



NEWS TO USE

A newsletter for PERSI employers

October 2012

- Member Services
- Choice Plan Signup
- IRIS Update



PERSI MEMBER SERVICES IS HERE TO HELP

This is the second in a series of articles meant to help employers understand how PERSI is organized so you get your questions -- and questions from your employees -- answered quickly. The first article in the August newsletter featured the Fiscal Department. This month the focus is on PERSI's Member Services Department.



Kimberlee Hall

The Member Services Department is managed by Kimberlee Hall. It oversees activities relating directly to members and retirees. The department has two core groups: the Retirement Service Center and the PERSI Answer and Processing Center.

The goal of the Department is to educate members about their benefits and to provide information so they can make informed retirement decisions.

Lisa Conn is the supervisor for the Retirement Service Center, which includes 11 staff working in Boise and the field offices in Pocatello and Coeur d'Alene. The Retirement Specialists are responsible for assisting members with their retirement needs. During the year, Retirement Specialists meet with approximately 4500 members who are considering or ready to retire. They assist these individuals by listening to concerns and answering questions, then calculating a retirement estimate and explaining the various retirement options. When members request information about a buyback or purchase of service, a Retirement Specialist will do the calculations. On an annual basis the Retirement Service Center processes upward of 2500 retirement applications, with the majority coming in over the summer months when teachers generally decide to retire. The Retirement Specialists also help with the *Retirement's a Beach* workshops. When PERSI's larger employers conduct Benefit Fairs, you can usually find one or more Retirement Specialist on hand to answer questions. Retirees constantly tell PERSI how much



Lisa Conn

they appreciated and relied on the information they received from the Retirement Specialists before they retired.

The other half of Member Services is the PERSI Answer and Processing Center, supervised by Melody Hodges. The processing side of the group, comprised of five staff members, completes the paperwork associated with retiree insurance, death benefits, and separations, plus they update the demographic information in retiree files and see that paperwork processes through the system in a timely fashion. They handle in excess of 20,000 transactions each year; and although this is more of a behind-the-scenes group, they play an important role at PERSI.



Melody Hodges

The Answer Center is often the first point of contact for most members. Whenever a member or retiree has a question -- from simple to complex -- or needs some kind of other assistance, they call the PERSI Answer Center. These staff members also schedule appointments with Retirement Specialists for those nearing retirement (includes scheduling appointments for the field offices). Any of the six staff handling incoming calls will be able respond to questions or make appointments in most cases. The Answer Center takes about 55,000 calls each year. PERSI receives lots of positive feedback about these knowledgeable "first responders."

The Member Services Department makes it easy to get help. So the next time one of your employees has a question about their PERSI benefits you can direct them to the Answer Center toll-free at 1-800-451-8228 or 208-334-3365 from the Treasure Valley area.

Employers with transmittal or reporting questions should always contact the Employer Service Center at 1-866-887-9525 or 287-9525 from Boise.

HOW EMPLOYEES GET STARTED WITH THE CHOICE PLAN

If your employees want to participate in the Choice 401(k) Plan, the following information will be helpful. Additionally, several Choice Plan brochures that go into detail about the plan's features, benefits, investment options, and fees are available on the PERSI website.

What is the Choice Plan?

The Choice 401(k) Plan is a defined contribution plan designed to supplement PERSI Base Plan benefits. When a member decides to participate, they decide how much to defer from their paycheck through pretax deductions and determine how they would like to receive the money when they retire.

Eligibility for the Choice Plan

Active members of the PERSI Base (defined benefit) Plan may participate in the Choice 401(k) Plan. In fact, each member has an account established in their name when they become PERSI eligible; all they need to do is begin contributing to activate it.

When Can Deferrals Start?

To take advantage of the immediate tax savings, employees simply complete a deferral election RS801 form (available on the PERSI website <http://www.persi.idaho.gov/forms/RS801.pdf>), and give it to their employer. Payroll deductions begin when the employer sets up the authorized deduction and sends the data to PERSI on their next transmittal.

How Much Can a Member Contribute?

To participate in the Choice 401(k) Plan, a member must contribute at least \$130 annually (\$2.50 per week). For 2012, they may contribute up to \$17,000 to the Choice Plan, the limit determined by the IRS. If they are at least age 50 during 2012, they may also contribute an additional \$5,500 as a "catch up" contribution, for a total contribution of \$22,500. These maximum contribution amounts, set by the IRS, are subject to change in future years.

How to Invest Choice Plan Contributions

When voluntary contributions are made to a Choice 401(k) Plan account, the member directs how those funds are invested. There are several investment fund options within the Choice 401(k) Plan to create a diversified portfolio including a mix of equity, fixed income, balanced funds, as well as the PERSI Total Return Fund (TRF). If a member decides not to choose investment options or would like to have their funds invested in the TRF, they needn't do anything. Their funds will automatically be invested in the TRF for them.

The Total Return Fund

The Total Return Fund is one of the Choice 401(k) Plan investment options. This fund is invested the same way as the Base Plan's trust assets, making it a diversified fund. The TRF is the default option for the Choice 401(k) Plan, meaning any contributions made to a member's account will be invested in the Total Return Fund unless other fund options are specifically elected. There are no direct investment management fees for the TRF.

Vesting in the Choice 401(k) Plan

Although participants are 100% vested in their Choice 401(k) Plan account (meaning they fully own the funds including contributions and interest earned), certain distribution rules apply. More information about distributions is available on the PERSI website at http://www.persi.idaho.gov/members/choice_401k_plan.cfm.

Education

Xerox trainer Kaci Guthrie is available to meet with employers and their employees. To arrange a meeting, call 208-407-0403. **THIS NUMBER IS FOR EMPLOYERS ONLY.**

Questions

[Xerox HR Solutions \(record keeper\)1-866-437-3774](mailto:hr@persi.idaho.gov)

PERSI 1-800-451-8228 or 208-334-3365



A letter will be going out shortly to the various vendors and in-house IT resources who provide the reporting software tools used by employers to upload their transmittal information to PERSI. Along with the letter, there is a link to the reporting specifications previously

shared with employers and information about the required certification process. Since a phased approach is being used, PETRA users will receive reporting instructions after the "uploader" phase has been completed. The "go live" rollout for the non-PETRA employers is currently targeted for March 2013.

As reported in an earlier newsletter, PERSI staff has started testing the new system. This testing phase is not to be confused with the testing that will directly involve employers and vendors for transmittal reporting.