



NEWS TO USE

A newsletter for PERSI employers

February 2010

- Public Safety Officers
- Pay Dates
- Workshop Openings

RATE CHANGE FOR PUBLIC SAFETY OFFICERS -covers cost of self-funded disability benefit-

This is a reminder that beginning with pay periods on or after March 1, 2010, the PERSI contribution rate for public safety officers, as defined by Idaho Code 59-1303, will increase by .04 percent.

The 2009 Idaho Legislature passed S1111, which provides for a one-time payout of \$100,000 to help families of public safety officers who are totally and permanently disabled in the line of duty replace lost income and offset some of their

increased expenses. To pay for this employee-funded benefit, the PERSI contribution rate will increase from 7.65 percent of pay to 7.69 percent of pay.

Questions about the increase should be directed to PERSI's Employer Service Center toll-free at 1-866-887-9525 or 287-9525 from the Treasure Valley area.

IMPORTANCE OF PAY DATE WHEN REPORTING

Recently, when an employer processed its January 2010 payroll using a December 31, 2009 pay date, Choice 401(k) Plan contributions were applied to 2009 plan limits. As first glance this might not seem important, but it can push an employee's contributions over the Internal Revenue Service (IRS) limits...and that can be a problem.

In this instance, an employee was pushed over the IRS limits. The intent was for the contribution to be applied to the member's 2010 limits, not the 2009 limits. This oversight came to PERSI's attention because the member hit his contribution limit.

The amount exceeding the limits has to be returned to the member by April 15th of the year following the excess contribution. The excess contribution, as well as the earnings on the excess, is considered "non-qualified" and cannot remain in a qualified retirement plan such as the Choice 401(k) Plan. When a violation of this kind is noticed too late, an employee may end up paying taxes and penalties on the excess -- and no one wants that to happen.

Excess contributions can also cause the employer some heartburn and extra work. In this particular case, the employee's W-2 for 2009 won't match his Choice 401(k) Plan contributions for the year, which could mean the employer has to reissue a corrected W-2 form. Realistically, government entities may not match W-2 forms with contributions to a retirement plan; nevertheless, PERSI supports reporting accuracy. Besides, auditors eventually catch things like this so it's better to take action sooner rather than later.

(Using the proper pay date has other implications, especially at year-end. Remember, pay dates drive whether the contributions are considered timely or not.)

Employers with concerns or questions about pay dates should contact the Employer Service Center toll-free at 1-866-887-9525 or 287-9525 from the Treasure Valley area.

RETIREMENT WORKSHOPS ARE CONVENIENT, TARGETED, AND INFORMATIVE...AND THERE ARE OPENINGS!

Consistent retirement planning can help your employees achieve their retirement goals. With that in mind, PERSI is asking employers to get the word out about openings for the *Retirement's a Beach* (RAB) workshops.

The RAB workshops are convenient, targeted, and informative. They are day-long educational workshops designed to educate members within 10 years of retirement about their PERSI benefits, and clear up many mysteries surrounding Medicare and Social Security. As time allows, PERSI's trainers also explain the benefit of estate planning and the tax implications of retirement income.

RABs are held during the year at locations throughout Idaho. The workshops are interactive, so members have an opportunity to ask questions and receive easy-to-understand answers about areas of concern or confusion. Retirement estimates are reviewed in detail so members have a good understanding of their retirement options. Participants are shown how to combine PERSI Base and Choice Plan benefits with Social Security and other income sources for a more rewarding retirement.

With year-round workshops and retirement counseling available to members, PERSI is a great retirement planning resource.

Unlike previous years, there are currently some openings for the 2010 workshops. Pre-registration is required to attend these free seminars, but it's

easy to do. Members should go to the PERSI Web site (www.persi.idaho.gov) to view the 2010 RAB Workshops Schedule. Once on the schedule, the member can identify a date and city that works best for them. They simply click on the date selected to register. Confirmation of the registration will occur immediately and will include specific details about where the workshop is being held. A reminder notice will be automatically mailed to the registrant 10 days prior to the workshop.

Anyone not having Internet access or those who experience difficulty with online registration should call PERSI toll-free at 1-800-451-8228 for assistance.

Below is a list of RAB workshop dates and locations through the end of March.

Thur. Feb 11	Boise	9 AM - 4 PM
Wed. Feb 17	Nampa	9 AM - 4 PM
Tue. Feb 23	CdA	9 AM - 4 PM
Wed. Feb 24	Lewiston	9 AM - 4 PM
Thur. Feb 25	Moscow	9 AM - 4 PM
Thur. Mar 11	Boise	9 AM - 4 PM
Tue. Mar 23	Pocatello	9 AM - 4 PM
Wed. Mar 24	Rigby	9 AM - 4 PM
Thur. Mar 25	Idaho Falls	9 AM - 4 PM

Please make your employees aware of these rare openings, and encourage them to visit the PERSI Web site for more information and workshop updates throughout the year.

STATE FURLOUGH DAYS COULD IMPACT PERSI MEMBERSHIP

To meet PERSI eligibility requirements, employees must work 20 hours per week per pay period to accrue a month of PERSI service. When working with employees to schedule furlough days, PERSI urges state agencies to be mindful of how time without pay can affect PERSI service.