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PERSpertives FOR RETIREES

Public Employee Retirement System of Idaho

Fourth Quarter 2024

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FISCAL YEAR 2024 UPDATE AND STATUS



DURING THE PAST FISCAL YEAR

In January 2024, Director Don Drum retired from PERSI after sixteen years with the agency. The Board selected Deputy Director Michael Hampton to serve as PERSI's new Executive Director. Mr. Alex Simpson, PERSI's Financial Executive Officer, was chosen to serve as Deputy Director.

This past summer and fall, Director Hampton met with hundreds of PERSI employers around the state.

During those meetings, he discussed several PERSI matters, including contribution rates, fiscal year-end numbers, passed legislation, and the fund's health. He enjoyed meeting with and receiving valuable feedback from all who attended.

NEW BOARD TRUSTEE

In September 2024, Governor Brad Little appointed Josh Whitworth, Executive Director of the Idaho State Board of Education, to supersede Trustee Joy Fisher on the PERSI Retirement Board. Trustee Whitworth has over a decade of public service experience in Idaho.

FUND STATUS

PERSI's fiscal year 2024 ended with a funded ratio of 85.4%, and an amortization of 10.8 years. Had the amortization been more than twenty-five years, the Board would have been required by law to propose contribution rate increases for employers and employees, per Idaho Statute 59-1322.

PERSI's sustainability is the Board's priority. Adjustments made ensure retirement benefits will be here for you, other PERSI members, and Idaho's future public employees.

CONTRIBUTION RATES

In October 2022, the Board proposed a series of three contribution rate increases to comply with the statutory requirement to amortize the unfunded actuarial liability in less than 25 years. These

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three contribution rate increases were proposed to be implemented July 1, 2024, July 1, 2025, and July 1, 2026. The first of these proposed contribution rate increases (1.25%) went into effect July 1, 2024.

Contribution rates are reviewed annually by PERSI's Board. While the fund has had a second consecutive year of recovery after the 2022 market decline, due to market volatility the Board was unable to eliminate future proposed contribution rate increases, but was able to delay the July 1, 2025, and July 1, 2026, contribution rate increases by one year.



POSTRETIREMENT ALLOWANCE ADJUSTMENT (PAA) – IDAHO STATUTE 59-1355

Annually the Retirement Board must review the automatic PAA as well as provide recommendations to the legislature for any discretionary or retroactive PAAs.

At the December meeting, the Board discussed the annual PAA for retirees. The Board confirmed that an automatic PAA of one percent (1%) will go into effect on March 1, 2025, based upon the August to August consumer price index – urban (CPI-U).

Per Idaho Statute 59-1355, retirees in their first year of retirement will receive a proration of the 1% PAA based on the number of months they have been retired.

In addition, the Board is proposing an additional 0.3% retro-PAA from fiscal year 2020, subject to legislative approval. If approved, the retro-PAA will also go into effect on March 1, 2025.

DOES THE WINDFALL ELIMINATION PROVISION (WEP) IMPACT YOU?

PERSI has received a few questions from mem-

bers about the Windfall Elimination Provision and if it will impact them.

The Windfall Elimination Provision is a formula used to adjust Social Security benefits for people who receive “non-covered pensions” and qualify for Social Security benefits based on other Social Security covered earnings.

A non-covered pension is a pension paid by an employer that does not withhold Social Security taxes from your salary, typically state and local governments or non-US employers.

Since most PERSI members have paid into Social Security, this does not impact most PERSI members.

For additional information, go to the Social Security Administration's website at www.ssa.gov.

myPERSI

PERSI's member portal, *myPERSI*, received multiple new features and enhancements this year, including:

- Optimizations for all operating systems (including mobile devices).
- Required security features like multi-factor authentication and enhanced ID verification.
- An improved user experience.
- Integrated messaging for faster, more-personalized communication with representatives.

Through *myPERSI*, important documents like your 1099-R tax forms are easy to locate and ready to download as soon as they are made available (typically at the end of each January).

If you have not claimed your *myPERSI* member account yet, go to www.persi.idaho.gov. If you have questions, call the PERSI Answer Center at 208-334-3365 or 1-800-451-8228.

