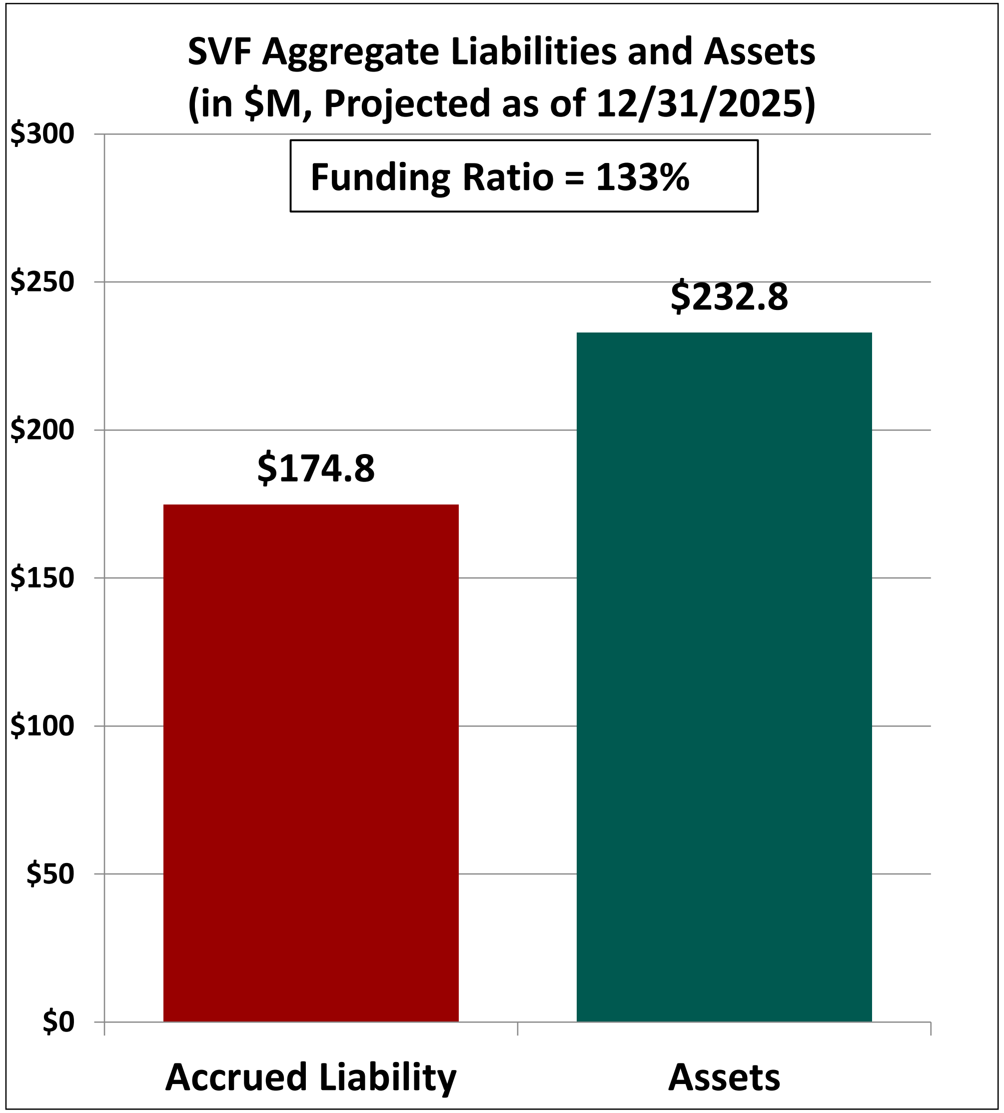
Per the August 6, 2009 SVF Advisory Board meeting notes, the board was presented seven different asset allocation options by the SBI and elected the asset allocation shown to the left. The assumed future rate of return for this allocation was set at 6% and has not been revisited since that time.

SVF Investment Returns Since 2018



Actual Annual and Cumulative Returns Since 2018 (Calendar Years)

SVF Aggregate Funding Status



State Aid, Expected Earnings, and Benefit Accruals	Estimated 2024	Estimated 2025
Fire State Aid	$6,062,000	$9,230,000
Supplemental State Aid	1,029,000	1,359,000
Total State Aid	$7,091,000	$10,589,000
Assumed Investment Earnings	9,695,000	13,971,000
Expected Asset Increases	$16,786,000	$24,560,000
Expected Benefit Accruals & Fees	$11,250,000	$16,070,000

In the aggregate, the SVF plan* is expected to be 133% funded as of December 31, 2025 (down from 135% as of 12/31/24). State aid payments cover about 66% of benefit accruals and fees. Investment earnings are expected to easily cover the remaining costs and will increase the assumed funding surplus. Only 12 of 279 plans (4%) have a 2026 required contribution.

