



## RUMOR CONTROL: GETTING THE FACTS ABOUT PERSI

Media coverage of the problems facing other public pension systems has created anxiety here in Idaho. Unfortunately, facts often get lost as rumors grow. Members, retirees, employers, and constituency groups are concerned about what they are hearing and reading, so PERSI wants to address those concerns.

### THE FACTS

- PERSI ended fiscal year 2009 with a 73.4% funded ratio and a \$3.2 billion unfunded liability. This caused concern about the sustainability of the fund at that time.
- PERSI's funded ratio currently exceeds 88% and the unfunded liability has dropped to just over \$1.4 billion. PERSI expects to achieve full funding in 3 to 5 years without benefit changes.
- Executive Director Don Drum has spoken to most legislators; they are pleased with PERSI's recovery and none are aware of any legislator working to change benefits.
  - As the plan sponsor, only the State Legislature can make changes to PERSI.
- PERSI is not aware of conversations among Idaho lawmakers about changing PERSI from a defined benefit to a defined contribution plan.
  - PERSI encourages members to plan for a secure retirement by participating in the Choice 401(k) Plan as a supplement to the Base Plan, Social Security, and personal savings.
- Constituency groups are holding meetings throughout the state regarding potential changes to PERSI.
  - PERSI is not participating or providing input at these meetings.
  - Constituency groups have the right to meet to discuss areas of mutual interest and to voice their collective concerns to State Legislators.
- The Governor has repeatedly assured Director Drum of his support for PERSI and that he does not intend to change benefits.
  - The Governor and his staff believe PERSI is an important part of the compensation package for public employees.
  - Employers believe PERSI is a key element in attracting and retaining high-quality employees.
- State Legislators will be receiving an educational video about PERSI, its funding status and its sustainability. PERSI expects to post the video on its Web site by mid-December.