

## CUSTOMER SURVEY RESULTS

The results of the 2008 Customer Service Survey were presented to the Retirement Board at the February 24, 2009 meeting. Feedback from our members is vital to PERSI. Below are the findings:

***Of the 1166 surveys mailed, 616 (53%) were returned...a 20% increase over last year.***

1. Nearly every respondent (99%) rated their overall experience with PERSI as meeting or exceeding expectations.
2. The majority (80%) of members came into PERSI regarding their retirement.
3. All (100%) of those who responded felt the PERSI staff was courteous and helpful.
4. Most (85%) walk-ins (those without an appointment) waited less than 1 minute before someone assisted them.
5. A little more than a quarter (27%) of respondents said they contacted PERSI about the same issue more than once.
6. There were several reasons members contacted PERSI multiple times: they had additional questions, they needed to provide additional information or documents to PERSI, or because PERSI needed to gather or provide additional information.
7. Members with appointments (48%) waited 1 minute or less until they went into their meeting. The next largest group of respondents (24%) said they waited approximately 2-3 minutes; and the remainder waited 3-5 minutes for their scheduled meeting.
8. Most members (88%) said making an appointment was easy.
9. Respondents gave a high approval rating (99%) to the PERSI Retirement Specialists.
10. Those who expressed dissatisfaction (1%) with their office visit said they felt rushed, didn't understand what they were told, or believed they were given inaccurate information.

PERSI will review the responses as well as the written comments to make improvements during the coming year. Our goal is to always provide members with the highest level of service possible.

## HIRING RETIREES CAN BE CONFUSING

Hiring a PERSI retiree can get a little complicated and confusing. It's an issue that continually raises questions, so it's time for a quick review in the hopes of helping employers understand and apply the rules correctly and consistently.

### 90-Day Break in Service

To bring back a former employee who is younger than age 65 (age 60 for police and firefighters), a 90-day break in service must occur. The Internal Revenue Service (IRS) has strictly defined "breaks in

service" to ensure no one receives benefit payments if they have what is considered "continued employment." To meet IRS requirements, PERSI has two conditions for early retirees returning to work:

- 1) A 90-day break in service between retirement and reemployment with the same employer must occur regardless of hours worked.
- 2) No promise of future employment can be made to the retiree when they leave employment.

*Continued on back*

*Returning to Work continued from front*

Such a break is not necessary if the retiring employee is age 65 or older (60 for police and firefighters) at the time of retirement. Benefits received by early retirees who return to work for the same employer within 90 days **will have to be repaid to PERSI, plus interest. The employer is required to make the repayment, but can recoup from the employee.** (Agencies of the State of Idaho are considered one employer.)

### 20-Hour Per Week Limit

After meeting the 90-day break in service requirement, PERSI retirees who want to work for a PERSI employer and still continue receiving their monthly benefit cannot work 20 hours or more a week (teachers working a half-time contract or more) for 5 consecutive months or more. If a retiree exceeds these limits, their benefits will be suspended and employee and employer contributions will be collected.

If the retiree's employment ends up being less than 5 months, PERSI will return contributions to them and the employer will receive a credit.

Statute 59-1356 (5) makes it the responsibility of employers to immediately notify PERSI whenever a PERSI retiree is hired so benefit payments can be suspended. If an employer fails to report the employment of a retired member and it results in PERSI paying benefits that should have been suspended, **the employer is required to repay PERSI the benefit payments that should have been suspended, plus interest.** In addition, the employer will have to repay the delinquent employer and employee contributions. The employer may then recoup the benefit payments from the retired member.

It is important for employers to submit the required paperwork to PERSI. Form RS132 – "Certification of Employment of a Retired Member" – is used when hiring or rehiring an individual who is collecting PERSI benefits. The form should come to PERSI *before* the person begins working.

**To recap:** If a retiree is working less than 20 hours per week, and less than 5 consecutive months during the year, no contributions are required by them or their employer, and they will continue to receive

their monthly PERSI benefit. If the hours and months worked exceed the limits, benefit payments will stop and contributions will be collected. It is the employer's responsibility to notify PERSI whenever a PERSI retiree is hired or rehired.

### Additional Rules for Teachers and Administrators

Two years ago, the Idaho Legislature passed HB 202, a law that allows retired certificated teachers and administrators under certain circumstances to receive PERSI retirement benefits while continuing to work:

- 1) The individual must retire as a certificated teacher or administrator and be rehired in the same capacity.
- 2) If an Early Retirement Incentive Program (ERIP) award is given to the individual when they retired, they are **not eligible** for rehire under HB 202.
- 3) The individual must have been age 62 or older when they retired.
- 4) The individual must have met Rule of 90 or age 65 on the date of their retirement.

Form RS132A – "Certification of Employment of a Retired School Teacher or Administrator" – is used to certify that a reemployed retired member meets the conditions established by Idaho Code 59-1356 (4) and to elect a return-to-work option under the provisions of the reemployment program.

Employers retain the right to make hiring decisions under HB 202. It is prudent to let your retiring employees know they **are not** guaranteed reemployment.

HB 202 has a sunset clause that voids the provisions of the bill after July 1, 2012.

Hopefully this brief article clarifies the law. PERSI doesn't like asking retirees to repay benefits nor do we enjoy collecting back contributions. If you have questions about hiring a PERSI retiree, you can call the Employer Service Center for assistance at 208-287-9525 in the Boise area or toll-free 1-866-887-9525 from elsewhere. PERSI is here to help everyone comply with the law. We want to assist members with a smooth transition into retirement and help them avoid pitfalls if they do return to work.