



NEWS TO USE

A newsletter for PERSI employers

July, 2014

- GASB Update
- Bonuses and Base Pay
- IRIS Update
- Investment Report



GASB UPDATE: MEETING PHASE COMPLETE

We continue to emphasize how Governmental Accounting Standards Board (GASB) Statement 68 will have a significant effect on how governmental employers participating in PERSI report their share of PERSI's net pension liability on financial statements. PERSI is committed to making sure employers receive any and all necessary attention, communication, and support.

PERSI Executive Director, Don Drum traveled all spring, meeting with interested employers and auditors. He covered a lot of Idaho territory, starting in the Boise area, then branching out to the East, then North.

Before setting up meetings in a certain area, PERSI sent each affected employer in that area a letter (State agencies whose financial statements are handled by the Controller's Office did not receive letters) detailing their share of

PERSI's Net Pension Liability, where that number comes from and what it means.

Nearly half of PERSI's 750-plus employers took advantage of our meeting schedule, and we thank you for that. We also met with 32 auditors along the way.

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.

By now, every affected employer should have received some level of exposure to PERSI's GASB 68 outreach, by way of this newsletter, the [GASB page](#) on our website, through the mail, or by direct contact with the director, or other PERSI staff.

Even though Director Drum's travels have wrapped up

for now, we urge affected employers to continue planning, talking to your auditors about GASB 68, and to set up a meeting with PERSI if you feel like you need one.

HOW BONUSES AFFECT BASE PAY CALCULATION

One of our statewide agency employers recently called PERSI and told us she has had 10 employees ask her questions related to the high 42 months of service changing because of one-time bonuses or temporary salary increases.

The question arises from the Legislature's Changes in Employee Compensation Committee's decision earlier this year to allow State agencies to award 1% one-time/temporary and 1% ongoing pay increases to State employees.

Here's what you need to know:

Most bonuses and extra pay for service performed should be included in the base period.

Whether a bonus should be considered part of the 42-month high for average monthly salary calculations depends on the circumstances under which the bonus was paid.

If the salary increment (bonus) is part of an agency-wide policy

and not directed at just one person, it will be accepted in the member's base period.

If the salary increment is for only one person and/or occurs for the purpose of increasing their average salary, it will be removed from the base period.

The temporary increase would not be used in the calculation of sick leave benefits. There you would use "normal" hourly pay.

PERSI EMPLOYEE OF THE QUARTER



Meet PERSI Employee of the 1st Quarter, Dusty Schild. Among other things, Dusty was recognized for the excellent job she did coordinating the executive

director's schedule as he traveled throughout Idaho earlier this year, talking with employers about important issues related to PERSI.

We asked Dusty a few questions so you could learn a little more about her. Here are a couple:

Q: Why is PERSI important?

A: PERSI is important to me because it makes me think about retirement and makes me save for it. For as long as I can remember, I have been told that saving for retirement is important but I always thought that I had something

more important to save for -- moving, marriage, vacation, etc. But now I am saving and if I can "stick it out" for 5 years, I will have a guaranteed benefit check in one of the best public pension systems. I don't have to worry if the money will be there when it is time for me to retire.

Q: What do you do?

A: I work as the PERSI Choice 401(k) Plan assistant. I help active members with questions regarding rollovers, loans, and enrollment. I also help our retired members with questions on withdrawing and RMD's (required minimum distributions). I also work with our record keeper to ensure all our member's accounts are up to date and that any issues are solved quickly. Sometimes I help the Director, Deputy Director, or Public Information Officer with special projects such as organizing presentations, tracking attendance at benefit fairs, or writing articles.

Dusty will also be helping PERSI's Employer Service Center with the IRIS "Go Live" project for the next two to three months.



The IRIS project is continuing at a fast pace with the development and testing of the pension administration system phase. Employer and member maintenance pieces have been developed and tested. Employer account maintenance is currently being tested and benefit calculations and estimates are in development. Employer reporting is on track, and significant progress has been made and employers continue to switch over to the new reporting format on a weekly basis. Changes to the system to accommodate the State Controller's

Office file, consisting of over 80 agencies, have been implemented and the State will begin reporting in IRIS beginning July 25th. Currently we have 76% of PERSI employers reporting in the new system. An additional 60 employers are scheduled to begin reporting in IRIS over the next couple of months.

PERSI INVESTMENT REPORT *

Month to Date Report

June 30, 2014

| | | |
|---|-----------|-----------------------|
| CURRENT VALUE OF THE FUND | \$ | 14,686,583,096 |
| FISCAL YEAR NET CHANGE IN ASSETS | \$ | 1,930,057,179 |
| FISCAL YEAR TO DATE RETURNS | | 17.2% |
| MONTH TO DATE RETURNS | | 1.6% |

*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.