

# BYLAWS OF THE CITY OF RAMSEY VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION

## ARTICLE I

### Name

The name of this association shall be the City of Ramsey Volunteer Firefighters Relief Association, a 501(c)4 nonprofit organization incorporated under the laws of the State of Minnesota.

## ARTICLE II

### Purpose

**Section 1.** This instrument constitutes the Bylaws of the City of Ramsey Volunteer Firefighters Relief Association, hereinafter referred to as “Association”, adopted for the purpose of regulating and managing the internal affairs of the corporation and shall serve as the written pension plan for the Association. The Association is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting. The Association is a defined contribution relief association subject to Minn. Stat. §§ 424A.015 and 424A.016. The objectives of the plan shall be to provide service pensions and ancillary benefits to members and beneficiaries of the City of Ramsey Fire Department, hereinafter referred to as “Fire Department.” All benefits issued by this association shall be governed by these bylaws and Federal and State laws. The bylaws are hereby amended and restated generally **effective January 1, 2022**

**Section 2.** If the State of Minnesota or a court of competent jurisdiction determines that these amendments do not qualify for State Aid, a service pension shall be provided to members under the terms of the bylaws as they existed immediately prior to this amendment and restatement.

## ARTICLE III

### General Definitions

**Section 1. Definitions.** Whenever used in these bylaws, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise.

**Section 2. “Defined Contribution Relief Association.”** Volunteer firefighters’ relief association that provides a service pension based solely on the member’s vested portion of the Special Fund account rather than a specified annual lump sum or monthly benefit service pension amount.

**Section 3. “Member Account”** means the record of the amounts in the Special Fund credited to an individual under these bylaws pursuant to Article IX, plus contributions, forfeitures and investment earnings allocated under Article IX.

**Section 4. “Allocation Date”.** The dates on which member’s accounts are revalued, or on which contributions are made to the accounts.

**Section 5. "Accounting Date"**. For the purposes of valuing assets to disburse funds from a member's account, the Association shall have four quarters during the fiscal year ending 3/31, 6/30, 9/30, and 12/31. The accounting date shall occur once annually as specified herein.

**Section 6. "Beneficiary"** means such person or persons who at any particular time shall be entitled to receive a survivor benefit from the Association in the event of the death of an Active, Deferred, Disabled, or Retired Member. For purposes of a survivor's benefit, the benefit will be paid in accordance with Minn. Stat. § 424A.016, subd. 7(d). A member shall be allowed to designate a beneficiary if there is no surviving spouse, child, or children. A trust created under chapter 501B may be a designated beneficiary. If no beneficiary is designated, survivor benefits shall be paid to the estate of the deceased member.

**Section 7. "Surviving spouse"** means any person who was the legally married dependent spouse of a deceased active member or retired former member living with the member at the time of the death of the active member or retired former member for at least one year prior to the date on which the member terminated active service and membership. Minnesota Statute 424A.001, Subdivision 6.

**Section 8. "Trustees"** are the individuals designated as such by Minnesota Statute 424A.04 and by virtue of elected office.

**Section 9. "Qualified Domestic Relations Order" (QDRO)**. Any judgment, decree, or order (including approval of a property settlement agreement) that complies with the provisions of Minnesota Statute 518.58, 518.581.

**Section 10. "Fiscal Year"** means the twelve (12) month period which begins on Jan. 1 and ends on Dec. 31.

**Section 11. "Account Valuation or value"** A determination made by an investment manager, CPA, actuary or other professional as designated by the Board. A valuation shall include a calculation that determines the fair market value of the total assets. The fair market value shall be determined based on the value at which the investments could be sold on an open market. Valuation shall be made at least once annually. The Board shall have the discretion to value the assets or to conduct a valuation at any time during the year.

## **ARTICLE IV** **Membership**

**Section 1. Membership Generally.** All volunteer paid on-call members of the Fire Department are eligible for membership in the Association. Full-time Fire-Department members participating in the "Public Employees Retirement Association (PERA)" are not eligible to be members in the Relief Association. In order to be entitled to any service pension or ancillary benefits from the Relief Association, the volunteer paid on-call firefighter must be a member of the Relief Association.

## Section 2. Membership Status

- a. **“Active Service” Member** is a member of the Association who is serving on “active duty” as a paid on-call firefighter as defined in the Fire Department Personnel Policy, has been approved by the City Council, and has had their application approved by the Board of Trustees. Members not on active duty are not eligible to accrue City and State pension benefits; however, their whole balance will share in market gains and losses of the Special Fund as it relates to any vested and unvested allocations.
- b. **“Deferred Member”** is a member who has separated from “active duty” with the Fire Department after having served at least ten (10) years of active service as a firefighter with the Fire Department, and who has been a member in good standing of the Association for at least ten (10) years prior to separation. A “Deferred” member type is also assigned to a person named in a domestic relations order (DRO), decree, or judgement (including approval of a property settlement agreement) that complies with the provisions of Minnesota Statute 518.58, 518.581, or 518.611. These members shall be subject to the same considerations as “Deferred Members”.
- c. **“Retired Member”** is a former member of the Association who has received a service pension from the Association.
- d. **“Disabled Member”** is a member of the Association who is permanently disabled from active service in the Fire Department because of a service-related disability and is eligible to receive a disability benefit in lieu of retirement.
- e. **“Leave of Absence (LOA) Member”** is a member of the Association on a Break in Service pursuant to a temporary leave of absence granted by the Fire Chief in accordance with Fire Department Personnel Policy. LOA members are not on “active duty,” but they will continue as active members of the Relief Association and continue to pay dues. LOA members are ineligible to receive City and State pension benefits unless the Break in Service is a result of “active duty” with the Fire Department, or until such time as they return to active duty, as determined by the Fire Chief.
- f. **“Inactive Member”** is a member of the Association who has terminated employment in the Fire Department; and who has an account balance that is 0% vested but which has not yet been forfeited pursuant to Article IX, Section 4, Subsection C.
- g. **“Military Leave Member”**. Subject to limitations stated in Section 16 in this article, a member on a Break in Service due to service in the uniformed services, as defined in 38 USC § 4303 (13), may receive an allocation as though the person was an active member for the period of the uniformed service, not to exceed five years, unless a longer period is required under the United States Code, 38 U.S.C § 4312. To be eligible for an investment return allocation under this section, the volunteer firefighter must return to firefighting service with coverage by this Association or its successor upon discharge from service in the uniformed service within the time frame required 38 U.S.C. § 4312(e). An allocation of any fire state aid, any municipal contributions and any investment return is not authorized if the firefighter separates from uniformed service with a dishonorable or bad conduct discharge, or under other than honorable conditions. Any investment allocation is not authorized if the firefighter fails to provide notice to the fire department that the individual is leaving to provide service in the uniformed services, unless it is not feasible to provide that notice due to the emergency nature of the situation.

