



# NEWS TO USE

*A newsletter for PERSI employers*

August 2012

- Pay for Performance
- New Trainer at PERSI
- Fiscal Operations
- IRIS Update



## ANSWERS TO PAY-FOR-PERFORMANCE QUESTIONS -- how to report P4P to PERSI --

During the 2012 legislative session, Idaho Code 33-1004I established a performance pay plan for teachers. It allows payments to be earned three ways: (1) working in hard-to-fill positions, (2) taking on leadership responsibilities, and (3) improving student achievement as measured by the ISAT test at the state level combined with successful achievement of locally established student achievement goals.

The comments and questions received by PERSI about pay-for-performance reporting are shared here.

**SUMMARY OF SCHOOL DISTRICT COMMENTS:** The state now requires teachers to be paid based on their performance. However, the money will not come to school districts until December, which is four months after the teaching year has ended. This is money teachers have technically earned during the contract year, but school districts will not get the bonus list or funds until December when it must be paid out (currently the law says by December 15<sup>th</sup>). It has been pointed out that schools have payroll after that date. Schools are trying to get the deadline extended to December 31<sup>st</sup>; but since this is part of Idaho Code, that will not be easy. With this information in mind, school districts need PERSI's assistance since Idaho Code says these payments are subject to PERSI contributions.

**RESPONSE:** It is PERSI's understanding that pay-for-performance payments will be made outside of an employer's regular payroll. Therefore, PERSI's preferred reporting method will be a supplemental payroll using a date matching the contract end date (e.g., August 31<sup>st</sup>). *All employees, regardless of their status, will be in this one file.*

**QUESTION 1:** If an employee still works for the district, there isn't an issue. But how should the payments show up for retired or terminated employees?

**RESPONSE:** All employees, regardless of status (active, inactive or retired) should be reported to PERSI in a supplemental payroll using a date that matches the contract end date.

**QUESTION 2:** If an employee has retired, will a December payment affect his/her 90-day break in service requirement?

**RESPONSE:** No, this will not create a compliance issue with the 90-day break in service requirement because the funds will be credited to time during which the pay was earned. That period will be *before* termination and the employee's retirement date.

This article is meant to clarify how school districts should report pay-for-performance payments to PERSI. Employers with questions should contact the Employer Service Center at 1-866-887-9525 or 287-9525 from the Treasure Valley area.

If you want to learn more about the pay-for-performance law, follow this link: <http://www.legislature.idaho.gov/idstat/Title33/T33CH10SECT33-1004IPrinterFriendly.htm>



## NEW TRAINER JOINS PERSI



Carmen Brooks

Carmen Brooks has joined PERSI as a trainer, filling the vacancy left when Melody Hodges became the Member Services Supervisor. Carmen comes to PERSI from the Idaho Department of Corrections (IDOC) where she enjoyed success and was recognized for her significant contributions. She was

responsible for establishing a career resource center and for writing an education program curriculum. These efforts resulted in two "Cutting Edge"

awards from IDOC. Her credentials include being an Idaho teacher and working for the State Controller's office in a training capacity prior to joining IDOC.

PERSI is happy to have found such a skilled trainer who will bring vast knowledge and expertise to the education program. Carmen will work closely with PERSI's senior trainer Mike Mitchell to become familiar with the issues important to PERSI members, employers and soon-to-be retirees. After Carmen is fully oriented to PERSI, she will hit the road to educate members about retirement.

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## FISCAL OPERATIONS AT PERSI

PERSI recently shared news about its reorganization. By showcasing different departments, employers can better understand how the agency works.

The Fiscal department ensures the proper and efficient use of PERSI resources and is responsible for financial operations. The department, led by Chief Financial Officer Jim Monroe, oversees the daily operations on fiscal and budgetary matters.

- Financial Operations Manager Debbie Buck (18 year PERSI veteran) manages the annual actuarial valuation and financial audit, general operations, financial reporting and the annual report. She also manages the Employer Service Center, has primary responsibility for processing more than 38,000 retiree benefit payments each month, weekly member separation payments and for issuing year-end 1099Rs. In her spare time, Debbie is playing a key role in the design of IRIS and the employer transition to this new reporting system.

- Portfolio accountants Cecile McMonigle (11 years) and Mike Young (3 years) focus on back office accounting operations with each of the approximately 65 investment accounts, cash management, daily review of investment transactions and valuation of the \$12 billion investment portfolio as well as the sick leave fund investments.

- Recently the Choice 401(k) Plan became part of the Fiscal department. Managed by Diane Kaiser (8 years), the Choice Plan is a supplemental defined contribution retirement plan offered to PERSI members.

- The other operational responsibilities within fiscal include purchasing, budgeting, staff payroll, and managing and maintaining the PERSI office building and other capital assets.

The Retirement Board reviews monthly financial operating reports for the two PERSI budget units, portfolio and administration.

-- Jim Monroe, CFO



understanding concerns or issues still requiring attention.

The Full Reporting training workshops continue to be well attended. If you haven't yet signed up for a workshop, the clock is ticking. It's important to make time to participate

Things are moving forward on schedule with IRIS. PERSI has received 300 surveys from employers,

which will help in

so you understand the changes that are coming and how they will affect your job.

PERSI and its vendors are still in the design stage of the implementation. Screen shots, tabs and messages are being reviewed for accuracy and clarity. Following user testing, PERSI will start designing the hands-on employer training and set a schedule. That information will be shared when it's finalized.

PERSI again wants to thank employers for their enthusiastic acceptance of changes associated with the new system.