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PERSI Benefits ARE NOT RELATED to Reports of Congressional Leaders' Deal to Potentially Cut Private-Sector Pension Benefits

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PERSI has received a number of calls from concerned members, regarding recent national news reports that certain congressional leaders had reached a deal that could allow benefits for current private-sector retirees to be cut in an effort to stabilize certain private-sector pension plans. These reports and reported actions are not related to PERSI.

PERSI reminds its members and retirees that the above mentioned, private plans are different from PERSI which is a plan for public employees of Idaho. In PERSI's case, the plan sponsor is the Idaho Legislature, which does have the ability to make changes to the plan structure including contributions and benefits, however, if changes were implemented, indications are they would most likely be "moving forward" and not affect current members or retirees.

With regard specifically to Idaho, you may already know that that State Code 59-1322(5) states that the PERSI Board must act if the amortization period (time it would take to pay off the accrued liabilities) for the Fund's unfunded actuarial liability exceeds 25 years. We experienced this very situation during the '09 recession, which is why the PERSI Retirement Board, with Legislative approval, increased the contribution rates for both employees and employers at that time. In summary, Idaho law sets parameters pertaining to the funding level of the PERSI Fund, and Idaho law controls the benefit structure.

PERSI is considered to be one of the healthiest public pension funds in the country. That fact was the backdrop for the Board's recent decision to eliminate the future increases to employee and employer contribution rates that were set for July 1, 2015, and also the Board's decision to grant the first cost of living increase above 1% to retirees since before the recession. Those decisions will be accepted, amended, or rejected this upcoming Legislative session.

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