



Boise | Coeur d'Alene | Pocatello

PERSpectives FOR ACTIVE MEMBERS

Public Employee Retirement System of Idaho

Fourth Quarter 2017

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NEW PERSI BOARDROOM NAMED IN HONOR OF FORMER CHAIRMAN, JODY B. OLSON



Jody B. Olson & Director Don Drum



Jody B. & Victoria Hawley, wife



Chairman Jeff Cilek & Jody B. Olson

The longest serving Trustee in PERSI history, and Chairman of the Board beginning in 1995, Jody B. Olson, was honored during a special ceremony at December's Board meeting. Nearly 100 people gathered at PERSI's headquarters in Boise to celebrate his retirement from the Retirement Board (June 30, 2017).

Surrounded by his family, longtime friends and former colleagues, Mr. Olson was recognized for his thirty (30) years of service and commitment to helping Idaho's public workers build a secure retirement with the dedication and naming of the new fourth floor boardroom, the Jody Olson Boardroom.

He served a total of six terms, and was appointed by five different Idaho Governors, both democrat and republican; Cecil Andrus, Phil Batt, Dirk Kempthorne, Jim Risch, and C.L. "Butch" Otter.

When Mr. Olson began serving on the Board in 1987, PERSI was only 67% funded with \$1.16 billion in assets and 59,000 members and retirees. During his time as Chairman, starting in 1995, Mr. Olson used his long tenure to help guide the PERSI fund to all-time asset highs, and nationally recognized stability. Today, the fund is valued at more than \$17 billion and is over 90% funded, serving almost 145,000 members and retirees.

Mr. Olson is perhaps most proud of the relationships and connections he formed with PERSI members, whether it's the teachers in the classroom, police officers and firemen on the street, or any of PERSI's 45,000 retirees.



PERSI RETIREMENT BOARD CONTRIBUTION RATE DECISIONS

During October's Retirement Board meeting, the Board made decisions on the proposed contribution rate increase, the regular interest rate for 2018, and a cost-of-living adjustment (COLA) to retirement benefits.

PROPOSED CONTRIBUTION RATE INCREASE

PERSI ended fiscal year 2017 (July 1, 2016 - June 30, 2017) with a 12.25% net investment return, providing the Retirement Board the ability to reconsider a 1.0% contribution rate increase that had been scheduled to take effect July 1, 2018.



The Board voted to delay implementation for one year, making the new effective date July 1, 2019. Until July 1, 2019, PERSI contribution rates will remain unchanged.

REGULAR INTEREST RATE

The regular interest rate PERSI members will earn on their personal Base Plan accounts from January 1, 2018 through December 31, 2018 will be 11.03%.

Members earn interest on their PERSI Base Plan account balances at a rate determined annually by a formula established in PERSI rules. By rule, regular interest for each calendar year is the greater of 90% of the rate of return on the PERSI fund net of all expenses for the fiscal year ending immediately prior to the calendar year as reported in the actuary's annual valuation report, or 1%.



The amount of money and/or interest in a Base Plan account is only important in the event of a lump sum separation benefit or death benefit payment. The amount of money and/or interest in a Base Plan account is not a factor in the calculation of a retirement benefit. All credited interest will be paid to the member in the event of a separation withdrawal, or in the case of a member's death, a lump sum death payment is made to the beneficiary.

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.

Every PERSI member has a personal Base Plan account. Employee contributions go into personal accounts, while employer contributions go into the Trust to fund future benefits for all members.

COST OF LIVING ADJUSTMENT

The PERSI Retirement Board voted to recommend a 1.9% cost-of-living adjustment for retired members in 2018.

Idaho Code 59-1355 requires PERSI to apply a cost-of-living adjustment to retirement benefits effective March 1st each year. The COLA is tied to the Consumer Price Index - Urban (CPI-U) for the 12 months ending August of the current year (1.9% for this year), and may not exceed the CPI-U or 6%, whichever is less. The Board's COLA recommendation is subject to amendment or rejection by the Legislature.



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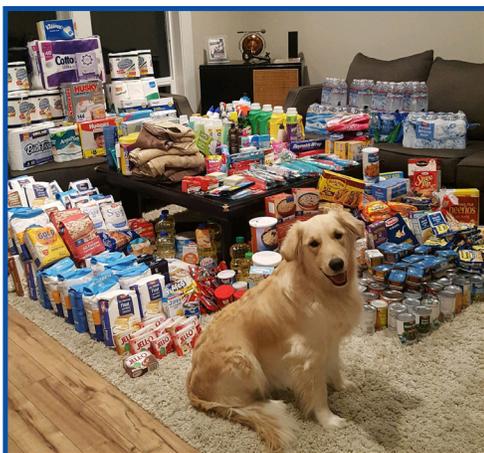
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PERSI BACKGROUND

PERSI was created in 1963 by the Idaho Legislature for the purpose of providing secure, long-term pension benefits for public employees. The system is funded through investment income, and employer and employee contributions. Today, the fund is valued at more than \$17 billion and is over 90% funded, serving almost 145,000 members, retirees and beneficiaries and nearly 800 employers. In fiscal year 2017, PERSI paid more than \$836 million in benefits; approximately 90% of that (\$742.9 million) was paid to retirees living in Idaho.

