



NEWS TO USE

A newsletter for PERSI employers

May, 2014

- How Sick Leave Works
- New GASB Resources
- IRIS Update
- Investment Report



SICK LEAVE: NEW RULES, HOW IT WORKS

Effective July 1st, House Bill 452 becomes law, and will allow state education employees who transfer to a school district or charter school to transfer up to 90 days of sick time, and allow district employees who transfer to a state education agency to have access to up to 600 hours of sick time for the purposes of retirement.

The PERSI Sick Leave Insurance Reserve Fund was originally intended as a mechanism to promote productivity among employees within state government and school districts. The intent was to curtail abuse by providing employees an incentive to only use sick time when they really needed it.

Like the PERSI Base Plan, the unused sick leave fund is sponsored by the Idaho Legislature, as set forth in Idaho Code. PERSI is the plan administrator. The fund's as-

sets are kept and administered completely separate from the PERSI retirement fund and 100 percent of contributions come from employers.

Two general groups participate in the system; state agencies and school districts. Idaho Code allows for additional groups to join on an individual basis, however no other employers participate at this time.

When a person retires, a predetermined formula is used to convert unused sick time into a dollar amount.

For state employees, the maximum number of accrued hours that can be converted is 1200. To calculate the state retiree benefit, divide unused sick leave hours by two, then multiply that number by their hourly rate.

To calculate the school district retiree benefit, divide the number of accrued sick days by two, then multiply that number by their daily rate.

Unused sick leave can not be converted into a cash benefit; it can only be used toward employer maintained benefit plan premiums. For the State this is determined by the Office of Group Insurance (OGI). State employees hired after June 30, 2009 have limited options for using converted sick leave funds. Each individual school district governs which premiums can be deducted from converted sick leave funds.

Got a Question?
PERSI Employer Service Center
Toll-free 1-866-887-9525
Treasure Valley 208-287-9525
www.persi.idaho.gov

HERE COME THE JUDGES!

Also starting July 1st, PERSI will take over administration of the Judges Retirement Fund (JRF), the retirement system for Idaho's District and Supreme Court judges (Magistrate Judges participate in the PERSI general fund). Prior to July 1st, the system has been administered by the Idaho Supreme Court.

As a condition of accepting the JRF, the PERSI Retirement Board required that the JRF be sufficiently funded as defined by the statutes governing the JRF. Once the system is transferred to PERSI, JRF contribution rates will be 55.28% for the employers and 10.23% for the employees.

Membership in the JRF consists of 54 active members and 87 people currently receiving benefits.

Accounting and administration for the PERSI and JRF funds are handled completely separately. Eligibility and benefits structure for the JRF are totally separate from, and have absolutely no bearing on the PERSI fund. Any contribution rate or cost of living adjustment (COLA) decisions the PERSI Retirement Board may make regarding the JRF would be specific to the JRF and in no way related to or affective on the PERSI fund.

GASB UPDATE: DEDICATED PAGE ON PERSI WEBSITE

As we all continue down the path of complying with the new Governmental Accounting Standards Board (GASB) reporting rules, your accounting and auditing personnel will likely need to be in communication with PERSI. The State Controller's Office (SCO) will handle GASB issues relative to state agencies it is responsible for.

To further assist, we have added an [employer resource page](#) on the PERSI Website, devoted specifically to GASB 68. The page includes a short GASB video and several video responses to GASB questions, general GASB information and links, and a contact form for you to ask questions or set up a meeting. This page will be updated as things change.

PERSI's Executive Director and staff continue face-to-face GASB meetings with employers across the

state (except state agencies who report through the State Controller's Office). We have moved into Central Idaho, with the intent to go east, then north, wrapping up sometime around Independence Day.

Check out this [link to our GASB travel schedule](#). This schedule is subject to change.

Before setting up meetings in a certain area, we will send each non-SCO employer in that area a letter detailing its share of PERSI's Net Pension Liability, where that number comes from and what it means.

PERSI Employer Service Center

Toll-free 1-866-887-9525

Treasure Valley 208-287-9525

Email: [Click here to email PERSI](#)
(GASB is on the dropdown menu)

PERSI encourages employers to consult with their own auditor about the recent GASB changes.

We urge you to start planning, talking about GASB 68, and to set up or attend a meeting with PERSI. This is just one part of a communication campaign we're rolling out across the state, region by region, over the next several months.



We continue to pay careful attention to the progress of file upload employer and vendor certification.

Seven out of the 30 vendors and employers we are working with have certified that they can produce the required file format for IRIS, meeting the March 31st Deadline. The seven vendors and employers that are certified are: City of Meridian, 2M, Stephenson Computer Consulting, Computer Arts, Tyler Technologies Schools Division, Caselle, and the State Controller's Office. These seven account for more than 230 of our "upload" employers who are currently being trained on the

new IRIS system and will begin reporting in IRIS using the new file format over the next few months.

Six employers and vendors are now nearing completion of the certification process. They are: Idaho State University, the City of Boise, Skyward, the City of Nampa, Springbrook, and Harris Computer/Data Now. This represents a total of 40 additional "upload" employers. Once certified, these employers will be in line for training on the new IRIS system.

At this point, that leaves 17 vendors and employers who are not yet near certification. All but one of these has started the certification process.

PERSI INVESTMENT REPORT*

Month to Date Report

April 11, 2014

CURRENT VALUE OF THE FUND	\$	13,960,972,555
FISCAL YEAR NET CHANGE IN ASSETS	\$	1,204,446,638
FISCAL YEAR TO DATE RETURNS		10.8%

*Each month, PERSI Chief Investment Officer Bob Maynard presents his investment report to the PERSI Retirement Board, and posts it to the PERSI website. Click [here](#) to link to the full report.