

## A. ABOUT THE WEBINAR

### A1. Why is PERA hosting the SVF webinar?

PERA administers the Statewide Volunteer Firefighter (SVF) plan, a defined benefit plan for volunteer firefighters who serve municipal fire departments or nonprofit firefighting corporations. In 2023, legislation designated \$5 million dollars to encourage new departments to participate in the SVF plan. The SVF webinar provides organizations with information about how to join and participate in the SVF incentive program.

## B. JOINING THE SVF PLAN

### B1. What are the financial benefits of joining the SVF plan?

PERA is the administrator of the SVF pension plan; participating organizations no longer:

- Assemble or file financial reports with the Office of the Minnesota State Auditor.
- Pay for an outside audit or attestation of the special fund.
- Invest the assets of the special fund.
- Pay retirement benefits and file the paperwork necessary to receive the Minnesota Department of Revenue's supplemental benefit reimbursement.

Organizations should compare current administrative costs with PERA administrative costs, and review the potential difference in investment returns of SBI's managed fund versus a separately managed fund.

### B2. What happens to general accounts after our organization joins SVF?

After joining SVF, organizations must dissolve or reorganize as a nonprofit entity. If your organization remains involved with fundraising or maintaining a general fund, you must reorganize as a nonprofit entity. PERA does not track or collect information when organizations choose to dissolve or reorganize.

PERA does not set, monitor compliance with, or administer nonprofit fundraising or general fund maintenance rules. PERA cannot provide substantive advice or consultation about fundraising or general fund maintenance.

Contact a tax professional with questions about tax implications or IRS fundraising requirements. PERA encourages your organization to contact outside resources for nonprofit registration, reporting, and specific requirement information.

- For nonprofit registration and reporting questions, contact the Minnesota Attorney General's Office at (651) 757-1496.
- For charitable gambling rules, contact the Minnesota Gambling Control Board at (651) 539-1900.

### B3. How can our organization end its participation in the SVF plan?

If eligible, your organization can transfer or terminate its participation in the SVF plan, the rights and obligations to end participation are governed by Minnesota Statute.

#### To terminate participation in the SVF plan:

Eligibility:

1. The fire department must be eliminated, or the fire department must not use services of departing, non-career, or volunteer firefighters, and
2. The account assets pay all liabilities after factoring the requirement to fully vest all departing firefighters and pay administrative expenses.

For termination procedures please refer to [Minn. Stat. §353G.18](#)

### To transfer participation from the SVF Plan:

#### Eligibility:

1. An entity operating a fire department with firefighters who are covered by the plan may initiate the transfer of records, assets, and liabilities related to the firefighters' lump-sum or monthly benefits under the plan to a relief association that, at the time of the transfer, will be associated with the entity. The entity may be a municipality, an independent nonprofit firefighting corporation, or a joint powers entity.
2. Approval by the relief association
3. Approval by the firefighters

For transfer procedures please refer to [Minn. Stat. §353G.17](#)

#### **B4. Will our organization be penalized for leaving the SVF plan?**

No, there is no penalty for leaving the SVF plan; organizations are not required to return monetary incentives.

#### **B5. If another PERA plan fails, is the SVF plan impacted?**

No, the SVF plan is not impacted by other PERA plans; each PERA plan is independent. The assets for each organization participating in the SVF plan are used exclusively to fund the retirement benefits of that organization.

## **C. SBI AND INVESTMENTS**

#### **C1. How does the SBI maintain SVF assets?**

The pension assets and liabilities of each organization are maintained and accounted for separately from others participating in the SVF plan. The SBI invests the SVF plan pension assets for each organization.

#### **C2. What is the SVF plan's performance?**

The SBI reported the [Supplemental Investment Fund \(SIF\) Options Performance](#) as of February 29, 2024. For more information, refer to the [Supplemental Investment Fund](#) section of the SBI website.

#### **C3. Does the SBI require all assets to be liquidated?**

Yes, all pension assets must be liquidated by the transfer deadline. The SBI works directly with the owner of the pension assets. Assets must be transferred within one year after participation in the SVF plan is approved. After the pension assets are transferred to SBI, the organization's special fund (if one exists) ceases to exist as a pension fund. The asset's legal title transfers to the SBI, but the assets will be used exclusively to fund the retirement benefits of that organization.

## **D. BENEFIT ADMINISTRATION**

#### **D1. Can a volunteer firefighter transfer certified years of service to another volunteer fire department?**

No, a volunteer firefighter can't transfer service to another department. However, service credits earned at a previous fire department are used to determine the member's vesting percentage.

Refer to the [SVF Plan Retirement Benefit Calculation](#) at [mnpera.org](http://mnpera.org) for more information.

#### **D2. Do SVF recipients receive supplemental benefits?**

Yes, a one-time cash supplemental benefit is paid to recipients.

- Members receive 10% of the lump-sum payment (up to \$1,000).
- Survivors receive 20% of the survivor benefit (up to \$2,000).

**D3. Can the SVF plan accommodate both quarterly and lump-sum payments?**

No, PERA does not have a quarterly payment option. The SVF plan offers two options: Lump Sum or Monthly payment plans.

- Lump Sum plans only offer lump-sum payments.
- Monthly plans offer lump-sum and monthly payments.

Organizations joining the SVF plan must convert from quarterly to monthly or lump-sum payments.

**D4. Do SVF members have access to an online account with PERA?**

No, SVF plan members do not have online accounts. The fire chief and organization have access to SBI investment account information.

**D5. Several of our volunteer firefighters also serve in full-time, PERA-covered positions (i.e., Coordinated, Police & Fire, or Correctional plans). Are there issues with PERA administering both retirement programs for the member?**

No, there are no issues administering multiple plans for the member. Many PERA members participate in multiple plans.

## **E. REPORTING AND CERTIFICATION**

**E1. How can our organization report new members?**

Annually by March 31, the fire chief completes the Annual Service Credit Certification form to verify the number of service credits earned by each firefighter during the previous calendar year. On this form, the fire chief provides new enrollment information and changes in name or service status. Refer to [Certifying the Service Credit Earned by Volunteer Firefighters](#) on PERA's website at [mnpera.org](http://mnpera.org) for more information.

**E2. Can our treasurer complete the SVF plan reporting requirements?**

No, the treasurer can assist with filling out the reports, but they must be certified by the fire chief.

**E3. Does joining the SVF plan impact GASB reporting for the city?**

Yes, PERA provides SVF-related GASB 68 reports for organizations that require them.

**E4. Is our organization required to file financial reports to the state auditor?**

Yes. After joining PERA, organizations must file financial reports to the state auditor for one year. In addition, organizations must pay for a final audit/attestation. After the first year, organizations no longer need to file these financial reports.

**E5. Does the secretary of state require a renewal? Should we file form IRS 990-N or form 4250 FIRE?**

PERA is unsure of the secretary of state's renewal requirements. PERA administers your SVF pension plan and does not provide administration for form IRS 990-N or 4250 FIRE.

Organizations can remain as nonprofits after enrollment into the SVF Plan. Nonprofit organizations may have certain paperwork and filing requirements, such as certain audit and tax requirements. PERA does not provide administrative, legal, or tax advice to organizations that continue as nonprofits following an organization's enrollment in the SVF Plan.

Refer to [Learn How to Join the SVF Plan](#) on PERA's website at [mnpera.org](http://mnpera.org) for more information.

## **F. INCENTIVE PROGRAM**

**F1. Our organization already uses SBI for investment services; is our organization eligible for the monetary incentive?**

Yes, your organization can receive the monetary incentive when joining the SVF plan.