



NEWS TO USE FOR EMPLOYERS FEBRUARY 2025

ARE YOU
READY?

PUBLIC SAFETY CONTRIBUTION RATES ARE CHANGING EFFECTIVE APRIL 1, 2025

BACKGROUND

During the 2023 Legislative session, Senate Bill 1054 was passed by the Idaho Legislature. The legislation became effective on July 1, 2023, and amended Idaho Statute §59-1356 to allow for the reemployment of certain public safety class members.

Under Idaho Statute §59-1356(6) a retired member, with police officer or firefighter status, may return to work in a full-time capacity for any PERSI employer and continue to receive their PERSI retirement benefit, provided certain conditions are met. This benefit enhancement is scheduled to sunset June 30, 2027.

COST OF IDAHO STATUTE §59-1356(6)

At the September 2023 Board meeting, the PERSI Board voted to implement an additional 1.14% contribution rate for the public safety class to fund this benefit enhancement, based

upon the actuarial data available at the time. Additionally, the Board required that the utilization of the benefit be studied each year to review the appropriateness of the 1.14% contribution rate increase.

In December 2024, actuarial analysis determined the benefit is being used less than expected, so the initial cost estimates were reevaluated. The Board determined that eliminating the 1.14% additional contribution rate was reasonable and unanimously passed a motion to eliminate the increase.

BEGINNING APRIL 1, 2025 (NOT AN APRIL FOOL'S JOKE)

New contribution rates for public safety employers and employees will be the following.

	UNTIL MARCH 31, 2025	BEGINNING APRIL 1, 2025
PUBLIC SAFETY EMPLOYER	14.65%	13.98%
PUBLIC SAFETY EMPLOYEE	10.83%	10.36%

Please make the necessary updates to your system to prepare for this change.

If you have questions, please contact the PERSI Employer Services Center (ESC) at 1-866-887-9525 or 208-287-9525.

PREPARING TO CHANGE THE WAY EMPLOYERS REPORT CHOICE 401(k) PLAN CONTRIBUTIONS

PERSI has been communicating to employers that 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

REQUIREMENTS FOR THE SECURE 2.0 ACT

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.

For employers that enter payroll directly on the PERSI Employer Portal, Empower has contacted you with instructions for moving to their portal.

For employers that upload files, modification of your payroll software is required to create a separate transmittal file to send to Empower. 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. It is okay for Choice Plan contributions to appear on both files until the PERSI Base Plan transmittal file is modified in a later phase of the Employer Reporting upgrade.

EMPOWER WORKING WITH EMPLOYERS NOW

Empower has contacted all PERSI employers to share file specifications and reporting procedures. Empower may need to contact your software providers directly.

Empower is working 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, employers are authorized to start sending Choice Plan reports and payments directly to Empower.

Several employers have already submitted test files to Empower, been approved, and have completed the transition. All employers who have not yet submitted test files are encouraged to do so as soon as you are able.

Your new Choice Plan file must be completed and approved by June 30, 2025.

**FOR ADDITIONAL INFORMATION AND GUIDANCE, PLEASE USE THE BELOW
BUTTON TO SEE IF YOU ARE READY FOR THE CHANGES.**

[CLICK HERE FOR FURTHER INFORMATION AND A GUIDE](#)



UPCOMING HOLIDAY

PERSI will be closed in observance of the following holidays:

- Monday, February 17 – Presidents' Day

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