### Section 3. Service Requirements

- a. **“Active Duty”** is the active performance of fire suppression duties or the supervision of fire suppression duties required by the Fire Department. The Fire Department certifies the members serving on “active duty” for the purposes of computing benefits or service pensions payable.
- b. **“Quarter of Active Service”** is for the purposes of computing service pensions and ancillary benefits, or calculating vesting requirements. A “quarter of active service” is defined as a quarter in which the member meets the service requirements as outlined by the Ramsey Fire Department requirements and directives of the Fire Chief.”
- c. **“Year of Active Service.”** For the purposes of computing benefits or service pensions payable, a year of service shall be defined as twelve (12) full months of "active service" in the Fire Department.
- d. **Break in Service.** If a member is unable to perform the duties of a firefighter for any reason, including an approved leave of absence, the member will be considered to have a break in service and will not receive credit in the Association for that period of time. Active membership in the Association immediately resumes when a member returns to active service with the Fire Department, if the member’s break in service was less than sixty (60) days.
- e. **Return to Service.** Any firefighter who has ceased active duty for at least sixty (60) days will be eligible to resume Active Service membership in the Association should the firefighter resume active duty with the Fire Department, as determined by the Fire Chief. The resumption service requirements of this Section do not apply to leaves of absence or breaks in service made available by Federal or State statute, such as the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), Minn. Stat. § 424A.021, and the Family and Medical Leave Act (FMLA), 29 U.S.C. § 2601, et al. If the firefighter has not received payment of a service pension or disability benefit, the firefighter may be eligible for a service pension or benefit if the firefighter meets the vesting requirements defined in these bylaws based on the original and resumption years of service. The service pension will be calculated to include allocations credited to the firefighter’s member account during the original and resumption periods of service and deductions for administrative expenses, if applicable, less any amounts previously forfeited based on these bylaws. Amounts forfeited under Article IX Section 4 (c) of these bylaws before a resumption of active service and membership remain forfeited and may not be reinstated upon the resumption of active service.

**Section 4. Application.** Applications for membership shall be made at the direction of the Secretary and payment for the Association’s dues must be received no later than 60 days after membership commences. Each application shall be referred to the Board of Trustees for approval.

### Section 5. Dues.

- a. **General Fund Dues and Assessments.** Active Service and LOA members shall pay dues as determined annually by the Association for the purpose of supporting the General Fund and the Volunteer Firemen Benefit Association of Minnesota, payable to the Association by December

31 of each year as part of maintaining membership in good standing. Dues may be collected by the City through a payroll deduction. Any member whose dues are not paid on time shall be mailed a notice of his/her delinquency by the Secretary.

- b. Exceptions to General Fund Dues and Assessments.** Inactive, Military, and Disabled members do not meet the definition of “Active Service” and therefore are not responsible for General Fund membership dues.

**Section 6. Termination of Membership.** Any member who resigns or is terminated from employment with the Ramsey Fire Department shall automatically be terminated as a member of this association.

## **ARTICLE V**

### **Board of Trustees and Officer Positions**

**Section 1. The Powers and Duties of the Board of Trustees.** The Board of Trustees (the Board) is the governing board and has exclusive control of the investment of the Association’s plan assets in conformance with Federal and State law including, but not limited to, Minnesota statutes and these bylaws. The members of the Board will act as Trustees, with a fiduciary responsibility to the Active, Deferred, and Inactive members of the Association, who are its beneficiaries; the taxpayers of the municipality, who help to finance the plan; and the State of Minnesota, which established the plan.

The Board will exercise all powers attendant to management of the Association’s plan, assets, and benefit determinations as outlined in these Bylaws.

Pursuant to Minnesota Statutes, Section 69.051, Sub. 1, as amended, the Board, shall annually prepare an Annual Financial Report of the Association’s receipts, disbursements, and balances in its special and general funds for the preceding calendar year ending December 31. In addition, the Board will submit this Annual Financial Report of the Association to the members at a regular meeting each year.

**Section 2. Members of the Board of Trustees.** The Board consists of nine members (Trustees); six General Trustees elected from the membership by the membership and three Municipal Trustees drawn from officials of the City of Ramsey. Of the three Municipal Trustees, one must be an elected official and one must be an elected or appointed municipal official, and both must be designated annually by the Ramsey City Council. The third municipal Trustee must be the fire chief.

**Section 3. Qualifications of the General Trustees and Officers.** General trustees and Officer positions shall be filled by Active Service members in good standing of the Association as determined by the Fire Chief. In the event no active firefighter is available for said board position, the position may be filled by an eligible retiree or LOA member, only in a non-paid position.

