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NEWS to USE

FOR EMPLOYERS

Public Employee Retirement System of Idaho

November 2017

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RETIREMENT BOARD DELAYS CONTRIBUTION RATE INCREASE

PERSI finished fiscal year 2017 (July 1, 2016 to June 30, 2017) with a 12.25% net investment return, granting the Retirement Board the option to reconsider the 1.0% contribution rate increase that was scheduled to take effect July 1, 2018. At October's meeting, the Board voted to delay implementation of the 1.0% contribution rate increase for one year, making the new effective date of the contribution increase July 1, 2019.

Employers and members are encouraged to watch for future newsletter updates regarding the delayed rate increase.



GASB 68 NET PENSION REPORTS AVAILABLE!

The 2017 net pension allocations are now available online. Your related allocation report(s), financial statements, actuary report, instructions, sample footnote, and sample journal entries are all available on PERSI's website. [CLICK HERE!](#)

Call the PERSI Employer Center at 1-866-887-9525 or 208-287-9525 if you have questions.

SCHEDULE A READY, SET, AND GO! WORKSHOP

PERSI trainers continue to travel the state providing in-person training to employers and members. Employers can schedule any of the **Ready**, **Set**, and **Go!** workshops.

Ready and **Set** workshops focus on educating our newer and younger members to better understand and appreciate their PERSI benefits. In our **Go!** workshop, trainers provide education and information to help members understand and prepare for retirement.

Please send us an email at workshops@persi.idaho.gov or call us at 208-287-9291 to schedule your workshop.



[CLICK HERE FOR CALENDAR](#)

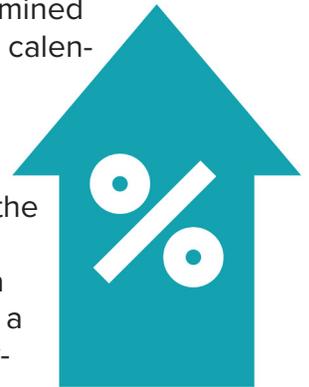


REGULAR INTEREST RATE ANNOUNCED

At October's Board meeting it was announced that the regular interest rate PERSI members will earn on their personal Base Plan accounts from January 1, 2018 through December 31, 2018 will be 11.03%.

Members earn interest on their PERSI Base Plan account balances at a rate determined annually by a formula established in PERSI rules. By rule, regular interest for each calendar year is the greater of 90% of the rate of return on the PERSI fund net of all expenses for the fiscal year ending immediately prior to the calendar year as reported in the actuary's annual valuation report, or 1%.

The amount of money and/or interest in a Base Plan account is only important in the event of a lump sum separation benefit or death benefit payment. The amount of money and/or interest in a Base Plan account is not a factor in the calculation of a retirement benefit. All credited interest will be paid to the member in the event of a separation withdrawal, or in the case of a member's death, a lump sum death payment is made to the beneficiary.



As a reminder, contributions paid by employees go directly into individual accounts held just for them. The money in the individual Base Plan accounts plus any interest earned will always belong to the members and will never be lost due to market conditions.

Every PERSI member has a personal Base Plan account. Employee contributions go into personal accounts, while employer contributions go into the Trust to fund future benefits for all members.

HIRING A RETIREE? BE SURE TO DO THE PAPERWORK!

There are two forms that are extremely important for employers to complete when hiring a PERSI retiree: Forms RS132 and RS132A. Both forms are available on the PERSI website. [CLICK HERE!](#)

GENERAL EMPLOYERS - RS132

When hiring a retiree who is collecting PERSI retirement benefits, employers must submit form RS132 to PERSI. The Certification of Employment of a Retired Member form helps PERSI know if the newly hired retiree is required to make contributions. Employers must certify the retiree's status and submit the signed form to PERSI before work begins. Also, a new RS132 **must be** submitted every time a retired member is rehired, even if an RS132 has been previously submitted. Using the "look up" tool on the employer portal, employers can enter a social security number to see if a potential new hire is a PERSI retiree.

HIRING A RETIREE - GENERAL

A member who retires before service retirement age must have a 90-day break in service between retirement and reemployment with the same employer, regardless of the number of hours worked.

(Service retirement age is age 65 for general members, age 60 for police officers/firefighters, and between ages 60 and 65 for members with mixed general member and police officer/firefighter service). If an employer makes an agreement of reemployment when an employee retires, there is no break in service. Members who retired at



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service retirement age are not required to have a 90-day break in service.

Employers are responsible for reporting the employment of a retired member to PERSI when contributions are required. Employers failing to do so are responsible for delinquent contributions and for repaying retirement benefit payments that should have been suspended but were not.

