



NEWS TO USE FOR EMPLOYERS NOVEMBER 2024

**MARK YOUR CALENDAR!
CHANGES ARE COMING
TO HOW YOU REPORT!**



Changes are coming to the PERSI Employer portal that will require some modification to your reporting processes. We understand that changes like this are not convenient for you, so we have made every effort to keep them to a minimum for more than ten years. Despite the inconvenience, updates are now necessary for the following reasons:

- To comply with the requirements of the Federal Secure 2.0 Act
- To maintain compatibility with present-day technology
- To enhance security and ease-of-use in reporting your PERSI Base Plan and PERSI Choice 401(k) Plan contributions

What Does the Secure 2.0 Act Require?

Among other things, the Federal Secure 2.0 Act of 2022 establishes new eligibility requirements for 401(k) plans. The new requirements make it impractical to continue routing PERSI Choice 401(k) Plan contributions through PERSI. So, the first change will be for employers to separate PERSI Choice 401(k) Plan reports and payments and begin sending them directly to Empower — the PERSI Choice 401(k) Plan recordkeeper.

This step requires modification of your payroll software to create a separate transmittal file to send to Empower. It does not require modification of the PERSI transmittal file for this step. PERSI Choice 401(k) Plan contributions will be ignored in the PERSI Base Plan transmittal file when that contribution data is sent directly to Empower. Reminder: this step does not require changes to the file you send to PERSI. You will just begin creating a second file to send to Empower. Choice Plan contributions can appear on both files until the PERSI Base Plan transmittal file is modified in a later phase of the Employer Reporting upgrade.

What is the Plan?

Employers will be contacted by Empower in the coming weeks with further information on file specifications and reporting procedures. Empower may need to contact your software providers directly.

While you or your software provider work on the changes, PERSI will be preparing our Employer Reporting portal for separated PERSI Choice 401 (k) Plan reporting. That work is expected to be completed by the middle of December, and we will notify you when it is done. Once it is done, Empower can begin setting employers up in its system.

Empower will work directly with employers, or your software vendor/in-house programming staff to finalize and test the file changes. Once the test files are approved by Empower, you will be authorized to start sending Choice Plan reports and payments directly to Empower. **Your new Choice Plan file must be completed and approved by June 30, 2025.**

We encourage employers to complete this work as soon as possible, because additional work will be necessary for your PERSI Base Plan transmittal report after the PERSI Choice 401 (k) Plan changes are complete.

PERSI will follow up in later communications with specific information and instructions for those changes.



REGULAR INTEREST RATE ANNOUNCED FOR 2025

At the October (2024) Retirement Board meeting, the regular interest rate members will earn on their personal Base Plan accounts was announced. From January 1, 2025, through December 31, 2025, members will earn 7.91%.

Interest on member account balances are 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%.

Employee contributions go directly into individual accounts. Employee contributions and any interest earned belongs to the member and is not impacted by market conditions.

If your employees have questions, please have them contact the PERSI Answer Center at 1-800-451-8228 or 208-334-3365.

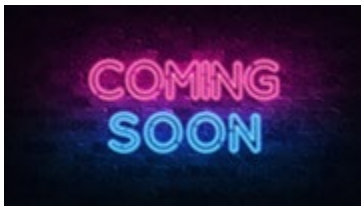


WE ARE HERE TO HELP!

PERSI's Employer Service Center (ESC) is here to help! ESC can offer some quick tips to help your processes for reporting to PERSI. They can help you with forms, transmittals, GASB information, and much more.

If you have any employer-related questions and cannot find the answer on PERSI's website, www.persi.idaho.gov, please call the PERSI Employer Service Center at 1-866-887-9525 or 208-287-9525.

NEW WAYS TO SAVE FOR RETIREMENT!



PERSI CHOICE 401(k) PLAN UPDATE: ROTH IS COMING!

PERSI is planning to add a Roth component to the PERSI Choice 401(k) Plan in the future. This will require system changes and updates. A time frame has not been established for adding a Roth. Once a time frame is determined, PERSI will communicate with participants and PERSI employers.



UPCOMING HOLIDAYS

PERSI will be closed in observance of the following holidays:

- Monday, November 11 – Veterans Day
- Thursday, November 28 – Thanksgiving Day

If you have questions, call the PERSI Employer Service Center at 1-866-887-9525 or 208-287-9525.