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PROTECT YOUR MEMBER INFORMATION

PERSI is beginning to hear more and more about fraudsters offering retirement services and/or advice every year.

Please know that solicited retirement services and/or financial counseling are not authorized or affiliated with PERSI. PERSI does not sell retirement services, advice and/or financial counseling.

Protect your personal information by not sharing or discussing your personally identifiable information, including your PERSI membership and benefit information, with others.



GET YOUR PERSI DOCUMENTS & NEWS QUICKER!

REGISTERING FOR *myPERSI* IS EASY!

Whether you were registered in the old *myPERSI* system or you have never used *myPERSI* before, you will need to register for the new *myPERSI* portal.

From the *myPERSI* login page, click the “Register as a new user” link and follow the prompts. Once you have filled out the form and answered any questions, click “Register”.

After passing the automatic identity verification process, you will see a message stating “Your registration was successful. Check your email for a verification link to be able to log in to your account.”

Your confirmation email will say “Thank you for confirming your email” and provide a link to return to the Login page. Log in using the username and password you chose during the registration process.

After you enter your username and password,

you will be taken to a new page to enter the authentication code that was sent to the email address you registered with. Enter this authentication code and click “Log In.”

During your first login, you will be taken to a page that will give you the option to set up one or more multi-factor authentication options.

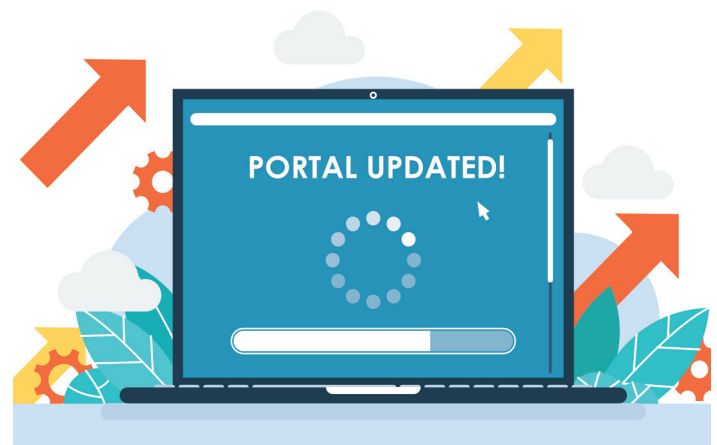
After that, you are set! You are registered for the NEW *myPERSI* portal!

You may explore your communication preferences, immediately download your 1099-R tax forms, update your contact information, and much more!

For the latest news and updates about PERSI matters, please claim your *myPERSI* member account.

This is the quickest and most accurate way for PERSI to communicate with you whether it is time sensitive or an informative update.

If you have any difficulties or questions, please call the PERSI Answer Center at 208-334-3365 or 1-800-451-8228.





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HAVE YOU HEARD ABOUT THE STATE OF IDAHO'S PROPERTY TAX DEFERRAL PROGRAM?

The State of Idaho has a property tax deferral program offering eligible individuals a way to defer property taxes on their home and up to one acre of land. If you're an Idaho resident and homeowner, you may qualify. Please keep in mind, you must pay the taxes and interest later.

This program was created and funded by the Legislature and is administered by the Idaho State Tax Commission.

To learn more about the State of Idaho's deferral program and other tax relief options, go to <https://tax.idaho.gov/taxes/property/homeowners/deferral/> or contact your county assessor's office or call the Idaho State Tax Commission at (208)334-7736 if you need help.

UPCOMING HOLIDAYS

PERSI will be closed in observance of the following holidays:

- Monday, January 20 – MLK Day
- Monday, February 17 – Presidents' Day

If you have questions, call the PERSI Answer Center at 1-800-451-8228 or 208-334-3365.

RETIREMENT BOARD OF DIRECTORS

Jeff Cilek, *Chairman*
Park Price, *Vice Chair*
Darin DeAngeli, *Trustee*
Lori Wolff, *Trustee*
Josh Whitworth, *Trustee*

Executive Director • Michael L. Hampton
Deputy Director • Alex Simpson
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www.persi.idaho.gov

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