



PERSpectives



Second Quarter 2013

Public Employee Retirement System of Idaho

RATE INCREASE EFFECTIVE JULY 1, 2013



Beginning with payroll cycles on or after July 1, 2013, members and employers will be contributing more to PERSI. The rate increase decision came at the December 2009 Retirement Board meeting. Using a one-year grace period and a three-year phased approach, the effective date for each phase was originally set for July 1st of 2011, 2012, and 2013. Because of PERSI's healthy recovery from the recession, the increases were postponed. The last time the rate increased was in 2004. The chart below shows the first rate change going into effect July 1st.

Employee Category	Employee Contribution 2012	Employee Contribution 2013	Employer Contribution 2012	Employer Contribution 2013
General Members Class 1,3,4	6.23%	6.79%	10.39%	11.32%
Public Safety Officers Class 2	7.69%	8.36%	10.73%	11.66%
Firefighters Class D	7.69	8.36%	27.97%	28.90%

The total net increase was set at 5.31% over three years. Employers are responsible for approximately two-thirds of the increase and employees for one-third as set by statute. Even with the increase, members and employers will be contributing less than in 1997. (Historical numbers are on the PERSI website at www.persi.idaho.gov/historical_numbers.cfm.)

If you have questions about the contribution rate increase, you can speak with your employer and/or call the PERSI Member Services Answer Center at 1-800-451-8228 or 334-3365 from the Boise area.

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Insights

PROCESSING AN ACCOUNT WITHDRAWAL TAKES TIME

-- shared responsibility --

Taking a separation benefit (account withdrawal) is not as simple as an inactive member (aka terminated employee) telling PERSI they want to take all their money from their personal Base Plan account. The employer, the employee, and PERSI each have some responsibilities before a withdrawal is paid out.

EMPLOYER

Before the withdrawal process can begin, the employer has to report to PERSI that the employee has terminated. As long as a terminated employee continues to show as an active employee, PERSI cannot process a separation benefit. Employee terminations, along with final salary and contributions, **must** appear on an employer transmittal report before a separation benefit can be paid. When PERSI receives calls from inactive members wanting to withdraw their money, PERSI can't comply until their final termination information is reported via a transmittal. *(All active member information used by PERSI comes directly from employers.)*

EMPLOYEE

While terminated employees are not required to withdraw their funds upon termination, those employees wanting to **must** submit a signed *RS108 - Base Plan Account Withdrawal Request* form to PERSI after their termination date. (The form is available on the PERSI website at www.persi.idaho.gov/forms/RS108_with_Special_Tax_Notice.pdf.) Forms submitted before the termination date will be returned.

PERSI has asked employers to explain to terminating employees that because of payroll cycles and other things, it could take up to 6 weeks from termination to receive the funds. A terminating employee simply cannot bring the RS108 form into a PERSI office and expect to have the funds immediately.

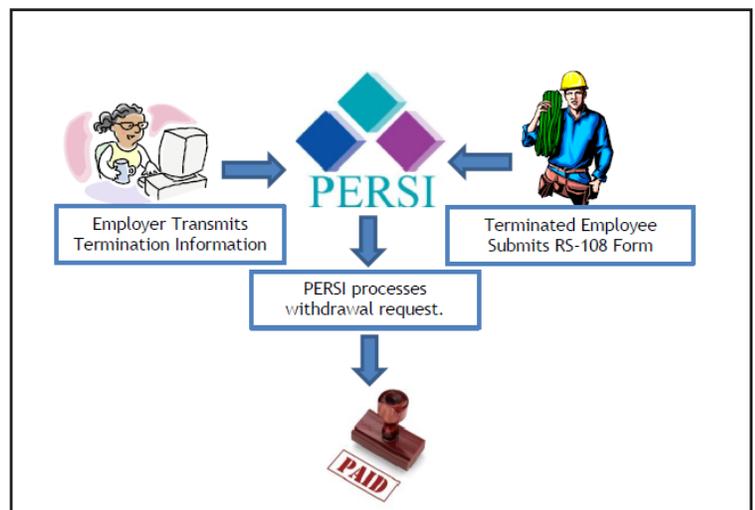
PERSI relies on employers to share this information with terminating employees who express interest in taking a separation benefit. PERSI does its best to keep members informed using newsletters and a brochure to explain the process. (Available at http://www.persi.idaho.gov/documents/withdrawing_fund.pdf)

PERSI

After the separation benefit request (RS108) has been received and accepted, PERSI checks that the employee shows as terminated by the employer and final salary and contributions have been reported. If that's been done, then processing a payment can begin. Payments are issued on Friday each week.

If everyone does their part, the terminated employee will be paid in reasonable time frame.

If you have questions about a separation benefit, contact the PERSI Member Services Answer Center at 1-800-451-8228 or 334-3365 in the Boise area.



(If you have questions about a Choice Plan withdrawal, contact Xerox H.R. Solutions at 1-866-437-3774.)

PERSI IMPLEMENTS NEW SECURITY MEASURES

PERSI recently did a security review and implemented some enhanced security measures that directly affect its members.

BUILDING ACCESS

Only one public entrance to the PERSI building now exists. The entrance is located on the west side of the building next to the PERSI parking lot (see map). Previously, the 8th Street entrance was available to visitors; however, that entrance has become an employee entrance that requires a security card to access. This change allows the front desk to better monitor visitors coming into the building and prevents people from entering the building to simply use the rest room.

VISITOR SIGN IN AND ESCORT

Although a lobby sign has always instructed visitors to check in at the front desk, it often went unnoticed. As a result, no one could say with certainty who was in the building at any given time. That was a potential security and safety issue. Now all visitors must sign in. A large new lobby sign directs visitors to the front desk to sign in and obtain a visitor's badge. At sign-in, the receptionist will arrange for a staff member to escort each visitor to their destination.