**Section 4. Election and Terms of Office.** A General Trustee shall hold office for the term of three years or until his/her successor has been elected and has qualified, or until he/she has resigned or been removed pursuant to Article V, Section 9. The President, Secretary and Treasurer will be elected by the Association membership for three (3) year terms and shall serve as the officers of the corporation. In no event will any Trustee hold more than one Officer position at any one time. In no event will any municipal Trustee hold an Officer position.

General Trustees will be voted in at the regular annual meeting of the membership. Election of the General Trustees will be staggered each year over three (3) years as follows:

- President and Vice President
- Secretary and One General Trustee
- Treasurer and One General Trustee

Terms of office commence upon election at the annual general membership meeting.

**Section 5. Vacancies.** A vacancy in the position of any non-municipal Trustee or Officer may be filled by a majority of the remaining Trustees at any regular membership meeting or special board meeting. The member selected to fill the vacancy holds office only until the next special or annual meeting of the Association membership when a successor must be elected by the membership.

**Section 6. Authority and Duties.** Officers have the authority and duties in the management of the business of the Association as outlined in the Ramsey Fire Relief Association Standard Operating Procedures. Those duties are incorporated herein by reference.

**Section 7. Standard of Performance.** A General Trustee shall discharge his/her duties in good faith and with the diligence and care which an ordinarily prudent person, in a like position and under similar circumstances, would exercise. General Trustees will attend annually, a minimum of 66% of scheduled meetings. Failure to attend the minimum number of meetings may result in the removal of a General Trustee. An Active Service Member serving as a General Trustee may remain on the Board if he/she becomes a LOA Member, as determined by the Fire Chief in accordance with Fire Department Personnel Policy related to LOA. Failure to return to Active Service status may be grounds for removal as a Trustee.

**Section 8. Fiduciary responsibility.** In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in Minnesota Statute 11A.09. In addition, the trustees must act in accordance with Minnesota Statute 356A. No trustee of the Association shall cause the Relief Association to engage in a transaction, if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:

1. Sale or exchange or leasing of any real property between the Association and the Board Member;
2. Lending of money or other extension of credit between the Association and a Board Member or member of the Association;
3. Furnishing of goods, services, or facilities between the Association and the Board Member; or
4. Transfer to a Board Member, or use by or for the benefit of a Board Member, or any assets of the Association. Transfer of assets does not mean the payment of Association benefits or administrative expenses permitted by law.

**Section 9. Removal.** A General Trustee or an Officer, elected from the membership, may be removed for cause. Cause for removal shall include, but not be limited to, the breach of the duties and responsibilities described in Sections 1, 6, 7 and 8 of this Article. At a meeting of the members which is called for that purpose, one or all of the general trustees may be removed by a majority vote of those entitled to vote at election of officers and general trustees. Notice of the meeting at which removal is to be considered shall be given to each member entitled to vote and shall include the purpose of the meeting. The General Trustee shall be furnished with a statement of the particular charges at least five (5) days before the meeting. At the meeting he/she shall be given the opportunity to be fully heard as to each charge.

**Section 10. Officer's Salaries and General Trustee Reimbursements.** The President, Secretary and Treasurer shall receive an annual salary, the amount to be approved each year by the general membership of the Association at its regular annual meeting. This salary can be paid from the General Fund or the Special Fund. For all Trustees, itemized expenses eligible for reimbursement are limited to those expenses incurred as a result of fulfilling responsibilities as administrators of the Special Fund.

**Section 11. Books and Records.** The Association will keep, at minimum, correct and complete copies of its articles of incorporation and bylaws, accounting records, records documenting Special Fund transactions, records necessary to determine benefits payable and paid to individual members and their beneficiaries, and minutes of its meetings that record the votes of actions taken, in accordance with the Records Retention Schedule as outlined in Minnesota State Statute.

## ARTICLE VI

### Meeting of Members and the Board

#### **Section 1. Annual Meeting.**

- a. Time. The membership shall hold an annual meeting for the election of General Trustees and Officers and for the transaction of any other business within sixty (60) days of the beginning of a calendar year.
- b. Notice. Notice of each annual meeting of the Association's members will be provided to each member entitled to vote at the meeting at least five (5) days before the date of the meeting. Notice will contain the date, time, and place of the meeting.

#### **Section 2. Special Meetings.**

- a. A special meeting of the Association's members may be called at any time by the President, Secretary, and one additional Trustee, or of 10 percent of the members of the Association.
- b. Notice. Notice of each special meeting or membership of the Association's members will be provided to each member entitled to vote at the meeting at least five (5) days before the date of the meeting. Notice will contain the date, time, and place of the meeting

#### **Section 3. Board Meetings.**

- a. Time and Place. The Board of Trustees shall meet at the minimum, at least four (4) times a year at any place within this State as designated by the Board, to discuss the investments, finances, benefits, and records of the Association. A Trustee may call a Board meeting by giving five (5) days' notice to all Trustees of the date, time, and place of the meeting. These meetings will be open to any member of the Association and to the public.
- b. Notice. Notice requirements of the Minnesota Open Meeting Law will be followed for all Board Meetings. A schedule of the Board's regular meetings will be kept on file at the Board's primary office.
- c. Special Board Meetings. For special meetings (including any regular meeting held at a time or place different from the time or place stated in the schedule of regular meetings), the Board will post written notice of the date, time, place, and purpose of the meeting on the Board's principal bulletin board, or if the Board has no such bulleting, on the door of its usual meeting room. The notice will also be mailed, emailed or delivered to each person who has filed a written request for notice with the Board. The notice will be posted and mailed, emailed or delivered at least three (3) days before the date of the meeting.
- d. Recessed/Continued Session. If a meeting is a recessed or continued session of a previous meeting, and the time and place of the meeting was established during the previous meeting and recorded in the minutes of that meeting, then no further published or mailed notice is necessary.

