

History of the Fargo Firefighter's Relief Association

1905 - The State Legislature passed a law allowing the Fire Dept. members to organize as a Relief Association. The maximum pension allowed under this law was **\$40** a month retired/disabled firemen. This also included widows and children.

1909 – The Fargo Fire Dept. Relief Association was organized.

1909 - 1924 The salary of a firefighter was approximately \$60 monthly. The maximum pension was **\$40** a month.

1924 – 1940 Benefits raised to **\$80** a month while the salary stayed pretty level with a maximum of \$120 monthly.

1949 – Consultation from C.H. Fischer and C.J. Nesbitt actuaries revealed some changes and amendments to our By-Laws. Firefighters started paying **2%** of their salary into the Association and the minimum age of retirement would be 60 years.

1959 - Fargo Firemen's Relief Association is formed on July 1st 1959. At this time, the membership contributed **5%** of their salary and the city of Fargo contributed **8%** of a First Class Firemen's salary into the Association.

1990's – Retirement age of 55 yrs with a maximum of **60%** of salary. **Widows receive half of this amount.**

1998 – **70%** of salary and increase of **2%** to all retirees.

2000 – **2%** increase to all retirees.

2001 – **75%** of salary, Average High Five of Salary, 13th check for retirees.

2007 – 13th check disbursed to retirees.

2008 – The Fargo Firemen's Relief Association.

- 97 Active Members
- 58 Retirees
- 21 Widows
- Firefighters contribute **8.4%** of salary
- City of Fargo Contributes **12.2% / 13.65%** of payroll

5. Optional forms of payment. (Page 4.)

a. Normal form of benefit.

Traditional Joint and Survivor 50%

- Benefit distribution for the life of the retiree and spouse.
 - Monthly payment of **\$4,000** to retiree
 - Spouse distribution $\$4,000 \times 0.5 = \$2,000$

b. Optional forms of benefits. (Page 5.)

Life Only Benefit

- Benefit distribution for the life of the retiree only.
 - $\$4,000 \times 1.043$ (adjustment factor) = **\$4,172**
 - When retiree dies distribution is stopped.

Certain and Life

- Benefit distribution for life of retiree with 120 payments guaranteed.
 - $\$4,000 \times 1.030$ (adjustment factor) = **\$4,120**
 - When retiree dies distributions stop unless the 120 payments have not been made. If they have not, then the remaining payments go to the beneficiary.

Joint and Survivor 75%

- Benefit distribution for the life of the retiree and spouse.
 - $\$4,000 \times 0.98$ (adj. factor) = **\$3,920**
 - Spouse distribution $\$3,920 \times 0.75 = \$2,940$
 - When retiree dies distribution is changed to 75% for life of spouse.
 - Adjustment factor changes slightly with age of spouse.

Joint and Survivor 100%

- Benefit distribution for the life of the retiree and spouse.
 - $\$4,000 \times 0.96$ (adj. factor) = **\$3,840**
 - Spouse distribution $\$3,840 \times 1.00 = \$3,840$
 - When retiree dies payment remains same for spouse.
 - Adjustment factor changes slightly with age of spouse.

6. Preretirement death benefits. (Page 6.)

a. Surviving spouse benefits.

- 50% of the disability pension, or if greater, 50% of the deferred vested pension
- Paid until spouse's natural life

b. Children's benefit.

- Paid to the member's surviving children until age eighteen, or until completion of high school, if the children are actively enrolled beyond age eighteen.

7. Commencement of benefits. (Page 7.)

a. Payment of benefits.

- Monthly benefits paid on last day of the month
- On month which retiree, widow, and beneficiary dies payment shall be paid in full for that month without reduction or proration.

8. Actuarial equivalence.