BADGES FOR STAFF AND VISITORS

PERSI staff who routinely interact with visitors now wear name badges to identify themselves as PERSI employees. Visitor badges received at sign-in must be worn while in the building and be returned to the front desk when leaving.

OFFICE AND ELEVATOR ACCESS

Currently, the offices on the first floor require a security card to gain entry. However, the elevators have been accessible to anyone entering the building. Soon, a glass wall will be constructed between the public entrance and the elevators to ensure only escorted visitors can access the upper floors of the building or gain access to the rest rooms.

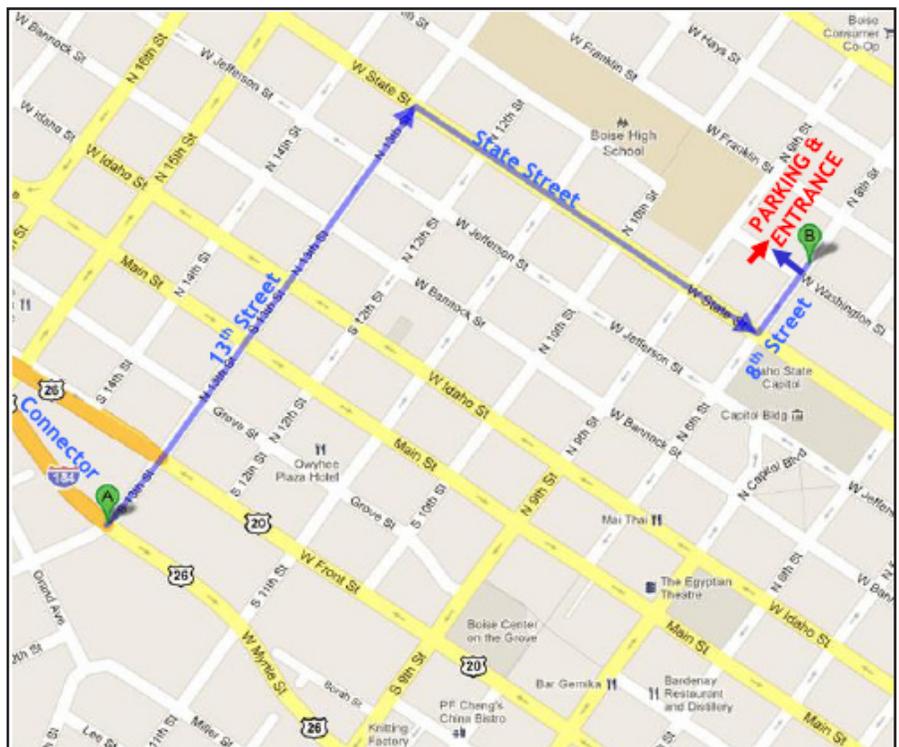
PRIVATE CONFERENCE ROOM

PERSI has always welcomed walk-ins. In the past, if all the retirement specialists were busy, the lobby was the only place to conduct business with walk-ins. PERSI values confidentiality as much as its members, so there is now a first floor conference room where visitors without an appointment can meet with PERSI staff in private. The conference room has all the same features (phone, computer, etc.) as any other office. Because the room faces the lobby, frosted windows help ensure privacy.

PARKING

PERSI still offers free off-street parking for visitors, including several handicapped spaces. The parking lot is located on the west side of the building, with access from Washington Street. Visitors who park in the metered parking on 8th Street can use the fenced walkway around the building or the city sidewalk to get to the public entrance on the west side of the building.

These new security measures, along with existing internal controls, are designed to help PERSI protect member information.



A similar map is available on the PERSI website at www.persi.idaho.gov/boise_office.cfm

RETIREMENT BOARD CHANGES MEETING DATES FOR 2013

At its April meeting, the PERSI Retirement Board decided to temporarily change the day it meets to resolve a scheduling conflict.

- September 17
- October 15
- December 3

Starting in June and going through October 2013, the Board will meet on the third Tuesday of the month instead of the fourth Tuesday. *The Board does not meet in May or November, and the December meeting is always on the first Tuesday of the month.* This change does not affect the starting time of 8:30 a.m.

Meetings will likely revert to the fourth Tuesday of the month starting again in January 2014. A notice about the schedule will appear in the year-end newsletter and on the PERSI website.

Meeting dates for the remainder of 2013 are:

- June 18
- July 16
- August 20

The Retirement Board meets in the PERSI office located at 607 N. 8th Street (at Washington Street) in downtown Boise. The public entrance is on the west side of the building adjacent to the PERSI parking lot, which is accessible from Washington Street (see map on page 3 of this newsletter or the PERSI website).

CHECK YOUR ANNUAL STATEMENT WHEN IT ARRIVES

PERSI mails an annual Base Plan statement to members each fall. The statements are also posted on line. (This is not the same as a Choice 401(k) Plan statement.)

Reviewing your statement for accuracy is important. Check your name, date of birth, mailing address, and service credit. If you find any discrepancies, be sure

to contact your employer. The longer an error exists – especially with data provided by your employer – the more difficult it will be to get documentation to support a correction. If your beneficiary information is incorrect, call the PERSI Member Services Answer Center toll-free at 1-800-451-8228 or 334-3365 from the Boise area.



www.persi.idaho.gov



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PERSI INVESTMENT NEWS

for Base Plan as of May 14, 2013

Value of the Fund:
\$13,267,368,416

Fiscal Year Change in Market Value:
\$1,333,372,470

Fiscal Year-to-Date Returns:
12.9%

Month-to-Date Returns:
1.2%

*Posted monthly on PERSI website: www.persi.idaho.gov/
Fiscal Year 7/1/2012 - 6/30/2013