**Section 4. Quorum for Annual and Special Meetings.**

- a. A simple majority of the Active Service members of the Association will constitute a quorum for the transaction of business at the annual or any special meeting of the Association which requires a vote by membership.
- b. Subject to Clause (c) below, a quorum is necessary for the transaction of business at a meeting.
- c. When a quorum has been present at a meeting and members have withdrawn from the meeting so that less than a quorum remains, the members still present may continue to transact business until adjourned.
- d. In the absence of a quorum, a majority of the Board of Trustees present may adjourn a meeting from time to time until a quorum is present.

**Section 5. Quorum for Board Meetings.** A simple majority (one more than half) of the Trustees will constitute a quorum for the transaction of business at the meetings of the Board.

**Section 6. Order of Business.** All meetings shall be conducted according to Robert's Rules of Order.

**Section 7. Voting at Annual and Special Meetings.** Each Active Service, LOA or Deferred member in good standing of the Association present is entitled to one vote. Voting by proxy or absentee ballot is prohibited, unless specified prior to the vote. All votes, unless specified prior to the vote, will be conducted by a voice vote. If a majority cannot be determined by voice vote, the officer in charge of the vote will ask for a vote by roll call or by ballot.

**Section 8. Voting at Board Meetings.** The Board has a responsibility to vote on the investment and reinvestment of Association assets, the determination of benefits, the determination of eligibility for benefits, the determination of the amount or duration of benefits, the determination of funding requirements or the amounts of contributions, the maintenance of membership and financial records, the expenditure of Association assets, the selection of financial institutions and investment products, and on any other matter related to the business or affairs of the Association. An act of the majority of the Trustees present at a meeting at which a quorum is present is an act of the Board. Trustees are entitled to one vote and each has equal rights. Voting by proxy or absentee ballot is prohibited, unless specified prior to the vote. All votes, unless specified prior to the vote, will be conducted by a voice vote. If a majority cannot be determined by voice vote, the officer in charge of the vote will ask for a vote by roll call or by ballot.

**Section 9. Elections.** Nominations of candidates may be made from the floor at the regular annual meeting, including self-nominations, or any special meeting called for the purpose of electing any officer or trustee.

## **ARTICLE VII** **Investments**

**Section 1. Standard of Fiduciary Conduct.** Trustees owe a fiduciary duty to the active, deferred, and retired members of the Association, who are plan beneficiaries; to the taxpayers of the municipality, who help finance the plan; and to the State of Minnesota, which established the plan. The Trustees will act in good faith and exercise that degree of judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, considering the probable safety of plan capital as well as the probable investment return to be derived from the assets.

**Section 2. Duty to Invest.** The Board will approve an Investment Policy Statement (IPS) and will investigate and prepare for the safe and profitable investment of the Association funds. The investment of the funds of the Association shall be in the exclusive control of the Board of Trustees, in conformance with state statutes, the bylaws, and the IPS. The Special Fund assets will be invested only in securities that are authorized by Minn. Stat. §§ 424A.095; 356A.06, subd. 6; and 356A.06, subd. 7 (if the Association qualifies to use the expanded list). The Board shall order an audit of the books and accounts of the Secretary and Treasurer annually, according to law, and shall submit a written report of the condition of the Association to the members at the regular annual meeting. The Board will have on file a copy of the IPS of the Association. The Board will file a copy of the Association's IPS, and all changes to the policy, with the Office of the State Auditor.

**Section 3. Financial Advisor.** The Board of Trustees may solicit and contract with a financial advisor or company to make strategic investment decision on behalf of the Relief Association Funds. This engagement shall be made pursuant to the Investment Policy Statement. Any changes to this service shall be voted upon by the general membership pursuant to Article VI. It shall be the duty of the Board to regularly monitor the performance of the accounts and advise the membership if any change should be pursued.

**Section 4. Broker's Certification.** The Board of Trustees shall comply with Minnesota Statutes 356A.06, Subd. 8b that requires the Association to provide annually to any brokers, a written statement of investment restrictions pursuant to statute or the investment policy that applies to the Special Fund. Upon receipt of the written statement of investment restrictions, each broker handling investments of the Association shall acknowledge, in writing annually the receipt of the investment restrictions. The acknowledgment shall contain a statement of the broker's agreement to handle the Association's investments pursuant to the written restrictions. This certification must be completed by January 1 of each year.

## **ARTICLE VIII**

### **Funds**

**Section 1. Association Funds.** All money received by the Association shall be kept in a minimum of two separate funds. The Association will establish and maintain a Special Fund and a General Fund and any other funds as deemed necessary by the membership. Disbursements from the funds shall be in accordance with Minnesota Statutes and Rules and the Bylaws of the Relief Association.

**Section 2. General Fund.** Money received from miscellaneous sources, such as fundraising activities, dues, fines, entertainment, may be deposited into the General Fund. Funds may be disbursed by the Board for any purpose permitted by law and reasonably related to the welfare of the Association or its members, as authorized by a majority of the members present and voting at any annual, regular or special meeting of the members. All association expenses not specifically authorized by State statute to be paid out of the Special Fund must be paid out of the General Fund.

The Treasurer is the custodian of the assets of the General Fund and the recipient on behalf of the General Fund of all revenues payable to it. The Treasurer will maintain adequate records documenting any transactions involving the financial activities of the General Fund.

The financial records of the General Fund must be open for inspection by any member of the Association at reasonable times and places.

### **Section 3. Special Fund.**

- a. All public funds, such as state fire aid, municipal contributions, and supplemental benefits reimbursements, moneys or property donated, given, granted or devised, excluding fundraiser proceeds, by any person which is specified for the use or the support of the Special Fund, any interest earned on the assets of the Special Fund, received by the Association will be deposited in the Special Fund.
- b. The Treasurer is the custodian of the assets of the Special Fund and the recipient on behalf of the Special Fund of all revenues payable to it. The Treasurer will maintain adequate records documenting all transactions involving the financial activities of the Special Fund.
- c. The financial records of the Special Fund are public.
- d. Any tax sources and other money which may be directly donated or transferred to said fund, shall be kept in a separate account on the books of the Treasurer known as the Special Fund and shall be disbursed for the following purposes:

1. Payment of member's service pension benefits in accordance with these bylaws.
2. Payment of ancillary benefits in accordance with these bylaws.
3. Administrative expenses as limited by Minnesota Statute § 69.80.

