



NEWS TO USE

A newsletter for PERSI employers

October, 2015

- GASB 68 Tips
- Dealing with Market Ups and Downs
- Investment Update



GASB 68: TIPS FOR 6/30/15 YEAR END EMPLOYERS

Note: If your fiscal year end is after 6/30/2015, net pension allocation, instructions, and related schedules are NOT available at this time. PERSI will be providing this information later this fall or early winter.

PERSI net pension allocation, related schedules, and instructions are available on the [PERSI website](#) now for employers **with a fiscal year end of June 30, 2015**. In cooperation with our auditors, PERSI has created a set of instructions that should be very helpful -- and we strongly encourage employers to use the instructions. We encourage you to use your instructions to complete the journal entry first, because this will provide you with some of the data you will need to complete your footnote. Once you have completed your journal entry, and have your footnote and instructions open, things should go relatively smoothly. We have found one section of the footnote to be a little tricky for employers, under the heading, "NOTE X - PENSION PLAN", subheading, "*Plan Description*"(see illustration below).

Employee membership data related to the PERSI Base Plan, as of {Date} was as follows:

Retirees and beneficiaries currently receiving benefits	xxx
Terminated employees entitled to but not yet receiving benefits	xxx
Active plan members	xxx
	xxx

The data you will need to complete the above mentioned section is PERSI Plan data -- not employer specific data -- and can be found on page 16 of the [2014 PERSI Financial Statements](#), which is also posted on the PERSI website (see illustration below). Please notice you'll need to re-arrange the data to fit the format of the journal entry.

	2014
Active system members	66,223
Inactive system members entitled to but not yet receiving benefits	11,504
Inactive system members or beneficiaries currently receiving benefits	40,776
Total system members	118,503

It is important to note that GASB Statement 68 applies only to accounting and financial reporting. It does not apply to funding, and will not be used to determine contribution requirements. GASB Statement 68 does not change the actual pension liability; the only thing that changes is where and how pension costs are accounted for in financial statements.

If you have questions, you can email PERSI at gasb@persi.idaho.gov or call the PERSI Employer Service Center at 1-866-887-9525 or 208-287-9525.

DEALING WITH MARKET UPS AND DOWNS

-- General Advice from Empower Retirement --

In light of recent market volatility, it's only natural for people to be concerned about personal financial circumstances – especially retirement plan. Your first instinct may be to make drastic changes to your investment selections or to get out of the market completely. However, everyone's personal situation and comfort with risk is different. It's always a good idea to assess your own situation and make decisions accordingly. You should consider your investment horizon timeline. If you are not expected to retire for many years (typically decades), taking a longer view instead may be one of your options.

Your retirement plan is a long-term investment. Over the course of many years of saving and investing, the market can make gains and take falls within days or weeks. Remember your long-term strategy and let current economic events simply serve to reinforce the important investment principles that can help you potentially replace your working income in retirement.

Here are a few things to keep in mind:

- Look at your asset allocation. Asset allocation and diversification may help manage risk in your retirement account. Spreading your investments among the basic asset classes of stocks, bonds and cash alternatives may help reduce overall volatility and generally cushion the impact of market swings because different investments react differently to market and economic conditions.

- Diversify your investments. Diversification is really just an extension of asset allocation. Just as you mix

your investments among the three basic asset classes, you can also divide your money within each asset class.

- Take advantage of dollar cost averaging. By investing in your plan through regular payroll deductions, you are putting dollar cost averaging into practice. This strategy allows you to purchase more shares when prices are low and fewer shares when prices are high. While dollar cost averaging does not ensure a profit or protect you against loss, it can help:

- Reduce your risk of trying to time the market.
- Give you the discipline to invest regularly.
- Position you to take advantage of any market recoveries.

- Do regular reviews. At least once a year, take a look at your financial goals and your portfolio to make sure you're comfortable with your asset mix. If you need to, rebalance your portfolio.

- Get expert help. Keep your individual needs, goals and time horizon in mind and consult with your financial advisor if needed.

**Empower Retirement is PERSI's 3rd party record keeper for the Choice 401(k) Plan. If you'd like one of Empower's Choice Plan Retirement Counselors to visit with your staff, contact Bruce Singkhaophet:*

bruce.singkhaophet@empower-retirement.com
or call 208-631-0071

PERSI INVESTMENT REPORT *

Month to Date Report

September 25, 2015

CURRENT VALUE OF THE FUND	\$	14,215,704,490
FISCAL YEAR NET CHANGE IN ASSETS	\$	(699,783,289)
FISCAL YEAR TO DATE RETURNS		-4.5%
MONTH TO DATE RETURNS		-1.4%

*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.