Enrollment Process
Statewide Volunteer Firefighter Retirement Plan

Legislation passed in 2009 created a **Statewide Volunteer Firefighter Retirement Plan** (**SVFRP**, referred to as "the Plan" in this document) for volunteer firefighters who provide service to a municipal fire department or an independent nonprofit firefighting corporation. The Plan is voluntary, and open to fire departments as a replacement of their existing volunteer firefighter retirement plan. It is also open to municipalities currently without a volunteer firefighter retirement plan. The Plan is codified as Minnesota Statutes Chapter 353G.

This document will provide information needed for a relief association and municipality or independent nonprofit firefighting corporation to: (1) request an estimate of annual costs expected to be incurred as a result of joining the Plan, (2) act on that information, (3) elect enrollment in the Plan, and (4) move assets and liabilities into the Plan.

Request a Cost Analysis

The decision to participate in the Plan is made jointly by the entity operating the fire department and the volunteer firefighter relief association (if one exists). Individual firefighters can not join the Plan on their own, nor can an entity pick and choose which volunteer firefighters will be enrolled. The process for electing coverage of volunteer firefighters by the Plan is initiated by a request to PERA for a cost analysis of the prospective retirement coverage. The cost analysis will provide the entity operating the fire department an estimate of future annual contributions that will be required to provide the level of benefits selected. There is no charge for this service. The steps for requesting a cost analysis are described in Minnesota statutes 353G.05. They are as follows:

1. If the volunteer firefighters are covered by an existing relief association, the secretary of the relief association must ask the relief association board to approve a request for a cost analysis from PERA. Whether or not there is an existing relief association, the chief administrative officer of the municipality or non-profit fire corporation that sponsors the fire department must seek approval from the city council or the non-profit's board to request a cost analysis.

2. If the municipality's council or the non-profit's board (and the relief association board, if one exists) approve of a cost analysis, the secretary of the relief association (if one exists) and chief administrative officer of the entity that sponsors the fire department jointly submit a request to PERA's executive director for estimates of costs of the potential retirement coverage using PERA's Cost Analysis Request Form. If the volunteer fire department is associated with more than one municipality or non-profit, the chief

administrative officer of each sponsoring entity of the volunteer fire department must jointly execute the request.

3. Once PERA receives the Cost Analysis Request Form, staff will either contact the fire department or the State Auditor's Office to receive demographic information required to calculate costs. That information includes data about individual members (birth dates, years of service in any existing plan), proposed benefit level(s), asset values, and a copy of the relief association bylaws (if a relief association exists).

4. Once the demographic information is received, PERA will run a cost analysis. Depending on the backlog, it may take a couple of weeks to run the analysis. Once the analysis is complete, the results will be sent to those who initiated the request.

5. At the same time, if a relief association exists and has a special fund established, the State Board of Investment (SBI) will review the investment portfolio of the special fund and determine which assets could be transferred to SBI and which must be sold before December 31st should the entity elect to join the Plan. Results will be communicated back to the relief association. In most cases, assets will have to be sold.

Respond to the Cost Analysis/Elect Enrollment

Upon receipt of the cost analysis from PERA, the governing body of the municipality (or municipalities) or the independent nonprofit corporation associated with the fire department has 120 days to approve coverage in the Plan. If the retirement coverage change is not acted upon within 120 days, it is deemed to be disapproved.

If coverage in the Plan is not approved, no change is made and firefighters will not be enrolled in the Plan. Entities may request an additional cost analysis at any time in the future using the same procedure as outlined above.

If the retirement coverage is approved by the applicable governing body, a board or council resolution should be written stating that coverage has been approved, and a copy of the resolution sent to PERA. PERA will notify SBI, and SBI will work with the owner of the assets so that there is a smooth transfer of assets on December 31st of that year. PERA will also work with the record holder to set up a separate account, enroll members, and collect the information we need to administer the plan. Coverage by the Plan is effective on the next following January 1st. On the date immediately prior to the effective date of the coverage change, the special fund of the applicable volunteer firefighters' relief association, if one exists, will cease to exist as a pension fund of the association and legal title to the assets of the special fund will transfer to SBI, with the beneficial title to the assets of the special fund remaining in the applicable volunteer firefighters.

What Paperwork Will Be Required In The Future?

Once coverage by the Plan is effective, PERA will certify the existence of coverage in the Plan on an annual basis for each participating fire department in order to fulfill the requirements in Minnesota Statutes 69.011, subd. 2. The applicable fire chief, however, will need to continue certifying the fire personnel and fire department equipment as of the prceding December 31 on an annual basis in accordance with MS 69.011, subd. 2(b).

The State Auditor's Office will require one more financial report and audit in accordance with MS 69.051, subd. 1 for those relief associations that have assets of at least $200,000. The board of each volunteer firefighters relief association that is not required to file a financial report and audit under subdivision 1 must prepare one last detailed statement of the financial affairs for the preceding fiscal year of the relief association's special fund in accordance with MS 69.051, subd. 1a. Each municipality which has an organized fire department but which does not have a firefighters' relief association shall prepare one last detailed financial report of the receipts and disbursements by the municipality for fire protection service during the preceding calendar year in accordance with MS 69.051, subd. 3.

Annually, by March 31, the fire chief of the fire department with firefighters who are active members of the retirement plan will certify to PERA the good time service credits earned by each firefighter for the previous year. That information will be used to determine required contributions for the following calendar year and to provide benefits to those who retire during the year.

Relief Association Changes

Minnesota Statutes 353G.06 contains detailed information about what happens to the relief association once the firefighters are covered by the Plan. On December 31, the special fund of the relief association, if one exists, ceases to exist as a pension fund of the association and legal title to the assets of the special fund transfers to the State Board of Investment. The relief association membership may elect to retain the relief association upon the effective date of the change in volunteer firefighter retirement coverage, but the following changes will take place:

- The relief association board membership will be reduced to five people;
- The relief association may only maintain a general fund;
- The relief association may no longer receive state aid or municipal funds; and
- The relief association may no longer pay any service pension or benefit that was not authorized as a general fund disbursement under the articles of incorporation or bylaws of the relief association in effect prior to the plan coverage election process.