



NEWS TO USE

A newsletter for PERSI employers

December 2011

- Rate Increase
- Training Day for PERSI
- Regular Interest Rate
- Where are the FAQs?



CONTRIBUTION RATE INCREASE POSTPONED

At its December 6th meeting, the Board of Directors for the Public Employee Retirement System of Idaho (PERSI) announced its decision to postpone for one year the rate increase scheduled for July 1, 2012. In making the decision, the Board considered PERSI's strong earnings performances and favorable funded ratio. According to Board Chairman Jody B. Olson, "The Board had to consider market influences and the viability of employers. Investment returns were remarkably strong over the past year. The return for fiscal year 2011 topped 20 percent, so PERSI sufficiently recovered from the adverse effects of the 2008-2009 economic downturn. If rates were raised at this time, it would only make it more difficult for members and employers to balance already tight budgets."

A rate increase -- to be phased in over a three-year period -- was initially proposed in December

2009 because of the unprecedented decline in global markets and the ensuing U.S. recession, which resulted in lower-than-expected investment income and accelerated PERSI's need to bring its unfunded actuarial liability (UAL) to less than 25 years pursuant to Idaho Statute (59-1322). Last year, the Board postponed the increase slated for July 1, 2011; this latest postponement pushes any increase to July 1, 2013. Postponing a rate increase is nothing new for the Board. After the first of three rate increases proposed in 2002 went into effect in 2004, the Board postponed and eventually cancelled the two remaining increases because PERSI's funded ratio had reached 105% by 2007. PERSI employers and employees share the cost of funding the plan. Employers currently pay 10.39% of payroll to PERSI and general employees contribute 6.23% of their salary to fund future benefits. Contribution rates today are still lower than in 1996.

TRAINING DAY WILL RESULT IN REDUCED SERVICE

PERSI will be operating with reduced staffing on Thursday, December 8, 2011 because of a day-long training session. Starting at 8:30 a.m., the full staff will not be readily available for all levels of service. The Boise office will be open and the staff members on hand will do everything possible to provide assistance. Both the Coeur d'Alene and Pocatello offices will be closed.

REGULAR INTEREST RATE FOR 2012

Starting January 1, 2012, the regular interest rate paid to PERSI members on their Base Plan accounts will be 18.16%. Interest is credited to accounts monthly.

The contributions paid by employees go into individual accounts held just for them. The money in the individual Base Plan accounts plus any interest earned always belongs to the members and will never be lost due to market conditions.

Members can check their account balance by logging into their account using the myPERSI button [] on the PERSI website.

Note: The interest rate employers will be charged on late payments to PERSI is also 18.16% effective January 1, 2012. Please make sure your contribution payments are received within 5 days of your payday and invoices are cleared within 90 days. Contact the Employer Service Center with questions 1-866-887-9525 or 287-9525 from the Boise area.

CAN'T FIND FAQs ON THE PERSI WEBSITE?

Employers have asked PERSI where to find the Frequently Asked Questions (FAQs) on the PERSI website. The following should clear up the mystery for employers and members on where to find answers to frequently asked questions on the PERSI website.

Got Base Plan Questions?

In the Member pages of the PERSI website, there's a link identified as "What to do if I...." (just another name for FAQ). This page contains answers to questions about the Base Plan. By clicking on the link, members and employers can find the answers to questions about the following:

- Quitting Work
- Changing Jobs
- Wanting to Retire
- A Death in the Family
- Becoming Disabled
- Getting Married
- Getting Divorced
- Having or Adopting a Child



Got Choice 401(k) Plan Questions?

Employers or members with questions about the Choice 401(k) Plan can find an FAQ page under the Members link on the left side of the PERSI website homepage. By clicking the link, a drop down menu will appear. From that menu, click on Choice 401(k) Plan link to get to the FAQ page. Alternatively, clicking on the 401(k) icon on the right side of the homepage also goes to the FAQ page where answers to the following topics can be found:

Accessing Your Account

- What is my PIN number?
- How do I get a PIN reminder?
- How do I look up my Account Balance?

Contributions

- How much can I contribute?
- What are my limits if I also contribute to a 457 or 403(b)?
- How can I find out the limits that apply to my circumstances?
- What should my employer do to track my limits?

Investments

- How do I transfer CURRENT funds between investment options?
- How do I change allocation of my FUTURE contributions?
- Is there a "safe" investment option?

- Is there a "guaranteed return" option?
- Why is PERSI fund the default investment option?
- How long does it take for my contributions to reach my account?
- What are no-load, front-end load, back-end load, and 12b-1 fees?
- What is the Choice Plan's Investment Policy?

Loans / Hardships

- Can I take a loan from my 401(k)?
- How do I repay a loan?
- Can I payoff the loan early?
- Is there a downside to taking a loan?
- How do I apply for a hardship withdrawal?
- Are there consequences for taking a hardship withdrawal?

Withdrawing Funds / Payments

- Can I withdraw my 401(k) money while working?
- How do I get a payment after I quit work or retire?
- Can I leave my money in the 401(k) after I quit or retire?
- Why did ACS send me a check I didn't request?

Buying Base Plan Service

- Can I use my 401(k) money to buy back Base Plan service while working?
- Can I use my 401(k) money to buy back Base Plan service after I quit?
- Can I use my 401(k) money to purchase Base Plan service?
- Can I use 457 or 403(b) money to buy back Base Plan service while working?

Rolling in Funds from Other Plans

- How do I roll funds from a previous 401(k) into the Choice Plan?
- Can I roll money from my current 457 or 403(b) into the 401(k)?
- Can I roll money from my 457 or 403(b) into the 401(k) after I quit or retire?
- Can I roll money from an IRA into the 401(k)?
- Can I defer ERIP money into the 401(k)?
- How do I benefit from rolling my other funds into the 401(k)?
- Can I put money in the 401(k) from my spouse's plan or IRA?
- Can I put money in the 401(k) as my spouse's beneficiary?
- Can I roll a death benefit from a non-spouse into the 401(k)?
- What is a Letter of Acceptance?