* Lump Sum Plans Only

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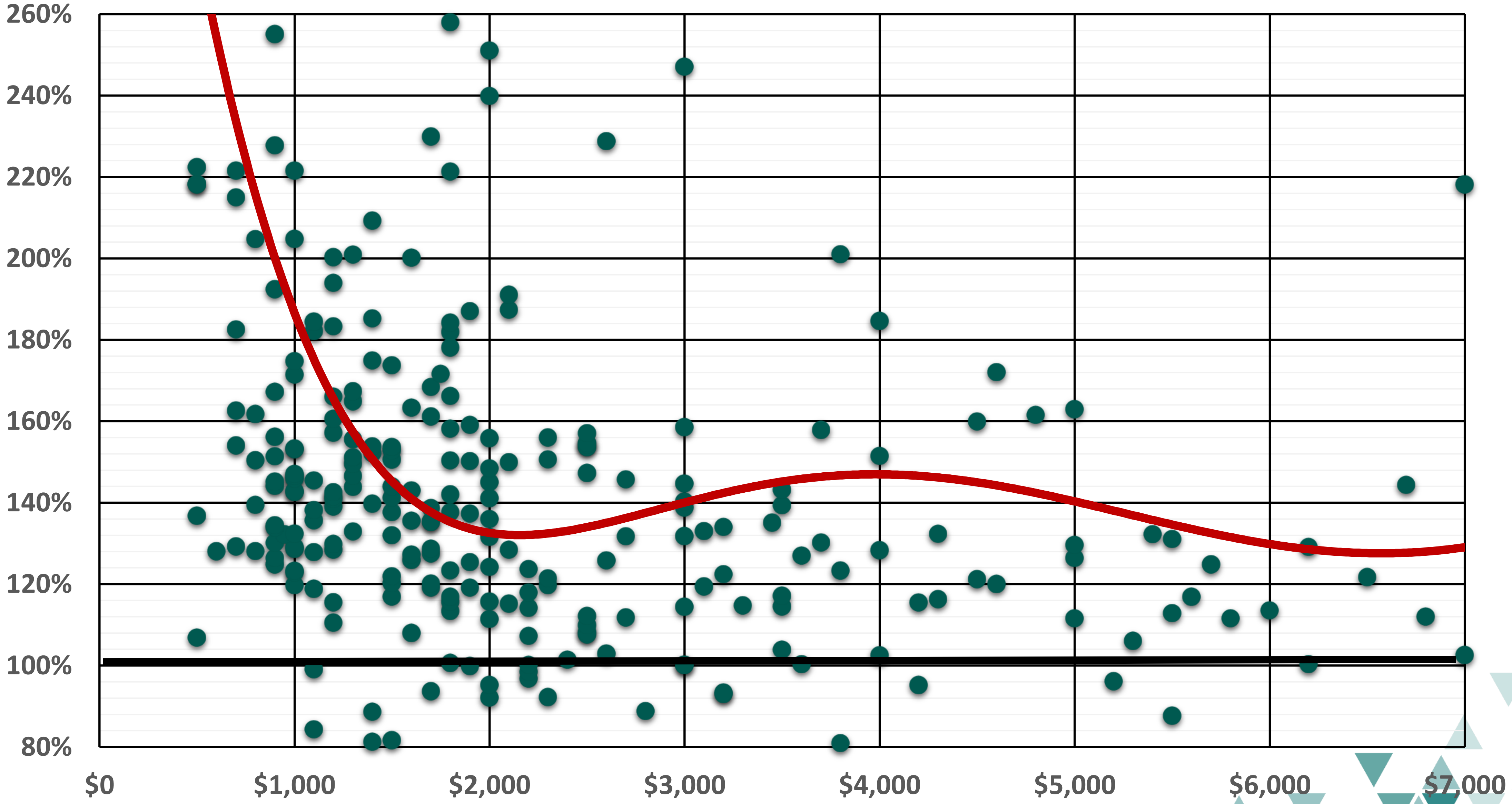
SVF Funding Ratios & Benefit Levels



* 19 plans have funding ratios > 250%. Two plans are under 80%.

