

# IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

## 59.01.03 - PERSI CONTRIBUTION RULES

DOCKET NO. 59-0103-1403

### NOTICE OF RULEMAKING - PROPOSED RULE

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than June 17, 2015.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

To reduce the excess merger cost portion of the firefighter retirement fund employer rate. Also, revises description of total rate in Rule 27.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: None.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: NA

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was not conducted because it would be inconsistent with the Retirement Board's exclusive fiduciary responsibility for plan operations.

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: NA

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Joanna L. Guilfoy, Deputy Attorney General, PERSI, 287-9271.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before June 24, 2015.

DATED this 27th Day of April, 2015.

Don Drum, Executive Director  
Public Employee Retirement System of Idaho  
607 N. 8th Street, Boise, ID 83702  
P.O. Box 83720, Boise, ID 83720-0078  
Phone: (208) 287-9230  
Fax: (208) 334-3408

**THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 59-0103-1403**  
**(Only those Sections being amended are shown.)**

Pursuant to Section 67-5221(1), Idaho Code, this docket is being published as a proposed rule.

This docket has been previously published as a temporary rule.  
 The temporary effective date is October 21, 2014.

The original text of the temporary rule was published in the Idaho Administrative Bulletin,  
 Volume 14-12, December 3, 2014, pages 120 through 122.

**THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 59-0103-1403**  
**(Only those Sections being amended are shown.)**

**027. FIREFIGHTER RETIREMENT FUND EMPLOYER RATE (RULE 27).**

The Firefighter Retirement Fund employer rate shall be: (10-1-94)

**01. Option I and II Firefighters.** For option I and II firefighters hired before October 1, 1980, as follows:

<b>Option I And II Firefighters</b>	
PERSI Employer Contribution Rate:	Ten point eleven percent (10.11%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be ten point seventy-three percent (10.73%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be eleven point sixty-six percent (11.66%) of payroll through June 30, 2014. Beginning July 1, 2014, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll until next determined by the Board.
Additional Employer Rate:	One percent (1.00%)
Social Security Rate:	Seven point sixty-five percent (7.65%)
Excess Merger Costs <u>Rate</u> :	Seventeen point twenty-four percent (17.24%) <u>through December 31, 2014.</u> <u>Beginning January 1, 2015, five percent (5%)</u> until next determined by the Board.
TOTAL Contribution <u>Rate</u> :	<del>Thirty-six percent (36%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be thirty-six point sixty-two percent (36.62%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be thirty-seven point fifty-five percent (37.55%) of payroll through June 30, 2014. Beginning July 1, 2014, the rate shall be thirty-eight point forty-seven percent (38.47%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be thirty-nine point eighty-eight percent (39.88%) of payroll until next determined by the Board.</del> <u>The total contribution rate is the sum of the PERSI employer contribution rate, the additional employer rate, the social security rate and the excess merger costs rate.</u>

(4-4-13)( )

**02. Class D Firefighters.** For class D firefighters (firefighters employed on or after October 1, 1980, by a city or fire district that employs paid firefighters who are participating in the Firefighters' Retirement Fund), as

follows:

<b>Class D Firefighters</b>	
PERSI Employer Contribution Rate:	Ten point eleven percent (10.11%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be ten point seventy-three percent (10.73%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be eleven point sixty-six percent (11.66%) of payroll through June 30, 2014. Beginning July 1, 2014, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll until next determined by the Board.
Excess Merger Costs <u>Rate</u> :	Seventeen point twenty-four percent (17.24%) <u>through December 31, 2014. Beginning January 1, 2015, five percent (5%)</u> until next determined by the Board.
TOTAL Contribution <u>Rate</u> :	<del>Twenty seven point thirty five percent (27.35%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be twenty seven point ninety seven percent (27.97%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be twenty eight point nine percent (28.9%) of payroll through June 30, 2014. Beginning July 1, 2014, the rate shall be twenty nine point eighty two percent (29.82%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be thirty one point twenty three percent (31.23%) of payroll until next determined by the Board.</del> <u>The total contribution rate is the sum of the PERSI employer contribution rate and the excess merger costs rate.</u>

Statutory References: Sections 59-1302(16), 59-1391, 59-1394, 59-1397, 72-1403, and 72-1434, Idaho Code. Cross References: (Amended 10-1-94) (Amended 10-1-97) (Amended 10-1-98) (Amended 10-1-99) (Amended 7-1-00) (Amended 3-30-01) (Amended 7-1-03) (Amended 3-20-04) ~~(1-1-13)~~( )

**03. Class E Members.** For class E members (general members who meet the definition of paid firefighter under Section 59-1391(f), Idaho Code, but are not firefighters as defined in Section 59-1302(16), Idaho Code) the employer general member contribution rate as provided in Rule 26, plus the excess merger costs specified in Subsection 027.01. (3-20-04)