



NEWS TO USE

A newsletter for PERSI employers

May 2017

- Contribution Increase
- You Don't Have to Roll
- Updating Mailing Address
- Investment Update



CONTRIBUTION RATE INCREASE BEGINNING JULY 1, 2018

During last October's meeting the Board voted to recommend a 1% total contribution rate increase which will become effective July 1, 2018.

At the end of each fiscal year, the PERSI Retirement Board compares the market value of fund assets to the unfunded actuarial accrued liability (UAAL). UAAL is a projection of the amount of money PERSI would need to pay all PERSI members, current and future earned benefits as if they were due today.

By applying a standard set of assumptions, PERSI's actuaries calculate the amortization period (number of years) it would take to pay off the UAAL, using the current contribution rates. Action

must be taken by the PERSI Retirement Board if the amortization period exceeds 25 years, per Idaho code 59-1322(5).

PERSI's fiscal year 2016 ended on June 30th with a net investment return of approximately 1.5% and an amortization period of 36.6 years resulting in the Board's need to take action with a contribution increase.

The Idaho Legislature approved the recommended increase, which will be shared between PERSI employers and employees.

These new increases are reflected below.

PUBLIC SAFETY

YEAR	EMPLOYER %	EMPLOYEE %
CURRENT	11.66	8.36
PROPOSED	12.28	8.81

GENERAL MEMBER

YEAR	EMPLOYER %	EMPLOYEE %
CURRENT	11.32	6.79
PROPOSED	11.94	7.16

“STAY IN THE PLAN” – MEMBERS DON'T HAVE TO ROLL OUT 401(k)

Please remind retiring members when they're leaving the workforce, they do not need to roll their 401(k) money out of the Choice Plan. As long as they have an account balance of a \$1,000 or more, they can keep their account, and they can even make rollover contributions from another qualified retirement savings plan or pre-tax IRA into their PERSI Choice 401(k) Plan account.

If their account balance is less than \$1,000 they will receive what is left of their account balance, minus any outstanding loan balance. The plan requires a minimum balance of \$1,000 to maintain the account. Even after terminating employment, members have other options for the funds remaining in the plan.

ADDITIONAL OPTIONS

A member may consider rolling their money over to an eligible retirement plan such as a (401(a), 401(k), 403(b), 457, or a traditional or Roth IRA. PERSI encourages members to discuss rolling money from one account to another with a financial advisor or planner and consider any potential fees and/or limitation of future investment options.

A member may request a lump sum, part or all of their account, paid directly to them. This option will result in a mandatory 20% federal tax with-



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holding and may result in a 10% early distribution penalty if they are under age 59½.

If the member's account balance is \$5,000 or higher and they are age 50 or older when they request the distribution, they may elect periodic installment payments from their PERSI Choice 401(k) Plan Account. Once the account reaches a \$0 balance, it is closed.

FEES?

We encourage members to compare fees when considering moving money out of the plan. Keeping money in the PERSI Choice 401(k) Plan may make sense in comparison to other savings programs. Fee information can be found in the Fee Disclosure Statement [here](#) on the PERSI website.

STILL HAVE QUESTIONS?

Please join Diane Kaiser, PERSI Choice 401(k)

Plan Manager as she continues her employer outreach meetings. She will be traveling to many counties in the coming months to meet with employers and provide education on the PERSI Choice 401(k) Plan and connect with payroll and HR staff.

See a current schedule [here](#) on our website towards bottom of the page. RSVP for any of the meetings by emailing DCCChoicePlan@persi.idaho.gov. Please include name(s) of person(s) attending, and the city where meeting is being held.

Members are welcome to call Empower Retirement Client Services at 866-437-3774 or schedule an appointment with one of our dedicated Empower Retirement Plan Counselors, [Bruce Singkhaophet](#) or [Ali Belden](#).

DO YOU NEED TO CHANGE A MEMBER'S MAILING ADDRESS?

When an active member needs to change their mailing address it must be done through their employer's transmittal, not PERSI. The active member may submit a completed [RS110 Change of Address](#) form (current version on PERSI's website) either directly to their employer or through their payroll department which will inform the employer of the mailing address change. The employer will notify PERSI via their next transmittal.

The form also updates both Base Plan and Choice 401(k) Plan accounts. Once the address change is processed, all statements, correspondence, and tax documents will be mailed to the address of record.

Employers, please remind your terminating employees to contact PERSI if their mailing address should change. They can find the RS110 Change of Address form on PERSI's website.

Terminated, separated, or retired members, may also use the form to notify PERSI directly about a change, or make the change in the myPERSI web portal.

DOES YOUR FORM HAVE A BARCODE?

If the form doesn't have a barcode at the bottom, it's the old version. New version on PERSI's website.

RS110

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PERSI INVESTMENT REPORT

Month to Date Report

April 26, 2017

CURRENT VALUE OF THE FUND	\$	16,134,363,930
FISCAL YEAR NET CHANGE IN ASSETS	\$	1,287,510,209
FISCAL YEAR TO DATE RETURNS		10.2%
MONTH TO DATE RETURNS		1.3%

*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.