



# NEWS TO USE

*A newsletter for PERSI employers*

November, 2016

- GASB Allocations Posted
- No More RS109 Form
- Choice Plan Meetings
- Regular Interest Rate



## CONTRIBUTION RATE INCREASE PROPOSED

At the end of each fiscal year, the PERSI Retirement Board compares the market value of fund assets to the unfunded actuarial accrued liability (UAAL). UAAL is a projection of the amount of money PERSI would need in order to pay all benefits earned, now and into the future, for all PERSI members, as if those benefit payments were due in full today (they are not).

Then, applying a standard set of assumptions, PERSI's actuaries calculate the amortization period (number of years) it would take to pay off the UAAL, using the existing contribution rates.

Idaho code 59-1322(5) requires the PERSI Retirement Board to take action if the amortization period exceeds 25 years.

PERSI's fiscal year 2016 ended June 30<sup>th</sup>, with a net investment return of approximately 1.5% and an amortization period of 36.6 years.

During its October meeting, the Board voted to recommend a 1% total contribution rate increase, expected to take effect July 1, 2018.

The recommended increase must be approved by the Idaho Legislature, and would be shared between employers and employees.

## GASB 68 ALLOCATIONS POSTED

The 2016 net pension allocations are now available online. We have simplified the [GASB Information page of the PERSI website](#), to make it more user-friendly.

First, select your fiscal year-end (and/or FRF if you are a

Firefighters' Retirement Fund employer) from the dropdown menu.

Select your fiscal year end:

~ Select Fiscal Year End Date ~	
June 30, 2016	(Base Plan)
After July 1, 2016	(Base Plan)
FRF 2016	

Your related allocation report(s), financial statements, actuary report, instructions, sample footnote, and sample journal entries will appear.

Call the PERSI Employer Center at 1-866-887-9525 or 287-9525 if you have questions.

## NO MORE RS109 - TERM EMPLOYEES IN TRANSMITTAL

With PERSI's new pension administration system, form RS109, "Notice of Change in Employment Status", is no longer valid. If PERSI requests this information from you, please perform the following steps to submit a confirmation of termination instead:

1. Open the Employer Portal (IRIS) and log in.
2. If necessary, select the appropriate employer.
3. Point to Admin and then click Confirmation of Termination.
4. Complete the information on the Confirmation of Termination screen and then click Submit to PERSI.

If you have any questions regarding this process, please contact PERSI's Employer Service Center (ESC) at 287-9525 (from within the Boise area) or 1-866-887-9525 (from outside the Boise area).

# CHOICE PLAN MEETINGS FOR HR AND PAYROLL STAFF

PERSI Choice 401(k) Manager, Diane Kaiser has scheduled meetings for Magic Valley employers in early November, and is inviting employer payroll and HR staff to attend. Please note that this is not an employee presentation on the PERSI Choice 401(k) Plan. The meetings last about an hour. Please RSVP to [DCChoicePlan@persi.idaho.gov](mailto:DCChoicePlan@persi.idaho.gov).

DATE	TIME	CITY	LOCATION
11/01/2016	2:00 PM	Burley	City Hall, 1401 Overland Ave.
11/02/2016	9:00 AM	Jerome	City Hall, 152 E. Avenue A
11/02/2016	2:00 PM	Twin Falls	Health & Welfare, 601 Pole Line Rd., Conf. Rooms A & B
11/03/2016	9:00 AM	Twin Falls	Health & Welfare, 601 Pole Line Rd., Conf. Rooms A & B
11/03/2016	2:00 PM	Buhl	City Council Chambers, 203 Broadway Ave. North

## REGULAR INTEREST FOR CALENDAR YEAR 2017

During the October, 2016 Retirement Board meeting, it was announced that the regular interest rate members will earn on their personal Base Plan accounts from January 1, 2017 through December 31, 2017 will be 1.29%

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

Your employees can check their account balance by logging into their account using the [myPERSI button on the PERSI website](#).

[myPERSI Login](#)

Per [Idaho Code 59-1325 \(1\)](#), contributions paid later than 5 business days after pay date are delinquent and accrue interest at the greater rate of 12% or regular interest, 1.29%. Idaho Statute 59-1308(5) requires employers to report and pay Choice 401(k) Plan contributions by the fifth working day after each payroll. It further establishes that any costs, direct or indirect, incurred by PERSI due to an employer's failure to properly withhold, transfer, limit (per IRS contribution limits) and/or report Choice 401(k) Plan contributions, must be paid by the employer and will be immediately due and payable upon notice by PERSI. Such costs may include the cost of plan corrections. The statute also provides that these costs will be treated as delinquent contributions under Statute 59-1325.

Contact the Employer Service Center with questions at 1-866-887-9525 or 287-9525 from the Boise area.

## PERSI INVESTMENT REPORT \*

Month to Date Report

October 26, 2016

CURRENT VALUE OF THE FUND	\$	15,140,333,453
FISCAL YEAR NET CHANGE IN ASSETS	\$	293,479,732
FISCAL YEAR TO DATE RETURNS		2.3%
MONTH TO DATE RETURNS		-1.0%

\*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.