



NEWS TO USE

A newsletter for PERSI employers

January, 2015

- 4-Day Work Weeks
- IRIS Security Update
- Investment Report



SICK LEAVE AND 4-DAY WORK WEEKS (SCHOOL DISTRICTS)

In order to act in the best interest of all of our members, PERSI is obligated to make equitable adjustments to sick leave balances for any school district employee working a four-day work week (IDAPA 59.01.06.550).

In order to accurately calculate each member's adjustment, PERSI obtains information from each school district to determine when the switch to four day weeks happened, contract amounts and number of work days. Because the amount of sick leave available to use for insurance purposes is determined based on *daily rate of pay*, and the simple mathematical fact that given an equal contract amount, someone working fewer days (4 versus 5 days) would have a higher *daily rate of pay*. Because of this, PERSI must make an equitable adjustment.

The examples below are meant to help explain how the unused sick leave benefit is calculated by PERSI, and show how this adjustment is needed in order to make it equitable to those who work a five-day work week:

4-day work week Example:

- Contract amount: \$65,000
- 165 working days in contract (4-day work week)
- 200 unused sick leave days at time of retirement
- $\$65,000 / 165 =$ Daily rate of pay of \$393.94
- 200 sick leave days / 2 = 100 days (per statute, only ½ sick leave days can be used for this purpose)
- $\$393.94 \times 100 =$ \$39,394 for insurance purposes

5-Day Work Week Example:

- Contract amount: \$65,000
- 198 working days in contract
- 200 unused sick leave days at time of retirement
- $\$65,000 / 198 =$ Daily rate of pay of \$328.29
- 200 sick days / 2 = 100 days (per statute, only ½ sick leave days can be used for this purpose)
- $328.29 \times 100 =$ \$32,829 for insurance purposes

In the above example, without an adjustment, someone working a 5-day work week would be credited with \$32,829, while someone working a 4-day work week would be credited \$39,394, or \$6,565 (16%) more than their 5-day counterpart, with all other things being equal. PERSI must make an adjustment to the 4-day work week member in order to address this inequity, by reducing their benefit by 16%. The above is a hypothetical example. The actual amount that was used to make the equitable adjustment is dependent upon the actual contract hours in a given particular situation.

We hope this has been helpful in explaining why the adjustment may be necessary to an individual's unused sick leave. If you have any questions please contact the PERSI Answer Center at 1-800-451-8228.

MAKING SURE IRIS IS SECURE FOR EMPLOYERS



Everyone at PERSI understands the enormous responsibility we bear for the security of our employers' confidential information. We take the responsibility very seriously and dedicate a high percentage of our IT resources to maintaining, monitoring and strengthening our

defenses against cyber-threats. At the same time, cyber criminals are constantly working to find new ways to steal data.

We will soon implement a new measure that will make our IRIS reporting system more secure than ever before. We will collect internet protocol (IP) addresses from our employers to provide two forms of identification for users logging on the system. An IP address is a unique identifier assigned to a network

computer from a range of addresses that identify the network. Once set up, the IP address authentication is automatic and requires no extra steps to log on to IRIS.

We will be in touch soon by email to ask you for your IP address range. Your network administrator can help you provide the information. The added security of dual authentication will be well worth the time and effort to set it up.

PERSI EMPLOYEE, MANAGER OF THE YEAR



PERSI is proud to introduce 2014 Employee of the Year, Ryan Evey. Ryan has worked extensively during this past year on helping our employers become certified in our new IRIS reporting system so they

can transmit their monthly payroll data to us using IRIS.

This involved working with more than 700 employers and vendors who submitted multiple test files during the certification process. Ryan is patient, helpful and diligent in his efforts. The certification process is a rigorous undertaking for our employers. Ryan's guidance and commitment are instrumental in the success of the employer reporting phase of PERSI's new IRIS system.

Congratulations to PERSI Manager of the Year, Melody Hodges! This past year, Melody stepped up to help when we really needed her. With 20 years of PERSI knowledge, Melody was able to fill in when we had key staff and other managers out. Melody maintains a very positive attitude and is well respected by staff for her knowledge and commitment to PERSI.



In addition, Melody has been instrumental in the development of PERSI's new pension administration system, IRIS. Melody is also very committed to our members and is able to resolve their inquiries and questions in a professional, thorough manner, resulting in many compliments from members about the service she provides.

PERSI INVESTMENT REPORT

Month to Date Report

December 26, 2014

CURRENT VALUE OF THE FUND	\$	14,841,079,884
FISCAL YEAR NET CHANGE IN ASSETS	\$	154,496,788
FISCAL YEAR TO DATE RETURNS		1.0%
MONTH TO DATE RETURNS		-0.5%

*Each month, PERSI Chief Investment Officer, Bob Maynard presents his investment report to the PERSI Retirement Board, and posts it to the PERSI website. Click [here](#) to link to the full report.