



## FUNDING AND FISCAL YEAR END STATUS EXPLAINED

Each year, using a June 30<sup>th</sup> measurement date, PERSI begins to formulate a basis for the Retirement Board's discussions regarding contribution rates for active members and employers, as well as cost-of-living adjustments (COLAs) for retirees.

We start by comparing 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 though those benefit payments were due in full, today. 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. The Board is able to decrease the amortization period by increasing contribution rates.

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\*.

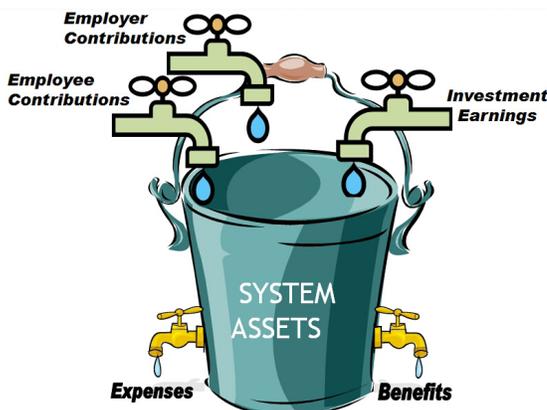
To lower the amortization period below 25 years, we anticipate the Board will consider an approximated 1% total contribution rate increase during their October meeting. Any adopted rate increase would be shared between employers and employees, and must be approved by the Idaho Legislature. An increase would not be implemented before January 1, 2018.

Idaho Code 59-1355 calls on PERSI to apply a cost-of-living adjustment (COLA) to retirement benefits

effective March 1<sup>st</sup> each year. The COLA is tied to the Consumer Price Index - Urban (CPI-U) for the 12 months ending August of the current year (approximately 1.1% for this year), and may not exceed the CPI-U or 6%, whichever is less. The Board's COLA decision also typically occurs in the October Board meeting and is subject to amendment or rejection by the Legislature. We will give you a complete update in your fourth quarter PERSpectives newsletter.

**\*Earlier, this summer, PERSI's Director met with employers around the state, and discussed contribution rates. The estimated rate increase and amortization period he used were based on a forecasting model that had not been updated with new salary assumptions, and are updated for this article.**

### How PERSI is funded: Money-In and Money-Out:



Money enters the fund by way of employee and employer contributions, as well as investment returns.

Money leaves the fund by way of member benefits paid out, and the expenses associated with administering the fund.

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# Insights

## TELL YOUR EMPLOYER YOU WANT WORKSHOPS!

For two years now, PERSI's traveling training team has joined forces with employers to deliver in-person training opportunities for members in every county in Idaho. We are excited about the positive response and effectiveness of the outreach, and have decided to keep going! We are putting next year's travel calendar together and have asked your human resources and payroll staff to consider hosting one or more of PERSI's workshops at your location.

The refreshed and revamped member workshops, **Ready**, **Set**, and **Go!**, have been very popular, as has our new approach of offering group workshops on-site at interested employers' locations. Over the years, PERSI's workshops have gained a reputation for providing a top-notch "springboard" of knowledge to members nearing the ends of their careers and contemplating retirement. We still provide that knowledge in the new "**Go!**" workshop -- and have placed a new focus on helping our newer and younger members to better understand and appreciate their PERSI benefits with the "**Ready**" and "**Set**" workshops. These workshops are open to members who may be in the area, even those who don't work for the host employer.

We really want our members to take advantage of the training opportunities we offer, so we'll soon be posting a [county-by-county schedule](#) for all of next year. It shows where and when PERSI Trainers will be available to conduct 'on-site' workshops by employer request. Talk to your human resources or payroll office if you'd like them to consider hosting a workshop! The new schedule for 2017 will be posted by mid-October.

While we strongly encourage you to take advantage of face-to-face training, we have also put together video training modules for **Ready**, **Set**, and **Go!** Just click on the workshop description below to go to the video.

 **SET? Mid-Career**  
(1 hour)

- Choice Plan
- Death Benefit
- Disability Benefit
- Retirement Formula
- Rule of 80/90
- Service Retirement
- Purchase of Service
- Budgeting / Debt Management
- Buyback
- Release of Information
- Investment strategy
- MyPERSI tour

*Designed for those that are mid-career or later who are now starting to consider what retirement means to them and the benefits PERSI offers*

# IRIS IS HERE, ALONG WITH A NEW *my*PERSI PORTAL

In your last newsletter, we introduced you to PERSI's new computerized pension administration system, called the Idaho Retirement Information System (IRIS), and detailed some of our implementation plans. We are excited to share the news that we completed the full conversion last month, and are running completely on IRIS today.



As a staff, we are still getting used to IRIS, and working through the inevitable growing pains/bugs that come with a new system. We want to thank you for your patience and cooperation during this exciting transition, and we want to remind you that the myPERSI member web portal has been updated. If you haven't already re-registered in myPERSI, you'll want to do so soon, so you can start exploring!

## ONLINE MEMBER PORTAL (*my*PERSI)

The switch to IRIS also brought a new online member portal to replace the old myPERSI. The new portal was designed with enhanced security features and procedures meant to help PERSI protect your personal data.

The new web portal is also called myPERSI; however we were not able to convert your old myPERSI registration to the new portal, meaning you will have to re-register, using a valid email address. The new portal does not allow the sharing of a single email address between two members. When you register, you must create a new password, and also select and answer three security questions.

The new myPERSI also has improved security features, and allows retirees greater flexibility:

- View up-to-date account details
- Instantly access and change personal information
- Choose a preferred method of communication (email/regular mail).
- Create your own retirement estimates
- View Choice 401(k) Plan account information
- Add and change beneficiary information.
- Sign up for PERSI workshops

For members choosing electronic delivery of documents and correspondence, that information will be posted directly in your myPERSI account on the portal rather than being emailed directly to you; you will receive an email from PERSI, directing you to log in to retrieve them.

As always, members with questions or needing help are encouraged to call the PERSI Answer Center at 1-800-451-8228 or (208) 334-3365.

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## PERSI WELCOMES NEW MEMBER SERVICES MANAGER

PERSI is excited to announce the arrival of our new Member Services Manager, Theresa Cvitanich-Lugo! Theresa was selected from more than fifty applicants, and comes to PERSI from the private pension services industry, where she worked for the past 22 years. Theresa has experience managing retirement benefit administration including document design, financial accounting/planning, client/member consulting and educational outreach. In her new role with PERSI, she will oversee PERSI's call center, member document processing and retirement center, as well as the disability and unused sick leave insurance processes. Theresa is passionate about her staff's development and achievement, and we are thrilled to have her!



# MEET YOUR CHOICE 401(K) PLAN COUNSELORS



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Bruce and Ali are available to provide you one-on-one counseling with personalized account services, such as:

- Enrollment
- Contributions
- Retirement Readiness
- Investment Choices
- Account Review

**NORTH: Ali**   **ADA COUNTY: Split**   **SOUTH: Bruce**



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[www.persi.idaho.gov](http://www.persi.idaho.gov)

## PERSI INVESTMENT NEWS

*as of September 27, 2016*

**Value of the Fund:**

**\$ 15,319,427,287**

**Fiscal Year Change in Market Value:**

**\$ 472,573,566**

**Fiscal Year-to-Date Returns:**

**3.3%**

**Month-to-Date Returns:**

**0.1%**

\*Posted monthly on PERSI website: [www.persi.idaho.gov/](http://www.persi.idaho.gov/)  
 Fiscal Year 7/1/2016- 6/30/2017



PERSpectives is published quarterly for members of the Public Employee Retirement System of Idaho  
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