



PERSpectives



Fourth Quarter 2013

Public Employee Retirement System of Idaho

COST-OF-LIVING ADJUSTMENT FOR 2014

On December 6, 2013, the PERSI Retirement Board announced the mandatory 1 percent Cost of Living Adjustment (COLA) will be the COLA for its 40,100 retirees effective March 1, 2014.

The Board followed Idaho Statute 59-1355 which provides for a minimum and maximum cost of living adjustment based on the Consumer Price Index (CPI-U) measured from August to August each year. The 2013 CPI-U was 1.52%. According to the Statute, the Board must consider the actuarial valuation for the recently concluded fiscal year.

Other important factors include the funding level and amortization period

for the unfunded actuarial liability. The July 1, 2013, funded status was 85.3%. Idaho Code requires PERSI to maintain an amortization period of less than 25 years. The amortization period would exceed 25 years without the two proposed rate increases which are scheduled to go into effect on July 1, 2015 and July 1, 2016. The Board considers the impact of its decisions on employers and active employees facing tight budgets as well as a recent (effective July 1, 2013) contribution rate increase.

HOW A COLA IS APPLIED

COLAs are applied as a percentage increase to retiree monthly benefits. (e.g., if a retiree's benefit is \$1000/

month in February and the COLA is 1%, starting on March 1st, the retiree's benefit would increase to \$1010/month.)

COLA ADJUSTMENT

For retirees in their first year of retirement, the COLA (and any retroactive COLA, if applicable) is applied as a percentage of the full COLA depending on the percentage of the year retirement was in effect. (e.g., if a member's date of last contribution was August 1st and the retirement date was September 1st, he/she was retired for 50% of the year (6 months: September - February). This retiree would receive 50% of the value of the COLA. For 2014, that would be 0.5% of the 1% COLA.)

POCATELLO OFFICE RELOCATING

In order to provide the best possible customer service in Eastern Idaho, PERSI is moving the Pocatello office to a more convenient and accessible space in mid-February. The new address will be 1246 Yellowstone Avenue, Suite A5, Pocatello, ID 83201. If you're planning to visit the Pocatello office in February, you may want to call the PERSI Answer Center ahead of time to confirm which location will be open.

PERSI Answer Center
Toll-free 1-800-451-8228
www.persi.idaho.gov

1099R FORMS

Tax documents for PERSI Base Plan distributions (1099R) for 2013 will be mailed by January 31st. The form will also be available online at www.persi.idaho.gov by the end of January. If you haven't received your 1099R in the mail by February 7, 2014, please call the PERSI Answer Center toll-free at 1-800-451-8228 or 208-334-3365 from the Boise area. If you call, please have

your personal information available including your Social Security Number. To save time, you can print your 1099R from the PERSI website by signing in using the myPERSI button [[myPERSI Login](#)]. When the page loads, click the gray box that says, "Go to 1099R".

1099R forms for Choice 401(k) Plan distributions will be mailed by plan

custodian BNY Mellon by January 31, 2014. This form is not available on the PERSI website. If you do not receive it by mid-February, please call Xerox at 1-866-437-3774.

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Insights

UNDERSTANDING ADVANCE CARE DIRECTIVES

How will medical decisions be made for you if you end up incapacitated or near death? Contemplating issues surrounding end of life and death is often difficult, resulting in decisions being put off and instructions not being laid out.

If you haven't outlined your wishes and directives, a spouse, relative, stranger or court will more than likely end up making these very personal decisions for you. Setting up Advance Directives is a good start to making sure your wishes are met if you are unable to communicate them yourself.

Advance Directive laws may vary from state to state. In Idaho there are two general kinds of Advance Directives-- Living Will and Durable Power of Attorney for Health Care.

DURABLE POWER OF ATTORNEY

This advance directive known as Durable Power of Attorney for Health Care allows you to designate someone else to make all decisions regarding your care, including choosing health care providers and medical treatment, should you become unable to make them yourself.

Choosing a Health Care Agent:

This is a very important decision. You should discuss your wishes at length with the person you plan on appointing. Make sure he or she is comfortable with your directives and is willing to carry them out. Discuss your options with your family, doctors, attorney, and clergy.

When Does My Health Care Agent Take Over?

Your designated Health Care Agent will only have the power to make decisions on your behalf when you are unable to make your own decisions or you are no longer able to communicate with your healthcare provider.