WHEN CONTRIBUTIONS ARE REQUIRED

If the retiree will be working 20 hours or more per week, the period of employment is expected to be five consecutive months or more, and the retiree receives salary for services rendered, contributions are required. This includes any schoolteacher who works half time or more and receives salary for services rendered. The retiree's benefit payments cease upon reemployment, as provided in Idaho Code §59-1356(1).

The employer must withhold employee contributions from the retiree's salary starting on the date of reemployment and transmit the funds to PERSI along with the required employer contributions each pay period.

If the period of reemployment terminates in less than five months, PERSI will return employee contributions to the retiree and credit the employer. The retiree's benefit payments will resume and an adjustment will be made retroactively to cover the period of ineligible employment.

WHEN CONTRIBUTIONS ARE NOT REQUIRED

If the retiree will be working less than 20 hours per week or the period of employment will be less than five consecutive months contributions are not required. The retiree's benefit payments will continue.

If employment exceeds 20 hours per week and five consecutive months, the retiree will be considered an employee for PERSI purposes, and the requirements for employment of a retiree who is an employee will apply.

SCHOOL DISTRICT EMPLOYERS - RS132A

When hiring a retired schoolteacher or administrator, the school district must submit form RS132A to PERSI. The Certification of Employment of a Retired Schoolteacher or Administrator form certifies the retiree meets the requirements for reemployment under the return-to-work option. The retiree is required to choose between suspending their benefits, paying contributions and accruing new service credit or continuing their benefits and not making contributions or accruing service credit.

HIRING A RETIRED TEACHER OR ADMINISTRATOR

- Idaho Code § 33-1004H permits school districts to employ certain certificated schoolteachers and administrators who are receiving PERSI benefits.
- Idaho Code § 59-1356(4) permits reemployed teachers and administrators to elect to continue receiving retirement benefits and not accrue additional PERSI service.
- Retired members who elect to return to work under these reemployment provisions will not make contributions to PERSI and will not accrue additional service credit. During the period of reemployment, voluntary salary deferrals into the PERSI Choice 401(k) Plan are not allowed, withdrawals are not allowed and any additional sick leave accrued may not be converted to unused sick leave under Idaho Code § 33-1228.

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- Employer contributions by school districts are required for retirees who are reemployed under Idaho Code § 59-1356(4).

EMPLOYMENT REQUIREMENTS FOR RETIRED TEACHER OR ADMINISTRATOR

- Applies to school districts or charter schools providing instruction to students in any combination of grades K-12.
- A reemployed retiree must be employed by a school district in a position requiring certification as a teacher or administrator. PERSI reserves the right to verify that certification is required.
- If a schoolteacher or administrator received an early retirement incentive award under Idaho Code § 33-1004G, they are not eligible for reemployment under this program.
- A reemployed retiree must have been employed as a schoolteacher or administrator when they retired under PERSI and must have been age 60 or older at the time of retirement.
- A reemployed retiree must have retired with an unreduced benefit because they had either reached service retirement age or met the Rule of 90 at the time of retirement.
- Employers should review the instructions carefully before completing the form or having the new-hired retiree sign off.
- Contact the Employer Service Center at 1-866-887-9525 or 208-287-9525 from Boise if you have questions about the forms or about hiring a PERSI retiree.

WHAT DOES RETIREMENT LOOK LIKE FOR YOU?

Let members know they can get a better idea of what their retirement will look like with the *myPERSI* Benefit Calculator and the new Benefit Calculator Guide. When using the *myPERSI* Benefit Calculator along with the Benefit Calculator Guide you can create up to 5 unique retirement scenarios at a time for your situation. The calculator will also give you the option to determine possible retirement dates with Purchase of Service. The Benefit Calculator Guide will help walk you through the steps to learn what your possible retirement estimates could be and earliest possible retirement date. To access your *myPERSI* Benefit Calculator, you must be registered for a *myPERSI* account. Go to www.persi.idaho.gov and click the button to get started!

[myPERSI Login](#)

CLICK HERE!

PERSI INVESTMENT REPORT

Month to Date Report

October 30, 2017

CURRENT VALUE OF THE FUND	\$	17,001,285,824
FISCAL YEAR NET CHANGE IN ASSETS	\$	617,686,424
FISCAL YEAR TO DATE RETURNS		4.6%
MONTH TO DATE RETURNS		1.0%

Each month, PERSI Chief Investment Officer, Bob Maynard presents his investment report to the PERSI Retirement Board, and posts it to the PERSI website.



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