All other expenses shall be paid out of the General Fund.

- e. Each member account balance must be credited with net investment gains and losses at the rate actually earned by the Association on the investment of Special Fund assets. The service pension benefit is governed by state and federal law, the articles of incorporation, and the bylaws applicable on the date on which the member separated from active service with the fire department and active membership in the association. All members bear the full investment risk.

**Section 4. Disbursements.** No disbursements shall be made from the Special Fund except as authorized by Minn. Stat. §§ 69.80 and 424A.05, subd. 3. No disbursement of funds of this Association shall be made except with checks or electronic fund transfers drawn by the Treasurer and countersigned by the President or Secretary. Disbursements from the General Fund may be made for items approved by the Board of Trustees annually as represented in the General Fund Budget. Disbursements from the General Fund primary checking account or the Payroll Account shall be made drawn by the Treasurer and countersigned by the President or Secretary.

**Section 5. Deposits and Investments.** All money belonging to this Association shall be deposited to the credit of this Association in such banks, trust companies, savings and loan associations, or other depositories as the Board of Trustees shall designate. Deposits shall be initiated by the Treasurer and countersigned by the President or Secretary. In the event the Treasurer is unavailable to perform his or her duties, another member of the Board may act in their stead. The Board of Trustees shall make deposits in conformance with State Statutes, the bylaws and the IPS.

## ARTICLE IX

### Defined Contribution Accounts

**Section 1. Type of Benefit.** The exclusive pension provided by the Association for persons who became Active Service Members of the Ramsey Fire Department for the first time after July 1, 1989, is a defined contribution lump sum service pension governed under these bylaws and Minnesota Statutes §§ 24A.015, 424A.016, and 424A.092.

**Section 2. Service Credit.** Minnesota Law requires the fire chief to annually certify credit of each volunteer firefighter rendering active service with the fire department (per MN Stat. 424a.003). The amount of service credit certified by the fire chief must be the number of completed quarters of the previous year during which an active volunteer fire fighter rendered at least the minimum level of duties as specified and required by the fire department's rules, regulations and policies.

The fire chief must also notify each firefighter, who had active service during the previous calendar year, of the amount of service credited to the firefighter. The notification provided by the fire chief to each firefighter must include a description of the process and deadlines, for if the firefighter wants to challenge the fire chief's determination of service credit. The notification must be provided to each firefighter 60 days before the fire chief certifies the service credit amounts to the relief association and

municipality. If a firefighter challenges the service credit amount determined by the fire chief, the fire chief must accept and consider any additional and pertinent information and make a final determination of the service credit amount.

No more than one year of service credit may be certified for a calendar year. In addition, a firefighter cannot receive service credit in a relief association and in a fund operated by the Public Employees Retirement Association for the same hours of service (per MN Stat. 424a.01).

### **Section 3. Member Account Valuation**

- a. Contributions. An equal share of any amounts of state fire aid received by the Association, any amounts of municipal contributions received by the Association, and any amounts forfeited from member accounts as provided in this Article will credit to each active member account. Only Active Service member accounts will be credited with contributions.
- b. Allocation rule. Each individual who was an eligible Active Service Member at any time during the fiscal year is eligible to share in the allocation of contributions for such fiscal year, based on the number of full quarters the individual is credited with service as a firefighter in the Fire Department during the fiscal year as compared to the total number of full quarters of credited service of all members as certified to the Association by the Fire Chief.
- c. Allocation Rule LOA Exception: Leave of Absence (LOA) members are ineligible to receive City and State pension benefits during the LOA unless the LOA is a result of active duty with the Ramsey Fire Department, or until such time as they return to active duty as determined by the Fire Chief.
- d. Annual Municipal Contribution. Contributions which may be received from the City of Ramsey pursuant to Minnesota Statute § 69.771 and 69.772, annually to the Special Fund based on the number of eligible firefighters in the Special Fund. Such payment will be made annually and will be calculated on the completed number of full quarters of active service for all eligible firefighters in the Special Fund for the year ending December 31.
- e. Payment of State Aid. The City of Ramsey will make payment to the Special Fund of any fire state aid received as a result of Minnesota Statute § 69.011. Such payment will be made within thirty (30) days after receipt by the City.
- f. Market Returns or Losses. All members of the Association share equally in the annual market returns or losses.
- g. Annual Reports. A member shall be entitled to inspect their member account balance and transactions in the Fund as of the most recent accounting date by giving reasonable notice to the Secretary of the request. Annually at a general membership meeting the written report showing the most recent accounting date and account transactions from the Fund shall be made available to members for their review.

### **Section 4. Periodic Adjustment of Accounts.**

- a. Accounting Date Adjustments. As of the Accounting Date, the account valuation of each Active, Deferred, Disabled, Retired, or Military Leave Member or Beneficiary shall be revalued. As of the Accounting Date, the Trustees or their designee, shall value the assets of

the Special Fund at their fair market value and determine the net investment gain or loss of such assets since the preceding Accounting Date. In determining the net investment gain or loss (i) the accrual basis of accounting shall be used (unrealized appreciation or depreciation shall be taken into account), and (ii) contributions and other non-investment income received by the special fund and payments or distributions from the special fund to pay expenses or provide benefits for members and beneficiaries shall not be considered as investment gains or losses of the special fund. Any investment return on the assets of the Special Fund will be credited in proportion to the share of the assets of the Special Fund to the credit of each member account.