LIVING WILL

A Living Will is designed to cover medical issues as your life draws to a close -- so you're sure you will die with dignity and under your own conditions. Most states allow for Living Wills to dictate whether or not you want procedures like transfusions, dialysis, surgery, or even cardiopulmonary resuscitation (CPR) at the end of life. There are three main choices you can make regarding life-sustaining measures:

Option 1:

You can make it known that you desire to have doctors do everything in their power to keep you alive.

Option 2:

You can direct that the only life-sustaining measures employed are artificial tube feeding for nutrition and hydration.

Option 3:

This option allows you to direct that all artificial life-sustaining treatment be withheld -- including artificial tube feeding for nutrition and hydration.

In Idaho, no matter which of these options you choose, you will never be denied necessary pain medication or comfort medication.

When does a Living Will take effect?

Your Living Will takes effect when a doctor certifies that you have a terminal and incurable illness or you are permanently unconscious.

Advance Directives are documents of great importance. Although not a requirement, the assistance of a lawyer in drafting any legal document is often a good idea. Contact your state's Attorney General's Office for more specifics on Advance Directives where you live.

KEEPING AN EYE ON YOUR PRESCRIPTION MEDICATIONS

Where do you keep your prescription medications? Are they all in the same spot, or do you have some in the bathroom, some in the bedroom, others in the kitchen? No matter what your answer is, now may be the time to get your medications organized into a system you can track.

You will always want to know where a particular medication is when you need it, and you will want to keep your medicines secure so nobody who shouldn't have access to them does. You'll be preventing accidental injury, as well as reducing the risk of someone else abusing your prescription medicines. You should inventory and organize your prescriptions at least once a year.

PROPER STORAGE

Store your medicine in an area that is convenient, but is also cool and dry - since heat and humidity can be damaging.

Always keep medications out of reach, and locked up. Theft and abuse of prescription medicines is a serious problem. You play a big role in keeping these powerful medicines out of the hands of those who shouldn't have them. Keep your medicines separate from those of your spouse or other family members.

Keep medicine in the original bottle. The amber color protects the medicine from light. You will also have the information right there about what the medicine is and how often to take it. The label will also have the phone number of the pharmacy so you can call when it is time for a refill.

Never mix different medications in the same bottle. You might end up taking the wrong one by mistake. It is also possible that some of one medicine could rub off on another and affect how well it works.

Keep the lids on your pill bottles tightly closed. A cap can't be childproof if it's not fastened correctly.

If there is cotton in the pill bottle when you first open it, remove the cotton and throw it away. The cotton can absorb moisture and affect the medicine inside.



PROPER DISPOSAL

Start by identifying outdated or otherwise damaged medications. Those that are discolored or crumbling are likely not going to work the way they're supposed to. Also identify and discard leftover prescription medications from a previous illness or condition. You should never try to treat yourself or others with a leftover prescription medicine.

Follow any specific disposal instructions on the drug label or patient information that accompanies the medication. Do not flush prescription drugs down the toilet unless this information specifically instructs you to do so.

Take advantage of community drug take-back programs that allow the public to bring unused drugs to a central location for proper disposal. Call your city or county government's household trash and recycling service (see blue pages in phone book) to see if a take-back program is available in your community.

If no instructions are given on the drug label and no take-back program is available in your area, take them out of their original containers and mix them with an undesirable substance, such as used coffee grounds or kitty litter – to make the medication less appealing and unrecognizable – then put them in a sealable bag, empty can, or other container to prevent the medication from leaking or breaking out of a garbage bag, and discard.

Source: National Council on Patient Information and Education, U.S. Food and Drug Administration



PERSI
P.O. BOX 83720
Boise, ID 83720-0078

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607 North 8th Street, Boise, ID 83702
Base Plan: 208.334.3365 or 1.800.451.8228
Choice Plan: 1.866.437.3774
www.persi.idaho.gov

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PERSI INVESTMENT NEWS

for Base Plan as of December 19, 2013

Value of the Fund:

\$ 13,725,030,959

Fiscal Year Change in Market Value:

\$ 1,410,877,858

Fiscal Year-to-Date Returns:

8.3%

Month-to-Date Returns:

-0.4%

*Posted monthly on PERSI website: www.persi.idaho.gov
Fiscal Year 7/1/2013 - 6/30/2014

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