

**S.F. xxx; LCPR06-015****H.F. xxx****Executive Summary of Commission Staff Materials**

<i>Affected Pension Plan(s):</i>	Volunteer Firefighter Relief Associations
<i>Relevant Provisions of Law:</i>	Minnesota Statutes, Chapters 6, 69, and 424A
<i>General Nature of Proposal:</i>	Implements the Recommendations of the State Auditor's Volunteer Fire Working Group
<i>Date of Summary:</i>	February 23, 2006

**Specific Proposed Changes**

- Provides editorial/presentation flexibility to the State Auditor in the volunteer firefighter relief association data compilation report.
- Clarifies state fire marshal equivalent fire department equipment/personnel fire state aid conditions.
- Adds definition of "volunteer firefighter" to volunteer firefighter relief association law.
- Authorizes individual retirement account transfer for death/survivor benefits.
- Authorizes the payment of certain death benefits to estates.

**Policy Issues Raised by the Proposed Legislation**

1. Volunteer firefighter relief association data compilation report changes:
  - a. Usefulness of the formal reporting on volunteer firefighter relief associations.
  - b. Appropriateness of making the volunteer firefighter relief association compilation reporting requirement annual.
  - c. Appropriateness of providing discretion to the State Auditor over the report organization and formatting.
2. Fire department equipment/personnel fire state aid requirements changes:
  - a. Appropriateness of updating fire department equipment and personnel equivalency requirements.
  - b. Appropriateness of adding fire department capability and functioning specifications on equivalency.
  - c. Appropriateness of changing the rule promulgation authority to the state fire marshal.
3. Addition of "volunteer firefighter" definition:
  - a. Appropriateness of grandparenting current volunteer firefighting personnel.
  - b. Effectiveness of the potential definition in preventing duplicate concurrent pension coverage.
  - c. Need for complementary revision in the volunteer firefighter definition in PERA-General/ PERA P&F.
  - d. Appropriateness of allowing fire prevention training as an alternative to fire suppression training in definition.
  - e. Applicability of the proposed definition to volunteer departments providing ambulance services also.
  - f. Applicability of the proposed definition to volunteer fire departments with "other" service providers.
4. Addition of individual retirement account survivor benefit transfers authority:
  - a. Appropriate extent of federal income tax planning opportunities provided to volunteer firefighters.
  - b. Appropriateness of authorizing surviving spouse benefit transfers to individual retirement accounts.
  - c. Appropriateness of the retroactive effective date for the spousal benefit inclusion.
5. Addition of death benefit payment authority to estates:
  - a. Unclear need for estate payment authority beyond existing designated beneficiary payment authority.
  - b. Appropriateness of making benefit payments to an estate.
  - c. Appropriateness of encouraging casualty benefits from relief association rather than insurance.

**Potential Amendments**

- LCPR06-015-A1 removes Section 2 from Document LCPR06-015, as requested by the State Auditor.
- LCPR06-015-A2 simplifies the changes currently proposed in Section 2 of Document LCPR06-015, by limiting the change to the elimination of the obsolete 1972 date that was part of the original 1969 fire state aid revision legislation.

