



NEWS TO USE

A newsletter for PERSI employers

February, 2016

- Full Reporting Reminder
- New Deputy Director
- Military Credit
- Investment Report



IRIS & FULL REPORTING EFFECT

-- What We Thought Would Happen Has Started Happening --

With all employers now reporting in our new pension administration system (IRIS), we are beginning to notice unfortunate situations related to member eligibility, including retired members returning to work without notifying PERSI. During the development stages of IRIS, PERSI anticipated finding such situations with the implementation of full reporting, and we took steps to warn employers (see previous articles: [Full Reporting: It's Important, It's Required](#) and [Full Reporting Reminder](#)).

According to [PERSI eligibility rules in Idaho Code](#), the employer is responsible for correctly determining its employees' PERSI eligibility at the time of employment -- even when re-hiring a previously terminated or retired PERSI member. With full reporting, IRIS can identify eligibility errors that might have slipped through the cracks much earlier with the previous pension administration system. When such an error is identified, consequences for the employee and employer can be problematic and possibly devastating. See below for a couple of hypothetical examples:

HYPOTHETICAL #1:

A member retires from a PERSI employer before reaching service retirement age and is subsequently re-hired by the same employer without having satisfied a 90-day break in service ([Idaho Statute 59-1356](#)).

Once the error is discovered using IRIS, the member's retirement is considered to be invalid. As a result, the employer has to pay back to PERSI any retirement benefits already made to the retired member (plus interest), as well as any delinquent contributions to PERSI. The employer may then attempt to recoup such payments from the member.

HYPOTHETICAL #2:

A vested member suffers from an accident or illness, resulting in a PERSI disability retirement. He/she later attempts to do some work with a PERSI employer on a very limited basis -- not realizing that doing so will affect his/her eligibility to receive a PERSI disability benefit. Once that employee is reported on the payroll, IRIS will catch it and PERSI will have to take action. As one potentially unintended outcome, the member could lose his/her disability retirement benefit, and have to pay back any retirement benefits already received.

The law governing PERSI disability retirement ([Idaho Statute 59-1302\(12\)](#)) requires that in order to qualify, the member must be totally unable to work in any capacity. There is a process by which the member may attempt to return to work, but if the member is later unable to continue working and wishes to re-retire under the PERSI disability provision, he/she will have to be re-evaluated and proven to again be permanently and completely unable to work.

Got a Question?
PERSI Employer Service Center
Toll-free 1-866-887-9525
Treasure Valley 208-287-9525
www.persi.idaho.gov

Additional Helpful Links:
[PERSI Eligibility Videos for Employers](#)
[PERSI Employer Reference Manual](#)
[PERSI Member Handbook](#)
[PERSI Disability Retirement Brochure](#)

PERSI WELCOMES NEW DEPUTY DIRECTOR



We are excited to announce the arrival of PERSI's new Deputy Director, Michael L. Hampton. Mike took over PERSI's operations January 18th and has hit the ground running, with his primary duties involving internal operations, including the employer and member-services operations of the organization.

Mike is new to state government, but the education and skills he has picked up over the years in the private sector will lend themselves to a smooth transition into working for the public. Before coming to PERSI, he was Vice President/CFO for Commercial Tire -- where, in many ways, his duties mirrored those he's taking on with us.

"Mr. Hampton brings a long track record as a strong communicator, fair and accountable leader, and customer service-oriented problem solver," said PERSI Executive Director, Don Drum, "I trust Mike to focus on building an environment at PERSI where staff are energized and excited to bring their own character, competence, and commitment to providing our members and employers with the kind of professional service they deserve and have come to expect."

SOME MILITARY SERVICE MAY QUALIFY FOR PERSI CREDIT

Military service is defined as any active duty in the United States armed forces, including the national guard and reserves, which interrupts a member's PERSI service. A member may earn PERSI credit for the period while on active duty, and the member does not need to pay contributions to receive credit for eligible military service. The member is eligible to receive PERSI credit for the period of active duty if:

- The member enters military service within 90 days of leaving PERSI employment, and
- The member returns to PERSI employment within 90 days of release from active duty.

Free military service may not exceed five years if it is at the convenience of the U.S. government, or four years if the member voluntarily extends a tour of duty, even if the member's rights to return to employment are extended under the Uniformed Services Employment and Reemployment Rights Act (USERRA). In those circumstances additional service may be available upon payment of contributions.

Military service does not include any period of active duty which ends in dishonorable discharge, or any period in which the member could have chosen to discontinue active duty service.

If you have questions about military service as it relates to PERSI, call the Employer Service Center at 1-866-887-9525.

PERSI INVESTMENT REPORT *

Month to Date Report

January 22, 2016

CURRENT VALUE OF THE FUND	\$	13,801,403,235
FISCAL YEAR NET CHANGE IN ASSETS	\$	(1,114,084,544)
FISCAL YEAR TO DATE RETURNS		-6.6%
MONTH TO DATE RETURNS		-4.6%

*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.