



# NEWS TO USE

A newsletter for PERSI employers

May 2010

- Legislative Updates
- Employer Handbook
- Employer Visits
- New Trainer

## LEGISLATION AFFECTING PERSI MEMBERS

Another long legislative session has ended. Although the past session focused primarily on budgetary issues, there was some legislation that affected PERSI. Those changes, which go into effect July 1, 2010, are outlined below.

### MEMBERSHIP STATUS

#### Substitute Teachers

School districts will be interested in H644, which amended the definition of "employee" for PERSI purposes in Idaho Code 59-1302. The bill states a person not under contract with a school district or charter school, who works as a substitute teacher on a day-to-day basis replacing a contracted teacher and who is paid substitute wages, is exempt from being a PERSI member. This means a substitute no longer makes contributions, no longer accrues service, and moves to inactive status.

While this change doesn't go into effect for a few months, there is already some confusion about who is affected. The change *only* affects teachers, and classroom and library assistants. Substitute custodians, bus drivers, and food service personnel *are not* exempt from PERSI.

Substitute teachers are asking whether they can withdraw their money from PERSI. The simple answer is *yes, but only when employment with a PERSI-covered employer is completely terminated*. PERSI requires an RS-109 (*Notice of Separation*) form to document the separation date. A request for a separation benefit can be made only after employment with a PERSI employer is severed. If a member takes an account withdrawal and returns to work for the same PERSI employer within 90 days, they must repay the amount of the withdrawal plus interest by the time they retire. Taking a separation payment cancels all credited service acquired to date; if the person is vested, taking a separation benefit also cancels their eligibility for a lifetime retirement benefit. If the person returns to employment for a PERSI-covered employer (and they meet the definition of employee),

they once again start accruing service and paying contributions. They may choose to buy back lost service credits if they withdrew their base plan funds.

#### Seasonal Workers

H558 further defines "employee" language in statute. Employee, as currently defined in Idaho Code for PERSI purposes, *does not include* people who work less than 8 consecutive months in a calendar year, if the employer certifies the position is seasonal or casual and is affected by weather and the growing seasons. This definition has long applied to seasonal park and golf course positions. The new legislation clarifies that the same definition applies to city, county, or irrigation district positions that are certified as seasonal or casual.

### DISABILITY AND RETURNING TO WORK

H458 clarifies that a PERSI member on disability can attempt to return to work. If the member is unsuccessful, they can resume their PERSI disability retirement if certain requirements are met. The requirements include:

- Giving PERSI's executive director advance written notice of the intent to return to work.
- Terminating the attempted return to work within 150 days from the date of the notice.
- Providing medical records and/or submitting to a medical exam, at the member's expense, if requested to do so by the Retirement Board.

If the Retirement Board determines the member could not successfully return to work because of the same disability on which their original disability claim was based, the member's disability retirement can resume.

### 2011 Legislative Session

Next year's legislative session may focus on even more PERSI-related legislation. Employers and members may want to keep their eyes and ears open for anything new that could impact their PERSI benefits.

## EMPLOYER HANDBOOK UPDATED AND AVAILABLE

The Employer Service Center (ESC) first introduced an employer handbook 3 years ago. Since then, the manual has changed a lot. In 2007, the handbook included a section designed specifically to train employers on the use of the new employer portal. Recently, fiscal technician Linda Whitney and technical writer Steve Jones, under the supervision of ESC Manager Debbie Buck, revised and updated the handbook again.

Changes to the handbook included removal of outdated materials, expanding details about using the employer portal, explaining reporting requirements, and providing general guidance to new employers.

Employers can find the updated handbook online by visiting the PERSI Web site at [www.persi.idaho.gov](http://www.persi.idaho.gov) and clicking on the **Transmittal** link. If you have comments or suggestions, contact ESC toll-free at 1-866-887-9525 or 287-9525 from the Treasure Valley area.

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## EXECUTIVE DIRECTOR MAKES PLANS TO VISIT EMPLOYERS



Don Drum

PERSI's Executive Director Don Drum will be traveling throughout the state visiting employers this summer. The goal is to introduce himself and talk about issues of importance to PERSI employers.

Don is especially interested in learning what PERSI can do to help employers communicate retirement information to their employees.

With all the talk during the 2010 legislative session about the cost of living adjustment for retirees and the contribution rate increase, if employers are interested Don can share additional insights on the those issues and provide an update on the fund's status.

Dates for Don's "Idaho tour" haven't been scheduled yet. More information will be shared in upcoming newsletters as the details are finalized. If you would like Don to visit you, please call Cheri Campbell at (208) 287-9237 or email her at [cheri.campbell@persi.idaho.gov](mailto:cheri.campbell@persi.idaho.gov).



## IT'S A GIRL! -- PERSI Names New Trainer--

As mentioned in the March newsletter, PERSI has been in the process of hiring a new trainer to join the education team. The wait is over, Melody Hodges accepted the position just a few weeks ago and is already on the road conducting workshops.

Melody has been with PERSI since 1994, so she brings a wealth of knowledge to her new role. Before accepting the training position, Melody was a retirement specialist for 5 years. During the course of her PERSI career, Melody worked in different positions, learning more about PERSI operations, statutes, and member benefits. Besides counseling members on retirement, over the past 2 years Melody presented the PERSI portion of the retirement workshops...so it just made sense for her to be offered the job on a full-time basis. Members are certain to respond to her enthusiastic presentation style.

Melody is currently working under the tutelage of PERSI's other trainer, Mike Mitchell, to learn more about the Medicare, Social Security, and retirement planning aspects of the highly successful day-long *Retirement's a Beach* workshop.



Melody Hodges

If you don't already know Melody, you'll have a chance to meet her as she travels around Idaho. If you want to schedule one of the two 1½-hour workshops for your employees at your office, contact Mike at 208.287.9291 or Melody at 208.287.9292. Thank you for supporting the PERSI education program and giving your employees an opportunity to fully understand their PERSI benefits.