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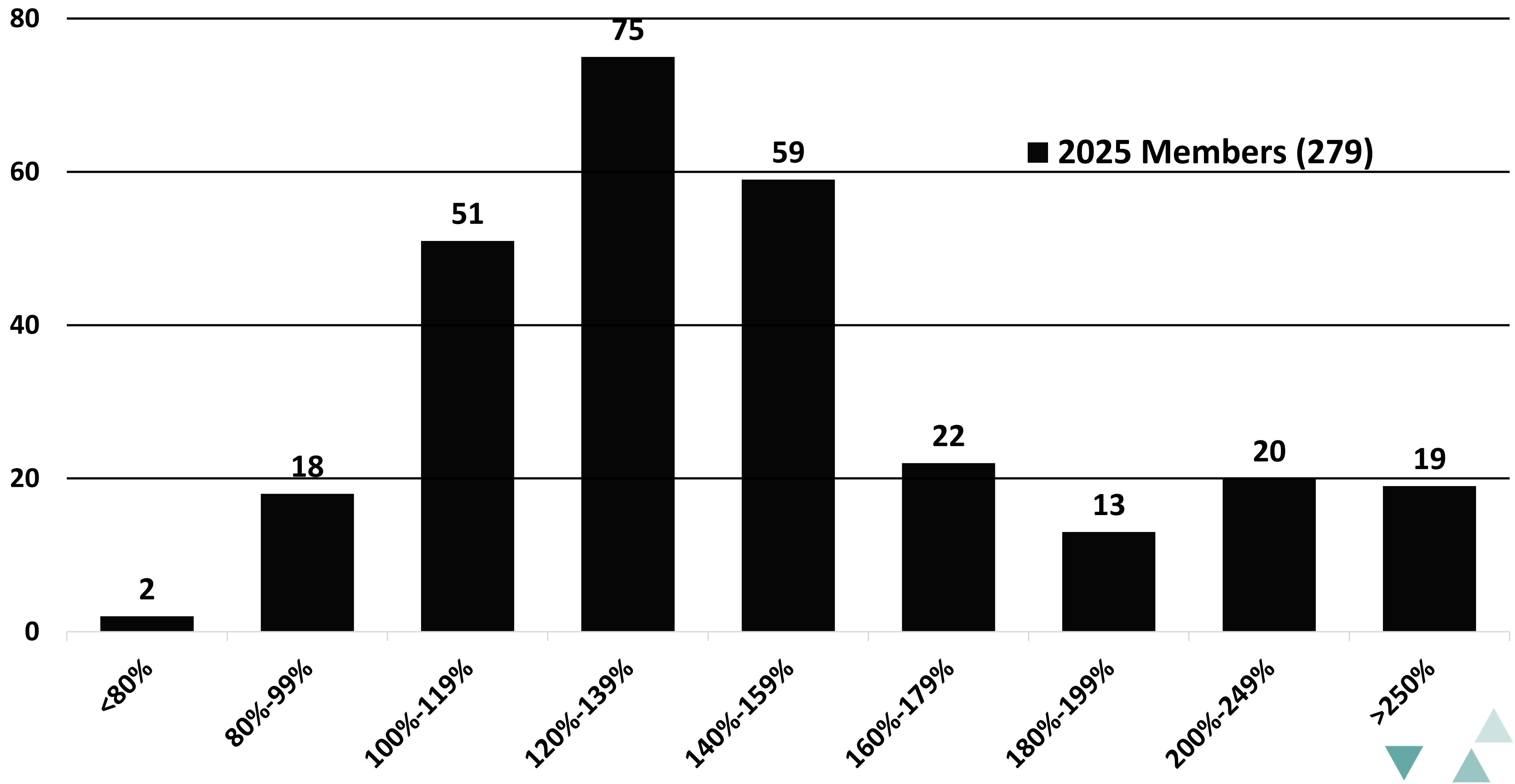
Distribution of Plans by Funding Ratio



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2017 Advisory Board Recommendations

Year	Advisory Board Recommendation	Result
2017	Expand Advisory Board from 8 to 10 members to create equal balance in appointments made by the Fire Department Association and the Fire Chiefs Association	Included in 2018 Omnibus Retirement Bill. Passed into law.
2017	Allow entities to withdraw from the SVFRP	Included in 2018 Omnibus Retirement Bill. Passed into law.
2017	Increase the SVFRP benefit cap maximum level from $7,500 to $15,000 to be consistent with the maximum level allowed for lump-sum plans covered under 424A	Included in 2018 Omnibus Retirement Bill. Passed into law.

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2018 Advisory Board Recommendations

<table>
<tr><th>Year</th><th>Advisory Board Recommendation</th><th>Result</th></tr>
<tr><td>2018</td><td>Change plan name to Statewide Voluntary Firefighter Plan (SVF Plan)</td><td rowspan="5">Advisory Board approved all recommendations on 9/27/18.

PERA Board approved on 12/13/18.