1. After the close of the annual accounting date, the net investment gain or loss for said calendar year shall be credited or debited to the respective member accounts containing such assets and which are existing on said Accounting Date in proportion to the value of each such account on the preceding Accounting Date, but reduced by forfeitures or distributions from said account made during the year.
  2. The value of each member account, as adjusted by the preceding provisions of this Clause (a), increased by contributions and forfeitures allocated to such account and reduced by distributions or forfeitures from such account for the year, shall be the value of said account on the Accounting Date for that calendar year.
- b. Adjustment on Direction. A valuation of the Special Fund shall be made annually for the purposes of calculating a retired member pension amount. A valuation of the Special Fund shall also be made as of any other date specified by the Board of Trustees. Any valuation of the Special Fund for the purposes of calculating a retired member pension amount, other than the annual accounting, shall be at the expense of the requesting member, unless so decided by the Board of Trustees.
- c. Forfeitures. Any inactive Member whose Length of Service is less than ten (10) years when the member terminates from the Fire Department and does not return to service within five (5) years, shall forfeit the balance of their unvested account. Any unvested portion of a retired members account shall forfeit upon their retirement. The unvested balance will be reallocated as of December 31 in the calendar year containing the last day of service, to the accounts of members who are eligible to share in the allocation of contributions as determined on each of the four quarterly Accounting dates during the calendar year. Forfeitures are allocated in the same manner as municipal and state contributions, as per Article VIII.

**Section 5. Administrative Expenses.** Administrative Expenses payable from the Special Fund to be deducted in equal shares from all member accounts are: (1) the Special Fund Administration Fee; and (2) Other administrative Expenses authorized by state law.

**ARTICLE X**  
**Application for Benefits**

**Section 1. Forms.** Applications for service pension benefits must be made in writing on the forms furnished by the Secretary.

**Section 2. Applications for Service Pensions.** Applications for service pensions must be submitted to the Secretary who shall submit the application to the Fire Chief for verification of length of active service, then to the Board of Trustees at a regular or special meeting of the Board of Trustees on or before the end of the quarter of the requested distribution of funds. An application for service pension shall be considered a valid notice of intent to retire. Upon receipt of the application for service pension or in conjunction therewith, the Secretary shall provide any notices to the applicant as required by state or federal law, including IRS rules and regulations, with respect to pension or benefit payments.

Applications must state the following:

1. The age, date-of-birth, and social security number of the applicant.
2. The length of service in the Fire Department, verified by the Fire Chief.
3. Date of retirement, verified by the Fire Chief.
4. The length of time the applicant has been a member of the Association.
5. Any additional information pertinent to retirement that the Board of Trustees may require.

**Section 3. Application Approval.** Applications for service pensions must be submitted to the Secretary prior to June 1 for payouts based on the preceding calendar years annual accounting. Payouts shall be made only once annually. Should a firefighter resign or retire without completing a full quarter, that firefighter shall not be eligible for payment on any interest or portion of the State aid or municipal contributions associated with that quarter. Should an applicant be entitled to funds for the year following the accounting, based on completion of one or more full quarter, the amount owed for the following year shall be paid out after the next annual accounting in accordance with this policy. The Secretary shall submit the application to the Board of Trustees. It shall be the duty of the Board to approve applications for service pensions if the applicant meets all of the eligibility requirements set forth in these bylaws. It shall also be the duty of the Board not to approve the application if any of the eligibility requirements are not met. No service pension, including any deferred service pension, or ancillary benefit will be paid until the Application for Distribution has been approved by a majority vote of the Board. If an application is not approved, the Board shall return the application to the applicant within thirty (30) days, noting thereon, with particularity, which requirements the applicant does not meet. Thereafter, the applicant shall be furnished with the opportunity to be heard by the full Board, pursuant to the procedure for review, in these bylaws. If the application is approved, the service pension shall be paid in the manner requested by the applicant, pursuant to Article XIV, Timing and Modes of Distribution. Should a member want to pursue an earlier payout, they may make application for such but any expenses associated with an additional accounting shall be solely born by the applicant. Exceptions to this provision may be made for special circumstances upon application to the board, each application shall be considered by the board on a case-by-case basis. Any determination on such application shall be at the discretion of the board based on the totality of the circumstances.

**Section 4. Governing Benefit Plan Provision.** All service pensions, deferred service pensions, and ancillary benefits payable by the Association are governed by and must be calculated based on the State law, the Association bylaws provisions, and the Association articles of incorporation that are in effect on the date that the member separates from active service with the Fire Department and active membership in the Association.

## **ARTICLE XI**

### **Distribution of Benefits**

**Section 1. Service Pensions.** Upon the member's meeting the requirements in Section 2 of this Article and following the submission and approval of an Application for Distribution, the Association will pay the member out of the Special Fund a service pension equal to the valuation of the member's vested account balance as determined on the accounting date at the end of the quarter in which the member retires.

**Section 2. Pension Benefit Eligibility.** In order to be entitled to receive a distribution of the valuation of the member's vested account balance, the member must:

1. Terminate affiliation with the Fire Department (Separate from Active Service as defined in Minn. Stat. § 424A.001, subd. 9), and terminate membership in the Association;
2. Be at least 50 years of age;
3. Be partially vested by having completed at least ten (10) years of active service with the Fire Department, or be fully vested by having completed at least twenty (20) years of active service with the Ramsey Fire Department;
4. Have at least ten (10) years of membership in the Association; and
5. Make written application to the Board of Trustee for payment of the benefit.

**Section 3. Pension Benefit Distribution.** The benefit application will be reviewed by the Board of Trustees at the meeting following the receipt of the application following timelines prescribed in Article X, and, if approved, payment will be made within sixty (60) days.

If a distribution is requested to be paid with an "as of" date other than the next annual payout, the retiring member will be responsible for any additional expenses incurred by the Association for services related to calculating the individual member account balance.