PERSI encourages members and employers to watch for future newsletter updates regarding the rate increase postponement.

PERSI STAFF MAKES BIG IMPACT ON LOCAL NONPROFIT



During PERSI’s all staff training this past December, employees were encouraged to bring canned food items to support local nonprofit, Advocates Against Family Violence (AAFV). AAFV works to eliminate domestic violence in families and homes by empowering individuals to make positive life choices through advocacy, support, education, affordable housing, awareness and community involvement.

Needless to say, PERSI staff delivered in a big way! Besides bringing canned food, employees donated turkeys, hams, laundry detergent, toiletries, bedding and baby supplies. The Director of AAFV was overwhelmed by the generosity and amount of items employees donated, mentioning “You all donated more than any corporation we have ever worked with!” Way to go PERSI!

NEW YEAR, NEW FEES...REDUCED FEES!

Effective February 1, 2018, PERSI Choice 401(k) Plan monthly administrative fees are being reduced by 5%, meaning more of your savings will start working toward what matters most — your future. In the meantime, we encourage you to log on to

mypersi401k.com to view the new fee structure for the PERSI Choice 401(k) Plan. Remember: the monthly administrative fee is waived for the first 12 months for new contributors!

We realize retirement plan fees can be confusing, so please call Empower Retirement at 866-437-3774 with any questions. You can also reach out to one of your plan representatives directly.

Ali Belden at 208-345-1120 or 1-844-446-8658, ext. 20431 and Ali.belden@empower-retirement.com. **Bruce Singkhaophet** at 208-345-5201 or 1-844-446-8658, ext. 20461 and Bruce.singkhaophet@empower-retirement.com.



DO YOU KNOW WHAT YOU CAN DO WITH *myPERSI*?!

GET DOCUMENTS AND INFORMATION QUICKER!

Receive your PERSI annual statements, estimates, confirmation of changes and other documents sooner and in a secure location by setting your preferred method of communication to electronic in your *myPERSI* account. By choosing electronic communication, under the Personal Information tab on your *myPERSI* page, you will receive an email alert and you can log into your *myPERSI* account and download the document.

HAVE YOU TRIED THE MYPERSI CALCULATOR?

Get a better idea of what your retirement will look like with the *myPERSI* Benefit Calculator and the new Benefit Calculator Guide. When using the *myPERSI* Benefit Calculator along with the Benefit Calculator Guide you can create up to 5 unique retirement scenarios at a time for your situation. The calculator will also give you the option to determine possible retirement dates with Purchase of Service. The Benefit Calculator Guide will help walk you through the steps to learn what your possible retirement estimates could be and earliest possible retirement date. To access your *myPERSI* Benefit Calculator, you must be registered for a *myPERSI* account. Go to www.persi.idaho.gov and click the *myPERSI* login button to get started!



myPERSI Login

CLICK HERE!

CHECK YOUR BASE PLAN AND CHOICE 401(k) ACCOUNTS

Check your *myPERSI* account in a secure, safe and easy to use environment where you can find your Base Plan and Choice 401(k) Plan balances, use the Account Balances and Projections calculator to estimate your retirement needs, and see if a Purchase of Service is an option for you with the Purchase of Service (POS) calculator.

STILL DON'T HAVE A PIN?

If you have not registered for a personal identification number (PIN), you will need to request one before you can login into *myPERSI* for the first time. PERSI will assign and mail the PIN to the address on file. Request a PIN by clicking on the *myPERSI* link in the upper right area on the PERSI website.

START THE NEW YEAR OFF RIGHT!

Begin 2018 with a **Ready, Set, or Go!** workshop with a PERSI trainer, and prepare for your future! Trainers regularly travel the state to deliver in-person training to employers, members and retirees. Workshops focus on educating our newer and younger members to better understand their PERSI benefits in addition to preparing senior members for retirement. Learn more about these popular and easy to schedule workshops at [PERSI Workshops!](#)

PERSI INVESTMENT NEWS

AS OF January 4, 2018

VALUE OF THE FUND

\$17,657,749,322

FISCAL YEAR CHANGE IN MARKET VALUE

\$1,274,149,922

FISCAL YEAR-TO-DATE RETURNS: **8.8%**

MONTH-TO-DATE RETURNS: **1.0%**

*Posted monthly at www.persi.idaho.gov
Fiscal Year July 1, 2017 - June 30, 2018

RETIREMENT BOARD OF DIRECTORS

Jeff Cilek, **Chairman**

Joy Fisher, **Trustee**

Celia R. Gould, **Trustee**

J. Kirk Sullivan, **Trustee**

Park Price, **Trustee**

Executive Director • Donald Drum

Deputy Director • Michael L. Hampton

Public Information Officer • Jenny Flint



FIND US ON FACEBOOK

www.persi.idaho.gov

Costs associated with this publication are available from PERSI in accordance with Idaho Code 60-202.