The proposals were not heard during the 2019 legislative session, but were included in the 2020 Omnibus Retirement Bill and passed into law in 2020.</td></tr>
<tr><td>2018</td><td>Plan Coverage Election – Move to support language clarifying that a relief association can initiate a transfer to the SVF Plan, and to support requiring that a coverage election to join the SVF Plan include joint approval from all municipalities involved in the case of a joint powers entity or firefighting corporation</td></tr>
<tr><td>2018</td><td>Lump-sum Retirement Division Level Selection – Move to support allowing the fire chief for a lump-sum retirement division to request a cost estimate from the executive director for an increase in the services pension level.</td></tr>
<tr><td>2018</td><td>Alternative Lump-sum Pension Calculation – Move to support the addition of language to define a deferred member and clarify how benefits are calculated.</td></tr>
<tr><td>2018</td><td>Portability – Move to clarify the vesting percentage applicable to benefits when member service consists of pre-SVF and SVF service and/or service with multiple departments.</td></tr>
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2020 Advisory Board Recommendations

Year	Advisory Board Recommendation	Result
2020	Allow entities that are considered combination fire departments as of specified date the opportunity to allocate a portion of Fire State Aid towards their PERA Police & Fire Plan contribution. The amount of the allocation is subject to limits. Firefighters are allowed to petition to stop the allocation.	Advisory Board approved the recommendation on 10/30/20. PERA Board approved on 12/10/20. The proposal was included in the 2020 Omnibus Retirement Bill and passed into law in 2021.

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2022 Advisory Board Recommendations

Year	Advisory Board Recommendation	Result
2022	The Advisory Board supported HF 217 with amendments, which modifies the current statute to allow for previous years of relief association service to count for vesting purposes in the SVF lump- sum plans.. The proposed amendments for HF 217 are as follows: • Add definition for previous service to clarify that only non-concurrent service counts for vesting purposes. • Add definition for Minnesota Volunteer Fire Department to ensure that all years of service with a Minnesota volunteer fire department are included. • Add language to the definition of retirement benefit to maintain the requirement that a member has at least one year of service in the Plan to qualify for a benefit. • Repeal of §353G.13., which governs portability for a lump-sum plan. The statute is no longer needed after the revision of this draft. • Add language to the certification of previous years of service to require the fire chief to certify any previous years of service.	Advisory Board approved all recommendations on 1/26/23. PERA Board approved on 2/16/23. Omnibus Retirement Bill and passed into law in 2023.

2023 Advisory Board Recommendations

<table>
<tr><th>Year</th><th>Advisory Board Recommendation</th></tr>
<tr><td>2023</td><td>The $5M incentive pool should be allocated to departments joining SVF as follows:
Step 1:
• The initial incentive amount is:
    • $10,000 per plan, plus
    • $1,000 per active member
• The initial incentive amount applies to 2023, 2024, and 2025 entrants or until $5M is exhausted
• Order of eligibility is based on proper submission of participation documents
Step 2:
• If money remains in the incentive plan pool after allocation to 2023, 2024, and 2025 entrants. PERA will increase the incentive amount to each 2026 entrant to:
    • $10,000 per plan, plus
    • $1,000 per active member, plus
    • $X per active member (amount to be determined by PERA)
• 2023, 2024 and 2025 entrants will also receive the additional $X per active member.
• PERA has discretion to set the amount in a way to maximize the addition of new plans
Step 3
• If money remains in the incentive plan pool after allocation to 2026 entrants, Step 2 is repeated</td></tr>
</table>

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Incentive Payment Summary

Year of Entry	# of Plans	# of Active Members	Plan Entrants	Incentive Pool Balance
				$5,000,000
2024	23	526	West Suburban (7/1/23), Albertville, Balaton, Cologne, Dodge Center, East Bethel, Fayal, Garfield, Hallock, Hermantown, Hoffman, Ideal, Jacobson Community, Lake Elmo, Milroy, Myrtle, Nevis, New Munich, Paynesville, South Haven, Starbuck, Taunton, Waterville	(756,000)
2025	52	1,199	Arlington, Audubon, Battle Lake, Belle Plaine, Big Lake, Bigelow, Brooten, Chisago City, Claremont, Clear Lake, Clearwater, Cloquet, Cold Springs, Crosslake, Darfur, Dassel, Eastern Hubbard County, Eveleth, Fridley, Grand Rapids, Kennedy, Lindstrom, Litchfield, Luverne, Mabel, Madelia, Madison, Mahnomen, Maple Plain, McGrath, Nerstrand, New Brighton, New Harford/Nodine, Odin, Okabena, Ormsby, Prinsburg, Rogers, Springfield, St. Hilaire, St. Joseph, Stillwater, Trimont, Truman, Twin Lakes (Freeborn County), Viking, Villard, Walnut Grove, Warroad, Westbrook, Wilson, Winsted	(1,719,000)
2026	23	510	Adrian, Anoka-Champlin, Askov, Becker, Bluffton, Cokato, Cromwell-Wright, Danvers, Deer Creek, Floodwood, Heron Lake, Hibbing, Isle, Kandiyohi, Kensington, Menahga, Nashwauk, North St. Paul, Onamia, Sanborn, Waubun, Winger	(740,000)
	98	2,235		$1,785,000

2025 Plan Entrants is based on resolutions received as of October 20, 2025. Approximately 10 more plans may join effective 2026.