**Section 4. Special Circumstances.** Notwithstanding the foregoing, the Account of a member whose membership with the Association and with the Fire Department terminates at any time due to a fire-related disability or death caused while performing active service as a firefighter, shall become fully vested and immediately payable upon written application of the Beneficiary or Disabled Member. The written application of a Beneficiary or Disabled member shall include a certified copy of the member's death certificate or proof of disability.

**Section 5. Deferred Pension Benefit.** A member who has otherwise met the eligibility requirements defined in Section 2 of this Article but who has not reached the age of 50 may not collect a service pension at the time of separation from active service. The member will be placed on deferred status and be entitled to receive the service pension upon reaching the age of 50 and following submission and approval of an Application for Distribution. The deferred service pension is governed by and must be calculated based on the State law, the Association bylaw provisions, and the Association articles of incorporation that are in effect on the date that the deferred member separates from active service with the Fire Department and active membership in the Association. The entire vested balance of that Deferred Member's Account will be credited with net investment gains or losses at the rate actually earned by the Association on the investment of Special Fund assets, in accordance with Article IX, Section 3.

**Section 6. Supplemental Benefit.** Contingent upon and consistent with the program outlined in Minn. Stat. § 424A.10, a supplemental benefit will be paid out of the Special Fund to individuals who receive a lump-sum distribution of a service pension. The amount of the supplemental benefit is ten percent of the regular lump-sum distribution, excluding any interest that may have been earned during the period of deferral, but not to exceed \$1,000.

## **ARTICLE XII** **Ancillary Benefits**

**Section 1. Survivor Benefit** Upon the death of a member of the Association and following the submission and approval of an Application for Distribution, a survivor benefit will be paid out of the Special Fund to the member's surviving spouse; if there is no surviving spouse, to the member's surviving children; if there is no surviving spouse and there are no surviving children, to the member's designated beneficiary. If no beneficiary has been designated and if the deceased member was active or deferred, the survivor benefit will be paid as a death benefit to the estate of the deceased member.

If there are no surviving children, the member's surviving spouse may waive, in writing, wholly or partially, the spouse's entitlement to a survivor benefit, so that the survivor benefit may be paid directly to the member's designated beneficiary.

A trust created under Chapter 501B may be a designated beneficiary if the survivor benefit will be distributed as a one-time lump-sum payment. If a trust was created and is payable to the surviving children and there is no surviving spouse, the survivor benefit will be paid to the trust.

For all **active service** members if, upon death, the member had not yet separated from active service, a survivor benefit equal to the vested and non-vested amount of the member's account balance will be paid.

For **deferred members**, a survivor benefit equal to the vested amount of the member's account balance will be paid.

**Section 2. Supplemental Survivor Benefit.** Contingent upon and consistent with the program outlined in Minn. Stat. § 424A.10, a supplemental survivor benefit will be paid out of the Special Fund when a lump-sum survivor benefit is paid to the surviving spouse or, if none, to the surviving child of a deceased active or deferred member. The amount of a supplemental survivor benefit to be paid is 20 percent of the survivor benefit, but not to exceed \$2,000.

**Section 3. No Additional Financial Relief.** Except for the relief expressly identified for survivors in these bylaws, a member of former member's surviving spouse, child or children, designated beneficiary, and/or estate are not entitled to any other or further relief or benefits from the Association.

**Section 4. Disability Benefit.** An Active Service member who is permanently disabled from active duty with the Fire Department with a service-related disability, as determined by the Fire Department, is eligible for a disability benefit in lieu of their service pension benefit. The member who is permanently disabled with a service-related disability shall be eligible to collect a disability benefit in an amount equal to the full account balance (vested and non-vested amount) as of the last allocation date prior to the date on which the member stopped meeting the active duty requirements of the Fire Department. The member shall be eligible to receive the disability benefit immediately upon approval of the Board of Trustees of an Application for Distribution. Any such disability benefit paid in accordance with this section shall be in lieu of all rights to further service pension and survivor's benefit.

- a. Procedure. All applications for disability benefits shall be made within six months after such applicant has ceased to be an active member of the Fire Department. Written application shall be made to the Board setting out the nature and cause of such disability, and include documentation of the disability by the Fire Department.
- b. Grievance Procedure. If the applicant for disability benefits feels that he/she has been aggrieved by any action of the Board, the member shall, within sixty (60) days from the notice of such action of the Board, file written objections and the reasons thereof with the Board and shall be allowed to appeal the determination pursuant to the review procedures in these bylaws.

**Section 5. Payment Options.** The recipient of an ancillary benefit may elect, by making a written request, the manner of payment of the ancillary benefit. Options are listed in Article XIII, Section 1.

### **ARTICLE XIII**

#### **Timing and Modes of Distribution**

**Section 1.** Because of varying circumstances in each member's retirement planning, optional benefit payment methods are offered. Selection should occur after the consultation with a tax consultant, insurance and/or estate planner, or an attorney. The retiring member may elect, by making a written request, the manner of payment of the service pension. Options include:

- a. A single lump-sum payment payable to the retiring member (subject to current income tax withholding requirements).

- b. A direct transfer (aka direct rollover) on an institution-by-institution basis of the retiring member's lump-sum payment to the member's individual retirement account (IRA).

**Section 2. Lump-sum force pay out.** When a vested member retires, or is terminated, and has attained the age of 50 and after the 5-year waiting period (if required), takes no action or election as to payout form, a single check payment shall be made to the eligible retiree or designated financial organization. Reasonable efforts shall be made to inform the member of their options as to disbursement of their account.

**Section 3. Method of Disbursement of Account.** All benefits payable as a result of attaining age 50 and retiring, or as a result of death or disability shall be distributed pursuant to the method chosen from the optional payment methods listed in this Article. The member's account shall be eligible to share in the allocation date for the year in which the member retires, becomes disabled or deceased. The first payment shall be payable within sixty (60) days of approval of application for benefits by the board. The disbursement shall be based on the member's vested account balance as of most recent prior Accounting Date. The member or beneficiary shall receive a second disbursement check that includes the balance of the member's account, within sixty (60) days of the final Audit Date for the year in which the member retired, became disabled or died.

**ARTICLE XIV**  
**Partial Vesting Provision**

**Section 1. Partial Vesting Schedule.** If an individual's membership with the Association and the Fire Department is terminated prior to attaining a length of Service of 20 years or more for any reason other than death or a fire-related disability, the association will pay a percentage of the member account balance to the retiring member. The reduced service pension may be paid when the retiring member meets the minimum age and service requirements of Article XI, section 2. The non-forfeitable percentage of pension amounts are increased upon a member achieving each full year of service as follows:

Length of Service	Vested Percentage
Less than 10	0%
10	60%
11	64%
12	68%
13	72%
14	76%
15	80%
16	84%
17	88%
18	92%
19	96%
20 or more	100%

**ARTICLE XV**  
**Procedure for Review**

**Section 1.** In the event that the Board of Trustees denies an application for a service or ancillary pension benefit, the member shall be entitled to the right to appeal the determination.

**Section 2.** If an application is not approved, the Board shall return the application to the applicant within thirty (30) days, noting thereon, with particularity, which requirements the applicant does not meet. Thereafter, the applicant shall be furnished with the opportunity to be heard by the full Board, on the question of whether the applicant meets all of the eligibility requirements. The member shall indicate that the member intends to appeal by furnishing the Board with a written intent to appeal that is filed with the Secretary of the Association within thirty (30) days of receiving an adverse determination. The intent to appeal shall be certified by the member.

**Section 3.** Upon receipt of the written intent to appeal, the Board of Trustees shall hold a special meeting within sixty (60) days of receipt of the written intent to appeal. Timely notice of the meeting shall be given to the member at least fifteen (15) days prior to the special meeting. The member shall have the reasonable opportunity to be heard by the Board of Trustees at the special meeting with regard to the negative determination. The Board reserves the right to engage the services of an arbitrator or mediator, acceptable to both parties, at any time during the appeal. The mediator or arbitrator shall be selected from professional lists including the Rule 114 Supreme Court Roster. The cost of the mediator or arbitrator shall be split evenly between the parties.

**ARTICLE XVI**  
**Limits on Benefits**

**Section 1. Qualified Domestic Relations Order (QDRO).** A qualified domestic relations order shall be accepted by the plan administrator if in compliance with state and federal law. No benefits shall be paid under a domestic relations order which requires the plan to provide any type or form of benefit, or any option, not otherwise provided under the plan or under state law. A QDRO must be provided to the Secretary of the Board with any request for distribution before a distribution determination can be made.

**Section 2. Non-Assignability of benefits.** Benefits paid or payable from the Special Fund are not subject to garnishment, judgment, execution, or other legal process, except as provided in Minn. Stat. §§ 518.58; 518.581; or 518A.53. Benefits paid or payable may not be assigned for any purpose.

**Section 3.** No person entitled to a service pension or ancillary benefits from the special fund of a relief association may assign any service pension or ancillary benefit payments, nor shall the Association have the authority to recognize any assignment or pay over any sum which has been assigned.

**ARTICLE XVII**  
**Unclaimed Benefits**

**Section 1. Unclaimed Benefits.** In the event that the Association has made a reasonable effort to locate a member or a survivor of a member entitled to payment or distribution under these bylaws or by State law, and was unable to do so, the benefit distributable to such member or survivor of such member will be forfeited and will be credited to the Special Fund. Efforts to locate a member or survivor must be documented. Forfeiture will occur no earlier than thirty-six (36) months after the Board concludes the Association is unable to locate such member or survivor despite reasonable efforts to locate them.

**Article XIII**  
**Amendments**

**Section 1. General Rule.** These bylaws may be amended, altered or repealed by a two-thirds vote of the active members present at an annual or special meeting, provided that written notice of intent to amend, alter, or repeal the bylaws has been given to each Active Member or mailed to each Active Member at their last known address at least 30, but no more than 45 days prior to the date set for such a meeting. Amendments to the Bylaws shall be made in accordance with the provisions of Minnesota Statutes, Section 317A.181 and 424A.016, subd. 8 as amended.

**Section 2. Suspension of General Rule.** The general rule requiring posting of amendments at least thirty (30) days prior to the date set for voting on the amendments may be suspended or modified on a prospective basis by a two-thirds (2/3) vote of the members present at an annual meeting or special meeting with respect to specific amendments under consideration by the Association. Any action taken by the members under this Section 2 shall expressly describe the scope of any amendments covered by such action and the manner in which any notice of the amendments shall be given to Active Members prior to the meeting at which they will be considered. This provision shall be effective immediately upon its approval by a two thirds (2/3) vote of the Active Members present at an annual or special meeting.

The Association will file a revised copy of these bylaws with the Office of the State Auditor upon the adoption of any such amendments.

**ARTICLE XIX**  
**Effective Date**

These amended and restated bylaws are effective on January 1, 2022. The provisions of this restatement, shall apply only to individuals who are Active, LOA or Deferred Members of the Association on or after January 1, 2022. An individual shall not be considered a member of the Association after receiving a final distribution of his/her account.

Adopted by the Board of Trustees of the City of Ramsey Volunteer Firefighters Relief Association at its meeting on the {30 DAY} of {12 MONTH, 2021YEAR}.

Board of Trustees

Attested:

By: \_\_\_\_\_  
Its President

\_\_\_\_\_   
Its Secretary

The codification of the aforesaid Bylaws was approved by the City Council of the City of Ramsey on the {XX DAY} of {MONTH, YEAR}.

Attested:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk