



PERSI

# PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

A PENSION AND OPEB TRUST FUND OF THE STATE OF IDAHO

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
AS OF AND FOR

## FISCAL YEAR 2024

ENDED JUNE 30, 2024



# Public Employee Retirement System of Idaho A Pension and OPEB Trust Fund of the State of Idaho



Public Employee Retirement of Idaho

## Annual Comprehensive Financial Report As of and for Fiscal Year Ended June 30, 2024

**This Annual Comprehensive Financial Report was prepared by:**

- Financial:** Mike Anderson - Financial Executive Officer  
Kelly Schlangen - Senior Financial Specialist  
Chris Wester - Portfolio Accounting Manager  
Parisa Gorji - Principal Financial Specialist  
Adel Stacy - Senior Financial Specialist  
Star Beutter - Financial Specialist
- Investments:** Richelle Sugiyama - Chief Investment Officer  
Chris Brechbuhler - Deputy Chief Investment Officer
- Administration:** Jenny Flint - Public Information Officer



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**INTRODUCTORY**  
SECTION



## INTRODUCTORY SECTION

### PERSI MISSION STATEMENT

PERSI administers, as provided by the Legislature as plan sponsor, retirement related benefits, education, and services to Idaho's public employees.

### CORE VALUES



### VISION

To be a trusted expert in helping Idaho's public employees build and receive a secure and meaningful retirement benefit.

### FIDUCIARY DUTY OF LOYALTY

The primary duty of the Retirement Board and PERSI staff, as fiduciaries, is that of loyalty, or acting with an "eye single" to the interests of the beneficiaries. PERSI is required by law to make all its decisions solely in the interest of the beneficiaries and to avoid, at all costs, serving the interests of any other party not a beneficiary of the system.

## INTRODUCTORY SECTION

Brad Little Governor of The State of Idaho

### RETIREMENT BOARD



Jeff Cilek — Chairman



Joy Fisher



Park Price



Darin DeAngeli



Lori Wolff

### PERSI EXECUTIVE ADMINISTRATIVE STAFF

Michael L Hampton	Executive Director
Alex Simpson	Deputy Director
Cheryl George	Deputy Attorney General
Richelle Sugiyama	Chief Investment Officer
Chris Brechbuhler	Deputy Chief Investment Officer
Mike Anderson	Financial Executive Officer
Kelly Cross	Quality Assurance Manager
Lisa Conn	Member Services Manager
Larry Sweat	IT Information Services Manager
Kelly Cross	Program Manager
Diane Kaiser	Defined Contribution Plan Manager

## INTRODUCTORY SECTION

### PROFESSIONAL CONSULTANTS

<b>Actuary:</b>	Milliman, Inc	Cavanaugh Macdonald Cons., LLC
<b>Auditor:</b>	Eide Bailly, LLP	
<b>Internal Auditor</b>	Plante Moran PLLC	
<b>Medical:</b>	Managed Medical Review Organization	
<b>Investment:</b>	AEW Capital Management, LP Ash Williams Alban Row Investments, LLC Clearwater Analytics, LLC Consensus Economics, Inc Callan, LLC Dwight Churchill	Garrett A Walls Hamilton Lane Advisors, LLC John R Jenks John Skjervem MSCI, Inc Robert Storer Thomas Lee
<b>Legal:</b>	Foster Garvey, PC Klausner, Kaufman, Jensen & Levinson.	Jensen & Levinson, Whiteford, Taylor & Preston, LLP
<b>Other:</b>	BCA Research, Inc Bloomberg, LP Capital Economics (NA) Ltd CT Corporation Ernst & Young, LLP	Empower Retirement Korn Ferry MRB Partners Yardeni Research, Inc, Murray Devine
<b>Investment Custodians:</b>	Bank of New York Mellon Asset Servicing Principal Asset Management - Real Estate	

#### Active Investment Managers:

Adelante Capital Management	Leonard Green & Partners, LP
Advent International, LP	Lindsay Goldberg, LLC
Ascribe Capital, LLC	Longview Partners (Guernsey) Ltd
Apollo Management, LP	Mellon Investments Corporation
Atlanta Capital Management Company, LLC	Mondrian Investment Partners
Blackstone Group, LP	Mountain Pacific Investment Advisers, Inc
BLS Capital	Nautic Partners, LLC
Brandes Investment Partners, LP	Olympic Investors, LLC
Bridgepoint Capital Ltd	Peregrine Capital Management
Cerberus Capital Management, LP	Platinum Equity Capital Partners LP
Clearwater Advisors, LLC	PineStone Asset Management Inc.
C WorldWide Asset Management Fondsmæglersekskab A/S	Providence Equity Partners LLC
CVC Capital Partners Advisory Co Ltd	PGIM Inc
D B Fitzpatrick & Co, Inc	Pzena Investment Management, LLC
Donald Smith & Company	Sanford C Bernstein & Co, LLC
Endeavour Capital Partners, LP	Silverlake Partners
Epic Ventures, LLC	Sorenson Capital Partners IV
Fiera Capital, Inc	Sprucegrove Investment Management Ltd
First Reserve Corporation	State Street Global Advisors
Galen Management, LLC	State Street Global Markets
Hamilton Lane Advisors, LLC	TPG Capital, LP
Hamilton Lane, GP	The Gores Group, LLC
Ida-West Operating Services, Inc	Veritas Capital, LP
Income Research + Management, Inc	Walter Scott & Partners Ltd
Kohlberg Kravis Roberts & Co, LP	Wasatch Global Investors
Kohlberg & Co	WCM Investment Management LLC
	Western Asset

Additional information on the above-mentioned investment professionals can be found on pages 88-93 in the Investment Section of this report. Fees and commissions are found on pages 95-96.

INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Public Employee Retirement System of Idaho**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

INTRODUCTORY SECTION



Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2024***

Presented to

***Public Employee Retirement System of Idaho***

In recognition of meeting professional standards for  
plan funding and administration as  
set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle  
Program Administrator



## INTRODUCTORY SECTION

### ORGANIZATIONAL CHART (As of June 30, 2024)

#### Retirement Board

<b>Michael L Hampton</b> Executive Director	<b>Alex Simpson</b> Deputy Director	<b>Cheryl George</b> Legal Counsel	<b>Jon Wald</b> Purchasing Agent	<b>Eliza Storms</b> Management Assistant
	<b>Jenny Flint</b> Public Information Officer			
<b>Richelle Sugiyama</b> Chief Investment Officer	<b>Chris Brechbuhler</b> Deputy Chief Investment Officer	<b>Rose Marie Sawicki</b> Administrative Assistant	<b>Investment Managers</b> See Investment Section for a list	
	<b>Diane Kaiser</b> Defined Contribution Plan Mgr	<b>Kathy Adams</b> Administrative Assistant	<b>Dan Gardner</b> Assistant Management	
<b>Kelly Cross</b> Program Manager	<b>Maria Quitugua</b> Member Education Supervisor	<b>Matthew Groves</b> Training Specialist	<b>Duane Random</b> Training Specialist	<b>Maia Clay</b> Training Specialist
		<b>Dara Mykland</b> Training Specialist	<b>Sarah Todd-Stone</b> Training Specialist	
<b>Michael Anderson</b> Financial Executive Officer	<b>Parisa Gorji</b> Accounting Manager	<b>Vanessa Sellars</b> Financial Technician Lead	<b>Ellise Fowler</b> Financial Technician	<b>Helen Santana</b> Administrative Assistant II
	<b>Chris Wester</b> Portfolio Accounting Manager	<b>Adel Stacy</b> Financial Specialist SR	<b>Star Beutter</b> Financial Specialist	<b>Michelle Black</b> Employer Account Specialist
	<b>Kelly Schlangen</b> Financial Specialist SR	<b>Sharon Simon</b> Financial Support Technician	<b>Teresa Froehlke</b> Financial Technician	<b>Felicia Vines</b> Employer Account Specialist
	<b>Damian Julian</b> Employer Account Specialist			
<b>Kelly Cross</b> Quality Assurance Manager	<b>Trenton Powers</b> Operational Performance Analyst	<b>Brett Harper</b> Retirement Specialist	<b>Wayne Millar</b> Retirement Specialist	<b>Oneida de la Bretonne</b> Operational Performance Analyst
	<b>Branden Kennah</b> IT Manager II	<b>Pavel Denisov</b> IT Infrastructure Engineer III	<b>Brian Mickels</b> IT Infrastructure Engineer II	<b>Kris Colt</b> IT Ops & Support SR Tech
	<b>Stacy Parr</b> IT Software Engineer III	<b>Mamatha Bellamkonda</b> IT Software Engineer II	<b>Timothy Wolfrum</b> IT Software Engineer I	<b>Matthew Conlin</b> IT Software Engineer I
<b>Larry Sweat</b> IT Info Services Manager	<b>Catherine Atchison</b> Business Analyst			
	<b>Shasta Hinton Mills</b> Member Services Supervisor	<b>Rebecca Howard</b> Technical Records Specialist II	<b>Alan Hedquist</b> Technical Records Specialist I	<b>Pennie Lish</b> Member Services Rep
	<b>Tabitha Yarbro</b> Retirement Specialist	<b>Jolie Day</b> Retirement Counselor	<b>Lisa Oglesby Peterson</b> Customer Service Rep II	<b>Tiffany Sheppard</b> Technical Records Specialist II
	<b>Mary Holleron</b> Retirement Specialist	<b>Robert Stevahn</b> Technical Records Specialist I	<b>Veronica Rosado</b> Member Service Rep	<b>Lloyd Moore</b> Retirement Specialist
	<b>Alicia Harry</b> Retirement Counselor	<b>Tina Duran</b> Technical Records Specialist I	<b>Ryan Jensen</b> Member Service Rep	<b>Stephen Mytrysak</b> Technical Records Specialist II
<b>Lisa Conn</b> Member Services Manager	<b>Raymond Mikus</b> Member Services Supervisor	<b>Michelle Resendes</b> Member Service Rep	<b>Shawn Astin</b> Retirement Specialist	<b>Jessica Zazueta</b> Member Services Rep
		<b>Andrew Millar</b> Technical Records Specialist I	<b>Vacant</b> Technical Records Specialist I	<b>Dejah Devereaux</b> Member Service Rep



## INTRODUCTORY SECTION

### PLAN SUMMARY

#### THE SYSTEM

The Public Employee Retirement System of Idaho (the System) is the administrator of seven fiduciary funds. This includes three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan (PERSI Base Plan) the Firefighters' Retirement Fund (FRF) and the Judges' Retirement Plan (JRF), two defined contribution plans, the Public Employee Retirement Fund Choice Plan 401(k) and 414(k) (PERSI Choice Plans), and two Sick Leave Funds – one for state employers and one for school district employers.

The Retirement Board consists of five members, each appointed by the Governor to fulfill a 5-year term. The Board meets monthly to conduct System business, usually on the third Tuesday of each month at 8:30 a.m. at PERSI's headquarters office in downtown Boise.

Administrative expenditures, consisting of the personnel costs, operating expenditures, and capital outlay necessary to operate the System, are limited to those approved and appropriated by the Legislature for that purpose. In Fiscal Year 2024 (FY 2024), these costs totaled \$14,143,031 including \$1,510,528 depreciation and amortization, which are not cash expenditures and, therefore, not appropriated.

The majority of the System's 72 full time staff work in the headquarters office located at 607 North 8th Street, Boise, Idaho. There are two staff members in the Coeur d'Alene office, and six in the Pocatello office. The Executive Director and Investment Officers are exempt positions appointed by the Retirement Board to serve at its pleasure. The Deputy Director and Public Information Officer are exempt positions serving under the Executive Director. The Deputy Attorney General is assigned to PERSI by the Office of the Attorney General. All other staff members serve under statutes and personnel rules governing classified state service.

The System staff oversees the investment of the trust corpus and new contributions with professional investment managers and funding agents. The Retirement Board maintains fiduciary responsibility for investment policy, asset allocation, and the selection of individual investment managers as discussed in the Investment Section.

### SUMMARY OF PLAN PROVISIONS

#### DEFINED BENEFIT "BASE PLAN" PROVISIONS

Note: The items in parentheses are the provisions applicable to members designated as either PERSI firefighters or as PERSI police safety officer members for retirement purposes.

#### MEMBER CONTRIBUTION RATE

The employee contribution rate is set by statute at 60% (72%) of the employer rate. As of June 30, 2024, it was 6.71% (9.83%).

#### EMPLOYER CONTRIBUTION RATE

The employer contribution rate set by the Retirement Board was 11.18% (13.26%) as of June 30, 2024.

#### SERVICE RETIREMENT

##### ELIGIBILITY

Five years of service and age 65 (age 60 or between 60 and 65, depending on the ratio of police officer/firefighter service to total credited service).

## INTRODUCTORY SECTION

### AMOUNT OF ALLOWANCE

For each year of credited service, the monthly service retirement allowance as of June 30, 2024, was 2% (2.3%) of the monthly average salary of the member's highest 42 consecutive months.

### MINIMUM MONTHLY BENEFIT ALLOWANCE

Until February 28, 2024: for each year of service, the monthly minimum benefit allowance was \$29.99 (\$35.99) to a maximum of the member's accrued benefit. Effective March 1, 2024 the monthly minimum benefit allowance was \$30.29 (\$36.35).

### DISABILITY TO SERVICE RETIREMENT

The regular retirement allowance for disability changes to service retirement allowance when the member reaches service retirement age. The disabled member completes the normal retirement application, offering the ability to select other retirement options.

### OPTIONAL FORMS

Retirees may also choose 50% or 100% contingent annuitant options as well as Social Security "bridge" options. These are actuarial equivalents of the normal form based on the mortality and interest assumptions adopted by the Retirement Board. The allowance is payable for the life of the retiree and designated contingent annuitant.

### EARLY RETIREMENT

#### ELIGIBILITY

Five years of service and age 55 (age 50 or between 50 and 55, depending on the ratio of police officer/firefighter service to total credited service).

#### AMOUNT OF ALLOWANCE

Unreduced accrued service retirement allowance if age plus service, upon separation from employment, total 90 (80, or between 80 and 90, depending on the ratio of police officer/firefighter service to total credited service); otherwise, the accrued service retirement allowance is reduced 3% for each of the first 5 years by which the early retirement date precedes the date the member would be eligible to receive the unreduced benefit, and by 5.75% for each additional year to a maximum of a second 5 years. The unreduced benefit entitlement may be either at the service retirement eligibility date or the date eligible for the rule of 90(80).

#### FORMS

Regular retirement allowance; contingent annuitant allowances for the life of the retiree and a designated contingent annuitant; Social Security level income option for the life of the retiree only or for the life of the retiree and designated survivor.

### DISABILITY RETIREMENT

#### ELIGIBILITY

Active members must have 5 years of service, be unable to perform work of any kind, and be expected to remain disabled for life. They are eligible from the first day on the job if the disability is due to occupational causes.

#### AMOUNT OF ALLOWANCE

Projected service retirement allowance based on the highest 42-consecutive month average salary at the time of disability. The benefit is calculated using the accrued service at the time of disability plus the service which would have accrued through service retirement age had the disability not occurred. If a member has less than 360 months of service as of the date they are eligible for disability retirement, they will be given credit for the months of service they would have earned from the date of disability to the date they would have reached service retirement age (65 for general members/62 for police and firefighters) had they not become disabled (360 months of credited service maximum). In other words,

## INTRODUCTORY SECTION

PERSI will give members up to 30 years of credit or to service retirement age, whichever comes first. Monthly allowance is payable after all temporary compensation ceases and is offset by the amount payable as income benefit under worker's compensation law, except when offset by Social Security. Effective July 1, 2009, public safety officers who are injured in the line of duty and determined to be permanently disabled under Idaho Code 59-1302(12), may be eligible to receive a one-time, lump-sum payment of \$100,000.

### **DISABILITY TO SERVICE RETIREMENT**

The regular retirement allowance for disability changes to service retirement allowance when the member reaches service retirement age. The disabled member completes the normal retirement application offering them the ability to select other retirement options.

### **DEATH BENEFITS AFTER RETIREMENT**

Under the normal form of the retirement allowance, a Social Security adjustment option, or a disability retirement, the balance, if any, of the member's accumulated contributions and interest at retirement over all payments received is paid to the beneficiary in a lump sum. In the case of a disability retirement, the beneficiary may waive the lump sum if the retiree is married so that the spouse will receive a lifetime monthly allowance, or the beneficiary may take a lump-sum payment of two times the amount in the member's account at the time of disability retirement minus any amount paid. Under the contingent annuitant options, the designated annuitant receives a lifetime monthly benefit following the member's death. If the survivor dies before the balance of the member's accumulated contributions and interest has been paid, the balance will be paid to the beneficiary in a lump sum. If the member's designated contingent annuitant predeceases him/her, the member's allowance will be recalculated to a single life payment.

### **BEFORE RETIREMENT**

1. Non-vested Members:
  - a. Beneficiary receives a lump sum payment of the member's accumulated contributions plus interest.
2. Vested Members:
  - a. Beneficiary receives a lump sum payment of two times the member's accumulated contributions plus interest.
  - b. If the member is married, and the spouse is the sole beneficiary, the spouse may select a lump sum payment or a lifetime monthly benefit.
  - c. If the member is married, but the spouse is not the sole beneficiary, the beneficiary may waive the lump sum, in which case, a lifetime monthly benefit is available to the surviving spouse.
3. A \$100,000 death benefit for duty-related deaths for police officers/firefighters became effective July 1, 2003.

### **SEPARATION BENEFITS**

Accumulated member contributions with regular interest is payable upon becoming an inactive member separated from eligible employment. The Regular Interest Rate in effect for Fiscal Year 2024 was 8.20% from January 1 through June 30, 2024 (1.00% from July 1 through December 31, 2023) compounded monthly per annum.

## INTRODUCTORY SECTION

### POSTRETIREMENT ADJUSTMENTS

An annual postretirement adjustment based on and limited by a cost-of-living factor reflecting the changes in the Consumer Price Index-Urban (CPI-U) is effective in March each year. If the CPI-U change from August of the previous year to August of the second previous year is 1% or more, a 1% mandatory adjustment is made. The Board may authorize additional discretionary adjustments based on the CPI-U increase (up to a total maximum annual COLA of 6% or the CPI-U rate, whichever is lower) if it determines that the System can do so and still maintain an appropriately funded position as required by Idaho Code Section 59-1355(1). When discretionary COLA adjustments in excess of the 1% are authorized by the Board, they are reported to the Legislature. If the Legislature has not acted on the Board adjustment by the 45th day of the legislative session, the discretionary COLA, if any, becomes effective on March 1 of that year.

The Board is also authorized to award postretirement adjustments for prior years in which the actual amount of adjustment was less than the CPI-U for those years. If the CPI-U change is downward, in no event will any benefit be reduced below its initial amount.

The Board approved the mandatory and discretionary COLA of 1.00%, implemented on March 1, 2024.

# INTRODUCTORY SECTION



Public Employee Retirement System of Idaho

HELPING YOU BUILD A SECURE RETIREMENT

December 16, 2024

**Governor**  
Brad Little

**Retirement Board**  
Jeff Cilek, Chairman  
Joy Fisher  
Park Price  
Darin DeAngeli  
Lori Wolff

**Executive Director**  
Michael L. Hampton

---

**PHONES**

Answer Center 208-334-3365  
FAX 208-334-3805

**Toll Free**

Answer Center 1-800-451-8228  
Employer Line 1-866-887-9525

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**MAILING ADDRESS**

P.O. Box 83720  
Boise ID 83720-0078

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**BOISE**

Office Location Address  
607 North 8<sup>th</sup> Street  
Boise ID 83702-5518

---

**POCATELLO**

Office Location Address  
305 N. 3<sup>rd</sup> Avenue, Ste. B  
Pocatello ID 83201

---

**COEUR D'ALENE**

Office Location Address  
1250 W. Ironwood Drive, Ste. 316  
Coeur d' Alene ID 83814

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Choice Plan Recordkeeper  
1-866-437-3774

[www.persi.idaho.gov](http://www.persi.idaho.gov)

Equal Opportunity Employer

Dear Governor Little, Legislators, and Members of the Retirement System:

We are pleased to present to you the Public Employee Retirement System of Idaho (the System) annual comprehensive financial report, for the fiscal year ended June 30, 2024 (FY2024). This financial report is a historical perspective of benefits, services, and fiscal activities of the System. Included is a summary of our actuarial valuations, an independent auditors' report, an investment summary, and a statistical section.

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The System's MD&A can be found immediately following the independent auditors' report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERSI for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 33<sup>rd</sup> consecutive year PERSI has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

For the 22<sup>nd</sup> consecutive year, PERSI has been awarded the Public Pension Coordinating Council Standards Award. This award signifies that PERSI complies with the standard benchmarks for public defined benefit systems in the United States. The standards require a high level for the following: comprehensive benefit program, funding adequacy, accepted actuarial and audit practices, investment policy and evaluation, and member communications. This award is given to 50 to 60 public retirement systems each year.

This Letter of Transmittal is intended to serve as an overview of the System and to convey information on the topics that follow.



## INTRODUCTORY SECTION

### PLAN HISTORY

The Public Employment Retirement System of Idaho (PERSI) was created by the thirty-seventh Legislature, Regular Session of 1963 with funding effective July 1, 1965. It is a tax qualified, defined benefit system to which both the member and the employer contribute. Participation in the System is mandatory for eligible state and school district employees and available to other public employers and their employees on a contractual basis.

When the Teachers Retirement System of Idaho was abolished, members of that system were integrated into PERSI, and all other eligible school district employees became PERSI members effective July 1, 1967.

Legislative amendments since 1965 have made it possible for municipal police officer retirement funds to merge with the System, and two of the five police officer systems have since merged. The other three are being phased out, and police officers hired since 1969 have become PERSI members.

Legislation in 1979 mandated the Firefighters' Retirement Fund be administered by PERSI effective October 1, 1980. Paid firefighters who were members of the original system retained their original benefit entitlement, while paid firefighters hired after October 1, 1980, were entitled to PERSI benefits. An actuarial valuation of the firefighter member benefit entitlement is conducted at least every other year, separate from the annual PERSI valuation.

In January 2001, PERSI implemented a "Gain Sharing" program as a way to distribute \$155 million in excess investment earnings back to our active members, retirees, and employer members. Retirees received their gain sharing as a "13<sup>th</sup> check." Employers received their share as a contribution "holiday." Some 53,000 eligible active members received their portion as deposits into newly created defined contribution (DC) accounts. This new plan, named the "PERSI Choice 401(k) Plan," supplemented PERSI's traditional Defined Benefit (DB) "Base" Plan. It allowed employees for the first time to actively participate in saving for their retirement.

At the time of inception, the PERSI Choice 401(k) Plan was somewhat unique in the public sector. PERSI obtained permission from the Internal Revenue Service to expand a grandfathered State 401(k) to our members statewide. While some public employees were familiar with 457 or 403(b) plans, a 401(k) was something new to them. Many of our members had never had the opportunity to make such pre-tax voluntary contributions.

PERSI assumed the administration for the Judges' Retirement Fund (JRF) starting July 1, 2014.

### SERVICES PROVIDED

The ability of the System to serve both employee and employer members at the local level through the Boise, Pocatello, and Coeur d'Alene offices remains a key factor for efficient administration. The merging of other retirement systems with PERSI, plus statutory amendments over the years, have produced both multiple and diverse member benefit entitlements and administrative requirements. These can best be analyzed and explained to the members through personal contact with knowledgeable System staff members.

In its 59<sup>th</sup> year of operation, the System continued a wide range of services to both employee and employer members. Members may visit the PERSI website, call, email, or visit one of the three offices for personal information and assistance regarding credited service, account balances, eligibility, benefit options and amounts, and other retirement matters.

Members receive advance notice of service retirement qualification and are provided with estimates of monthly allowances. They also receive information regarding the availability of alternate forms of retirement payments. Retirement applications are processed in a timely fashion, and monthly payments

## INTRODUCTORY SECTION

are made promptly. Direct deposit of benefit payments are available to retired members as is withholding for income tax, medical insurance, or other purposes.

System retirees are provided notices whenever their net benefit amount changes. This notice gives retirees a list of their itemized deductions from their gross benefit. Retirees may also access additional account information through the online web portal.

Separation and death benefits are paid in an orderly manner and as rapidly as possible. Employee contributions and earned interest are posted to individual member accounts each month, and an annual statement is provided to each member confirming their average monthly salary, credited service, contributions, and earned interest. In addition, a report of benefits accrued to date is provided along with an estimate of benefits projected ahead to various retirement ages.

PERSI's employer units are responsible for reporting and handling retirement transactions and activities. They are provided regular training and assistance through monthly newsletters, employer training sessions throughout the State, and personal contacts with PERSI staff, as needed.

Upon request, public employers interested in affiliation with the System are counseled and provided with information regarding employee benefits, cost, and procedures associated with joining. Conversely, employers considering withdrawal are provided information and employee benefit projections to enable them to make an informed decision.

Pre-retirement and financial planning workshops, offered on a regular basis throughout the State, cover financial planning, budgeting, investment basics, and Social Security, Medicare, and System benefits.

### **EMPLOYEE AND EMPLOYER MEMBERSHIP**

During Fiscal Year 2024, the number of active PERSI members increased from 76,668 to 78,354. The number of retired members or annuitants receiving monthly allowances increased from 54,680 to 56,084. The number of inactive members who have not been paid a separation benefit increased from 52,074 to 55,054. Of these inactive members, 16,546 have achieved vested eligibility. Total membership in PERSI increased from 183,422 to 189,492 during the fiscal year. There are currently 862 public employers in Idaho who are PERSI members. Participating employers are listed in the Statistical Section of this report.

### **MANAGEMENT RESPONSIBILITY**

The System's management is responsible for the complete and fair presentation of the data and the accompanying disclosures in this report. The financial statements and supplemental schedules included in this report have been prepared in accordance with generally accepted accounting principles for governmental accounting and reporting as pronounced or adopted by the Governmental Accounting Standards Board.

### **INDEPENDENT AUDIT**

The System is audited annually, and for the fiscal year ended June 30, 2024, the audit was conducted by Eide Bailly, LLP, an independent firm of Certified Public Accountants. Refer to the Independent Auditors' Report for their audit opinion.

### **INTERNAL ACCOUNTING CONTROL**

As an agency of the State of Idaho, the System's administrative expenses are subject to the State's budget controls. Management is responsible for maintaining a system of internal accounting controls designed to provide reasonable assurance transactions are executed in accordance with management's general or specific authorization and are recorded as needed to maintain accountability for assets to permit preparation of financial statements. Internal controls have inherent limitations and their costs should not outweigh their benefits. Internal control procedures have been established, and a

## INTRODUCTORY SECTION

budget report is prepared for the Board. We believe the internal controls in effect during Fiscal Year 2024 adequately safeguard the assets and provide reasonable assurance regarding the proper recording of financial transactions.

### FINANCIAL HIGHLIGHTS

Collection of employer and employee contributions, as well as income and gains from investments, provides the reserves necessary to finance retirement benefits. These income sources totaled \$3,126,837,929 for all pension funds during the fiscal year ended June 30, 2024.

#### ADDITIONS:

Contributions	\$	1,018,449,495
Transfers/Rollovers		13,856,579

#### INVESTMENT INCOME:

Net Appreciation (Depreciation) in Fair Value of Investments	1,683,819,365
Interest, Dividends and Other Investment Income	474,739,187
Less: Investment Expenses	(65,396,706)
Net Investment Income	<u>2,093,161,846</u>

#### OTHER INCOME

Total Additions	<u>1,370,009</u>
	<u>\$ 3,126,837,929</u>

The payment of benefits is the primary expense of a retirement system. The payments, together with the expenses to administer the Plan, constitute the total expenses of the System. Expenses for Fiscal Year 2024 are as follows:

#### DEDUCTIONS:

Benefits and Refunds	\$	1,429,922,933
Administrative Expenses		14,143,031
Total Deductions	<u>\$</u>	<u>1,444,065,964</u>

### ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS

Future benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future salary. The actuarial present value of future benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Simply put, it is the amount that would have to be invested on the valuation date so the amount invested plus investment earnings will provide sufficient assets to pay total future benefits when due.

The actuarial present value was calculated as part of an actuarial valuation at July 1, 2024. Significant actuarial assumptions used include: a gross investment return rate of present and future assets of 6.35% compounded annually, (6.30% plus 0.05% for expenses); projected salary increases of 3.05% per year compounded annually, attributable to general wage increases; additional projected salary increases attributable to seniority/merit, up to 6.25% per year, depending on service and employee classification, and; 1.00% per year attributable to postretirement benefit increases.

At June 30, 2024, the Unfunded Actuarial Accrued Liability (UAAL) for the PERSI Base Plan, on a current contribution basis, was \$4.2 billion with an amortization period of 10.8 years, which is less than the 25 year maximum allowed by statute. The UAAL differs from the Net Pension Liability (NPL) in that the long-term expected rate of return for the UAAL was 6.30%, 6.35% net of 0.05% for expected



## INTRODUCTORY SECTION

administrative expenses. This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and NPL for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%.

	PERSI Base Plan 2024	FRF 2024	JRF 2024
Total pension liability	\$25,872,407,517	\$ 233,798,004	\$ 135,125,435
Plan fiduciary net position	22,131,762,631	485,494,091	117,794,977
Employers' net pension liability (asset)	<u>\$ 3,740,644,886</u>	<u>\$ (251,696,087)</u>	<u>\$ 17,330,458</u>
Plan fiduciary net position as a percentage of total pension liability	<u>85.54 %</u>	<u>207.66 %</u>	<u>87.17 %</u>

### ECONOMIC CONSIDERATIONS

The System operates within a dynamic economic environment, as do all investment funds. The objective of the Retirement Board is to minimize the effect of these external influences, where possible, by diversifying among a broad range of asset classes and investment management styles, both domestically and internationally. Such diversification, combined with prudent management by experienced investment professionals, increases the probability the earnings objective will be achieved. The investment return for Fiscal Year 2024 was 9.15% gross, 8.84% net of investment expenses, and 8.79% net of all expenses.

Defined benefit pension systems plan for and make decisions based on the long term (20 to 25 year) nature of pension funding and benefits. PERSI is funded on a sound actuarial basis, which protects future benefits for participants. Over the long term, the Plan's investment assets have exceeded their expected returns. Short-term fluctuations in investment performance make good headline news, but are much less important when viewed in the long range context of pension plans. Sound investment strategies that are, in the words of former CIO Bob Maynard, "Simple, Transparent, Focused, and Patient" along with reasonable actuarial assumptions are the key ingredients to a successful, well funded pension plan.

### INVESTMENT STRATEGY AND POLICIES

The Retirement Board utilizes and directs agents to provide whatever investment management and custodial functions best achieve the System's investment objectives. The Board establishes asset allocation policy, diversification guidelines, custodial functions including safe-guarding of investments, and investment guidelines and restrictions. Each money manager is generally granted full discretion in making investment decisions within their guidelines. The Board, staff, and consultants monitor and evaluate investment results. The Board, in its administration of this System and management of the investment program, is guided by the fiduciary standards in Section 59-1301 of the Idaho Code and the Idaho Uniform Prudent Investor Act, in Sections 68-501 through 68-514 of the Idaho Code and is empowered in its sole discretion to limit, control, and designate the types, kinds, and amounts of investments.

PERSI's total fund return was 8.79% net of all expenses for Fiscal Year 2024. The policy benchmark return is 6.30% net of all expenses. PERSI continues to rank in the top quartile over the long term when compared to our peer universe of other statewide public pension funds across the country.

## INTRODUCTORY SECTION

The investment mix at fair value as of the end of Fiscal Year 2024 was 60% domestic and global equity, 11% international equity, and 29% fixed income. The System's investment outlook is long-term, allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category. The portfolio is broadly diversified with additional diversification achieved through domestic and international investing. See the Management's Discussion and Analysis and Investment Section of this report for more detailed analysis and information.

### FUNDING STATUS

The funding objective of PERSI is to accumulate sufficient assets to ensure funds will be available to meet current and future benefit obligations to participants on a timely basis. If the level of funding is high, the ratio of assets to the actuarial accrued liability is also greater, which means better investment income potential. Each year an independent actuary engaged by PERSI calculates the amount of the annual contribution the plans must make to fully meet their obligations to their members. As of July 1, 2024, the PERSI Base Plan had an amortization period of 10.8 years and a funding ratio of 85.4% of the present value of the projected benefits earned by employees. The closed Firefighters' Retirement Fund is fully funded as of the July 1, 2024 valuation. The Judges' Retirement Fund had a funding ratio of 84.8% and amortization period of 11.4 years. When the amortization period exceeds the statutory limit of 25 years, the Board reviews contribution rates. The actuarial method for calculating accrued liability for all three plans is Entry Age Normal with the objective of maintaining employer contributions approximately level as a percent of member payroll. For a more in-depth discussion of PERSI's funding, see Management's Discussion and Analysis and the Actuarial Section of this report.

### MAJOR INITIATIVES

PERSI's attention to customer service has always been one of its cornerstones, and leadership continues to believe personalized customer service is key to all generations of members. PERSI cannot afford to have any generation ignored and/or be uninformed about its benefits.

PERSI's educational outreach remains focused on making sure members, employers and lawmakers understand and appreciate the value of the PERSI benefit. The training staff continues to work directly with employers, engaging members earlier in their careers, and providing expanded workshops explaining the value of the PERSI benefit.

PERSI is committed to providing workshops for members in every county of Idaho in 2024, and meeting that goal. Technology has enhanced PERSI's outreach, but will not replace its in-person efforts that have proven to be very successful. PERSI continues to evaluate its methods but only utilizes automation if it believes it provides increased value.

PERSI is sincerely grateful to the Idaho Legislature for its wisdom during times of modest market returns. Idaho statute has measures in place that keep required contributions to the fund set at a rate that will sustain the fund during less than stellar market years.

### ACKNOWLEDGMENTS

This financial report of the Public Employee Retirement System of Idaho was prepared by staff under the leadership of the Retirement Board. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a method of determining responsible stewardship for the assets contributed by the members and their employers.

**INTRODUCTORY SECTION**

This report is being sent to the Governor, State Legislators, and other interested parties.

Respectfully submitted,



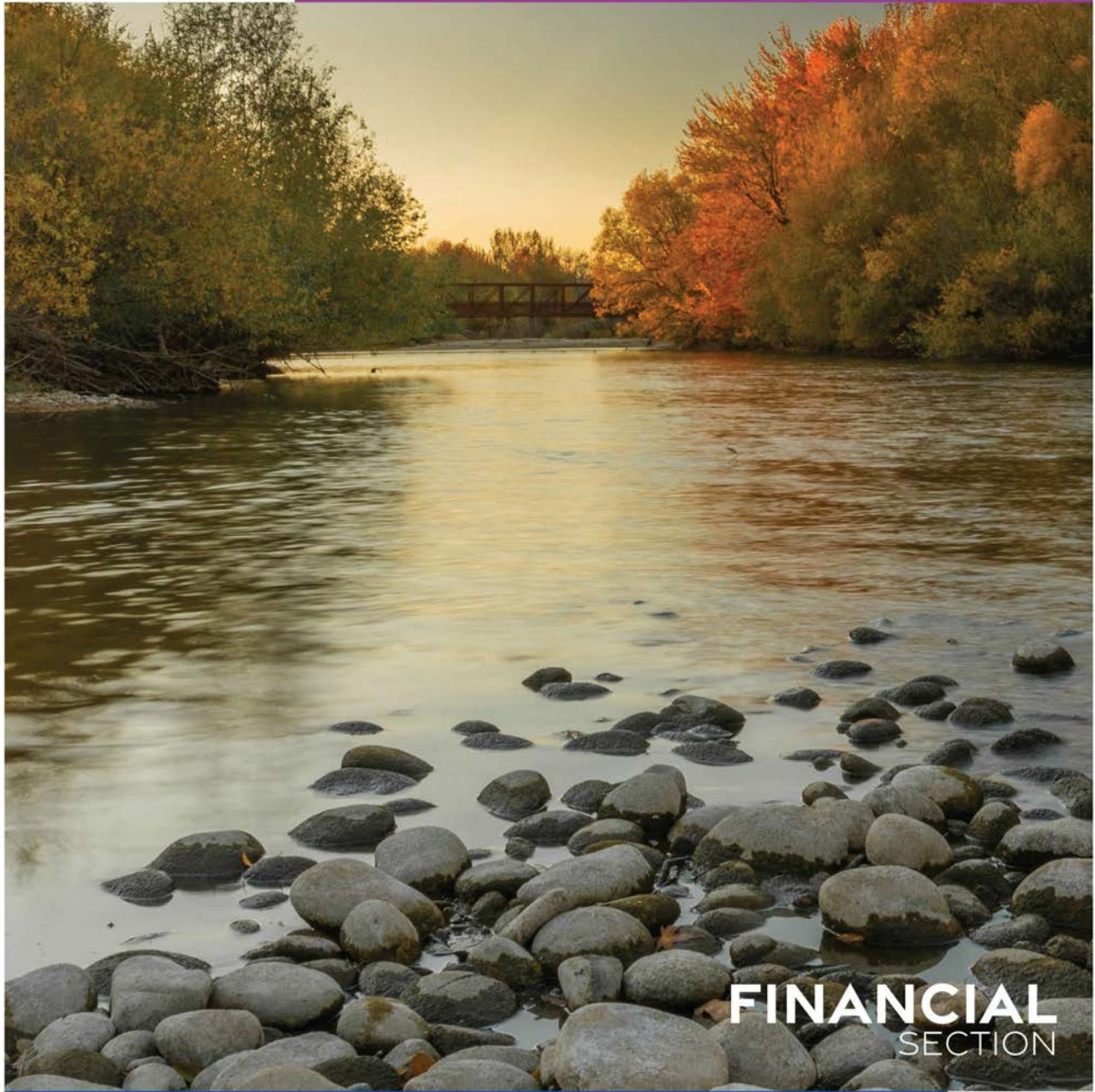
Jeff Cilek - Chairman

Michael Hampton - Executive Director

Mike Anderson - Financial Executive Officer

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## FINANCIAL SECTION



### INDEPENDENT AUDITOR'S REPORT

To the Retirement Board  
Public Employee Retirement System of Idaho  
Boise, Idaho

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of the pension and other trust funds of the Public Employee Retirement System of Idaho (the System), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the System, as of June 30, 2024 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### Emphasis of Matter

As discussed in Note 1, the financial statements of the Public Employee Retirement System of Idaho are intended to present the fiduciary net position and changes in fiduciary net position of only the Public Employee Retirement System of Idaho. They do not purport to, and do not, present fairly the net position of the State of Idaho as of June 30, 2024, or the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

##### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair



## FINANCIAL SECTION

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for the reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 22-30 and 62-81 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing



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the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The other supplementary information on pages 82-84 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Report on Summarized Comparative Information**

We have previously audited the Public Employee Retirement System of Idaho's June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

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*Eide Bailly LLP*

November 5, 2024  
Boise, Idaho

## FINANCIAL SECTION

# PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

### MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2024

Management is pleased to provide Management’s Discussion and Analysis (“MD&A”) of the financial activities of the Public Employee Retirement System of Idaho (the “System” or “PERSI”) as of and for the year ended June 30, 2024. The June 30, 2023 amounts are combined and are provided for comparative purposes. This overview and analysis is designed to focus on current known facts and activities and resulting changes.

The System administers seven fiduciary funds. These consist of three defined benefit pension trust funds – the PERSI Base Plan, the Firefighters’ Retirement Fund (FRF) and the Judges’ Retirement Fund (JRF), two defined contribution pension trust funds – the PERSI Choice Plan 401(k) and 414(k), and two Sick Leave Funds – State and Schools.

#### Financial Highlights

- The change in net position for all pension and other funds administered by the System increased \$1.7 billion and increased \$1.6 billion in Fiscal Year 2024 and Fiscal Year 2023, respectively. The change in the defined benefit plans reflects the total of contributions received and an investment return less benefits paid and administrative expenses. Changes in net position for the fiscal years ending June 30, 2024 and 2023, were as follows:

	2024	2023
PERSI Base Plan	\$ 1,436,290,645	\$ 1,345,658,945
FRF	14,059,149	23,814,735
JRF	6,777,873	7,081,384
PERSI Choice Plan 414(k)	767,384	399,709
PERSI Choice Plan 401(k)	170,540,476	152,320,556
Sick Leave Fund - State	25,148,588	14,319,078
Sick Leave Fund - Schools	29,187,850	14,933,231
	\$ 1,682,771,965	\$ 1,558,527,638
Total increase (decrease) in plan net position		

Assets for the three defined benefit plans, the PERSI Base Plan, FRF and JRF, are pooled for investment purposes. For the fiscal years ended June 30, 2024 and 2023, the rate of return net of investment expenses on the investment assets are detailed below (these are plan-level returns). For the defined contribution plans, the PERSI Choice Plan 401(k) and 414(k), individual participant returns will vary depending on their specific investment choices. Returns for Choice Plan options can be found on the PERSI website under Investments/Choice Plan.

	2024	2023
PERSI Defined Benefit Plans	8.8%	9.2%
Sick Leave Fund - State	12.1%	8.2%
Sick Leave Fund - Schools	11.8%	8.1%

- All of the plans experienced investment gains in Fiscal Year 2024 as a result of positive market performance. Net investment income (loss) for all of the funds administered by the System for the fiscal years ending June 30, 2024 and 2023, was \$2.1 billion and \$2.0 billion, respectively.



## FINANCIAL SECTION

### SICK LEAVE FUNDS

#### State Members

	2024	2023
Total OPEB liability	\$ 124,248,515	\$ 115,683,555
Plan fiduciary net position	283,970,452	258,821,864
Employers' net OPEB liability (asset)	\$ (159,721,937)	\$ (143,138,309)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	228.6 %	223.7 %

#### School Members

	2024	2023
Total OPEB liability	\$ 310,957,009	\$ 298,248,684
Plan fiduciary net position	400,002,927	370,815,077
Employers' net OPEB liability (asset)	\$ (89,045,918)	\$ (72,566,393)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	128.6 %	124.3 %

### Using the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the System's financial statements. The financial section is comprised of four additional components: (1) fund financial statements, (2) notes to financial statements, (3) required supplementary information, and (4) additional supplementary schedules.

*Fund Financial Statements* — There are two financial statements presented for the fiduciary funds. The statements of fiduciary net position as of June 30, 2024 with comparable 2023 totals indicates the fiduciary net position available to pay future benefits and gives a snapshot at a particular point in time. The statements of changes in fiduciary net position for the year ended June 30, 2024 with comparable 2023 totals provides a view of the current year's activity. It details the additions and deductions to the individual funds and supports the change to the prior year's ending net position on the statements of fiduciary net position. All pension fund statements are presented on a full accrual basis and reflect all trust activities, as incurred.

*Notes to Financial Statements* — The notes provide additional information essential for a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 35-61 of this report.

*Required Supplementary Information* — The required supplementary information consists of the Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability (Asset), Schedule of Net Pension Liability (Asset), Schedule of Contributions, Schedule of Investment Returns and related notes concerning the methods and assumptions used in calculations of actuarially determined contributions. In addition, required supplementary information includes Schedule of Changes in Net Other Post Employment Benefit (OPEB) Liability (Asset), Schedule of Net OPEB Liability (Asset), Schedule of Contributions – OPEB, Schedule of Investment Returns – Sick Leave Funds as well as related notes concerning the methods and assumptions used in the calculation of the OPEB Liability (Asset).

*Additional Supplementary Schedules* — The additional schedules (Schedule of Investment Expenses and Schedule of Administrative Expenses) are presented for additional analysis.

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### Comparative Financial Statements

*Defined Benefit Pension Trust Funds* — The PERSI Base Plan, the Firefighters' Retirement Fund, and the Judges' Retirement Fund are qualified plans under the Internal Revenue Code and provide retirement, disability and death benefits to the employees of affiliated employers. Benefits are funded by member and employer contributions and by earnings on investments. Assets for these plans are pooled only for investment purposes.

#### Defined Benefit Pension Trust Funds Net Position

	As of June 30, 2024	As of June 30, 2023	\$ Change	% Change
<b>Assets:</b>				
Cash and cash equivalents	\$ 36,325,610	\$ 11,997,313	\$ 24,328,297	202.8 %
Investments sold receivable	90,075,541	45,033,390	45,042,151	100.0
Other receivables	108,673,084	82,150,872	26,522,212	32.3
Investments - at fair value	22,586,839,307	21,186,406,193	1,400,433,114	6.6
Prepaid retiree benefits	103,212,426	98,003,890	5,208,536	5.3
Assets used in plan operation (net)	5,250,221	4,846,769	403,452	8.3
Due from other plans	—	35,000	(35,000)	—
<b>Total assets</b>	<b>22,930,376,189</b>	<b>21,428,473,427</b>	<b>1,501,902,762</b>	<b>7.0</b>
<b>Liabilities:</b>				
Investment purchased payable	163,140,579	119,122,833	44,017,746	37.0
Other liabilities	17,807,346	17,049,997	757,349	4.4
<b>Total liabilities</b>	<b>180,947,925</b>	<b>136,172,830</b>	<b>44,775,095</b>	<b>32.9</b>
<b>Net Position:</b>				
Assets used in plan operation (net)	5,250,221	4,846,769	403,452	8.3
Net position restricted for pensions	22,744,178,043	21,287,453,828	1,456,724,215	6.8
<b>Net Position</b>	<b>\$22,749,428,264</b>	<b>\$21,292,300,597</b>	<b>\$1,457,127,667</b>	<b>6.8 %</b>

The fair value of investments increased due to the investment return of 8.84% (net of investment expenses). Liabilities for benefits and refunds payable vary at fiscal year end depending on member request and timing. Change in asset values and timing of payments can affect the balance of liabilities at the statements of fiduciary net position date.

The percent change in investments sold receivable and investments purchased payable fluctuates as the volume of trading activity by the System's professional investment managers' changes. The cash balance change was due to normal fluctuations in operating cash requirements and the timing of transfers to investment managers.

## FINANCIAL SECTION

### Defined Benefit Pension Trust Funds Changes in Net Position

Net Investment Income gain (loss) for Fiscal Year 2024 was \$1.9 billion, as compared to Fiscal Year 2023's gain (loss) of \$1.8 billion. Fiscal years 2024 and 2023 had changes in gross returns of 9.15% and 9.49%, contributions and other additions totaling \$925.5 million and \$859.7 million, total additions including net investment income (loss) and contributions totaling \$2.8 billion and \$2.7 billion, respectively.

In Fiscal Year 2024, the net investment gain resulted in an increase of \$2.8 billion in the additions section. Total deductions were \$1.3 billion which paid for the benefits and administrative expenses. In Fiscal Year 2023, total additions of \$2.7 billion were greater than the \$1.3 billion paid for benefits and administrative expenses by \$1.4 billion.

For Fiscal Year 2024, Benefits and Refunds Paid increased due to an increase in the number of retirees receiving benefits, as well as from an increase in the annual Post-Retirement Allowance Adjustment (PRAA) for benefits paid to retirees. The PRAA adjustment for 2024 was 1.0%, equal to 2023's 1.0% increase. A net investment gain resulted in a positive return in Fiscal Year 2024, just as a net investment gain resulted in a positive return for the Fiscal Year 2023.

	Year Ended June 30, 2024	Year Ended June 30, 2023	\$ Change	% Change
<b>Additions:</b>				
Member contributions	\$ 360,327,235	\$ 336,570,703	\$ 23,756,532	7.1 %
Employer contributions	563,839,697	522,613,531	41,226,166	7.9
Net investment income (loss)	1,863,103,899	1,804,821,171	58,282,728	3.2
Other additions	1,343,514	534,732	808,782	151.2
Total additions (losses)	<u>2,788,614,345</u>	<u>2,664,540,137</u>	<u>124,074,208</u>	<u>4.7</u>
<b>Deductions:</b>				
Benefits and refunds paid	1,319,916,140	1,277,825,826	42,090,314	3.3
Administrative expenses	11,570,538	10,159,247	1,411,291	13.9
Total deductions	<u>1,331,486,678</u>	<u>1,287,985,073</u>	<u>43,501,605</u>	<u>3.4</u>
Changes in net position	<u>\$ 1,457,127,667</u>	<u>\$ 1,376,555,064</u>	<u>\$ 80,572,603</u>	<u>5.9 %</u>
Ending net position	<u>\$22,749,428,264</u>	<u>\$21,292,300,597</u>	<u>\$ 1,457,127,667</u>	<u>6.8 %</u>

### Defined Contribution Pension Trust Funds

During Fiscal Year 2024, the System administered two defined contribution plans. The PERSI Choice Plans, qualified plans under Internal Revenue Code, consist of a 401(k) plan and a 414(k) plan and provide another retirement benefit option to members of the Defined Benefit Pension Plans.

The 401(k) Plan consists of employee voluntary contributions, rollover contributions, and some employer matching contributions. The 414(k) Plan represents the gain sharing allocation made to eligible PERSI members during Fiscal Year 2001. The assets of these plans are pooled for investment purposes, but the 414(k) Plan cannot be used to pay the benefits of the 401(k) Plan and vice versa.

## FINANCIAL SECTION

### Defined Contribution Pension Trust Funds Net Position

	As of June 30, 2024	As of June 30, 2023	\$ Change	% Change
<b>Assets:</b>				
Cash	\$ 2,838,944	\$ 2,182,682	\$ 656,262	30.1 %
Short-term investments	2,634,070	1,251,403	1,382,667	110.5
Investments - at fair value	1,643,494,666	1,475,487,842	168,006,824	11.4
Receivables	6,575,747	5,213,734	1,362,013	26.1
Total assets	<u>1,655,543,427</u>	<u>1,484,135,661</u>	<u>171,407,766</u>	<u>11.5</u>
<b>Liabilities:</b>				
Other liabilities	<u>581,356</u>	<u>481,450</u>	<u>99,906</u>	<u>20.8</u>
Net Position	<u>\$ 1,654,962,071</u>	<u>\$ 1,483,654,211</u>	<u>\$ 171,307,860</u>	<u>11.5 %</u>

Net position increased from Fiscal Year 2023 to Fiscal Year 2024. The change reflects a positive return in the investment market. The change in cash is due to the timing of a transfer of funds at the end of the month. Receivables include contributions that are not yet recorded by the record keeper at year end plus accrued interest and dividends. The change in other liabilities consists of amount due to the base plan, administrative expenses payable and stale dated checks payable.

### Defined Contribution Pension Trust Funds Changes in Net Position

	Year Ended June 30, 2024	Year Ended June 30, 2023	\$ Change	% Change
<b>Additions:</b>				
Member contributions	\$ 83,545,730	\$ 80,103,170	\$ 3,442,560	4.3 %
Employer contributions	10,736,833	9,571,246	1,165,587	12.2
Rollovers	13,856,579	11,169,245	2,687,334	24.1
Net investment income (loss)	156,269,306	131,399,032	24,870,274	18.9
Total additions (losses)	<u>264,408,448</u>	<u>232,242,693</u>	<u>32,165,755</u>	<u>13.9</u>
<b>Deductions:</b>				
Benefits and refunds paid	90,666,100	77,070,556	13,595,544	17.6
Administrative expenses	2,434,488	2,451,872	(17,384)	(0.7)
Total deductions	<u>93,100,588</u>	<u>79,522,428</u>	<u>13,578,160</u>	<u>17.1</u>
Change in net position	<u>\$ 171,307,860</u>	<u>\$ 152,720,265</u>	<u>\$ 18,587,595</u>	<u>12.2 %</u>
Ending net position	<u>\$ 1,654,962,071</u>	<u>\$ 1,483,654,211</u>	<u>\$ 171,307,860</u>	<u>11.5 %</u>

The current fiscal year saw a higher investment return than the prior fiscal year. Member contributions increased due to an increase in salary deferrals as well as an increase in the number of members actively contributing. Rollovers represent rollovers from other plans. Changes in employer contributions vary up or down according to individual employers' desire to match employee contributions. The increase in benefits and refunds paid is a result of an increase in the number of retirees receiving benefits.



## FINANCIAL SECTION

### Other Trust Funds

During Fiscal Year 2024, the System administered two Sick Leave Funds. The PERSI Sick Leave Funds provide payment of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The Fund's contributions are financed by state agency and school district employers of the System which make up the two separate trusts.

### Sick Leave Funds Net Position

	As of June 30, 2024	As of June 30, 2023	\$ Change	% Change
<b>Assets:</b>				
Cash	\$ 1,534,704	\$ 27,607	\$ 1,507,097	5,459.1 %
Investments - at fair value	682,484,719	628,177,675	54,307,044	8.6
Prepaid insurance premium	—	1,511,425	(1,511,425)	(100.0)
Total assets	<u>684,019,423</u>	<u>629,716,707</u>	<u>54,302,716</u>	<u>8.6</u>
<b>Liabilities:</b>				
Other liabilities	<u>46,044</u>	<u>79,766</u>	<u>(33,722)</u>	<u>(42.3)</u>
Net Position	<u>\$ 683,973,379</u>	<u>\$ 629,636,941</u>	<u>\$ 54,336,438</u>	<u>8.6 %</u>

The net position increased in Fiscal Year 2024 from Fiscal Year 2023 because of positive investment returns. Due to an implementation of new accounting software by the State of Idaho, an enhanced functionality now allows for more than one benefit payment file to be processed on the same day, which resulted in changes in timing for cash and prepaid insurance premiums.

### Sick Leave Funds Changes in Net Position

	Year Ended June 30, 2024	Year Ended June 30, 2023	\$ Change	% Change
<b>Additions:</b>				
Employer contributions	\$ —	\$ (12,454)	\$ 12,454	(100.0)%
Net investment income (loss)	73,788,641	48,118,768	25,669,873	53.3
Other additions	26,495	10,432	16,063	154.0
Total additions (losses)	<u>73,815,136</u>	<u>48,116,746</u>	<u>25,698,390</u>	<u>53.4</u>
<b>Deductions:</b>				
Benefits and refunds paid	19,340,693	18,744,801	595,892	3.2
Administrative expenses	138,005	119,636	18,369	15.4
Total deductions	<u>19,478,698</u>	<u>18,864,437</u>	<u>614,261</u>	<u>3.3</u>
Change in net position	<u>\$ 54,336,438</u>	<u>\$ 29,252,309</u>	<u>\$ 25,084,129</u>	<u>85.8 %</u>
Ending net position	<u>\$ 683,973,379</u>	<u>\$ 629,636,941</u>	<u>\$ 54,336,438</u>	<u>8.6 %</u>

In the November 2021 meeting, the PERSI Board extended the rate holiday for employer contributions for Schools and for State to June 30, 2026 and June 30, 2031, respectively. There were no Sick Leave Funds contributions received in fiscal years 2023 and 2024. Refunds of employer contributions due to participant audits have been previously reported as negative employer contributions. Going forward these

## FINANCIAL SECTION

refunds will be reported in Administrative expense. The changes in net position for Fiscal Year 2024 reflect a net investment return of 12.1% and 11.8% for State and Schools Funds, respectively, resulting in \$74 million in net investment income, compared to \$48 million gain for Fiscal Year 2023. The increase in other additions was due to increased interest earnings on the cash balance held at the Idaho State Treasurer's Office.

### Plan Membership

This table reflects PERSI Base Plan and PERSI Choice Plans membership as of June 30, 2024 and 2023.

<u>Base Plan</u>	<u>2024</u>	<u>2023</u>
Active participants	78,354	76,668
Vested - Base Plan	45,229	44,627
Non-vested - Base Plan	33,125	32,041
Retirees and beneficiaries	56,084	54,680
Terminated and vested	16,546	16,106
Terminated and non-vested	38,508	35,968
Total membership	<u>189,492</u>	<u>183,422</u>

<u>Choice Plan</u>	<u>2024</u>	<u>2023</u>
Participants	44,452	43,440
Actively contributing	21,253	20,762
Periodic installment payments	2,771	3,537
Total membership	<u>68,476</u>	<u>67,739</u>

### Retirees and Beneficiaries (Base Plan)

While the above table reflects changes in active participants, the following table demonstrates the changes in Base Plan retirees and beneficiaries for the Fiscal Years 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Beginning - July 1	54,680	53,190
New Retirements	2,613	2,799
Death of Retiree/Beneficiary	(1,209)	(1,309)
Ending - June 30	<u>56,084</u>	<u>54,680</u>

### Investment Activities

Long-term (20 - 25 year) asset growth is vital to the Defined Benefit Plans' current and continued financial stability. Therefore, trustees have a fiduciary responsibility to act with prudence and discretion when making plan investment decisions. To assist the Board in this area, a comprehensive formal investment policy is updated periodically. As managers are added, specific detailed investment guidelines are developed, adopted, and become part of that manager's agreement.

Portfolio performance is reviewed monthly by the Board and its consultants. Performance is evaluated individually, by money manager style, and collectively by investment type and for the aggregate portfolio. Investment types include both domestic and international equities, domestic and international fixed income, private equity and real estate.

## FINANCIAL SECTION

### **Economic Factors**

At July 1, 2024, PERSI's Base Plan had a net pension liability (asset) of \$3.7 billion, a decrease compared to the July 1, 2023 liability (asset) of \$4.0 billion. The investment return net of all expenses for 2024 was 8.79% compared to the assumed return of 6.3%. The difference between the assumed rate and the actual rate of return resulted in the decrease in the net pension liability. The fund ended the fiscal year to finish at 9.15% gross before expenses investment rate of return. The amortization period of the unfunded liability for Fiscal Year 2024 is 10.8 years which is less than the 25 year maximum allowed by statute.

Since inception, the cumulative funding of the Plan is 67% investment income, 20% employer contributions and 13% member contributions. PERSI is viewed as a well-run and conservatively managed pension plan compared to plans nationally. This reputation stems from sound decisions made by the legislature and the Board.

The Board has and will continue to make appropriate choices regarding investments, contributions, and actuarial assumptions with the goal of maintaining the long-term sustainability of the Plan.

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

#### STATEMENTS OF FIDUCIARY NET POSITION

JUNE 30, 2024 WITH COMPARATIVE FINANCIAL INFORMATION FOR JUNE 30, 2023

	Pension Trust Funds		
	PERSI Base Plan	Firefighters' Retirement Fund	Judges' Retirement Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 35,493,488	\$ 782,957	\$ 49,165
Investments - at fair value			
Fixed income investments			
Domestic	5,649,673,890	124,627,223	30,133,353
International	9,198,460	202,911	49,061
Idaho commercial mortgages	757,926,875	16,719,252	4,042,513
Short-term investments	256,529,845	5,658,840	1,368,239
Real estate equities	998,595,697	22,028,211	5,326,155
Equity securities			
Domestic	10,224,154,455	225,536,554	54,532,007
International	2,400,468,987	52,952,399	12,803,249
Private equity	1,688,070,108	37,237,457	9,003,566
Mutual, collective, unitized funds	—	—	—
Total investments	21,984,618,317	484,962,847	117,258,143
Receivables			
Investments sold	87,648,911	1,959,009	467,621
Administrative fee	—	—	—
Contributions	27,095,679	—	526,926
Interest and dividends	78,866,984	1,762,727	420,768
Total receivables	193,611,574	3,721,736	1,415,315
Assets used in plan operations	5,250,221	—	—
Due from other plans	—	—	—
Prepaid retiree benefits	103,212,426	—	—
Total assets	22,322,186,026	489,467,540	118,722,623
<b>LIABILITIES</b>			
Accrued liabilities	16,825,001	331,148	80,712
Benefits and refunds payable	557,727	12,758	—
Due to other plans	—	—	—
Investments purchased	158,664,102	3,629,543	846,934
Total liabilities	176,046,830	3,973,449	927,646
<b>NET POSITION</b>			
Net position restricted for OPEB	—	—	—
Net position restricted for pensions	22,146,139,196	485,494,091	117,794,977
Total net position	\$ 22,146,139,196	\$ 485,494,091	\$ 117,794,977

See Notes to Financial Statements

## FINANCIAL SECTION

Pension Trust Funds		Other Trust Funds		Totals	
PERSI Choice Plan		Sick Leave Funds			
401(k)	414(k)	State	Schools	2024	2023
\$ 2,713,089	\$ 125,855	\$ 452,033	\$ 1,082,671	\$ 40,699,258	\$ 14,207,602
—	—	126,055,414	182,298,635	6,112,788,515	5,485,078,816
—	—	—	—	9,450,432	14,661,129
—	—	—	—	778,688,640	760,773,847
2,634,070	—	—	—	266,190,994	284,175,663
—	—	—	—	1,025,950,063	1,211,577,521
—	—	127,451,585	173,243,498	10,804,918,099	9,504,241,965
—	—	30,030,504	43,405,083	2,539,660,222	2,912,921,125
—	—	—	—	1,734,311,131	1,642,405,205
1,585,285,539	58,209,127	—	—	1,643,494,666	1,475,487,842
1,587,919,609	58,209,127	283,537,503	398,947,216	24,915,452,762	23,291,323,113
				90,075,541	45,033,390
184,928	8,372	—	—	193,300	184,309
1,815,004	—	—	—	29,437,609	9,865,672
4,421,324	146,119	—	—	85,617,922	77,314,625
6,421,256	154,491	—	—	205,324,372	132,397,996
—	—	—	—	5,250,221	4,846,769
—	—	—	—	—	35,000
—	—	—	—	103,212,426	99,515,315
1,597,053,954	58,489,473	283,989,536	400,029,887	25,269,939,039	23,542,325,795
575,617	5,739	19,084	26,960	17,864,261	17,576,213
—	—	—	—	570,485	—
—	—	—	—	—	35,000
—	—	—	—	163,140,579	119,122,833
575,617	5,739	19,084	26,960	181,575,325	136,734,046
—	—	283,970,452	400,002,927	683,973,379	629,636,941
1,596,478,337	58,483,734	—	—	24,404,390,335	22,775,954,808
\$ 1,596,478,337	\$ 58,483,734	\$ 283,970,452	\$ 400,002,927	\$ 25,088,363,714	\$ 23,405,591,749

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

#### STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE FINANCIAL INFORMATION FOR JUNE 30,  
2023

	Pension Trust Funds		
	PERSI Base Plan	Firefighters' Retirement Fund	Judges' Retirement Fund
<b>ADDITIONS</b>			
Contributions			
Members	\$ 359,388,202	\$ —	\$ 939,033
Employers	554,409,453	3,888,153	5,542,091
Rollovers	—	—	—
<b>Total contributions</b>	<b>913,797,655</b>	<b>3,888,153</b>	<b>6,481,124</b>
Investment income (loss)			
Net appreciation (depreciation) in fair value of investments	1,447,327,382	23,589,088	7,626,947
Interest, dividends and other investment income	436,743,422	7,122,945	2,316,787
Less investment expenses	(60,322,204)	(983,541)	(316,927)
<b>Total investment income (loss) - net</b>	<b>1,823,748,600</b>	<b>29,728,492</b>	<b>9,626,807</b>
Other-net	1,312,299	—	31,215
<b>Total net additions (losses)</b>	<b>2,738,858,554</b>	<b>33,616,645</b>	<b>16,139,146</b>
<b>DEDUCTIONS</b>			
Benefits and refunds paid to members and beneficiaries	1,291,181,267	19,495,076	9,239,797
Administrative expenses	11,386,642	62,420	121,476
<b>Total deductions</b>	<b>1,302,567,909</b>	<b>19,557,496</b>	<b>9,361,273</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>1,436,290,645</b>	<b>14,059,149</b>	<b>6,777,873</b>
<b>NET POSITION</b>			
Beginning of year	20,709,848,551	471,434,942	111,017,104
End of year	<u>\$ 22,146,139,196</u>	<u>\$ 485,494,091</u>	<u>\$ 117,794,977</u>

See Notes to Financial Statements

## FINANCIAL SECTION

Pension Trust Funds		Other Trust Funds		Totals	
PERSI Choice Plan		Sick Leave Funds			
401(k)	414(k)	State	Schools	2024	2023
\$ 83,545,730	\$ —	\$ —	\$ —	\$ 443,872,965	\$ 416,673,873
10,736,833	—	—	—	574,576,530	532,172,323
13,856,579	—	—	—	13,856,579	11,169,245
108,139,142	—	—	—	1,032,306,074	960,015,441
126,302,241	4,946,664	30,959,617	43,067,426	1,683,819,365	1,632,002,928
28,435,286	120,747	—	—	474,739,187	417,495,119
(3,526,187)	(9,445)	(104,329)	(134,073)	(65,396,706)	(65,159,076)
151,211,340	5,057,966	30,855,288	42,933,353	2,093,161,846	1,984,338,971
—	—	7,388	19,107	1,370,009	545,164
259,350,482	5,057,966	30,862,676	42,952,460	3,126,837,929	2,944,899,576
86,593,530	4,072,570	5,657,498	13,683,195	1,429,922,933	1,373,641,183
2,216,476	218,012	56,590	81,415	14,143,031	12,730,755
88,810,006	4,290,582	5,714,088	13,764,610	1,444,065,964	1,386,371,938
170,540,476	767,384	25,148,588	29,187,850	1,682,771,965	1,558,527,638
1,425,937,861	57,716,350	258,821,864	370,815,077	23,405,591,749	21,847,064,111
<u>\$ 1,596,478,337</u>	<u>\$ 58,483,734</u>	<u>\$ 283,970,452</u>	<u>\$ 400,002,927</u>	<u>\$ 25,088,363,714</u>	<u>\$ 23,405,591,749</u>



## FINANCIAL SECTION

# PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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### NOTE 1. GENERAL DESCRIPTION OF THE FUNDS

**General** — The Public Employee Retirement System of Idaho (the “System” or “PERSI”) is the administrator of seven plans including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan (“PERSI Base Plan”), the Firefighters’ Retirement Fund (FRF), and the Judges’ Retirement Fund (JRF), and two defined contribution plans, the Public Employee Retirement Fund Choice Plans 401(k) and 414(k) (“PERSI Choice Plan”). PERSI also administers two Sick Leave Funds, which qualify as other post employment benefits plans (OPEB), one for state employers and one for school district employers.

**Reporting Entity** — The System is a fiduciary fund of the State of Idaho (the “State”) and is included in the State of Idaho Annual Comprehensive Financial Report. The basic financial statements of the System include the financial activities of all of the above funds. A five member retirement board (the “Board”), appointed by the Governor and confirmed by the Idaho Senate, manages the System. State law requires that two members of the Board be active PERSI members with at least ten years of service and three members who are Idaho citizens not members of the System except by reason of having served on the Board. Responsibilities of the Board include selecting the funding agents, establishing funding policy, and setting contribution rates.

**Defined Benefit Retirement Plans Administration** — The PERSI Base Plan and FRF are both cost - sharing, multiple - employer defined benefit retirement plans that provide benefits based on members’ years of service, age, and highest average salary. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries.

Statutes governing the PERSI Base Plan are Title 59, Chapter 13 of the Idaho Code. Statutes governing FRF are Title 72, Chapter 14 of the Idaho Code.

Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

Effective July 1, 2014, by statute, PERSI assumed administration of the Judges’ Retirement Fund (JRF). The JRF is a single employer defined benefit plan that provides benefits based on members’ years of service, age and annual compensation. Statutes governing the Judges’ Retirement Fund are Title 1, Chapter 20 of the Idaho Code.

JRF members, having left office or retired, are eligible for retirement benefits based on age and years of service (a minimum of four years) as specified in statute.

**Plans Membership** — State agencies, school districts, cities, counties, highway districts, water and sewer districts, and other political subdivisions contribute to the System.

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As of June 30, 2024 and 2023, the number of participating employer units in the PERSI Base Plan was:

	2024	2023
Cities	161	160
School districts	194	190
Highway and water districts	145	142
State subdivisions	92	92
Counties	44	44
Other	226	222
Total	862	850

As of June 30, 2024 and 2023, the number of benefit recipients and members in the PERSI Base Plan consisted of the following:

	2024	2023
Members:		
Active	78,354	76,668
Terminated and vested	16,546	16,106
Retirees and beneficiaries	56,084	54,680
Total	150,984	147,454

FRF has 22 participating employer units all consisting of fire departments that also participate in PERSI. As of June 30, 2024, there were 424 retired members or beneficiaries, collecting benefits from FRF. The FRF covers a closed group of firefighters who were hired before October 1, 1980, and who receive benefits in addition to those provided under the Base Plan. The cost of these additional benefits is paid by FRF member and employer contributions and receipts from a fire insurance premium tax.

As of June 30, 2024, JRF had 51 active members and 117 retired members or beneficiaries collecting benefits from JRF.

**Benefits Provided** - The benefit payments for the PERSI Base Plan, FRF and JRF are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The Retirement Board has the authority to provide higher PERSI Base Plan cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

The cost of living increase for the FRF retirees is based on the increase in the statewide average firefighter's wage for employer units who belong to the FRF plan.

Adjustments to JRF benefits are made by either the PERSI COLA as described above or by a statutory adjustment which is based on active judge's salaries. Whether the PERSI COLA or the statutory adjustment applies depend on the date the judge first assumed office, on or before July 1, 2012 and/or by whether the judge (if it was an option available) made an irrevocable election to use the PERSI COLA.

## FINANCIAL SECTION

**Contributions** - The PERSI Base Plan, FRF and JRF benefits are funded by contributions from members and employers and earnings from investments. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. Member and employer contributions are paid as a percentage of member compensation. PERSI Base Plan, FRF and JRF member contribution rates are determined by the Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due. Contributions are based on actuarial assumptions, the benefit formulas, and employee groups of the System. Costs of administering the fund are financed through the contributions and investment earnings of the System.

Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method for the PERSI Base Plan, FRF and JRF. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age.

The PERSI Base Plan and the JRF Plan amortizes any net pension liability based on a level percentage of payroll. The payroll for employees covered by the PERSI Base Plan and JRF Plan was \$4,573,375,234 and \$8,863,091, respectively, for the year ended June 30, 2024.

Net pension liability (asset) for FRF is the difference between the pension liability of the FRF benefits not provided by the Base Plan and the FRF assets. There are no active employees in the FRF Plan since June 30, 2021. By statute, one - half of all proceeds from fire insurance premium tax collected throughout the state are automatically assigned to the FRF and are accounted for in employer contributions.

The Base Plan contribution rates for employees are set by statute at 60% of the employer rate for general employees and school employees, and 72% for police and firefighters. As of June 30, 2024, the employee rate was 6.71% for general employees, 7.62% for school employees, and 9.83% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.18% for general employees, 12.69% for school employees, and 13.26% for police and firefighters.

Idaho Statute 59-1394(1)(a) requires 50% of the gross receipts by the State of the tax on fire insurance premiums, as provided by Idaho Statute 41-402 is perpetually appropriated for the purpose of partially funding the benefit requirements of Chapter 14, Title 72 of the Idaho Code (Fireman's Retirement Fund).

The JRF employee contribution rate is 18.50% of the employer contribution rate as set by the Board. As of June 30, 2024, the employee contribution rate was 11.57% and the employer contribution rate was 62.53%. Active employees who have 20 or more years of service are exempt from employee contributions.

Upon termination of employment, PERSI Base Plan participants are entitled to accumulated member contributions plus interest, accrued at 8.20% from January 1, 2024 through June 30, 2024 (1.00% from July 1, 2023 through December 31, 2023) compounded monthly per annum, and are refundable. Withdrawal of such accumulated contributions results in forfeiture of the member's accrued benefit; however, state law does include provisions for reinstatement of forfeited service upon repayment of the accumulated contributions plus interest.

JRF employees with less than four years of service are entitled to a refund of accumulated member contributions plus interest, accrued at 6.50% per annum.

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**Defined Contribution Retirement Plans** - The PERSI Choice Plans are defined contribution retirement plans. The statute governing the PERSI Choice Plans is Idaho Code Title 59, Chapter 13.

The PERSI Choice Plans made up of a qualified 401(k) plan and a 414(k) plan. The assets of the two plans within the PERSI Choice Plans are commingled for investment purposes. Participants can direct their investment mix with some trading frequency restrictions. Participants have fifteen investment options: two balanced funds, four fixed income funds and eight equity funds and one specialty fund. Participants investing in the Total Return Balanced Fund and the PERSI Short-term Investment Portfolio pay investment management fees of .27% and .11%, respectively. Since inception of the plans, participants have paid investment management fees for all other options.

The 401(k) portion of the PERSI Choice Plans is open to all active PERSI members. Employees can make tax-deferred contributions up to 100% of their gross salary less deductions and subject to the Internal Revenue Service (IRS) annual contribution applicable limit for the age of the employee. The 414(k) portion of the PERSI Choice Plans was established for gain sharing allocations from the PERSI Base Plan. The gain sharing amount (if any) is based on funding levels in the Base Plan and is subject to Board approval. Eligibility for gain sharing requires twelve months of active PERSI Base Plan membership as defined in Idaho statutes and PERSI rules.

Participants may allocate their assets in 1% increments among the investment options; however, if no allocation preference is indicated, a default investment election to the PERSI Total Return Fund (TRF) is made. The TRF is a unitized fund comprised of investment accounts of the PERSI Base Plan.

As of June 30, 2024, there were 44,452 participants with balances in the PERSI Choice Plans. Some of these participants are in both the 401(k) Plan and the 414(k) Plan. As of June 30, 2024, there were 9,067 participants with both Choice Plan 401(k) and 414(k) plans. There were 28,492 participants with only Choice Plan 401(k), and 6,893 participants with only Choice Plan 414(k).

**Optional Retirement Plan** - Certain community colleges and university employees participate in an optional retirement plan (ORP) in accordance with the provisions of Idaho Code 33-107(A) and (B). For university employees who opted out of PERSI in 1993, the employer by statute pays 1.49% of ORP payroll in lieu of a withdrawal liability payment to PERSI with a payoff date of July 1, 2025. The community colleges were paid in full as of June 30, 2011.

**Sick Leave Funds (OPEB)** - PERSI administers the Sick Leave Funds cost sharing, multiple-employer defined benefit OPEB plans that provides payment of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The Sick Leave Funds are classified as trust funds. For state and school employers, unused sick leave benefits are subject to the guidance of Governmental Accounting Standard Board (GASB) Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

The Sick Leave Funds are made up of two trust funds administered by PERSI, a trust for payment of school district employee benefits and a trust for payment of state employee benefits. The statutes governing the Sick Leave Funds are Idaho Code, Sections 67-5333, 33-1216, 59-1365, and 33-1228.

## FINANCIAL SECTION

The Sick Leave Funds exist for the payment of unused sick leave benefits in the form of insurance premiums for eligible employees who separate from service by reason of retirement.

The System administers these trusts on behalf of the participating employers. Employers' contributions are a measure of pay collected each pay cycle and are held in trust for future benefits. The school districts and the State are responsible for any unfunded OPEB liability, respectively, through contribution rate adjustments.

### Membership in the Sick Leave Funds as of June 30, 2024 valuation.

	State	Schools
Members:		
Active	22,063	36,515
Retirees and beneficiaries	6,998	8,147
Total	29,061	44,662

*School District Employees* - For school district employees, the unused sick leave amount available for benefit is limited to one-half of their eligible sick leave balance and rate of compensation at retirement.

*State Employees* - State employees are limited to the number of allowable hours of sick leave they may use as part of the unused sick leave program as follows:

<b>Credited Hours of State Services</b>	<b>Maximum Allowable Sick Leave Hours</b>
0-10,400 (0-5 years)	420
10,401-20,800 (5-10 years)	480
20,801-31,200 (10-15 years)	540
31,201+ (15 years or more)	600

Members may use one-half of sick leave hours accrued up to the allowable maximum multiplied by their rate of compensation at retirement.

In the November 2021 Board Meeting, the PERSI Board extended the rate holiday for employer contributions for Schools and for State to June 30, 2026 and June 30, 2031, respectively. There were no contributions received in the current fiscal year because of the holiday.

## FINANCIAL SECTION

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The System's basic financial statements are prepared utilizing the accrual basis of accounting. Employee and employer contributions are recognized as additions to net position when due and receivable, pursuant to formal commitments and statutory or contractual requirements, investment income is recognized when earned, and benefit payments and refunds and other expenses are recorded when the benefits are due and payable in accordance with the plans' terms. The pension funds are accounted for on a flow of economic resources measurement focus.

**Investments** - The System's investments are presented at fair value. Purchases and sales are recorded at the trade date. At month end, there may be certain pending trades that were initiated by managers but not confirmed and, therefore, are not included in the fair value of investments. Investments of the PERSI Base Plan, FRF, JRF and the PERSI TRF (an option of the PERSI Choice Plan) are pooled for investment purposes, as is disclosed in Note 3. The Sick Leave Funds for State and Schools are not pooled.

The Board utilizes and directs individual fund managers to provide whatever investment management and custodial functions the Board has determined best achieves the System's investment objectives. Each fund manager is generally granted full discretion in making investment decisions, within asset allocation policy, portfolio investment policy, specific investment guidelines and other special restrictions set by contract with the Board. The Board monitors overall investment performance and periodically evaluates the performance of each fund manager. The Board in its administration of the System and management of the investment program is guided by the Idaho Uniform Prudent Investor Act, Sections 68-501 through 68-514 of the Idaho Code and of fiduciary responsibilities in the Idaho Code, Section 59-1301, and is empowered in its sole discretion to limit, control, and designate the types and amounts of investments. The Board has adopted an investment policy including policy related to deposit and investment risks identified in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

The fair value of investments is based on published market prices and quotations from major investment brokers, when available. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments of matching duration. The fair value of real estate investments is based on industry practice. For recent acquisitions, cost closely approximates fair value. The fair value of longer term real estate holdings is estimated based on the System's consultant assessments and/or independent appraisals. Short-term investments are reported at fair value, when published market prices and quotations are available, or at cost plus accrued interest, which approximate fair value. The fair values of private equity limited partnership investments by their nature have no readily ascertainable market prices. Similar to real estate, cost closely approximates fair value for recent acquisitions. Thereafter, the fair values of limited partnership funds are based on the valuations as presented by the general partner, approved by the funds' advisory committee, and reviewed by consultants. Generally, the companies within a fund are valued by the general partner, taking into account many factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, and additional rounds of financing, and other relevant factors. Because of the lack of published market prices for these investments, the estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed. Although these differences could be material to the individual company values, private equity represents 7.8% of total investments. PERSI's real estate and commercial mortgage investments are 4.5% and 3.4%, respectively, of total investments.

Investment expenses presented within the statements of changes in fiduciary net position do not include fees and costs for private equity investments nor does it include fees and commissions



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related to public equity transactions. These fees and costs are presented, for information purposes, within the Investment Section of PERSI's Annual Comprehensive Financial Report in the Schedule of Costs for Private Equity Partnerships and the Schedule of Broker Fees and Commissions. These costs are captured within the net asset value for investments as reported in the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position.

The System purchases forward currency contracts for certain international investments and United States of America agency-guaranteed collateralized mortgage obligations for the purpose of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure. The System may incur minor recording costs for forward contracts until the settlement date. Potential future obligations for the forward contracts are not recognized until the contract expiration date.

The following are the Board's adopted asset allocation policies for the Pension Trust Funds (DB Plans, adopted November 2019) and for the Sick Leave Funds (Sick Leave, adopted March 2021), as of June 30, 2024:

<u>Asset Class</u>	<b>2024</b>	
	<b>DB Plans</b>	<b>Sick Leave Plans</b>
Fixed Income	30.0%	39.3%
US/Global Equity	55.0%	50.0%
International Equity	15.0%	10.7%
Cash	0.0%	0.0%
Total	100%	100%

**Use of Estimates** – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates. The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such change could materially affect the amounts reported in the financial statements.

**Assets Used in Plan Operations** – These assets represent buildings, equipment, and computer software development costs used by the System and are recorded at cost. Depreciation and amortization are calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful life for buildings is 30 - 50 years. The estimated useful life of computer software development costs is 10 - 15 years. Computer and technology equipment has a 3 - 5 year useful life.

**Totals** – The basic financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's basic financial statements for the year ended June 30, 2023, from which the summarized information was derived.



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### NOTE 3. DEPOSITS AND INVESTMENTS

#### *A. Deposits*

Cash and cash equivalents are deposited with various financial institutions and are carried at cost plus accrued interest. Cash balances represent operating cash accounts held by various banks and on deposit with the State Treasurer. In accordance with Idaho Code Sections 67-1210 and 67-1210A, the State Treasurer invests cash not needed to meet immediate obligations in the pooled Idle Short-term Fund. Deposits are held by its agent in the State Treasurer's name. Pooled balances are available on demand. Cash deposits in other bank accounts are covered by federal depository insurance up to \$250,000. The System does not have a policy for custodial credit risk related to cash on deposit at local financial institutions.

Cash and cash equivalents	
Held by the State Treasurer	\$ 36,943,356
FDIC insured/collateralized	3,651,182
Uninsured and uncollateralized	<u>104,720</u>
Total	<u>\$ 40,699,258</u>

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### **B. Investments**

Investments of the pension trust funds are reported at fair value. See Note 2 for more details. The Board maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. This includes policies pertaining to asset allocation and risk described in subsequent sections. Refer to Note 2 for additional asset allocation information. In fulfilling its responsibilities, the Board has contracted with investment managers, a master global custodian, other custodians, and a cash manager. Manager contracts include specific guidelines regarding the PERSI investments under management.

The following investments, risks disclosures and rate of return do not include assets from the Sick Leave Funds or other Choice Plan options (except TRF). Based on the assets that are being excluded, they do not apply to these disclosures thus it is appropriate to exclude:

Derivatives  
Mortgage - Backed Securities  
TIPS  
Custodial Credit Risk  
Concentration of Credit Risk

Investments at fair value as of June 30, 2024, are as follows:

Domestic fixed income	\$ 5,804,434,466
Commingled domestic fixed income (Sick Leave Funds)	308,354,049
International fixed income	9,450,432
Idaho commercial mortgages	778,688,640
Short-term investments	266,190,994
Real estate	1,025,950,063
Domestic equities	10,504,223,016
Commingled domestic equity (Sick Leave Funds)	300,695,083
International equities	2,466,224,635
Commingled international equity (Sick Leave Funds)	73,435,587
Private equity	1,734,311,131
Mutual, collective, and unitized funds	1,643,494,666
<b>Total Investments</b>	<b><u><u>\$24,915,452,762</u></u></b>

**Concentrations** - In line with policy, the System does not have any investments from a single issuer (excluding explicitly guaranteed governments) that represent more than 5% of the System's net position.

**Derivatives** - Derivatives are financial obligations whose value is derived from underlying debt or equity securities, commodities, or currencies. Any derivative instruments held by PERSI are for investment purposes only and all information is disclosed within the investment footnotes. The derivatives held by PERSI are reported in the US dollar denomination. They are designed, among other things, to help investors protect themselves against the risk of price changes. In accordance with its investment policy, the System, through its external investment managers, holds investments in futures, options, and forward foreign currency contracts. Only a few selected managers are permitted to use derivatives. In every case, the types of derivatives used and limits on their use are defined in manager contracts and are monitored on an ongoing basis.

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Futures contracts are contracts for delayed delivery or receipt of securities in which the seller agrees to make delivery and the buyer agrees to take delivery at a specified future date, of a specified instrument, at a specified price. Market risk arises due to market price and interest rate fluctuations that may result in a decrease in the fair value of futures contracts. Futures contracts are traded on organized exchanges and require initial margin in the form of cash or marketable securities. Each day the net change in the futures contract value is settled in cash with the exchanges. Holders of futures contracts look to the exchange for performance under the contract. Accordingly, the credit risk due to the non-performance of counterparties to futures contracts is minimal. At June 30, 2024, the System had futures contracts with a fair value of \$99,723, which is included in fixed income investments. Cash equivalents and short-term investments in amounts necessary to settle the futures contracts were held in the portfolio so that no leverage was employed, in accordance with the System's Statement of Investment Policy. As the derivative amounts are not significant, they have been included within the risk disclosure.

As of June 30, 2024, the System had the following net futures contracts exposure:

	<b>Exposure covered by contract</b>
<b>Cash and Cash Equivalents</b>	
3Mo Secured Overnight Financing Rate Futures (CME)	\$ 68,991,725
Australian Dollar Foreign Currency	1,670,750
<b>Total Cash and Cash Equivalents</b>	70,662,475
<b>Fixed Income</b>	
US 5yr Treasury Note	74,498,109
US Treasury Bond	11,358,000
US 2yr Treasury Note	10,006,719
US Ultra Bond	6,141,844
UK Long Gilt	3,330,132
US 10yr Ultra	(2,724,750)
Japan 10yr Bond	(3,552,406)
US 10yr Treasury Note	(35,964,891)
<b>Total Fixed Income</b>	63,092,757
<b>Net Futures Exposure</b>	<b>\$ 133,755,232</b>

Option contracts are contractual agreements giving the purchaser the right, but not the obligation, to purchase or sell a financial instrument at a specified price within a specified time. The option's price is usually a small percentage of the underlying asset's value. Options strategies used by the System are designed to provide exposures to positive market moves and limit exposures to interest rate and currency fluctuations. At June 30, 2024, the Base Plan, TRF, JRF, and FRF had option contracts payable with a fair value of \$173,322, which is included in Domestic Fixed Income and \$(90,652) which is included in Investments Purchased within the Statements of Fiduciary Net Position.

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At June 30, 2024, the System had the following net options exposure:

<b>OPTIONS</b>	<b>Exposure covered by contract</b>
<b>Fixed Income</b>	
Cash/Cash Equivalents - Purchased Call Options	\$ 120,165
Cash/Cash Equivalents - Purchased Put Options	38,938
Fixed Income - Purchased Call Options	2,617
Fixed Income - Purchased Put Options	11,602
	173,322
<b>Investments Purchased</b>	
Cash/Cash Equivalents - Written Call Options	(42,754)
Cash/Cash Equivalents - Written Put Options	(10,781)
Fixed Income - Written Call Options	(13,734)
Fixed Income - Written Put Options	(23,383)
	(90,652)
<b>Net Options Exposure</b>	<b>\$ 82,670</b>

Forward Foreign Currency Exchange Contracts are carried at fair value by the System. The System has entered into foreign exchange contracts to purchase or sell currency at various dates in the future at a specific price. Some of the System's international and real estate investment managers use forward contracts to hedge the exposure of investments to fluctuations in foreign currency. Forward foreign exchange contracts are negotiated between two counterparties. The System could sell the forward contract at a loss, or if it were to continue to hold the contract, the System may make a termination payment to the counterparty to cancel its obligation under the contract and then buy the currency on the open market. The System could also incur a loss if its counterparties failed to perform pursuant to the terms of their contractual obligations. Controls are established by the System and the investment managers to monitor the creditworthiness of the counterparties. The System's investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. As of June 30, 2024, the System had entered into forward currency contracts to sell foreign currencies with a fair value of \$53,719,446 and had entered into forward currency contracts to buy foreign currencies with a fair value of \$(53,899,213). Forward currency contracts are receivables or payables reported as investments sold or investments purchased. A net unrealized loss of \$(179,767) at June 30, 2024 was recorded, which represent the loss which would occur from executing these forward foreign currency contracts.

***Mortgage-Backed Securities*** - These investments are valued based on the cash flows from interest and principal payments on the underlying mortgages. As a result, they are sensitive to prepayments, which are likely to occur in declining interest rate environments, thereby reducing the value of the securities. Details regarding interest rate risk for these investments are included in the Interest Rate Risk section on page 107.

***TIPS*** - Treasury Inflation Protected Securities (TIPS) are fixed income securities issued by the US Treasury that pay a fixed coupon rate plus an adjustment for subsequent inflation. At June 30, 2024, the System had invested in TIPS with a fair value of \$2,207,884,968.

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### C. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the System. The System's investment policies requires each portfolio manager to maintain a reasonable credit risk level relative to its benchmark and provided expected credit risk exposures in their portfolio guidelines. If the actual credit risk exposure falls outside of these expectations, managers will be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

As of June 30, 2024, the System's fixed income assets that are not government guaranteed represented 44.05% of the fixed income portfolio. The System's fixed income assets are shown with current credit ratings in the table below.

Credit Quality	PERSI/FRF Plans		JRF Plan		Total Return Fund		Total
	Domestic	Int'l	Domestic	Int'l	Domestic	Int'l	
<b>S&amp;P Rating Level</b>							
<b>Short-term</b>							
A-1+	\$ 26,728,807	\$ —	\$ 139,485	\$ —	\$ 1,513,439	\$ —	\$ 28,381,731
A-1	43,279,130	—	225,853	—	2,450,553	—	45,955,536
A-2	21,565,687	—	112,541	—	1,221,093	—	22,899,321
<b>Long-term</b>							
AAA	118,614,419	—	618,993	—	6,716,192	—	125,949,604
AA*	460,327,366	—	2,402,232	—	26,064,679	—	488,794,277
A	591,011,043	—	3,084,208	—	33,464,257	—	627,559,508
BBB	642,996,179	8,409,122	3,355,494	43,883	36,407,762	476,142	691,688,582
BB**	20,976,421	—	109,464	—	1,187,728	—	22,273,613
B*	2,236,856	—	11,673	—	126,655	—	2,375,184
CCC**	3,424,274	—	17,870	—	193,889	—	3,636,033
CC**	129,025	—	673	—	7,306	—	137,004
Not rated	133,376,272	1,024,204	696,028	5,345	7,552,038	57,993	142,711,880
<b>Total Credit Risk Fixed</b>	<b>2,064,665,479</b>	<b>9,433,326</b>	<b>10,774,514</b>	<b>49,228</b>	<b>116,905,591</b>	<b>534,135</b>	<b>2,202,362,273</b>
<b>Income Securities</b>							
US Government	3,995,391,865	—	20,850,065	—	226,227,277	—	4,242,469,207
Pooled Investments - (unrated)	5,923,128	—	30,910	—	335,380	—	6,289,418
Pooled Investments (Sick Leave Funds-unrated)	—	—	—	—	—	—	308,354,048
Idaho Mortgages	774,646,127	—	4,042,513	—	43,862,051	—	822,550,691
<b>Total</b>	<b>\$ 6,840,626,599</b>	<b>\$ 9,433,326</b>	<b>\$ 35,698,002</b>	<b>\$ 49,228</b>	<b>\$ 387,330,299</b>	<b>\$ 534,135</b>	<b>\$ 7,582,025,637</b>

\*Includes US Government Agencies implicitly guaranteed by US Government: FHLB \$59,382; 752 FHLMC \$99,164,122; FNMA \$141,723,030

\*\*Active bond managers are allowed to invest a portion of their portfolios in non-investment grade securities. These positions are monitored on a regular basis.

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Each portfolio is managed in accordance with operational guidelines that are specific as to expected portfolio characteristics that usually, but not always, include credit quality and exposure levels. The System's investment policy requires managers to provide PERSI with expected credit risk exposures in their portfolio guidelines. If the actual credit risk exposure falls outside of these expectations, managers will be required to report these occurrences to staff and these disclosures are to be made available to the Board.

### ***D. Custodial Credit Risk***

Custodial credit risk is the risk that in the event of a financial institution or bank failure, the System would not be able to recover the value of their deposits and investments that are in the possession of an outside party. The System mitigates custodial credit risk by requiring in policy, to the extent possible, that investments be clearly marked as to PERSI ownership and be registered in the System's name. All securities are required to be delivered to a third-party institution mutually agreed upon by the bank and the System.

The System's cash and deposits are swept daily by the System's custodian and cash manager into short-term investment funds. Clearwater Advisors, LLC is the System's cash manager and invests the bulk of the System's cash, approximately 93.96%, in short-term instruments held at the custodian bank. Of the remaining cash and deposits at June 30, 2024 approximately 2.63% or, \$7,398,743, was held by various counterparties not in the System's name. The remainder, approximately 3.41%, is invested in custodial bank-maintained collective investment funds.

### ***E. Concentration of Credit Risk***

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The System's operational guidelines for investments in any corporate entity are stated in each individual manager's specific portfolio guideline.

Per the Systems Investment policy, managers will provide expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are required to report these occurrences to Staff and these disclosures are to be made available to the Board. For the portfolio as a whole, Staff will report to the Board at a regular Board Meeting if the exposure to a non-US government guaranteed credit exceeds 5% of the System's invested assets.

### ***F. Interest Rate Risk***

Market or interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the effective duration methodology. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve. All of the System's fixed income portfolios are managed in accordance with operational guidelines which include an expected range of interest rate risk in the portfolio. Per the System's investment policy, managers will provide PERSI with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board. The reporting of effective duration found in the tables that follow quantifies the interest rate risk of the System's fixed income assets. Some of the large durations are due to the use of options and forward foreign currency contracts. For line items below reported as "N/A," the duration calculation is not available. A negative duration can occur when floating rate securities trade at a discount.

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Effective duration of domestic fixed income assets by security type:

Investment	Fair Value Allocations				
	Effective Duration in Years	PERSI/FRF DB Plans	Judges' Plan	Total Return Fund	Total
<b>Domestic</b>					
Asset - backed Securities	2.71	\$ 25,795,421	\$ 134,614	\$ 1,460,590	\$ 27,390,625
Asset - backed Securities	N/A	930,336	4,855	52,677	987,868
Mortgages	3.78	20,867,503	108,898	1,181,561	22,157,962
Mortgages	N/A	438,689	2,289	24,839	465,817
Commercial Paper	0.08	86,090,874	449,268	4,874,642	91,414,784
Commercial Paper	7.28	1,379,062,819	7,196,677	78,085,363	1,464,344,859
Corporate Bonds	N/A	1,780,718	9,293	100,828	1,890,839
Corporate Bonds	1.24	100,266	523	5,677	106,466
Fixed Income Derivatives	N/A	39,551	206	2,239	41,996
Fixed Income Derivatives	7.73	102,261,831	533,656	5,790,274	108,585,761
Government Agencies	6.92	1,916,704,156	10,002,375	108,527,719	2,035,234,250
Government Bonds	5.80	303,094,459	1,581,707	17,161,830	321,837,996
Government Mortgage - backed Securities	N/A	594,021	3,100	33,635	630,756
Pooled Investments	—	5,923,128	30,910	335,380	6,289,418
Pooled Investments - Domestic Fixed Income (Sick Leave Funds)	N/A	—	—	—	308,354,048
Private Placements	3.38	137,516,095	717,632	7,786,443	146,020,170
Private Placements	N/A	5,480,742	28,601	310,331	5,819,674
TIPS	8.77	2,079,299,863	10,850,885	117,734,220	2,207,884,968
Idaho Mortgages	N/A	774,646,127	4,042,513	43,862,051	822,550,691
<b>Total</b>		<b>\$6,840,626,599</b>	<b>\$ 35,698,002</b>	<b>\$ 387,330,299</b>	<b>\$7,572,008,948</b>

Effective duration of international fixed income assets by security type:

International	Fair Value Allocations				
	Effective Duration in Years	PERSI/FRF DB Plans	Judges' Plan	Total Return Fund	Total
Corporate Bonds	4.83	\$ 992,250	\$ 5,178	\$ 56,183	\$ 1,053,611
Fixed Income Derivatives	9.35	22,822	119	1,292	24,233
Fixed Income Derivatives	N/A	9,133	48	517	9,698
Government Bonds	4.82	8,409,121	43,883	476,143	8,929,147
<b>Total</b>		<b>\$ 9,433,326</b>	<b>\$ 49,228</b>	<b>\$ 534,135</b>	<b>\$ 10,016,689</b>

### G. Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely impact the fair value of an investment. The System's currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings. The System expects the managers of these holdings to maintain adequately diversified portfolios to limit foreign currency risk. Per the System's investment policy, the individual manager guidelines will outline the expected current exposures (either specifically or through ranges of security exposures to particular currency areas) of the underlying portfolio and if the actual currency exposure differs from the expected, managers are to be required to report these occurrences to staff and these disclosures are to be made



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available to the Board. Currency gains and losses will result from exchange rate fluctuations. The System's exposure to foreign currency risk expressed in US dollars as of June 30, 2024, is shown in the table that follows. Negative fair values related to variable-rate debt instruments that are highly sensitive to changes in interest rates.

Currency	Short-term Investments	Equity	Fixed Income	Total USD Equivalent Fair Value
Argentina Peso	\$ 547	\$ —	\$ —	\$ 547
Australian Dollar	2,212,703	36,520,248	—	38,732,951
Brazil Real	4,279,147	22,440,750	—	26,719,897
Canadian Dollar	(363,005)	25,559,226	—	25,196,221
Chinese R Yuan Hk	(2,201,682)	—	—	(2,201,682)
Danish Krone	2,786,166	127,662,175	—	130,448,341
Euro Currency Unit	14,749,931	1,089,794,558	—	1,104,544,489
Hong Kong Dollar	218,778	112,804,802	—	113,023,580
Indian Rupee	904,087	—	1,045,282	1,949,369
Indonesian Rupiah	(71)	10,910,245	—	10,910,174
Israeli Shekel	9,254	960,541	—	969,795
Japanese Yen	3,940,005	297,404,443	9,133	301,353,581
Malaysian Ringgit	15	5,622,966	—	5,622,981
Mexican Peso	(706,181)	4,164,045	8,459,517	11,917,381
New Taiwan Dollar	50,555	60,315,985	—	60,366,540
New Zealand Dollar	295	500,626	—	500,921
Norwegian Krone	55,450	1,680,595	—	1,736,045
Philippines Peso	—	10	—	10
Polish Zloty	6,865	—	—	6,865
Pound Sterling	(165,550)	545,759,691	22,822	545,616,963
Russian Ruble	—	—	175,193	175,193
Singapore Dollar	1,797	30,089,935	—	30,091,732
South African Rand	(2)	—	—	(2)
South Korean Won	390,077	49,806,189	—	50,196,266
Swedish Krona	158,141	76,288,031	—	76,446,172
Swiss Franc	3,405,134	171,147,194	—	174,552,328
Thailand Baht	—	4,181,734	—	4,181,734
<b>Total value of investments subject to foreign currency risk</b>	<b>\$ 29,732,456</b>	<b>\$ 2,673,613,989</b>	<b>\$ 9,711,947</b>	<b>\$ 2,713,058,392</b>

### **H. Rate of Return**

For the years ended June 30, 2024 and 2023, the annual money - weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.84% and 9.24% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## FINANCIAL SECTION

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### NOTE 4. FAIR VALUE

GASB Statement No. 72, *Fair Value Measurement and Application*, (Statement 72) specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

Level 1 - Unadjusted quoted prices for identical instruments in active markets, that the reporting entity has the ability to access at the measurement date.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model - derived valuations in which all significant inputs and significant value drivers are directly or indirectly observable. Examples would be matrix pricing, market corroborated pricing and inputs such as yield curves and indices.

Level 3 - Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable and may rely on the reporting entity's own assumptions, but the market participant's assumptions that may be used in pricing the asset or liability.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the Plan defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments. In determining the appropriate levels, the Plan performed a detailed analysis of the assets and liabilities that are subject to Statement 72.

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The following table presents fair value measurements as of June 30, 2024:

Instruments by Fair Value Level	Total	Level 1	Level 2	Level 3
<b>Fixed Income Securities:</b>				
US Government	\$ 4,207,406,996	\$ 4,182,409,293	\$ 24,997,703	\$ —
Asset backed - Securitized	522,728,118	—	500,449,823	22,278,295
Corporate	1,235,660,539	—	1,235,411,284	249,255
Idaho Mortgages	822,550,691	—	822,550,691	—
Non-US Government	169,589,253	—	168,535,642	1,053,611
<b>Total Fixed Income Securities</b>	<b>6,957,935,597</b>	<b>4,182,409,293</b>	<b>2,751,945,143</b>	<b>23,581,161</b>
<b>Equities:</b>				
Domestic	8,206,782,213	8,206,782,213	—	—
Developed Markets	2,925,463,369	2,925,358,021	—	105,348
Emerging Markets	387,967,562	387,967,562	—	—
<b>Total Equities</b>	<b>11,520,213,144</b>	<b>11,520,107,796</b>	<b>—</b>	<b>105,348</b>
Preferred Securities	5,229,897	4,906,365	323,532	—
Mutual Funds - Defined Contribution Investment Options	148,844,171	148,844,171	—	—
<b>Total Investments By Fair Value Level*</b>	<b>\$ 18,632,222,809</b>	<b>\$ 15,856,267,625</b>	<b>\$ 2,752,268,675</b>	<b>\$ 23,686,509</b>

\* The Total Return Fund and Short-Term Investment Portfolio are unitized Defined Contribution investment options included with the Equity and Fixed Income totals above and the Private Equity Partnerships and Private Real Estate totals below.

Investments measured at the net asset value	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
<b>Private Equity Partnerships:</b>				
Growth Equity	\$ 87,296,290	\$ 167,315,299	N/A	N/A
Corporate Finance/Buyout	1,493,733,131	925,858,035	N/A	N/A
Distressed Debt	26,392,973	16,992,133	N/A	N/A
Co/Direct Investment	116,263,519	31,944,433	N/A	N/A
Secondaries	76,215,176	122,980,728	N/A	N/A
Venture Capital	32,100,493	13,447,638	N/A	N/A
<b>Private Real Estate:</b>				
Prudential -Open Ended Commingled Insurance Company separate account	79,851,834	N/A	N/A	N/A
Multifamily Properties (Olympic)	29,372,125	N/A	N/A	N/A
Value Added Apartments	257,288,097	N/A	N/A	N/A
Value Added Offices	520,048	N/A	N/A	N/A
Value Added Retail	57,485,402	N/A	N/A	N/A

continued

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Investments measured at the net asset value	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Office/Industrial Properties	82,254,740	N/A	N/A	N/A
Core Office	48,118,151	N/A	N/A	N/A
Industrial	433,945,245	N/A	N/A	N/A
Development Properties	94,904,235	N/A	N/A	N/A
<b>Collective Funds:</b>				
REIT Index Collective Fund	5,184,379	N/A	Daily	Daily
TIPS Index Collective Fund	4,476,747	N/A	Daily	Daily
US Large Cap Equity Market Index Collective Fund	97,784,608	N/A	Daily	Daily
US Bond Market Index Collective Fund	12,420,711	N/A	Daily	Daily
International Equity Index Collective Fund	14,275,860	N/A	Daily	Daily
US Small/Midcap Equity Index Collective Fund	35,426,836	N/A	Daily	Daily
BNYM Mellon DB NSL Emerging Market Stock Index Fund - Non-DC	766,313,977	N/A	Daily	2 days
Sprucegrove Investment Management Ltd	404,501,749	N/A	Daily	Daily
WCM Focused Emerging Markets Fund	502,000,000	N/A	Daily	Daily
Wasatch Emerging Markets SM	500,760,433	N/A	Daily	Daily
<b>Unitized Fund:</b>				
Short-Term Investment Portfolio Account	44,886,081	N/A	Daily	Daily
<b>Sick Leave Funds:</b>				
Russell 3000 Index Fund	300,695,083	N/A	Daily	Same day
Government Credit Bond Index Fund	308,354,048	N/A	Daily	1 day
MSCI ACWI Ex-US Strategy Fund	73,435,587	N/A	Daily	3 days
Total Investments Measured At The Net Asset Value (NAV)	<u>5,986,257,558</u>			
<b>Total investments measured at fair value</b>	<u>\$ 24,618,480,367</u>	<u>\$ 1,278,538,266</u>		
<b>Investment Derivative Instruments By Fair Value</b>				
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Foreign Exchange Contracts - Receivable	\$ 53,719,446	\$ —	\$ 53,719,446	\$ —
Foreign Exchange Contracts - Payable	(53,899,213)	—	(53,899,213)	—
Futures	106,356	104,606	—	1,750
Swap Collateral	190,000	—	190,000	—
<b>Total Investment Derivative Instruments</b>	<u>\$ 116,589</u>	<u>\$ 104,606</u>	<u>\$ 10,233</u>	<u>\$ 1,750</u>

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The Plan uses a Fair Value Hierarchy (FVH) report within the custodial reporting system that is based on asset class and utilizing a proprietary matrix. The custodian uses several third party vendors to establish pricing. When possible, secondary vendor pricing is used to check for accuracy against the primary vendor's price. The pricing vendors provide detailed pricing and reference data outlining their inputs, pricing applications, models, and methodologies. FVH reporting is reviewed and researched if inconsistencies are observed.

**Short-Term Securities:** These items were removed from leveling table due to the nature of securities. These are cash equivalents and highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value.

**Equities:** Equities at Level 1 are using quoted prices for identical securities in an active market. Level 3 equities have very limited trading volume and use the last quoted price available on the trade data.

**Fixed Income:** These securities are primarily in Level 1 and 2. There are a few Level 3 fixed income securities. These are securities that are difficult to value or have an uncertain value such as some mortgage-backed securities. Information such as sector groupings, benchmark curves, like security benchmarking, reported trades, broker/dealer quotes and other reference data are all used to assist with pricing of all types of securities. Specifically, these categories used the following methodologies.

*US Government* Electronic fixed income trade platform and broker feeds are used and reviewed for consistency and outliers.

*Asset Backed/Securitized* Uses volatility - driven multi-dimensional spread tables and option adjusted spread and prepayment model.

*Corporate and Non-US Government* Multi - dimensional relational models are used along with option adjusted spread.

*Idaho Mortgages* - The fair value of the commercial mortgage portfolio is calculated daily. Expected cash flows for loans are discounted with rates that are based on the US Treasury yield curve. The relevant discount rates include a spread above Treasury yields that accounts for credit and liquidity risk.

**Mutual Funds:** Valued at the daily closing price as reported by the fund and reported as Level 1. Mutual funds held by the Plan are open - end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

**Private Equity Partnerships:** These are reported at the NAV and includes limited partnerships invested in the following strategies: Growth Equity, Corporate Finance/Buyout, Distressed Debt, Co/Direct Investments, Secondaries, and Venture Capital. Fair value is obtained by using a valuation provided by the General Partner, adjusting for interim cash flows and rolling forward to the measurement date of the Plan. A gatekeeper is used to monitor values, cash flows, and provide due diligence for new investments. The fair values presented may differ from actual amounts realized from these investments.

## FINANCIAL SECTION

**Preferred Securities:** These are primarily Level 1 for stocks quoted prices (unadjusted) in an active market for identical assets and Level 2 inputs other than quoted prices which are unlisted stocks.

**Real Estate:** *Real Estate Investment Trusts (REITs)* are publicly traded securities and are included with Equities: Domestic, Level 1, as those securities are traded in an active market.

*Private Real Estate* are investments owned directly or with other partnership interests and are in several general categories to include Multifamily Properties, Value Added Apartments, Value Added Offices, Value Added Retail, Office/Industrial Properties, Core Office, Industrial and Development Properties and are listed with investments measured at the NAV. Each property in the Portfolio is externally appraised at a minimum every year. Appraisals are completed by third party MAI certified appraisers. For properties not subject to an external appraisal during a quarter, internal valuations are completed by AEW (the Plan's private real estate consultant) (or Pinnacle and reviewed by AEW), based on updated operational performance at the subject property and any relevant sale comparable. A discounted cash flow analysis is utilized to determine asset value. Prior to finalizing the values, Altus (an independent professional advisory with expertise in appraisals) reviews every valuation quarterly and communicates its questions/findings to AEW before approval. The valuation of the Affordable Housing properties is calculated by a third party valuation and accounting specialist in the affordable housing industry once a year at December 31st. Development properties are initially valued at their accumulated cost amounts until completion, upon which an appraisal is done.

*Prudential* is an open-ended commingled insurance company separate account comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. Fair value is generally determined through an appraisal process that is conducted by independent appraisers within a reasonable amount of time following acquisition and no less frequently than annual thereafter.

**Collective Trust Funds:** At the beginning of the fiscal year, there were nine collective trust funds offered as investment options in the Defined Contribution Plan, and one in the Defined Benefit Plan. The collective funds are value based on the NAV of the underlying investments. Collective Trusts are regulated, but not registered investment vehicles. There were two additional collective trust funds this fiscal year.

**Commingled Funds:** These are the investment vehicles used for the Plan's Sick Leave Funds where funds are pooled from numerous plans. They are valued at net asset value of units held at the end of the period based upon the fair value of the underlying investments.

### **Derivatives:**

*Forward Exchange Contracts* use a market approach with foreign exchange rates. Futures are standardized legal contracts to buy or sell something at a predetermined price at a specified time in the future.

*Futures contracts* are traded on organized exchanges and require initial margin in the form of cash or marketable securities. Each day, the net change in the futures contract value is settled in cash with the exchanges.

*Swap Collaterals* are based on a certain value; priced at \$1.00. It is collateral at the broker to hold for those derivatives that require collateral.



## FINANCIAL SECTION

### NOTE 5. NET PENSION LIABILITY (ASSET)

The components of the net pension liability (asset) of the participating employers as of June 30, 2024 and 2023, are as follows:

	PERSI Base Plan 2024	FRF 2024	JRF 2024
Total pension liability	\$ 25,872,407,517	\$ 233,798,004	\$ 135,125,435
Plan fiduciary net position	22,131,762,631	485,494,091	117,794,977
Employers' net pension liability (asset)	<u>\$ 3,740,644,886</u>	<u>\$ (251,696,087)</u>	<u>\$ 17,330,458</u>
Plan fiduciary net position as a percentage of total pension liability	<u>85.54 %</u>	<u>207.66 %</u>	<u>87.17 %</u>
	PERSI Base Plan 2023	FRF 2023	JRF 2023
Total pension liability	\$24,686,512,681	\$ 235,032,187	\$ 131,999,508
Plan fiduciary net position	20,695,842,118	471,434,942	111,017,104
Employers' net pension liability (asset)	<u>\$ 3,990,670,563</u>	<u>\$ (236,402,755)</u>	<u>\$ 20,982,404</u>
Plan fiduciary net position as a percentage of total pension liability	<u>83.83 %</u>	<u>200.58 %</u>	<u>84.10 %</u>

The net pension liability (asset) is calculated using a discount rate of 6.35%, which is the expected rate of return on investments reduced by investment expenses. The unfunded liability as reported in Management's Discussion and Analysis is calculated using 6.30%, which is the expected rate of return on investments reduced by investment and administrative costs. The net pension liability was determined by an actuarial valuation as of July 1, 2024, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Economic assumptions for the Base Plan, FRF, and JRF were studied in the most recent actuarial experience study performed for the period 2015 through 2020. Demographic assumptions, including mortality, for the Base Plan and FRF were studied for the period 2015 through 2020. Demographic assumptions, including mortality, for JRF were studied for the period 2018 through 2023.

*Actuarial Assumptions* – The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Actuarial Assumptions	PERSI Base Plan	FRF	JRF
Inflation	2.30%	2.30%	2.30%
Salary increases including inflation	3.05%	3.05%**	3.05%*
Investment rate of return - net of investment fees	6.35%	6.35%	6.35%
Cost of Living (COLA) adjustments	1.00%**	***	***

\*3.05 percent or 1.00 percent depending on whether the member was hired on or before July 1, 2012 and by whether the judge (if it was an option available) made an irrevocable election to use the PERSI COLA.

\*\*3.05 percent COLA is assumed for the gross benefit paid to members of FRF. A 1.00 percent COLA is assumed for the PERSI benefit offsets used to determine the benefits paid by FRF.

\*\*\*There is an additional component of assumed salary growth (on top of the 3.05%) that varies for each individual member based on years of service.

## FINANCIAL SECTION

### Mortality

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries, as well as for the Judicial members. These rates were adopted for the valuation dated July 1, 2021.

#### **Contributing Members, Service Retirement Members, and Beneficiaries**

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
	5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

#### **Judicial Members**

Males - Pre-Commencement	General Pub-2010 Above Median tables for male employees
Males - Post-Commencement	General Pub-2010 Above Median tables for male healthy annuitants
Females - Pre-Commencement	General Pub-2010 Above Median tables for female employees
Females - Post-Commencement	General Pub-2010 Above Median tables for female healthy annuitants

All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by Social Security Administration from 1957 through 2017.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

## FINANCIAL SECTION

### Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	(0.25)%
TIPS	10.00%	(0.30)%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

*Discount rate* – The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for administrative expense.

*Sensitivity of the net pension liability (asset) to changes in the discount rate* – The following presents the net pension liability (asset) of PERSI, FRF and JRF employers calculated using the discount rate of 6.35% as well as what the employers' liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
Employers' net pension liability (asset) - PERSI	\$7,108,390,676	\$3,740,644,886	\$ 990,054,997
Employers' net pension liability (asset) - FRF	(232,263,989)	(251,696,087)	(268,692,226)
Employers' net pension liability (asset) - JRF	30,897,483	17,330,458	5,728,144

## FINANCIAL SECTION

### NOTE 6. NET OPEB ASSET

The components of the net OPEB asset associated with the Sick Leave Funds of the participating employers as of June 30, 2024 and 2023, is as follows:

#### State Members

	<u>2024</u>	<u>2023</u>
Total OPEB liability	\$124,248,515	\$115,683,555
Plan fiduciary net position	283,970,452	258,821,864
Employers' net OPEB liability (asset)	<u><u>\$(159,721,937)</u></u>	<u><u>\$(143,138,309)</u></u>
Plan fiduciary net position as a percentage of total OPEB liability (asset)	<u><u>228.6 %</u></u>	<u><u>223.7 %</u></u>

#### School Members

	<u>2024</u>	<u>2023</u>
Total OPEB liability	\$310,957,009	\$298,248,684
Plan fiduciary net position	400,002,927	370,815,077
Employers' net OPEB liability (asset)	<u><u>\$(89,045,918)</u></u>	<u><u>\$(72,566,393)</u></u>
Plan fiduciary net position as a percentage of total OPEB liability (asset)	<u><u>128.6 %</u></u>	<u><u>124.3 %</u></u>

The OPEB asset is calculated using a discount rate of 5.45% which is the expected rate of return on investments reduced by investment expenses. The net OPEB asset was determined by an actuarial valuation as of July 1, 2024. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net OPEB asset are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Board's adopted asset allocation policy for the Sick Leave Funds as of June 30, 2024 was 50% Fixed income, 39.3% US/Global equity, and 10.7% International equity.

<u>Actuarial Assumptions</u>	<u>Sick Leave Funds</u>
Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return - net of investment fees	5.45%

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, we rely primarily on an approach which builds upon the latest capital market assumptions. The

## FINANCIAL SECTION

assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets.

The expected nominal rate of return is determined by adding the assumed expected inflation of 2.30% to the expected long-term real return.

Asset Class	Index	Target Allocation	Expected Real Rate of Return*
Broad U.S. Equity	Wilshire 5000 / Russell 3000	39.0%	4.90%
Developed ex-U.S. Equity	MSCI World ex USA	11.0%	4.75%
Core U.S. Fixed	Bloomberg Barclays Aggregate	50.0%	0.50%

\*Based on Milliman's Financial Reporting Valuation.

*Discount rate* – The discount rate used to measure the total OPEB liability was 5.45%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense without reduction for OPEB plan administrative expense.

*Sensitivity of the net OPEB liability (asset) to changes in the discount rate* – The following presents the net OPEB liability (asset) calculated using the discount rate of 5.45% as well as what the employers' liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 4.45%	Discount Rate 5.45%	1% Increase 6.45%
State Members - Net OPEB Liability (Asset)	\$ (148,570,939)	\$ (159,721,937)	\$ (169,659,170)
School Members - Net OPEB Liability (Asset)	(64,261,674)	(89,045,918)	(111,708,803)

## FINANCIAL SECTION

### NOTE 7. ASSETS USED IN PLAN OPERATIONS

Assets used in plan operations at June 30, 2024 and 2023, consist of the following:

	2024	2023
Buildings and improvements	\$ 6,133,440	\$ 6,122,935
Less accumulated depreciation	(6,133,440)	(5,687,985)
Total buildings and improvements	—	434,950
Equipment	727,465	877,950
Less accumulated depreciation	(464,509)	(590,681)
Total equipment	262,956	287,269
Computer software development - Arrivos	14,820,737	12,766,777
Less accumulated amortization	(9,833,472)	(8,642,227)
Total computer software development - Arrivos	4,987,265	4,124,550
Total assets used in plan operations	\$ 5,250,221	\$ 4,846,769

Depreciation expense is a component of administrative expense. For the year ended June 30, 2024, depreciation expense on the buildings and improvements was \$445,455. The equipment had a total depreciation expense of \$92,912 for 2024.

### NOTE 8. OTHER POST EMPLOYMENT BENEFITS

The State funds, or partially funds, post employment benefits relating to health, disability, and life insurance. Employees of PERSI participate in the State of Idaho's post employment benefit programs. The State administers the retiree healthcare plan which allows eligible retirees to purchase healthcare insurance coverage for themselves and eligible dependents. The State provides long-term disability income benefits for active employees who become disabled, generally up to a maximum age of 70. The State provides basic life and dependent life coverage for disabled employees, generally up to a maximum age of 70. For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage. Benefits costs are paid by PERSI through a rate charged by the State. The primary government (State of Idaho) is reporting the liability for the retiree healthcare and long-term disability benefits. Specific details of these other post employment benefits are available in the Annual Comprehensive Financial Report of the State of Idaho which may be accessed at [www.sco.idaho.gov](http://www.sco.idaho.gov).

**FINANCIAL SECTION**

**PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO**  
***REQUIRED SUPPLEMENTARY INFORMATION***  
***JUNE 30, 2024***



## FINANCIAL SECTION

# PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT PLAN

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

#### PERSI Base Plan

	2024	2023	2022	2021	2020
<b>Total pension liability changes for the year</b>					
Service cost <sup>(1)</sup>	\$ 701,894,003	\$ 637,491,431	\$ 596,927,904	\$ 513,205,361	\$ 484,964,767
Interest <sup>(1)(2)</sup>	1,571,819,788	1,480,236,878	1,397,434,963	1,388,578,112	1,321,253,945
Effect of plan changes	—	22,917,868	274,272,094	5,638,304	372,935,449
Effect of economic/demographic gains or losses	202,720,914	506,681,792	457,371,784	26,369,372	166,634,457
Effect of assumptions changes or inputs	—	—	—	1,136,086,143	—
Benefit payments, including refunds of member contributions	<u>(1,290,539,869)</u>	<u>(1,249,058,510)</u>	<u>(1,129,444,374)</u>	<u>(1,092,389,237)</u>	<u>(1,012,529,440)</u>
<b>Net change in total pension liabilities</b>	1,185,894,836	1,398,269,459	1,596,562,371	1,977,488,055	1,333,259,178
Total pension liability - beginning	24,686,512,681	23,288,243,222	21,691,680,851	19,714,192,796	18,380,933,618
Total pension liability - ending	25,872,407,517	24,686,512,681	23,288,243,222	21,691,680,851	19,714,192,796
<b>Plan net position</b>					
Contributions - employer	554,409,453	513,828,265	476,416,795	450,951,588	430,638,154
Contributions - employee	359,388,202	335,646,335	315,161,350	294,084,814	280,790,591
Net investment income (loss)	1,824,049,369	1,755,938,036	(2,073,323,125)	4,734,923,136	463,879,610
Other	—	—	—	—	—
Benefit payments, including refunds of member contributions	<u>(1,290,539,869)</u>	<u>(1,249,058,510)</u>	<u>(1,129,444,374)</u>	<u>(1,092,389,237)</u>	<u>(1,012,529,440)</u>
Administrative expense	<u>(11,386,642)</u>	<u>(9,997,170)</u>	<u>(9,984,308)</u>	<u>(8,972,053)</u>	<u>(10,179,831)</u>
<b>Net change in plan net position</b>	1,435,920,513	1,346,356,956	(2,421,173,662)	4,378,598,248	152,599,084
Plan net position - beginning	20,695,842,118	19,349,485,162	21,770,658,824	17,392,060,576	17,239,461,492
Plan net position - ending	<u>22,131,762,631</u>	<u>20,695,842,118</u>	<u>19,349,485,162</u>	<u>21,770,658,824</u>	<u>17,392,060,576</u>
<b>Plan net pension liability (asset) - ending</b>	<u>\$3,740,644,886</u>	<u>\$3,990,670,563</u>	<u>\$3,938,758,060</u>	<u>\$ (78,977,973)</u>	<u>\$2,322,132,220</u>

(1) Service cost and interest on total pension liability are measured after reflecting the effect of plan changes but before reflecting the assumption changes.

(2) Includes interest on total pension liability, service cost, plan changes, and benefit payments.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

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2019	2018	2017	2016	2015
\$ 461,646,272	\$ 437,257,407	\$ 406,910,895	\$ 397,283,921	\$ 384,419,252
1,250,119,942	1,202,947,872	1,129,286,928	1,088,670,726	1,045,505,462
—	84,200,000	12,200,000	67,800,000	150,400,000
(105,480,176)	(38,113,799)	273,580,592	(104,512,779)	(105,531,304)
—	104,724,103	—	13,100,000	—
(975,200,330)	(909,678,264)	(864,785,159)	(824,524,533)	(770,593,410)
631,085,708	881,337,319	957,193,256	637,817,335	704,200,000
17,749,847,910	16,868,510,591	15,911,317,335	15,273,500,000	14,569,300,000
18,380,933,618	17,749,847,910	16,868,510,591	15,911,317,335	15,273,500,000
390,080,902	369,139,113	356,367,389	335,610,100	321,240,628
257,060,511	243,950,654	237,032,668	220,866,936	211,468,780
1,301,966,592	1,283,658,926	1,692,713,855	202,329,942	367,820,877
—	—	—	25,283	16,767
(975,200,330)	(909,678,264)	(864,785,159)	(824,524,533)	(770,593,410)
(9,276,642)	(8,922,335)	(8,810,136)	(6,806,655)	(6,434,462)
964,631,033	978,148,094	1,412,518,617	(72,498,927)	123,519,180
16,274,830,459	15,296,682,365	13,884,163,748	13,956,662,675	13,833,143,496
17,239,461,492	16,274,830,459	15,296,682,365	13,884,163,748	13,956,662,675
<u>\$1,141,472,126</u>	<u>\$1,475,017,451</u>	<u>\$1,571,828,226</u>	<u>\$2,027,153,587</u>	<u>\$1,316,837,325</u>

## FINANCIAL SECTION

# PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

Firefighters' Retirement Fund	2024	2023	2022	2021	2020
<b>Total pension liability changes for the year</b>					
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —
Interest <sup>(1)</sup>	14,315,101	14,779,983	14,749,137	15,415,347	18,555,434
Effect of plan changes	—	—	—	—	—
Effect of economic/demographic gains or losses	3,945,792	(2,630,514)	4,963,948	(6,986,802)	(4,019,534)
Effect of assumptions changes or inputs	—	—	—	(16,003,571)	—
Benefit payments, including refunds of member contributions	(19,495,076)	(19,446,545)	(19,014,750)	(18,828,213)	(19,073,931)
<b>Net change in total pension liabilities</b>	(1,234,183)	(7,297,076)	698,335	(26,403,239)	(4,538,031)
Total pension liability - beginning	235,032,187	242,329,263	241,630,928	268,034,167	272,572,198
Total pension liability - ending	233,798,004	235,032,187	242,329,263	241,630,928	268,034,167
<b>Plan net position</b>					
Contributions - employer <sup>(2)</sup>	3,888,153	3,346,505	2,901,920	2,549,471	8,660,397
Contributions - employee	—	—	—	—	4,503
Net investment income (loss)	29,728,492	39,961,291	(48,067,876)	111,249,774	11,090,094
Benefit payments, including refunds of member contributions	(19,495,076)	(19,446,545)	(19,014,750)	(18,828,213)	(19,073,931)
Administrative expense	(62,420)	(46,516)	(56,863)	(46,585)	(73,557)
<b>Net change in plan net position</b>	14,059,149	23,814,735	(64,237,569)	94,924,447	607,506
Plan net position - beginning	471,434,942	447,620,207	511,857,776	416,933,329	416,325,823
Plan net position - ending	485,494,091	471,434,942	447,620,207	511,857,776	416,933,329
<b>Plan net pension liability (asset) - ending</b>	<u>\$ (251,696,087)</u>	<u>\$ (236,402,755)</u>	<u>\$ (205,290,944)</u>	<u>\$ (270,226,848)</u>	<u>\$ (148,899,162)</u>

<sup>(1)</sup> Includes interest on total pension liability, service cost, benefit payments, and plan changes. Measured before reflecting effect of the assumption changes.

<sup>(2)</sup> Includes Fire Insurance Premium Tax.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

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2019	2018	2017	2016	2015
\$ —	\$ —	\$ —	\$ —	\$ —
19,216,525	19,841,800	20,041,184	20,496,009	21,479,861
—	(615,405)	(68,748)	(557,863)	(2,100,000)
(9,593,204)	(9,182,411)	(3,116,488)	(7,446,350)	(15,100,408)
—	1,386,562	—	—	—
<u>(18,929,519)</u>	<u>(18,934,403)</u>	<u>(19,294,441)</u>	<u>(19,476,228)</u>	<u>(19,874,275)</u>
(9,306,198)	(7,503,857)	(2,438,493)	(6,984,432)	(15,594,822)
281,878,396	289,382,253	291,820,746	298,805,178	314,400,000
272,572,198	281,878,396	289,382,253	291,820,746	298,805,178
3,926,915	7,706,226	7,452,987	7,198,597	11,305,473
4,540	4,368	4,385	6,329	6,168
36,330,366	31,124,311	41,488,825	5,083,454	9,357,909
(18,929,519)	(18,934,403)	(19,294,441)	(19,476,228)	(19,874,275)
<u>(55,031)</u>	<u>(29,833)</u>	<u>(43,022)</u>	<u>(58,873)</u>	<u>(153,719)</u>
21,277,271	19,870,669	29,608,734	(7,246,721)	641,556
395,048,552	375,177,883	345,569,149	352,815,870	352,174,314
<u>416,325,823</u>	<u>395,048,552</u>	<u>375,177,883</u>	<u>345,569,149</u>	<u>352,815,870</u>
<u>\$ (143,753,625)</u>	<u>\$ (113,170,156)</u>	<u>\$ (85,795,630)</u>	<u>\$ (53,748,403)</u>	<u>\$ (54,010,692)</u>

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

#### SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

##### Judges' Retirement Fund

	2024	2023	2022	2021	2020
<b>Total pension liability changes for the year</b>					
Transfer in from JRF	\$ —	\$ —	\$ —	\$ —	\$ —
Service cost <sup>(1)</sup>	3,874,346	3,817,043	3,834,828	3,489,980	3,343,947
Interest <sup>(1)(2)</sup>	8,339,141	7,963,806	7,728,109	8,127,424	7,930,143
Effect of economic/demographic gains or losses	50,716	2,993,081	551,964	(106,337)	(962,452)
Effect of assumptions changes or inputs	101,521	—	—	2,489,739	—
Benefit payments, including refunds of member contributions	(9,239,797)	(8,610,785)	(8,166,744)	(7,679,687)	(7,639,712)
<b>Net change in total pension liabilities</b>	<b>3,125,927</b>	<b>6,163,145</b>	<b>3,948,157</b>	<b>6,321,119</b>	<b>2,671,926</b>
Total pension liability - beginning	131,999,508	125,836,363	121,888,206	115,567,087	112,895,161
Total pension liability - ending	135,125,435	131,999,508	125,836,363	121,888,206	115,567,087
<b>Plan net position</b>					
Contributions - employer	5,542,091	5,438,760	5,120,089	5,066,720	4,878,534
Contributions - employee	939,033	924,368	908,857	875,812	845,925
Net investment income (loss)	9,658,022	9,444,602	(11,161,869)	25,476,975	2,535,628
Transfer in	—	—	—	—	—
Other	—	—	—	—	12,960
Benefit payments, including refunds of member contributions	(9,239,797)	(8,610,785)	(8,166,744)	(7,679,687)	(7,639,712)
Administrative expense	(121,476)	(115,561)	(106,053)	(104,054)	(127,095)
<b>Net change in plan net position</b>	<b>6,777,873</b>	<b>7,081,384</b>	<b>(13,405,720)</b>	<b>23,635,766</b>	<b>506,240</b>
Plan net position - beginning	111,017,104	103,935,720	117,341,440	93,705,674	93,199,434
Plan net position - ending	117,794,977	111,017,104	103,935,720	117,341,440	93,705,674
<b>Plan net pension liability - ending</b>	<b>\$ 17,330,458</b>	<b>\$ 20,982,404</b>	<b>\$ 21,900,643</b>	<b>\$ 4,546,766</b>	<b>\$ 21,861,413</b>

Schedule is intended to show information for 10 years.

<sup>(1)</sup> Service cost and interest are measured after reflecting the effect of plan changes but before reflecting the effect of assumption changes.

<sup>(2)</sup> Includes interest on total pension liability, service cost, plan changes, assumption changes, and benefit payments.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

2019	2018	2017	2016	2015
\$ —	\$ —	\$ —	\$ —	\$ 92,302,982
3,177,846	2,962,939	3,179,411	3,110,818	3,251,679
7,502,002	7,329,407	7,055,599	6,888,876	6,589,779
2,627,021	(400,640)	265,945	(1,647,589)	284,788
—	—	—	—	—
(7,168,403)	(6,691,558)	(6,173,415)	(5,974,937)	(5,577,389)
6,138,466	3,200,148	4,327,540	2,377,168	96,851,839
106,756,695	103,556,547	99,229,007	96,851,839	—
112,895,161	106,756,695	103,556,547	99,229,007	96,851,839
4,688,762	4,278,996	3,946,599	3,370,587	3,595,417
778,864	714,804	630,392	623,754	629,077
6,936,823	6,938,171	9,157,849	1,092,130	2,049,895
—	—	—	—	75,864,300
13,200	—	—	2,571	2,063
(7,168,403)	(6,691,558)	(6,173,415)	(5,974,937)	(5,577,389)
(121,305)	(104,949)	(74,035)	(133,096)	(95,733)
5,127,941	5,135,464	7,487,390	(1,018,991)	76,467,630
88,071,493	82,936,029	75,448,639	76,467,630	—
93,199,434	88,071,493	82,936,029	75,448,639	76,467,630
<u>\$ 19,695,727</u>	<u>\$ 18,685,202</u>	<u>\$ 20,620,518</u>	<u>\$ 23,780,368</u>	<u>\$ 20,384,209</u>

## FINANCIAL SECTION

# PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

### SCHEDULE OF NET PENSION LIABILITY (ASSET) FISCAL YEARS ENDED JUNE 30

<b>PERSI Base Plan</b>	2024	2023	2022	2021	2020
Total Pension Liability	\$25,872,407,517	\$24,686,512,681	\$23,288,243,222	\$21,691,680,851	\$19,714,192,796
Plan net position	22,131,762,631	20,695,842,118	19,349,485,162	21,770,658,824	17,392,060,576
Net pension liability (asset)	<u>\$3,740,644,886</u>	<u>\$3,990,670,563</u>	<u>\$3,938,758,060</u>	<u>\$ (78,977,973)</u>	<u>\$2,322,132,220</u>
Plan net position as a percentage of total pension liability (asset)	85.54 %	83.83 %	83.09 %	100.36 %	88.22 %
Covered payroll	\$4,573,375,234	\$4,234,635,471	\$3,926,540,125	\$3,716,726,113	\$3,546,033,069
Net pension liability (asset) as a percentage of covered payroll	81.79 %	94.24 %	100.31 %	(2.12)%	65.49 %
<b>Firefighters' Retirement Fund</b>					
	2024	2023	2022	2021	2020
Total Pension Liability	\$ 233,798,004	\$ 235,032,187	\$ 242,329,263	\$ 241,630,928	\$ 268,034,167
Plan net position	485,494,091	471,434,942	447,620,207	511,857,776	416,933,329
Net pension liability (asset)	<u>\$(251,696,087)</u>	<u>\$(236,402,755)</u>	<u>\$(205,290,944)</u>	<u>\$(270,226,848)</u>	<u>\$(148,899,162)</u>
Plan net position as a percentage of total pension liability (asset)	207.66 %	200.58 %	184.72 %	211.83 %	155.55 %
Covered payroll	\$ 92,485,844	\$ 84,485,207	\$ 78,865,896	\$ 85,896,222	\$ 78,657,631
Net pension liability (asset) as a percentage of covered payroll	(272.15)%	(279.82)%	(260.30)%	(314.60)%	(189.30)%
<b>Judges' Retirement Fund</b>					
	2024	2023	2022	2021	2020
Total Pension Liability	\$ 135,125,435	\$ 131,999,508	\$(125,836,363)	\$ 121,888,206	\$ 115,567,087
Plan net position	117,794,977	111,017,104	103,935,720	117,341,440	93,705,674
Net pension liability (asset)	<u>\$ 17,330,458</u>	<u>\$ 20,982,404</u>	<u>\$ (21,900,643)</u>	<u>\$ 4,546,766</u>	<u>\$ 21,861,413</u>
Plan net position as a percentage of total pension liability (asset)	87.17 %	84.10 %	82.60 %	96.27 %	81.08 %
Covered payroll	\$ 8,863,091	\$ 8,697,841	\$ 8,188,212	\$ 8,102,863	\$ 7,801,909
Net pension liability (asset) as a percentage covered of payroll	195.54 %	241.24 %	267.47 %	56.11 %	280.21 %

See Notes to Required Supplementary Information



## FINANCIAL SECTION

2019	2018	2017	2016	2015
\$18,380,933,618	\$17,749,847,910	\$16,868,510,591	\$15,911,317,335	\$15,273,500,000
17,239,461,492	16,274,830,459	15,296,682,365	13,884,163,748	13,956,662,675
\$1,141,472,126	\$1,475,017,451	\$1,571,828,226	\$2,027,153,587	\$1,316,837,325
93.79 %	91.69 %	90.68 %	87.26 %	91.38 %
\$3,382,051,785	\$3,200,396,203	\$3,089,555,264	\$2,895,430,105	\$2,791,109,393
33.75 %	46.09 %	50.88%	70.01%	47.18%

2019	2018	2017	2016	2015
\$ 272,572,198	\$ 281,878,396	\$ 289,382,253	\$ 291,820,746	\$ 298,805,178
416,325,823	395,048,552	375,177,883	345,569,149	352,815,870
\$(143,753,625)	\$(113,170,156)	\$ (85,795,630)	\$ (53,748,403)	\$ (54,010,692)
152.74 %	140.15 %	129.65 %	118.42 %	118.08 %
\$ 78,284,032	\$ 74,848,287	\$ 70,568,501	\$ 68,017,833	\$ 63,780,545
(183.63)%	(151.20)%	(121.58)%	(79.02)%	(84.68)%

2019	2018	2017	2016	2014
\$ 112,895,161	\$ 106,756,695	\$ 103,556,547	\$ 99,229,007	\$ 96,851,839
93,199,434	88,071,493	82,936,029	75,448,639	76,467,630
\$ (19,695,727)	\$ 18,685,202	\$ 20,620,518	\$ 23,780,368	\$ 20,384,209
82.55 %	82.50 %	80.09 %	76.03 %	78.95 %
\$ 6,731,755	\$ 6,178,081	\$ 6,162,190	\$ 6,097,302	\$ 6,149,339
292.58 %	302.44 %	334.63 %	390.01 %	331.49 %

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

#### SCHEDULE OF CONTRIBUTIONS FISCAL YEARS 2015 - 2024

PERSI Base Plan					
Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 327,101,958	\$ 335,610,100	\$ (8,508,142)	\$2,791,109,393	12.02%
2016	297,262,331	334,034,293	(36,771,962)	2,895,430,105	11.54
2017	337,212,145	356,367,389	(19,155,244)	3,089,555,264	11.53
2018	388,341,490	369,139,113	19,202,377	3,200,396,203	11.53
2019	382,640,388	390,080,902	(7,440,514)	3,382,051,785	11.53
2020	392,340,997	430,638,154	(38,297,157)	3,546,033,069	12.14
2021	394,829,024	450,951,588	(56,122,564)	3,716,726,113	12.13
2022	463,066,559	476,416,795	(13,350,236)	3,926,540,125	12.13
2023	436,757,899	513,828,265	(77,070,366)	4,234,635,471	12.13
2024	650,450,333	554,409,453	96,040,880	4,573,375,234	12.12

Firefighters' Retirement Fund					
Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution <sup>(1)</sup>	Contribution Deficiency (Excess)	Covered Payroll <sup>(2)</sup>	Contribution as a % of Covered Payroll
2015	\$ —	\$ 11,305,473	\$ (11,305,473)	\$ 63,780,545	17.73%
2016	—	7,198,597	(7,198,597)	68,017,833	10.58
2017	—	7,452,987	(7,452,987)	70,568,501	10.56
2018	—	7,706,226	(7,706,226)	74,848,287	10.30
2019	—	8,247,827	(8,247,827)	78,284,032	10.54
2020	—	8,660,397	(8,660,397)	78,657,631	11.01
2021	—	2,549,471	(2,549,471)	85,896,222	2.97
2022	—	2,901,920	(2,901,920)	78,865,896	3.68
2023	—	3,346,505	(3,346,505)	84,485,207	3.96
2024	—	3,888,153	(3,888,153)	92,485,844	4.20

<sup>(1)</sup> Contribution shown in this column includes the Fire Insurance Premium Tax. Starting in fiscal year 2021, there were no employer contributions other than the Fire Insurance Premium Tax.

<sup>(2)</sup> Covered Payroll for the Firefighters' Retirement Fund is the total annual payroll of all firefighters in the participating fire departments, including firefighters who are not eligible to participate.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

#### SCHEDULE OF CONTRIBUTIONS FISCAL YEARS 2015 - 2024

Judges' Retirement Fund						
Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	
2015	\$ 3,492,825	\$ 3,595,417	\$ (102,592)	\$ 6,149,339	58.47%	
2016	3,463,268	3,370,587	92,681	6,097,302	55.28	
2017	3,604,265	3,946,599	(342,334)	6,162,190	64.05	
2018	3,273,147	4,278,996	(1,005,849)	6,178,081	69.26	
2019	3,307,311	4,688,762	(1,381,451)	6,731,755	69.65	
2020	3,897,054	4,878,534	(981,480)	7,801,909	62.53	
2021	4,032,795	5,066,720	(1,033,925)	8,102,863	62.53	
2022	3,367,812	5,120,089	(1,752,277)	8,188,212	62.53	
2023	4,906,452	5,438,760	(532,308)	8,697,841	62.53	
2024	5,542,091	5,542,091	—	8,863,091	62.53	

See Notes to Required Supplementary Information

## FINANCIAL SECTION

# PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

## SCHEDULE OF INVESTMENT RETURNS FISCAL YEARS 2015 - 2024

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### Investment Returns

<b>Fiscal Year</b>	<b>Annual money weighted rate of return, net of investment expense</b>
2015	2.74%
2016	1.51%
2017	12.38%
2018	8.51%
2019	8.00%
2020	2.79%
2021	27.61%
2022	(9.61)%
2023	9.24%
2024	8.84%

See Notes to Required Supplementary Information

**FINANCIAL SECTION**

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## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

#### SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

##### Sick Leave Fund - State

	2024	2023	2022	2021
<b>Total OPEB liability changes for the year</b>				
Service cost <sup>(1)</sup>	\$ 5,275,345	\$ 4,562,774	\$ 4,679,986	\$ 4,715,656
Interest <sup>(1)(2)</sup>	6,440,138	5,717,047	5,789,278	5,650,851
Effect of plan changes	—	—	—	—
Effect of economic/demographic gains or losses	2,506,975	3,149,777	3,360,108	(2,555,609)
Effect of assumptions changes or inputs	—	4,688,300	(9,572,405)	8,214,660
Benefit payments, including refunds of member contributions	(5,657,498)	(5,470,465)	(5,459,867)	(5,083,113)
<b>Net change in total OPEB liabilities</b>	<b>8,564,960</b>	<b>12,647,433</b>	<b>(1,202,900)</b>	<b>10,942,445</b>
Net OPEB liability - beginning	115,683,555	103,036,122	104,239,022	93,296,577
Total OPEB liability - ending (a)	<u>\$ 124,248,515</u>	<u>\$ 115,683,555</u>	<u>\$ 103,036,122</u>	<u>\$ 104,239,022</u>
<b>Plan net position</b>				
Contributions - employer <sup>(3)</sup>	\$ —	\$ (833)	\$ (182)	\$ (682)
Net investment income (loss)	30,862,676	19,839,297	(36,181,966)	56,875,563
Other	—	—	—	—
Benefit payments, including refunds of member contributions	(5,657,498)	(5,470,465)	(5,459,867)	(5,083,113)
Administrative expense	(56,590)	(48,921)	(48,539)	(47,914)
<b>Net change in plan net position</b>	<b>25,148,588</b>	<b>14,319,078</b>	<b>(41,690,554)</b>	<b>51,743,854</b>
Plan net position - beginning	258,821,864	244,502,786	286,193,340	234,449,486
Plan net position - ending (b)	<u>\$ 283,970,452</u>	<u>\$ 258,821,864</u>	<u>\$ 244,502,786</u>	<u>\$ 286,193,340</u>
Net OPEB liability/(asset), ending = (a) - (b)	<u>\$ (159,721,937)</u>	<u>\$ (143,138,309)</u>	<u>\$ (141,466,664)</u>	<u>\$ (181,954,318)</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

<sup>(1)</sup> Service cost and interest cost are measured after reflecting the changes of benefit terms but before reflecting the changes of assumptions.

<sup>(2)</sup> Includes interest on total OPEB liability, service cost, changes of benefit terms, and benefit payments.

<sup>(3)</sup> Refunds of employer contributions due to participant audits have been previously reported as negative employer contributions. Going forward these refunds will be reported in Administrative expense.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

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2020	2019	2018	2017
\$ 3,939,068	\$ 4,326,780	\$ 4,170,390	\$ 4,043,479
7,105,202	6,592,557	6,207,620	6,223,171
—	—	(5,771,416)	—
(2,161,468)	1,415,058	—	—
(10,060,579)	—	186,986	—
<u>(4,739,183)</u>	<u>(4,611,044)</u>	<u>(4,671,380)</u>	<u>(5,010,974)</u>
(5,916,960)	7,723,351	122,200	5,255,676
99,213,537	91,490,186	91,367,986	86,112,310
<u>\$ 93,296,577</u>	<u>\$ 99,213,537</u>	<u>\$ 91,490,186</u>	<u>\$ 91,367,986</u>
\$ 4,494,217	\$ 7,497,670	\$ 7,161,239	\$ 7,136,693
9,556,026	16,085,961	17,316,960	12,294,424
—	—	—	—
(4,739,183)	(4,611,044)	(4,671,380)	(5,010,974)
<u>(47,225)</u>	<u>(47,183)</u>	<u>(44,182)</u>	<u>(41,148)</u>
9,263,835	18,925,404	19,762,637	14,378,995
225,185,651	206,260,247	186,497,610	172,118,615
<u>\$ 234,449,486</u>	<u>\$ 225,185,651</u>	<u>\$ 206,260,247</u>	<u>\$ 186,497,610</u>
<u>\$ (141,152,909)</u>	<u>\$ (25,972,114)</u>	<u>\$ (114,770,061)</u>	<u>\$ (95,129,624)</u>



## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

#### SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

##### Sick Leave Fund - Schools

	2024	2023	2022	2021
<b>Total OPEB liability changes for the year</b>				
Service cost <sup>(1)</sup>	\$ 12,832,585	\$ 11,992,603	\$ 11,701,233	\$ 10,733,979
Interest <sup>(1)(2)</sup>	16,586,009	15,543,305	15,339,907	13,972,195
Effect of plan changes	—	—	—	—
Effect of economic/demographic gains or losses	(3,027,074)	(1,051,078)	1,425,881	11,913,355
Effect of assumptions changes or inputs	—	5,283,409	(12,023,043)	18,963,947
Benefit payments, including refunds of member contributions	(13,683,195)	(13,274,336)	(12,739,283)	(12,412,041)
<b>Net change in total OPEB liabilities</b>	12,708,325	18,493,903	3,704,695	43,171,435
Net OPEB liability - beginning	298,248,684	279,754,781	276,050,086	232,878,651
Total OPEB liability - ending (a)	<u>\$ 310,957,009</u>	<u>\$ 298,248,684</u>	<u>\$ 279,754,781</u>	<u>\$ 276,050,086</u>
<b>Plan net position</b>				
Contributions - employer <sup>(3)</sup>	\$ —	\$ (11,621)	\$ (2,109)	\$ (3,637)
Net investment income (loss)	42,952,460	28,289,903	(52,576,174)	77,748,673
Other	—	—	—	—
Benefit payments, including refunds of member contributions	(13,683,195)	(13,274,336)	(12,739,283)	(12,412,041)
Administrative expense	(81,415)	(70,715)	(71,098)	(71,722)
<b>Net change in plan net position</b>	29,187,850	14,933,231	(65,388,664)	65,261,273
Plan net position - beginning	370,815,077	355,881,846	421,270,510	356,009,237
Plan net position - ending (b)	<u>\$ 400,002,927</u>	<u>\$ 370,815,077</u>	<u>\$ 355,881,846</u>	<u>\$ 421,270,510</u>
Net OPEB liability/(asset), ending = (a) - (b)	<u>\$ (89,045,918)</u>	<u>\$ (72,566,393)</u>	<u>\$ (76,127,065)</u>	<u>\$ (145,220,424)</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

<sup>(1)</sup> Service cost and interest cost are measured after reflecting the changes of benefit terms but before reflecting the changes of assumptions.

<sup>(2)</sup> Includes interest on total OPEB liability, service cost, changes of benefit terms, and benefit payments.

<sup>(3)</sup> Refunds of employer contributions due to participant audits have been previously reported as negative employer contributions. Going forward these refunds will be reported in Administrative expense.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

2020	2019	2018	2017
\$ 8,694,499	\$ 9,108,050	\$ 8,778,843	\$ 7,692,471
17,727,484	16,607,049	15,779,480	14,272,064
—	—	—	—
5,125,806	2,499,644	10,851,176	—
(35,485,232)	—	486,017	—
<u>(11,886,179)</u>	<u>(11,930,829)</u>	<u>(12,186,675)</u>	<u>(13,155,040)</u>
(15,823,622)	16,283,914	23,708,841	8,809,495
248,702,273	232,418,359	208,709,518	200
<u>\$ 232,878,651</u>	<u>\$ 248,702,273</u>	<u>\$ 232,418,359</u>	<u>\$ 8,809,695</u>
\$ 8,967,109	\$ 16,432,554	\$ 15,599,238	\$ 14,763,323
14,518,013	24,690,082	26,546,106	18,873,664
—	—	—	—
(11,886,179)	(11,930,829)	(12,186,675)	(13,155,040)
(72,369)	(72,453)	(67,805)	(63,192)
<u>11,526,574</u>	<u>29,119,354</u>	<u>29,890,864</u>	<u>20,418,755</u>
344,482,664	315,363,310	285,472,446	265,053,691
<u>\$ 356,009,238</u>	<u>\$ 344,482,664</u>	<u>\$ 315,363,310</u>	<u>\$ 285,472,446</u>
<u>\$ (123,130,586)</u>	<u>\$ (95,780,391)</u>	<u>\$ (82,944,951)</u>	<u>\$ (76,762,928)</u>

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

#### SCHEDULE OF NET OPEB LIABILITY (ASSET) FISCAL YEARS ENDED JUNE 30

##### State Members

	2024	2023	2022	2021
Total OPEB liability	\$ 124,248,515	\$ 115,683,555	\$ 103,036,122	\$ 104,239,022
Plan fiduciary net position	283,970,452	258,821,864	244,502,786	286,193,340
Employers' net OPEB liability (asset)	<u>\$(159,721,937)</u>	<u>\$(143,138,309)</u>	<u>\$(141,466,664)</u>	<u>\$(181,954,318)</u>
Plan fiduciary net position as a percentage of total plan liability (asset)	<u>228.60 %</u>	<u>223.73 %</u>	<u>237.00 %</u>	<u>275.00 %</u>
Covered payroll (in thousands)	\$ 15,003.8	\$ 14,018.6	\$ 11,806.1	\$ 11,116.4
Net OPEB liability (asset) as a percentage of covered payroll	(10.65)%	(10.21)%	(11.98)%	(16.37)%

##### School Members

	2024	2023	2022	2021
Total OPEB liability	\$ 310,957,009	\$ 298,248,684	\$ 279,754,781	\$ 276,050,086
Plan fiduciary net position	400,002,927	370,815,077	355,881,846	421,270,510
Employers' net OPEB liability (asset)	<u>\$(89,045,918)</u>	<u>\$(72,566,393)</u>	<u>\$(76,127,065)</u>	<u>\$(145,220,424)</u>
Plan fiduciary net position as a percentage of total plan liability (asset)	<u>128.60 %</u>	<u>124.33 %</u>	<u>127.00 %</u>	<u>153.00 %</u>
Covered payroll (in thousands)	\$ 18,602.9	\$ 17,305.6	\$ 16.0	\$ 149.7
Net OPEB liability (asset) as a percentage of covered payroll	(4.79)%	(4.19)%	(4.75)%	(9.70)%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

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2020	2019	2018	2017
\$ 93,296,577	\$ 99,213,537	\$ 91,490,186	\$ 91,367,986
234,449,486	225,185,651	206,260,247	186,497,610
<u>\$(141,152,909)</u>	<u>\$(125,972,114)</u>	<u>\$(114,770,061)</u>	<u>\$(95,129,624)</u>
<u>251.00 %</u>	<u>226.97 %</u>	<u>225.45 %</u>	<u>201.10 %</u>
\$ 138.3	\$ 115.3	\$ 110.2	\$ 10,979.5
(10.20)%	(10.90)%	(10.40)%	(8.66)%

2020	2019	2018	2017
\$ 232,878,651	\$ 248,702,273	\$ 232,418,359	\$ 208,709,518
356,009,237	344,482,664	315,363,310	285,472,446
<u>\$(123,130,586)</u>	<u>\$(95,780,391)</u>	<u>\$(82,944,951)</u>	<u>\$(76,762,928)</u>
<u>153.00 %</u>	<u>138.51 %</u>	<u>135.69 %</u>	<u>136.80 %</u>
\$ 150.7	\$ 138.1	\$ 13,108.6	\$ 12,406.2
(8.17)%	(6.94)%	(6.33)%	(6.19)%

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

#### SCHEDULE OF CONTRIBUTIONS - OPEB FISCAL YEARS 2017 - 2024

<b>Sick Leave Fund - State</b>					
Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2017	\$ 4,282,016	\$ 7,136,693	\$ (2,854,677)	\$1,097,952,769	0.65%
2018	4,186,570	7,161,239	(2,974,669)	1,101,729,077	0.65
2019	4,383,253	7,497,670	(3,114,417)	1,153,487,692	0.65
2020	4,978,210	4,494,217	483,993	1,382,836,000	0.33
2021	3,557,248	(682)	3,557,930	1,111,640,064	—
2022	4,840,519	(182)	4,840,701	1,180,614,285	—
2023	5,327,068	(833)	5,327,901	1,401,860,082	—
2024	6,001,532	(2,996)	6,004,528	1,500,382,889	—

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

<b>Sick Leave Fund - Schools</b>					
Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2017	\$ 8,064,000	\$ 14,763,323	\$ (6,699,323)	\$1,240,615,378	1.19%
2018	8,913,850	15,599,238	(6,685,388)	1,310,860,336	1.19
2019	9,390,031	16,432,554	(7,042,523)	1,380,886,891	1.19
2020	9,645,294	8,967,109	678,185	1,507,077,143	0.60
2021	9,132,736	(3,637)	9,136,373	1,497,169,775	—
2022	12,186,762	(2,109)	12,188,871	1,603,521,347	—
2023	12,633,068	(11,621)	12,644,689	1,730,557,270	—
2024	13,766,134	(5,143)	13,771,277	1,860,288,328	—

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

#### SCHEDULE OF INVESTMENT RETURNS - SICK LEAVE FUNDS FISCAL YEARS 2017 - 2024

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##### Annual money weighted rate of return, net of investment expenses

<b>Fiscal Year</b>	<b>State</b>	<b>School</b>
2017	13.3%	13.3%
2018	9.4%	9.4%
2019	7.8%	7.8%
2020	4.2%	4.2%
2021	23.2%	23.2%
2022	(12.8)%	(12.7)%
2023	8.2%	8.1%
2024	12.1%	11.8%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Note: Sick Leave Funds began being tracked as two separate funds in 2022.

See Notes to Required Supplementary Information

## FINANCIAL SECTION

# PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND, JUDGES' RETIREMENT FUND, AND SICK LEAVE FUNDS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2024

**Methods and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the employers' contributions are calculated as of June 30, 2024 for PERSI, as of June 30, 2024 for FRF and as of June 30, 2024 for JRF. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

	<u>PERSI Base Plan</u>	<u>FRF</u>	<u>JRF</u>
Valuation date	June 30, 2024	June 30, 2024	June 30, 2024
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of projected payroll open	Level dollar amount - open	Level percentage of projected payroll open
Remaining amortization period	10.8 years	N/A	11.3 years
Asset valuation method	Fair Market Value	3-yr smoothing	Fair Market Value
Actuarial assumptions:			
Investment rate of return *	6.35%	6.35%	6.35%
Projected salary increases including inflation	3.05%	3.05%	3.05%
Postretirement benefit increase	1.00%	1.00%	1.00% or 3.05%
Implied price inflation rate	2.30%	2.30%	2.30%
Discount Rate - Actuarial Accrued Liability	6.35%	6.35%	6.35%

\*net of investment expenses

The valuation date for the Sick Leave Funds is as of June 30, 2024.

Actuarial Assumptions	<u>Sick Leave Funds</u>
Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return *	5.45%

\*net of investment expenses



**FINANCIAL SECTION**

**PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO**

***ADDITIONAL SUPPLEMENTARY SCHEDULES  
JUNE 30, 2024***

## FINANCIAL SECTION

### PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

#### SCHEDULE OF INVESTMENT EXPENSES YEAR ENDED JUNE 30, 2024

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##### INVESTMENT AND RELATED SERVICES:

Adelante Capital Management	\$ 2,407,945
AEW Capital Management, LP	12,133,734
Atlanta Capital Mgt Company LLC	773,557
BCA Research, Inc	12,533
Bernstein, Sanford C	2,733,917
Bloomberg, LP	76,256
BLS Capital	5,314,694
BNY Mellon Trust	2,461,722
Brandes Investment Partners, LP	2,299,142
C Worldwide asset Management Fondsmæglersekskab A/S	283,172
Capital Economics (NA) Ltd	14,652
Clearwater Advisors, LLC	796,441
Clearwater Analytics, LLC	518,284
Consensus Economics, Inc	694
D.B. Fitzpatrick & Co, Inc	3,865,544
Donald Smith & Company	3,256,528
Ernst & Young LLP	16,047
Fiera Capital, Inc	3,512,226
Hamilton Lane Advisors, LLC	30,000
Income Research + Management Inc	440,918
Longview Partners (Guernsey) Ltd	3,426,135
Macro Research Board (MRB)	5,000
Mellon Investments Corporation	1,339,076
Mondrian Investment Partners	1,791,968
Mountain Pacific Investment Advisors, Inc	2,788,161
MSCI, Inc	1,000
Peregrine Capital Management	3,612,548
PineStone Asset Management Inc	572,983
Prudential Property Investment Separate Account	1,170,648
Pzena Investment Management, LLC	612,395
Sprucegrove Investment Management Ltd	88,005
State Street Global Advisors	1,230,416
Walter Scott & Partners LTD	4,069,148
Wasatch Advisors, LP	173,248
WCM Investment Management LLC	198,141
Western Asset	581,893
Yardeni Research, Inc	7,500
<b>TOTAL INVESTMENT AND RELATED SERVICES</b>	<b>62,616,271</b>

continued

## FINANCIAL SECTION

### CONSULTING AND OTHER SERVICES:

Alban Row Investments, LLC	88,021
Callan LLC	530,516
Cavanaugh Macdonald Consulting, LLC	200,000
Eide Bailly LLP	79,644
Empower Retirement	146,172
Foster Garvey PC	762,988
George Law Offices, PLLC	46,250
Hamilton Lane Advisors, LLC	90,000
Jenks, John R	77,441
Klausner,Kaufman, Jensen & Levinson	15,950
Korn Ferry	120,000
KRW International	23,600
Lee, Thomas	1,570
Milliman, Inc	302,188
Plante Moran PLLC	101,246
Skjervem, John D	3,940
Storer, Robert	936
Walls, Garret A	87,188
Whiteford, Taylor, & Presto	16,029
Williams, Ashbel	86,758
<b>TOTAL CONSULTING AND OTHER SERVICES</b>	<u>2,780,435</u>
<b>TOTAL</b>	<u><u>\$ 65,396,706</u></u>

**FINANCIAL SECTION**

**PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO**

**SCHEDULE OF ADMINISTRATIVE EXPENSES YEAR ENDED JUNE 30, 2024**

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PORTFOLIO - RELATED EXPENSES:

Personnel expenses	\$ 770,468
Operating expenses	172,723
	<hr/> 943,191

OTHER ADMINISTRATIVE EXPENSES:

Personnel expenses	5,858,345
Operating expenses	2,917,914
Building depreciation expense	445,455
Equipment depreciation expense	92,912
Software amortization expense	1,191,245
	<hr/> 10,505,871

SICK LEAVE FUNDS EXPENSES - Administrative expenses	<hr/> 129,866
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JUDGES' FUND EXPENSES - Administrative expenses	<hr/> 121,476
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DEFINED CONTRIBUTION FUND - Administrative expenses	<hr/> 2,434,488
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<b>TOTAL</b>	<b><hr/><hr/>\$ 14,134,892</b>
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**INVESTMENT**  
SECTION



## INVESTMENT SECTION

### OVERVIEW OF FISCAL YEAR 2024

**NOTE:** The investment section of the Annual Report was compiled using information from the our consultant, Callan Associates, LLC, System's custodial bank, Bank of New York Mellon, and internally generated data. Unless otherwise noted, investment returns are based on investment fair values and made on a time weighted return methodology, gross of investment fees and consistent with Global Investment Performance Standards.

Callan

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Dear Board Members:

This letter reviews the investment performance of the assets under the purview of the Public Employee Retirement System of Idaho (PERSI) Board for the fiscal year ended June 30, 2024.

PERSI employs an investment philosophy described as “simple, transparent, focused, and patient approach following conventional investment principles”. The objective of this approach is to outperform a long-term target of 55% U.S. equity, 15% non-U.S. equity, and 30% U.S. bonds.

### **2024 Fiscal Year Market Overview**

The most widely predicted recession in recent history did not materialize in 2023. In late 2022, 85% of economists polled by the *Financial Times* predicted a recession in 2023. Consumers were also gloomy, affected by post-pandemic blues and worries over rising inflation, especially gas and food prices, and stagnating wages.

Markets defied the early 2023 pessimism, and most asset classes and sectors (energy being an exception) posted robust gains for the calendar year. Global stocks surged and the S&P 500 closed 2023 just shy of a record. Even bond markets (taxable and tax-exempt) sharply reversed course in 4Q to bring 2023 results to an attractive 6% figure.

As we entered 2024, the economic outlook improved from the prior year, but raging wars weighed heavily on investors' minds and government dysfunction and uncertainty over the lasting impact of sharply higher rates cast shadows on the economic picture. The path of short-term interest rates was likely downward, but the pace and timing were uncertain.

This fiscal year's well-publicized mantra—higher for longer—conjures up images of a tightrope, an apt descriptor of the Federal Reserve's current challenge. The economy has been resilient in the face of sharply rising rates, and while inflation has come down, it remains above the Fed's 2% target. The Fed must carefully balance the risks of above target inflation with the impact of sharply higher rates on the economy while analyzing the ever-changing economic landscape.

U.S. equity markets finished fiscal year 2024 in positive territory and helped to recover losses after sharp drawdowns in 2022. The Russell 3000 Index, a measure of broad U.S. equity, returned 23.1% for the fiscal year. Technology stocks, namely the “Magnificent 7,” were the clear winners as exuberance over artificial intelligence continues.

## INVESTMENT SECTION

Overseas markets were positive for the year but continued to lag domestic markets during the fiscal year aided by currency appreciation. The MSCI World ex-U.S. (Net) Index, a broad benchmark reflecting developed and emerging markets outside of the U.S., climbed 11.2% for the fiscal year. The MSCI All Country World Index (Net), a broad measure of the total global equity market (including the U.S.), increased 19.4% for the fiscal year.

The Bloomberg U.S. Aggregate Bond Index, a widely used gauge of the investment grade U.S. bond market, ended the fiscal year in positive territory (+2.6%). Bond yields rose modestly in 2024 as expectations dwindled for aggressive rate cuts amid stubbornly high inflation. The yield curve remained inverted at quarter-end with the 2-year U.S Treasury yielding 4.7%.

Private real estate, as measured by the NCREIF Property Index, was negative for the second consecutive year after over a decade long positive streak. In fiscal year 2024, the NCREIF Property Index returned -5.5%, hurt yet again by office property. Publicly traded real estate, as measured by the FTSE NAREIT All Equity Index, continued to outperform private markets, returning 7.8% for the fiscal year 2024.

For the fiscal year ended June 30, 2023, the Total Fund has a time-weighted total return of 9.2%, trailing the long-term target (55/15/30) return of 15.0% and the median return for Callan's Public Fund Sponsor database of 11.1%.

While the 2023 fiscal year saw positive Total Fund returns for PERSI, these returns were lower than the long-term target due to a more diversified strategic policy. This strategic policy includes allocations to private equity, private real estate, and global equity, all of which underperformed the U.S. equity market during the fiscal year. The long-term target earned strong returns and ranked in the top decile of public funds for the 1, 5 and 10-year periods. The 10-year annualized return of 7.1% underperformed the long-term target of 7.9% yet ranked above the peer median. Since September 30, 1992, the Fund has returned 8.2%, slightly underperforming the long-term target of 8.3% and ranking in the top 26th percentile of the Callan Public Fund Peer Group.

PERSI also manages the assets for the Unused Sick Leave Funds. This portfolio is invested in passively managed strategies, with a target of 50% in public equity and 50% in fixed income. The fiscal year return was 12.0% compared to its target of 11.5%. Over the 5-year period, the Trusts earned 6.3% matching the target return of 6.3% and over 10 years the Trusts earned 6.8% versus the target's 6.6%.

Callan LLC (Callan) serves as PERSI's independent general investment consultant and evaluates PERSI's performance in relation to market benchmarks, appropriate manager peer groups and other public pension systems. The performance calculations are made using a methodology broadly similar to the Global Investment Performance Standards. Callan calculates time-weighted performance statistics based primarily on underlying custodial data provided by the Board's custodian, Bank of New York Mellon. The performance calculations were made using a time-weighted return methodology based upon market values reported by these sources.

Sincerely,



Ann O'Bradovich  
Senior Vice President



## INVESTMENT SECTION

### Investment Summary for the Year Ended June 30, 2024

Types of Investment	Fair Value	Percent of Total Fair Value
Short-Term Investments	\$ 266,190,994	1.0 %
Fixed Income		
Domestic	\$5,804,434,466	23.3 %
International	9,450,432	—
Commercial Mortgages	<u>778,688,640</u>	<u>3.0</u>
Total Fixed Income	6,592,573,538	26.3
Equity		
Domestic	10,504,223,016	42.2
International	<u>2,466,224,635</u>	<u>9.9</u>
Total Equity	12,970,447,651	52.1
Private Equity	1,734,311,131	7.0
Real Estate	<u>1,025,950,063</u>	<u>4.1</u>
<b>Total Base Plan Investments</b>	22,589,473,377	90.5
Other Funds:		
Sick Leave Funds	682,484,719	2.7
Choice Plan 414(k)	58,209,127	0.2
Choice Plan 401(k)	<u>1,585,285,539</u>	<u>6.4</u>
<b>Total Investments in All Funds</b>	<u><u>\$24,915,452,762</u></u>	<u><u>100 %</u></u>

## INVESTMENT SECTION

### Schedule of Investments by Account (including interest and dividends receivable) as of June 30, 2024

#### Base Plan, Firefighters' Retirement Fund, and Judges' Plan

Adelante Capital Management	\$ 429,851,414
Advent International, LP	159,453,917
Apollo Management, LP	70,665,183
Ascribe Capital LLC	24,855,218
Atlanta Capital Management Company	644,764,102
Baring Asset Management - Global Equity	78,455
Bernstein - Global Equity	583,303,574
Blackstone Capital Partners, LP	184,298,630
BLS Capital	545,085,157
Brandes Investment Partners	580,369,736
Bridgepoint Cap Ltd	87,257,453
C Worldwide Asset Management Fondsmæglersekskab A/S	388,959,122
Capital Guardian	97,180
Cerberus Investment Partners	130,364
Chisholm Management, LP	863,352
Clearwater Advisors, LLC-TBAs	207,431,684
CVC European Equity	131,479,558
DB Fitzpatrick & Co-Fixed Income	159,345,209
DB Fitzpatrick & Co-Idaho Mortgages	781,605,891
Donald Smith & Co	729,225,717
Endeavour Capital	55,978,827
Epic Venture Fund	30,288,769
Fiera Capital	2,516,047
First Reserve Fund XI	1,044,015
Galen Associates, LP	2,770,551
Genesis Asset Managers	90,396
Gores Capital Partners, LLP	439,665
Green Equity Investors IV, LP	13,728,791
Hamilton Lane Co-Investment Fund, LP	106,963,469
Hamilton Lane Secondary Fund, LP	72,151,045
Ida-West	3,100,364
IR + M	213,714,647
KKR 2006 Fund, LP	97,750,396
Kohlberg & Co.	124,432,847
Koll Partners, LLP	950,356,282
Lindsay Goldberg & Bessemer	65,423,660
Longview Partners	574,023,081
Mellon Investments Corp-Emerging Market Index	725,534,799
Mellon Investments Corp-International Stock Index	293,009,084
Mellon Investments Corp-Mid Cap Completion	775
Mellon Investments Corp-R1000	2,495,081,550

*continued*

## INVESTMENT SECTION

Mellon Investments Corp-R2000 Small Cap	127,300,241
Mellon Investments Corp-REIT Index	266,390,909
Mellon Investments Corp-S&P 500 Large Cap	17,738
Mellon Transition Management Services	122,707
Mondrian Investment Partners	397,667,384
Mountain Pacific Investment Advisors	676,603,213
Peregrine Capital Management	652,066,871
PERSI Cash in Short-Term Investment Pool	51,111,802
Pinestone Asset Management Inc	572,184,559
Platinum Equity Partners	36,474,346
Providence Equity Partners, LLP	26,852,036
Prudential Investments	75,593,781
Pzena Investment Management	554,426,434
Silverlake Partners	112,261,687
Sorenson Capital	37,787,854
Sprucegrove Investment Management Ltd	382,931,921
State Street Global Advisors - Fixed Income	2,914,091,064
State Street Global Advisors - TIPS	2,094,713,271
T3 Partners, LP	234,999,927
Transition EAFE	34,585
Transition Exchange - Traded Fund	5,430
Transition Global Equity	\$749,415
Transition US Equity	\$2,828
Veritas Capital Partners, LP	50,772,990
Walter Scott LTD	564,486,381
Wasatch Advisors, LP	474,057,665
WCM Investment Management LLC	475,231,133
Western Asset Management	278,366,599

### **Total Base Plan and Firefighters' Retirement Fund**

\$ 22,594,824,747

### **Choice Plan**

Calvert SI Balance Fund	11,049,584
DFA Em Mkt Core Equity	1,008,505
Dodge and Cox Income Fund	16,416,570
Mellon Investment Corp NA Equity Index Fund	14,275,860
Mellon Investment Corp US Bond Market Index Fund	12,420,711
Mellon Investment Corp US Large Cap Equity Index Fund	97,784,607
Mellon Investment Corp US REIT Index Fund	5,184,379
Mellon Investment Corp US Small/Mid Cap Equity Index Fund	35,426,836
Mellon Investment Corp US Treasury Inflation-Protected Securities (TIPS) Index Fund	4,476,747

*continued*

## INVESTMENT SECTION

PERSI Choice Plan Contribution Holding Account	2,634,070	
PERSI Choice Plan Loan Fund	12,869,881	
PERSI Short Term Investment Portfolio	44,437,229	
Rowe Price Small Cap Fund	35,555,467	
Total Return Fund	1,272,588,488	
T Rowe Price Overseas	360,958	
Vanguard Growth & Income Fund	84,206,380	
	<hr/>	
<b>Total Choice Plan</b>		1,650,696,272
<b><u>Sick Leave Funds</u></b>		
State Street Global Advisors - Domestic Equity	300,695,083	
State Street Global Advisors - International Equity	73,435,587	
State Street Global Advisors - Fixed Income	308,354,048	
	<hr/>	
<b>Total Sick Leave Funds</b>		682,484,718
<b>Total Fair Value, Including Investment Receivables and Payables</b>		24,928,005,737
Add: Investments Purchased Payable		163,140,579
Less: Investments Sold Receivable		(90,075,542)
Less: Interest and Dividends Receivable		(85,617,922)
		<hr/>
<b>Total Fair Value, Net of Investment Receivables and Payables</b>		<u><u>\$ 24,915,452,852</u></u>

## INVESTMENT SECTION

### Investment Results for the Year Ended June 30, 2024

<u>Managers</u>	TOTAL FAIR VALUE (MILLIONS)	% OF TOTAL FUND	Investment Performance for Periods Ending				
			FISCAL	1 YR	3 YRS *	5 YRS *	10YRS *
<b>U.S. Publicly Traded Equity</b>							
Mellon Investments Corporation - R2000 Small Cap	\$ 134.5	0.6 %	9.9	9.9	(2.5)	7.0	7.1
Mellon Investments Corporation - S&P 500 LC	—	0.1	—	—	—	—	—
Mellon Investments Corporation - R1000	2,635.6	11.1	—	—	—	—	—
Mountain Pacific	714.7	3.0	19.2	19.2	4.9	11.2	11.6
Donald Smith & Co	770.3	3.2	37.4	37.4	24.2	20.5	11.5
Peregrine	688.8	2.9	15.4	15.4	(1.9)	10.5	15.1
Atlanta Capital	681.1	2.9	21.5	21.5	6.6	12.5	11.5
<b>Total US Publicly Traded Equity</b>	<b>\$ 5,625.0</b>	<b>23.8 %</b>	<b>21.5</b>	<b>21.5</b>	<b>6.6</b>	<b>12.5</b>	<b>11.5</b>
Benchmark - Russell 3000			23.1	23.1	8.1	14.1	12.2
<b>Private Equity</b>							
Ida-West	\$ 3.3	— %	—	—	—	—	—
Galen III	2.9	—	(25.3)	(25.3)	(45.9)	(22.7)	(8.5)
Providence EQ Partners	28.4	0.1	9.8	9.8	16.0	23.3	17.6
Chisolm Partners	0.9	—	(12.6)	(12.6)	10.3	5.8	3.0
T3 Partners II LP	248.2	1.0	3.8	3.8	11.8	13.5	13.2
Apollo Mgmt LP	74.6	0.3	6.2	6.2	11.3	13.9	8.2
Green Equity IV LP	14.5	0.1	(2.6)	(2.6)	16.9	13.2	16.8
Gores Capital AD LLC	0.5	—	1,009.9	1,009.9	173.1	73.9	30.9
Kohlberg & Co	131.4	0.6	16.6	16.6	28.5	22.9	20.4
Hamilton Secondary	76.2	0.3	2.7	2.7	13.0	14.0	12.0
CVC European Equity	138.9	0.6	7.0	7.0	16.6	18.0	19.6
Hamilton Lane Co - Investment Fund	113.0	0.4	8.1	8.1	9.3	12.8	10.7
Bridgepoint Europe III	92.2	0.4	(1.0)	(1.0)	10.8	14.4	9.8
Blackstone Capital Partners	194.7	0.8	10.9	10.9	16.5	11.3	11.7
Lindsey, Goldberg, Bessemer	69.1	0.3	18.2	18.2	29.3	31.7	20.0
KKR 2006	103.4	0.4	19.9	19.9	8.5	17.1	16.9
First Reserve Fund XI	1.1	—	(6.9)	(6.9)	(10.3)	(24.9)	(25.4)
Cerberus Inst Partners	0.1	—	(26.2)	(26.2)	98.2	56.3	39.2
Epic Venture Fund	32.0	0.1	(1.1)	(1.1)	23.5	17.1	15.8
Advent International	168.4	0.7	6.6	6.6	5.4	14.4	14.0
Ascribe Capital LLC	26.3	0.1	9.1	9.1	(4.5)	(17.8)	(7.6)
Veritas Capital Partners	53.6	0.2	(35.0)	(35.0)	(0.5)	15.6	18.1
Endeavour Capital Partners	59.1	0.2	10.6	10.6	29.3	28.4	
Silver Lake Partners	118.6	0.5	14.6	14.6	3.1		
Platinum Equity Cap Partners**	38.5	0.2	33.7				
Sorenson Capital Partners IV**	39.9	0.2	9.4				
<b>Total Private Equity</b>	<b>\$ 1,829.8</b>	<b>7.5 %</b>	<b>5.0</b>	<b>5.0</b>	<b>11.6</b>	<b>14.5</b>	<b>12.4</b>

continued

## INVESTMENT SECTION

### Investment Results for the Year Ended June 30, 2024

<u>Managers</u>	TOTAL FAIR VALUE (MILLIONS)	% OF TOTAL FUND	Investment Performance for Periods Ending				
			FISCAL	1 YR	3 YRS *	5 YRS *	10YRS *
<b>Real Estate</b>							
Koll Partners	\$ 1,003.9	4.2 %	(13.2)	(13.2)	5.3	5.8	10.0
Adelante - Public R/E <sup>1</sup>	454.0	1.9	8.7	8.7	1.0	5.3	7.7
Mellon Investments Corporation - Reit Index	281.4	1.2	7.1	7.1	(0.1)	2.8	5.1
Prudential	79.9	0.3	(12.0)	(12.0)	2.8	3.3	6.8
<b>Total Real Estate</b>	<b>\$ 1,819.2</b>	<b>7.6 %</b>	<b>(5.0)</b>	<b>(5.0)</b>	<b>2.6</b>	<b>4.9</b>	<b>8.0</b>
Benchmark - NCREIF			(7.2)	(7.2)	3.6	3.8	6.4
<b>Total U.S. Equity</b>							
	<b>\$ 9,274.0</b>	<b>38.9 %</b>	12.4	12.4	6.9	11.8	11.2
Benchmark - Russell 3000			23.1	23.1	8.1	14.1	12.2
<b>Global Equity</b>							
Baring Asset Management <sup>1</sup>	\$ —	0.0 %	(1.8)	(1.8)	(3.3)	(5.0)	9.0
Brandes Invst Partners	613.0	2.6	21.3	21.3	9.3	11.9	7.4
Capital Guardian <sup>1</sup>	0.1	0.0	(1.8)	(1.8)	(3.3)	(10.2)	2.1
Bernstein Global	616.2	2.6	14.4	14.4	3.0	8.0	5.4
Longview Partners	606.4	2.5	11.3	11.3	7.4	10.2	10.0
BLS Capital	575.8	2.3	(4.7)	(4.7)	0.8	8.3	—
Fiera Capital	2.7	-0.1	29.7	29.7	10.9	15.6	—
Walter Scott	596.3	2.5	14.0	14.0	5.8	11.4	—
Pinestone	604.4	2.5	—	—	—	—	—
Pzena	585.7	2.5	0.0	0.0	0.0	0.0	0.0
Transition Global	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Zesiger Global EQ	—	0.0	4.1	4.1	0.0	0.0	0.0
<b>Total Global Equity</b>	<b>\$ 4,201.4</b>	<b>17.4 %</b>	10.4	10.4	5.2	10.4	9.3
<b>Total U.S./Global Equity</b>	<b>\$ 13,475.4</b>	<b>56.3 %</b>	11.8	11.8	6.4	11.3	10.7
Benchmark - Russell 3000			23.1	23.1	8.1	14.1	12.2
<b>International Equity</b>							
Genesis Investments	\$ 0.1	0.0 %	0.9	0.9	0.0	0.0	0.0
BNY Asset Management NA Intl Stk Indx	309.5	1.4	12.1	12.1	3.3	6.9	4.7
Mondrian	420.1	1.8	11.6	11.6	4.2	5.9	4.0
Bernstein Emerging	—	0.0	0.0	0.0	0.0	0.0	0.0
BNY Asset Management NA Emerging Stk Indx	766.4	3.2	11.7	11.7	(5.5)	3.1	2.8
Transition ETF	—	0.0	11.4	11.4	0.0	0.0	0.0
C Worldwide	410.9	1.7	0.0	0.0	0.0	0.0	0.0
Sprucegrove	404.5	1.7	0.0	0.0	0.0	0.0	0.0
Wasatch	500.8	2.1	0.0	0.0	0.0	0.0	0.0
WCM	502.0	2.1	0.0	0.0	0.0	0.0	0.0
Transition EAFE	—	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total International Equity</b>	<b>\$ 3,314.3</b>	<b>14.0 %</b>	11.3	11.3	(1.6)	4.4	3.4
EAFE Index Net				11.5	2.9	6.5	4.3

continued

## INVESTMENT SECTION

### Investment Results for the Year Ended June 30, 2024

<u>Managers</u>	TOTAL FAIR VALUE (MILLIONS)	% OF TOTAL FUND	Investment Performance for Periods Ending				
			FISCAL	1 YR	3 YRS *	5 YRS *	10YRS *
<b>Total Equity</b>	<b>16,789.7</b>	<b>70.3 %</b>	11.7	11.7	4.8	9.9	9.2
Benchmark - Russell 3000			23.1	23.1	8.1	14.1	12.2
<b>Fixed Income</b>							
DBF & Co - Fixed	\$ 168.3	0.7 %	2.5	2.5	(2.6)	(0.5)	0.9
DBF & Co - Idaho Mortgages	825.6	3.5	4.4	4.4	(0.9)	1.5	3.1
State St Adv - FX	3,078.3	12.9	2.7	2.7	(3.1)	—	1.6
SSGA -Tips	2,212.7	9.3	2.6	2.6	(1.6)	2.0	1.9
Clearwater - TBA	219.1	0.9	3.4	3.4	(2.7)	0.1	1.6
Western Asset	294.0	1.2	3.1	3.1	(4.8)	(0.5)	2.0
IR+M	225.8	0.9	3.3	3.3	(2.7)	0.6	—
<b>Total Fixed Income</b>	<b>\$ 7,023.8</b>	<b>29.4 %</b>	2.9	2.9	(2.3)	0.9	1.9
Benchmark - Bloomberg Barclays Aggregate Bonds			2.6	2.6	(3.0)	(0.2)	1.4
<b>Other</b>							
Benchmark - Bloomberg Barclays Aggregate Bonds	\$ 54.0	0.2 %	4.8	4.8	3.0	3.0	3.2
MTMS Transition <sup>(1)</sup>	0.1	0.0	18.2	18.2	13.4	13.8	9.5
<b>Unallocated Cash</b>	<b>54.1</b>	<b>0.2 %</b>					
<b>Combined Total</b>	<b>\$ 23,867.6</b>	<b>99.9 %</b>	9.2	9.2	2.7	7.4	7.1
Benchmark - 55% Russell 3000			15.0	15.0	4.1	8.8	7.9
30% BC Aggregate Bonds							
15% MSCI EAFE Index							
Add: Other PERSI DC Choice Plan Investments <sup>(2)</sup>	378.0						
Sick Leave Funds Fixed Income Investments	308.4						
Sick Leave Funds Equity Securities	374.1						
Investments Purchased	163.1						
Less: Interest and Dividends Receivable	(85.6)						
Investments Sold	(90.1)						
Total Pension Fund Investments							
Net of Receivables	<u>\$ 24,915.5</u>						

Rates of Return are annualized

\*\*Account open less than two years

<sup>(1)</sup> Large inflows/outflows/dividends receivable in this account results in widely variable results

<sup>(2)</sup> Total Return Fund/Judges' Retirement Fund included in investment results

Note: Performance is gross of fees

Prepared using a time weighted rate of return per BNY Mellon Global Risk Solutions, a division of BNY Mellon Asset Servicing

## INVESTMENT SECTION

### Schedule of Investment Income for the Last Six Years

Year	Interest	Dividends	Gains & Losses*	Total
2019	\$ 111,090,516	\$ 237,472,565	\$ 1,120,573,418	\$ 1,469,136,499
2020	134,838,157	207,369,517	219,682,503	561,890,177
2021	132,632,714	211,570,694	4,913,946,295	5,258,149,703
2022	120,824,577	215,500,635	1,879,992,910	2,216,318,122
2023	140,753,235	239,215,548	1,621,177,440	2,001,146,223
2024	190,314,707	252,055,385	1,642,161,417	2,084,531,509

\*Includes realized and unrealized gains and losses and other investment income.

### Largest Stock Holdings (by Fair Value) June 30, 2024

	Shares	Stock	Fair Value
1	715,168	Microsoft Corp	\$ 319,644,338
2	996,536	Alphabet Inc	181,519,032
3	772,255	Apple Inc	162,652,348
4	822,861	Amazon.Com Inc	159,017,888
5	1,258,211	Nvidia Corp	155,439,387
6	244,618	Mastercard Inc	107,915,677
7	549,186	Alphabet Inc	100,731,696
8	854,456	Prologis Inc	95,963,953
9	118,868	Lvmh Moet Hennessy Louis Vuitton	90,910,341
10	328,528	Visa Inc	86,228,744

A complete list of portfolio holdings is available upon request.

### Largest Bond Holdings (by Fair Value) June 30, 2024

	Par	Bonds	Description	Fair Value
1	77,017,121	US Treasury Inflation Index Security	0.375% 07/15/2025 DD 07/15/15	\$ 75,610,449
2	80,411,121	US Treasury Inflation Index Security	0.625% 01/15/2026 DD 01/15/16	74,788,057
3	73,456,449	US Treasury Inflation Index Security	0.750% 07/15/2028 DD 07/15/18	68,338,271
4	76,691,443	US Treasury Inflation Index Security	0.125% 01/15/2030 DD 01/15/20	67,186,196
5	67,991,774	US Treasury Inflation Index Security	1.750% 01/15/2034 DD 01/15/24	66,793,837
6	65,430,232	US Treasury Inflation Index Security	1.375% 07/15/2033 DD 07/15/23	64,816,993
7	80,505,225	US Treasury Inflation Index Security	0.125%007/15/2031 DD 07/15/21	63,866,217
8	68,467,640	US Treasury Inflation Index Security	0.375% 01/15/2027 DD 01/15/17	63,782,989
9	76,533,498	US Treasury Inflation Index Security	0.125%001/15/2032 DD 01/15/22	63,495,427
10	76,943,538	US Treasury Inflation Index Security	0.125%001/15/2031 DD 01/15/21	62,717,314

A complete list of portfolio holdings is available upon request.



## INVESTMENT SECTION

### Schedule of Fees and Commissions for the Year Ended June 30, 2024

Broker Name	Base Commission	Total Shares Traded	Commission per Share
State Street Global Markets LLC, Boston	\$ 654,582	72,692,986	\$ 0.00900
Citibank, New York	196,692	126,657	0.00321
UBS Securities LLC, Stamford	126,657	111,913	0.08576
Citibank Na, London	111,913	107,623	0.00290
Citibank International PLC, London	107,623	89,762	0.01936
Piper Jaffray & Co, Jersey City	89,762	88,870	0.02695
Jefferies & Co Inc, New York	88,870	80,376	0.02753
Isi Group Inc, New York	80,376	78,559	0.04244
Citigroup Global Markets, Inc., New York	78,559	64,998	0.03613
J.P Morgan Securities Inc, New York	64,998	64,296	0.02756
Goldman Sachs & Co, New York	64,296	62,841	0.00684
Morgan Stanley And Co., LLC, New York	62,841	60,981	0.00954
Abel Noser, New York	60,981	1,228,213	0.03540
Other Brokers Under \$60,000	1,228,213	149,643,353	0.00821
<b>Total Broker Commissions</b>	<b>\$ 3,016,365</b>	<b>359,933,176</b>	<b>\$ 0.00838</b>

A complete list of broker commissions is available from PERSI upon request. PERSI does not require that investment managers use specific brokers.

### Schedule of Fees and Commissions for the Year Ended June 30, 2024

#### Private Equity Costs By Account

Advent International GPE, LP	\$ 2,025,000
Apollo Investment Fund, LP	1,707,670
Ascribe Capital LLC	398,487
Blackstone Capital Partners, LP	2,018,962
Bridgepoint Capital LTD	694,880
CVC European Equity Partners, LP	2,023,205
Endeavour Capital Fund, LP	1,090,213
Epic Ventures Fund LLC	951,129
First Reserve, LP	1,274
Hamilton Lane Co-Investment Fund, LP	924,208
Hamilton Lane Secondary Funds, LP	384,750
KKR, LP	459,884
Kohlberg Investors, LP	528,048
Lindsay Goldberg, LP	1,760,024
Nautic (Navis) Partners LP	(3,610)
Platinum Equity Capital Partners, LP	1,263,113
Providence Equity Partners LP	102,379
Silver Lake Partners, LP	1,954,946
Sorenson Capital Partners LP	713,126
TPG, LP	2,504,103
<b>Total</b>	<b>\$ 21,501,791</b>

<sup>(1)</sup>Upon liquidation of the fund, certain transaction and other fees received that have not been fully utilized are required to reduce management fee, as Return of Excess Fee Offset

## INVESTMENT SECTION

### Schedule of Fees and Commissions for the Year Ended June 30, 2024

Investment Fees	Average Assets Under Management	Fees	Basis Points
Investment Manager Fees			
Equity Managers	\$ 13,560,461,370	\$ 39,299,034	29
Fixed Income Managers	6,603,911,503	6,594,481	10
Real Estate Managers	1,158,035,323	13,304,383	115
Total Average Assets	\$ 21,322,408,196		
Total Investment Manager Fees		59,197,898	28
Other Investment Service Fees			
Custodian/Record Keeping Fees		2,544,052	
Investment Consultant Fees		1,893,385	
Legal Fees		994,967	
Actuary/Audit Service Fees		381,830	
Total Investment Service Fees		5,814,235	3
Total Defined Benefit Plans/Defined Contribution Plans' Fees		\$ 65,012,132	31
Total Defined Contribution Plans' Fees		\$ 146,172	
Total Other Trust Funds' Fees		238,402	
<b>Total Fees</b>		<b>\$ 65,396,706</b>	

Note: Broker Fees and Private Equity Costs are included on a separate schedule

## INVESTMENT SECTION

### STATEMENT OF INVESTMENT POLICY AND GUIDELINES

#### I. Introduction

The Retirement Board (“Board”) of the Public Employee Retirement System of Idaho (“PERSI”, “System”) hereby establishes its Statement of Investment Policy for the investment of the trust funds (“Trust”) in accord with Idaho Code Chapter 13, Title 59.

The Board will review this Investment Policy Statement following actuarial experience studies (that review the economic and market return assumptions for the fund), which occur at least once every four (4) years, and/or whenever any material change in investment circumstances arise.

#### II. Statutory Requirements

The investment of the Trust will be in accord with all applicable laws of the state of Idaho.

##### A. *Sole Interest of Beneficiaries*

Investments will be solely in the interest of the members and their beneficiaries and for the exclusive purpose of providing benefits to the members and their beneficiaries and defraying reasonable expenses of administration.

##### B. *Prudent Investments*

Investments will be made with the judgment and care under the circumstances then prevailing, which people of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable outcome as well as the probable safety of their capital. Investments will be diversified so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

##### C. *Fiduciary Duties*

The Board and its agents, including staff, consultants, and investment managers, will discharge their duties with respect to the Trust assets solely in the interest of the members and their beneficiaries, and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

#### III. Investment Goals

##### A. *General Objective*

###### 1. Purpose

The purpose of the investment of Trust assets is to provide funds to meet the obligations of PERSI while incurring the appropriate amount of risk consistent with attaining that goal. The Board will invest the assets of the Trust and will reduce risk through diversification of the assets of the Trust.

###### 2. Considerations

In determining the investment returns needed by the System, the acceptable risk levels, and the allowable investments, the Board will consider:

- the purpose of the plan,
- the projected return of the portfolio as it relates to the funding objectives of the plan,
- the effect of particular investments on the total portfolio,
- the diversification of the portfolio, and
- the liquidity needs and the current return relative to the anticipated cash flow requirements.

## INVESTMENT SECTION

### **B. Specific PERSI return and risk objectives**

#### **1. Investment Returns**

##### **a. Actuarial Assumptions**

In projecting obligations and the returns needed to meet those obligations, the Board will consider studies performed by the System's actuaries.

The expected rate of return will consist of an expected real return and an expected inflation assumption, and will consider relevant factors, including the expected growth of the benefits over the life of the plan including assumptions for salary growth rates (and mortality), inflation, a 1% annual Cost of Living Adjustment (COLA) and the costs of managing the Trust.

The actuary uses an investment return assumption in balancing projected obligations, projected contributions, and projected returns on assets. Assuming all of the actuarial assumptions are accurate, the required return will suffice to: (1) assure the payment of statutorily required benefits, including a 1% COLA; and (2) maintain the reduction of the level of the unfunded liability (if any) on the scheduled amortization (one year at a time). The required return will not be sufficient to fund either discretionary COLAs, retroactive COLAs, accelerate the amortization of the unfunded liability, build a stabilization reserve, or allow for gain-sharing distributions.

#### **2. Investment Risk and Asset Allocation**

##### **a. Diversification Among Asset Classes**

In controlling the risk level that is appropriate for the Trust, assets will be diversified among various asset classes. The specific asset classes to be used will be set in conjunction with the asset allocation.

##### **b. Review of Asset Classes and Asset Allocation**

The long term allocation, will focus on the goal that the expected long term returns of the System will meet expected long term obligations with the appropriate level of risk sufficient to meet those objectives. Unless circumstances materially change, the long term allocation will be reviewed at least once every five (5) years to determine the appropriate asset classes for the investment of Trust assets and conduct asset allocation studies to help determine the long term strategic allocations among desired asset classes so as to meet long term return objectives with the appropriate level of risk.

##### **c. Content of Asset Allocations**

The asset allocation will set out:

- the asset classes to be used,
- the long term "normal" percentage of assets to be invested in each asset class,
- the ranges that will be considered allowable deviations from the normal allocation,
- the investment risk and return expectations for each asset class,
- the numerical investment return and risk expected to be realized, and
- the relation of the expected investment return to the real return and the actuarially assumed investment return.

##### **d. Strategic Allocation**

In addition to the long term asset allocation, the Board may adopt strategic allocations. "Strategic allocations" allow investment in asset types that have not been singled out as "asset classes" in the asset allocation process, to overweight particular sectors within an asset class, or to employ particular strategies in the investment of Trust assets. The purposes of the strategic allocations are to either increase the return above the expected return and/or to reduce risk.

## INVESTMENT SECTION

### IV. Investment Structure

#### A. Overall Structure

In making specific investment policy decisions, the Board will have as an overall goal a flexible, simplified structure with clear roles and accountability.

##### 1. Board Responsible

The Board is responsible for all investment activities. In exercising this responsibility, the Board will hire investment staff and agents and may delegate various investment functions to them. Where the Board does not delegate investment powers or duties, the Board will either satisfy itself that it is familiar with such matters, or will retain persons who are familiar with such matters to consult or assist the Board in the exercise of those responsibilities. Where the Board delegates a responsibility, it will be delegated to a person who is familiar with such matters, and the Board will monitor and review the actions of those to whom responsibilities are delegated.

##### 2. General Roles and Responsibilities of Board and Agents

The Board will favor a structure that accommodates a citizen Board and a small investment staff. The Board and investment staff will concentrate their activities on:

- making strategic decisions, primarily concerning asset allocation and strategic policies;
- adjusting the mix between passive and active managers depending on, among other considerations, near term concerns regarding the US and other capital markets;
- delegating and monitoring all other activities, including hiring and monitoring investment managers; and
- maintaining a reporting system that provides a clear picture of the status of the fund on a reasonably concurrent basis to both the Board and PERSI's constituencies.

The Board will delegate the implementation of its investment policy to investment staff and external investment managers and other investment agents. This responsibility includes those investment decisions with shorter term consequences such as the selection of securities, regions, asset types, or asset classes.

#### B. Direct (Non-delegated) Responsibilities of the Board

The Board is responsible for:

- Approving investment policy,
- Determining the investment structure of the Trust,
- Determining the asset classes to be utilized,
- Setting the asset allocation,
- Determining or authorizing strategic policies;
- Hiring agents to implement the asset allocation;
- Hiring agents to implement strategic policies;
- Monitoring the compliance of those agents with the investment policies and allocations; and
- Monitoring the activities of agents through periodic reports from its staff or consultants.

## INVESTMENT SECTION

### **C. Agents: Investment Staff, Actuaries, Consultants, and Advisors to the Board**

#### **1. Chief Investment Officer**

##### **a. Duties of Chief Investment Officer**

The Board will hire a Chief Investment Officer as it considers appropriate who will be generally responsible for the oversight of the investment of Trust assets, and, as part of that overall responsibility, will:

1. supervise, monitor, and evaluate the performance of the investment managers and other investment agents hired by the Board to assure compliance with investment policy and individual guidelines;
2. recommend to the Board adjustments to the investment policy, including reviewing and modifying the asset allocation as conditions warrant;
3. research current market conditions, evaluate new products, and seek out new approaches to improve portfolio return, reduce risk, and reduce costs and fees;
4. work with the consultants, custodians, investment managers, and other agents in the performance of the assigned duties;
5. assist the Board with education and other efforts to promote good decision making;
6. Hire and manage investment staff/personnel and outside investment advisors to staff;
7. Except in special circumstances will not buy/sell/transact in specific securities; and
8. Coordinate with the Executive Director staff to implement investment actions/decisions and reporting needs.

##### **b. Allocation of New Net Contributions**

The Chief Investment Officer shall allocate new net contributions to or withdraw net distributions from the system among investment managers in accordance with the strategic and tactical ranges established in the asset allocation. The Chief Investment Officer shall report to the Board regularly on the allocation of new net contributions or the withdrawal of net distributions.

##### **c. Tactical Asset Allocation and Rebalancing**

The Chief Investment Officer may shift assets among managers (including between passive and active managers) as long as the asset allocation is maintained within the stated strategic ranges. When possible, net cash flows will be used to efficiently accommodate rebalancing and/or tactical asset shifts.

##### **d. Minimum Qualifications of Chief Investment Officer**

The Chief Investment Officer shall at least: (a) have a graduate degree in finance, law, or business administration or (b) be a Chartered Financial Analyst; or (c) have three or more years of experience in the investment of trust assets.

#### **2. Actuaries**

The Board will hire an actuary. The actuary will provide studies that will assist in: (1) determining the long term obligations faced by the System through annual actuarial valuations and (2) setting the return objectives or assumptions that will be sufficient to meet those obligations. The actuary will provide reviews of the actuarial valuation process at least once every four (4) years, including updating the projections and assumptions in light of the experience of the System. These studies will be considered in setting the long term return objectives.

#### **3. Investment Consultants**

The Board will hire a qualified independent consultant, whose relationship does not impose a conflict of interest with the Board or staff, to provide investment performance measurement at least quarterly with the report available to the Board within two months of the quarter end. The report will at least compare actual investment returns of the System - in total, by each asset class, and for each managed portfolio - with both the investment objectives of the System and with a composite benchmark and peer group. Independent investment consultants may be hired to assist the Board in the management of its investment responsibilities, including, but not limited to: (1) performing asset allocation studies, and reviewing and recommending modifications of the asset allocation as conditions warrant; (2) assisting in

## INVESTMENT SECTION

monitoring the investment managers to assure they are in compliance with the investment policy and their individual guidelines; (3) performing manager evaluations and searches as may be necessary; and (4) assisting in the development and adjustment of investment policy. Except for consultants retained solely for purposes of performance measurement, consultants will be fiduciaries of the Trust.

### **D. Agents: Custodian and Investment Managers with Delegated Responsibilities**

#### **1. Custodian**

##### **a. Responsibilities**

Custodians and other agents will be fiduciaries of the Trust and will assume full responsibility for the safekeeping and accounting of all assets held on behalf of the Trust. Among other duties, as may be agreed to, the custodian will be responsible for: (a) the receipt, delivery, and safekeeping of securities; (b) the transfer, exchange, or redelivery of securities; (c) the claiming, receipt, and deposit of all dividend, interest, and other corporate actions due the Trust; (d) the daily sweep of all uninvested funds into a cash management account or accounts; and, (e) the provision of reports to PERSI upon agreed time intervals that will include all purchases and sales of securities, all dividend declarations on securities held by the Trust, a list of securities held by the Trust, a valuation of those securities, and a cash statement of all transactions for the account of the Trust. Unless the Board provides otherwise, the custodian will also be responsible for monitoring class action litigation, filing and collecting claims on PERSI's behalf, and reporting to PERSI on such activities.

##### **b. Authorization of Collective Investment Trusts**

Assets of the Trust may be invested in any Collective Investment Trust (CIT), which at the time of the investment provides for the pooling of the assets of plans described in Section 401(a) of the Internal Revenue Code of 1986, as amended, and which is exempt from Federal income tax. Assets of the Trust may be commingled with assets of other trusts if invested in any collective investment trust authorized by this policy. The provisions of the CIT trust agreement, as amended by the CIT trustee thereof from time to time, of each collective investment trust in which PERSI Trust assets are invested are by this reference incorporated as a part of the CIT trust comprising the PERSI Trust. The provisions of the collective investment trust will govern any investment of PERSI Trust assets in that CIT trust.

#### **2. Investment Managers**

The Board will hire investment managers who will be fiduciaries of the Trust and who will be responsible for the investment of Trust assets in specific securities or assets within or among the asset classes.

##### **a. Minimum Qualifications**

Investment managers shall be registered with the Securities and Exchange Commission (unless they are banks, insurance companies, or other category exempted from such registration requirements), have been in the business of investment management at least two years (or the main personnel of the investment management firm have worked together in the business of investment management for at least two years), and usually have other United States pension fund assets under management.

##### **b. Guidelines**

Investment Managers shall manage assets in accordance with guidelines established by contract and as may be added to or modified from time to time. The guidelines will contain minimum diversification requirements that must be followed by that manager. These guidelines will also set out the investment return expected to be achieved by that manager, and shall be linked to a benchmark that represents the passive index fund that would be used to replace the manager's assignment.

##### **c. Responsibilities and Discretion**

Subject to the restrictions set out in this policy or as may be set out in individual contracts or guidelines, an investment manager shall have full discretionary power to direct the investment, exchange, and liquidation of the assets entrusted to that manager. The manager shall place orders to buy and sell securities and, by notice to the custodian, cause the custodian to deliver and receive securities on behalf of the Trust.



## INVESTMENT SECTION

### **d. Voting of Proxies**

The Board, unless otherwise stated, will delegate the voting of proxies to the investment managers or custodian. Proxy voting is considered to be a component of the investment decision process, therefore, the investment managers are responsible for voting all proxies in a manner consistent with the best economic interest of the System, for the exclusive benefit of the System, prudent and otherwise consistent with Idaho Code section 59-1301(2), the Idaho Uniform Prudent Investor Act (Title 68, Chapter 5, Idaho Code), and applicable Federal law.

### **e. Transactions and Brokerage**

All securities transactions shall be executed by reputable broker/dealers or banks, and shall be on a best price and best execution basis.

## **3. Use of Passive and Active Managers**

### **a. Purpose and Use of Active Management**

The Board recognizes that passive (index fund) investing has lower costs than active investing, with regard to both management fees and transaction costs. Further, the Board also recognizes that there is uncertainty concerning whether active investing can generally outperform passive investing, particularly in the large, liquid, and efficient portions of the capital markets. Also, the Board has great confidence that a passive investment of assets in an efficient asset allocation will likely meet long term (20 year) obligations.

The Board is concerned that over 1 to 5 year periods the ability to fund COLAs and to keep contribution rates stable are in considerable jeopardy from two sources: (1) expected "normal" market fluctuations are such that annual returns will likely not meet hurdle rates approximately 40% of the time, with actual negative returns to be expected once every six years; and (2) that most of the Trust assets under the asset allocation will be invested in US capital markets, and are thus vulnerable to poor US returns.

One purpose of active management of Trust assets is to address these two concerns. Active managers will be hired for the purpose of providing greater stability of returns, and better returns, than would be achievable under purely passive management over rolling 3 to 5 year periods. Active managers will be responsible for timing of markets and the tactical allocation of assets among and within the capital markets (including between the US and international markets). Some asset classes, such as private investments do not have passive alternatives available.

In addition to providing extra returns, active managers will also be employed to smooth returns, provide higher long term returns, provide protection in adverse markets, and to add exposure and additional diversification to the portfolio than that achievable solely through investment in passive indices representing the strategic asset allocation and strategic policies.

### **b. Structure**

In using outside managers, a structure using a reasonable number of managers with broad mandates and benchmarks will be employed.

Passive managers will be favored for the core, liquid, efficient markets (such as S&P 500 stocks and US Government/Credit bonds).

Active managers will be favored for relatively inefficient markets.

Global managers will be used to provide flexibility in reacting to near term concerns that may arise concerning any particular region or market, particularly the US capital markets, and to provide an appropriate balance between efficient long term asset allocations (which favor US assets) and near term allocations (which have a greater preference for international assets) to meet the real (inflation adjusted) return needs of the System.



## INVESTMENT SECTION

Assets under the management of global equity managers will be considered US equity assets for purposes of asset allocation. Consequently, actual allocations to international equities in the overall portfolio from time to time, may be above that in the stated asset allocation due to the activities of the global equity managers.

### **c. Balance Between Passive and Active Management**

The balance between active and passive management will be managed by the Chief Investment Officer with the following considerations in mind: concentration of active investment efforts where there is the most potential for excess returns, implementation of views concerning the state of the US, international capital markets, and reduction of fees and other costs.

### **d. Monitoring Standards for Investment Managers**

External managers are expected to maintain key personnel, a consistent style, and investment capability to successfully implement their mandate. Past performance is not a predictor of future performance, thus it is just one factor to consider in the overall evaluation of a manager.

Passive managers are expected to provide the returns of the assigned benchmark, thus they will be evaluated based on their ability to generate performance that closely tracks their benchmark index. Active managers will be evaluated based on their ability to generate.

Other relevant information may be considered in determining whether to retain or terminate managers.

## **V. Asset Class Policies**

### **A. US Equities**

#### **1. Objective**

The overall objective of the US equity or Broad Domestic Equity asset class is to obtain, over time, a return after fees that equals or exceeds the returns of the Russell 3000 Index, both absolutely and on a risk adjusted basis. For assets under the management of global equity managers, the objective for near term periods will be to achieve a return after fees that is equal to or exceeds the returns of the MSCI World Index or MSCI All Country World Index (MSCI ACWI Index), both absolutely and on a risk adjusted basis.

#### **2. Allowable Investments**

Managers may invest in stocks that do not pay dividends. Managers may invest in equity securities outside of the Russell 3000 Index, and global equity managers may invest in equity securities outside of the MSCI World Index. Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio.

#### **3. Manager Styles**

Managers for the US equity asset class may include index funds, style managers (such as value, growth, and capitalization), “core” managers, and global managers.

#### **4. Benchmarks**

The Russell 3000 index will be the benchmark for the passive index funds, core managers, and global managers. For near term periods (approximately 5 years or less), the MSCI World or MSCI ACWI indexes are the benchmarks for global equity managers. Other style or capitalization indices maintained by a qualified organization may be used as the benchmark for style managers.

### **B. International Equities**

#### **1. Objective**

The overall objective of the International Equity Asset Class is to obtain, over time, a return after fees that equals or exceeds the returns of the MSCI Europe, Australasia, and Far East (MSCI EAFE) Index (unhedged), or the MSCI ACWI ex US Index, both absolutely and on a risk adjusted basis.

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### 2. Allowable Investments

Managers may invest in stocks that do not pay dividends. Managers may invest in American Depository Receipts or American Depository Shares. Managers may invest in equity securities of companies or in countries that are not included in the indices. Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio. Managers may, at their discretion, hedge the currency exposure of all or part of their portfolios. Managers may not overhedge their portfolio, although proxy hedging for purposes of liquidity and cost savings is allowed.

### 3. Manager Styles

Managers for the International Equity asset class may include index funds, general international managers, and regional or specialized managers (such as emerging markets). The Board may from time to time hire a currency overlay manager to hedge the currency exposure in those portfolios where managers do not actively or normally consider hedging their exposure.

### 4. Benchmarks

The MSCI EAFE Index (unhedged), will be the benchmark for the developed markets passive index fund. Active international developed markets managers may use as their benchmark either the MSCI EAFE index or the MSCI ACWI ex US index (unhedged). The MSCI Emerging Markets (MSCI EMF) index will be the benchmark for the emerging markets managers, both active and passive. Regional or specialized indices (unhedged) maintained by a qualified organization may be used as the benchmark for other active managers.

## C. Fixed Income

### 1. Objectives

The overall objective of the Fixed Income asset class is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Aggregate Bond Index (Aggregate Bond Index) both absolutely and on a risk adjusted basis.

The Fixed Income Asset Class shall consist of investments in mortgages and in both dollar and non-dollar fixed income securities. Mortgages shall consist of investments in mortgage backed securities, and direct ownership of commercial mortgages through the Idaho Commercial Mortgage Program.

The objective of the non-mortgage fixed income securities other than real return portfolios is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Government/Credit Bond Index (Government/Credit Bond Index) on a risk adjusted basis. The overall objective of the mortgage securities is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Mortgage Index (Mortgage Index) on a risk adjusted basis. The overall objective of the real return fixed income is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays TIPS Index on a risk adjusted basis.

### 2. Allowable Investments

Managers may invest in debt securities that do not pay interest. Active managers may invest in securities in companies or countries that are not included in the indices.

Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio. Fixed income managers may, at their discretion and to the extent allowed by their contracts and guidelines, use currency forward or futures markets as may be considered appropriate to implement fixed income strategies.

### 3. Manager Styles

Managers in the Fixed Income asset class may include index funds, domestic bond managers, specialized managers, and global managers.

## INVESTMENT SECTION

### 4. Benchmarks

The Government/Credit Bond Index or Aggregate Bond Index will be the benchmark for all non-mortgage fixed income managers except real return fixed income managers.

The Bloomberg Barclays TIPS index will be the benchmark for real return fixed income managers. The Mortgage Index will be the benchmark for all mortgage managers. The Barclays Capital Aggregate Index will be the benchmark for the asset class.

#### D. Real Estate

##### 1. Objectives

Equity real estate investments will be considered part of the US Equity asset class. The overall objective of equity real estate investments is to attain a 5% real rate of return overall, over a long term holding period, as long as this objective is consistent with maintaining the safety of principal. The 5% real rate of return includes both income and appreciation, is net of investment management fees, and is net of inflation as measured annually by the Consumer Price Index. Over a short-term basis, the objective is to earn a nominal minimum income yield of 5% on each individual investment, or inflation plus 3%, whichever is greater.

##### 2. Allowable Investments

Allowable equity real estate investments include open-end and closed-end commingled real estate funds, direct real estate investments, publicly traded real estate investment trusts (REITs), passive REIT index funds, and other public real estate companies, private real estate companies and real estate operating venture entities. Allowable investments must be originated and managed by real estate advisors with substantial experience originating and managing similar investments with other institutional investors. The real estate asset sector is not intended to include solely debt investments; in particular, straight mortgage interests are considered part of the fixed income asset class. The real estate asset sector may include equity-oriented debt investments, including mezzanine loans, that conform with the return targets of the sector.

##### 3. Need for Income Component of Return

Upon closing, each real estate investment must have as a goal the expectation of an annual income return and overall holding period return measured primarily by realized return rather than expected capital appreciation. Thus, a significant portion of real estate investments made should be in existing income producing properties with measurable return expectations rather than purely development properties. However, existing properties with potential for physical enhancement, including development or redevelopment, are acceptable investments.

##### 4. Protection of the Trust

Investment vehicles should be chosen that will protect the Trust, including provision for investments that do not contain debt or liability with recourse beyond the Trust commitment to the related business entity, provision for inspection and evaluation of environmental hazards prior to the purchase of any specific property, and the provision of insurance coverage to protect against environmental and natural hazards.

##### 5. Reporting

A comprehensive reporting system for individual investments, entities and funds will be maintained so that primary operational and economic characteristics are continually defined, and underperforming investments can be identified and remediated. Active asset and portfolio management is required for the management of all non-publicly traded real estate investments. Investment managers shall be required to present periodic operational reports within approved formats, including statements of fair market value, audited financial statements and annual business plans.

## INVESTMENT SECTION

### 6. **Benchmarks**

The MSCI US REIT, Dow Jones Select REIT, NAREIT all Equity, or Wilshire REIT index will be the benchmark for the passive REIT index fund. The National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index or the Open End Core Equity (NFI-ODCE) Value Weight net will be the benchmarks for the open-end and closed-end funds and private real estate. The asset class in total will be benchmarked against the Russell 3000 index.

### 7. **Asset Allocation**

For purposes of asset allocation, real estate investments will be treated as part of the US equity asset class.

#### **E. *Alternative Investments***

##### **1. *Definition and Board Approval***

The Board may from time to time authorize the investment of Trust assets in entities or structures that do not fit the asset descriptions listed above. Examples of such investments are venture capital partnerships, private equity, leveraged buy-out funds, private debt, and direct ownership of individual assets such as oil and gas partnerships. These investments shall only be entered into upon the recommendation of a qualified consultant after due diligence and with approval by the Board or a subcommittee appointed by the Board to review the recommendation. Subsequent investments with a previously approved alternative investment manager do not require additional specific approvals by the Board or subcommittee.

##### **2. *Objectives and Benchmarks***

If the alternative investment is an equity investment, the objective for the investment will be to exceed, over time and after fees, the return achieved by the Russell 3000 Index. If the alternative investment is a debt investment, then the objective will be to exceed, over time and after fees, the returns achieved by the Government/Credit Bond Index plus 3%. It is recognized that these investments may experience greater volatility than the comparable publicly traded securities and indices.

##### **3. *Asset Allocation***

For purposes of asset allocation, alternative equity investments will be treated as part of the US equity asset class, and alternative debt investments will be treated as part of the fixed income asset class.

### **VI. *Asset Allocation***

The tables in Appendix I summarize the asset allocation of the Trust, including the expected net return and risk of each asset class, the normal asset allocation and allowable ranges, and the expected risk and net return of the Trust as compared to the actuarial assumptions [see section III.B.1.(a)].

### **VII. *Deposit and Investment Risk Policy - GASB 40***

#### **A. *Purpose***

The Governmental Accounting Standards Board (GASB) has identified that state and local governments have deposits and investments which are exposed to risks that may result in losses. GASB Statement number 40 (GASB 40) is intended to inform users of the financial statements about the risks that could affect the ability of a government entity to meet its obligations. GASB 40 has identified general deposit and investment risks as credit risk, including concentration of credit risk and custodial credit risk, interest rate risk, and foreign currency risk and requires disclosures of these risks and of policies related to these risks. This portion of the Investment Policy addresses the monitoring and reporting of those risks.

## INVESTMENT SECTION

In general, the risks identified in GASB 40, while present, are diminished when the entire portfolio is viewed as whole. For example, interest rate risk experienced by fixed income instruments often react in the exact opposite direction as that experienced by equities. Thus, interest rate exposure as set out in GASB 40 will not reflect the cross-influences of impacts across the broad range of investments that make up the PERSI portfolio. And, in fact, the general underlying measures used in GASB 40 across most of the risks identified (credit, concentration, and interest rate risk in particular) were tools that were developed primarily for portfolios dominated by fixed income investments, and are often only poorly transferred, if at all, to portfolios, like PERSI's, that are dominated by equity interests.

Consequently, it is the policy of PERSI that the risks addressed in GASB 40 are to be monitored and addressed primarily through the guidelines agreed to by those managers, and by regular disclosures in reports by managers of levels of risks that may exceed expected limits for those portfolios.

### **B. Specific Areas of Risk**

#### **1. Credit Risk**

Summary: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to PERSI.

Policy: Managers will provide PERSI with expected credit risk exposures in their portfolio guidelines. If the actual credit risk exposure falls outside of these expectations, managers will be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

#### **2. Custodial Credit Risk**

Summary: Custodial credit risk is the risk that in the event of a financial institution or bank failure, the System would not be able to recover the value of their deposits and investments that are in the possession of an outside party.

Policy: PERSI minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to PERSI ownership and further to the extent possible, be held in the System's name.

#### **3. Concentration of Credit Risk**

Summary: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue.

Policy: Managers will provide PERSI with expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board. For the portfolio as a whole, staff will report to the Board at a regular Board meeting if the exposure to a non-US government guaranteed credit instrument exceeds 5% of the total PERSI portfolio.

#### **4. Interest Rate Risk**

Summary: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk to PERSI's fixed income portfolio is monitored using the effective duration methodology.

Effective duration measures the volatility of the price of a bond given a change in interest rates, taking into account the optionality on the underlying bond.

Policy: Managers will provide PERSI with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

## INVESTMENT SECTION

### 5. Foreign Currency Risk

Summary: Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. PERSI's currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings.

Policy: International investments (equity and fixed income) will have a component of currency risk associated with it. Currency risk and hedging exposures are dependent on the underlying international exposure, which fluctuates over time. The individual manager guidelines will outline the expected currency exposures (either specifically or through ranges of security exposures to particular currency areas) of the underlying portfolio and if the actual currency exposure differs from the expected, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

## INVESTMENT SECTION

### APPENDIX I

#### Long Term and Strategic Asset Allocations

Asset Class	Expected Return*	Expected Risk	Normal	Ranges
<b>Equities</b>			<b>70%</b>	<b>66% - 77%</b>
Broad Domestic Equity	8.3%	18.3%	55%	50% - 65%
International	8.5%	19.7%	15%	10% - 20%
<b>Fixed Income</b>	<b>3.1%</b>	<b>3.8%</b>	<b>30%</b>	<b>23% - 33%</b>
<b>Cash</b>	<b>2.3%</b>	<b>0.9%</b>	<b>0%</b>	<b>0% - 5%</b>

*(Expected returns are net of fees and expenses)*

Total Fund	Expected Return*	Expected Inflation	Expected Real Return	Expected Risk
Actuary	7.00%	3.00%	4.00%	n/a
Portfolio	6.39%	2.25%	4.14%	14.16%

\* Expected arithmetic return

Data provided by Callan & Milliman - 2018

Asset Class	Long Term Allocation Target	Strategic Allocation Target	Ranges	Benchmarks
<b>Equities</b>	<b>70%</b>	<b>70%</b>	<b>66% - 77%</b>	<b>R3000</b>
Broad Domestic Equity	55%	21%	50% - 65%	R3000
Global		18%		ACWI/World
Real Estate		8%		NAREIT/NFI-ODCE
Private Equity		8%		R3000
International Developed	15%	6%	10% - 20%	EAFE
International EM		9%		EM
<b>Fixed Income</b>	<b>30%</b>	<b>30%</b>	<b>23% - 33%</b>	<b>Aggregate</b>
U.S. Fixed		20%		Aggregate
U.S. TIPS		10%		U.S. TIPS
<b>Cash</b>			<b>0% - 5%</b>	
<b>Total Fund</b>	<b>100%</b>	<b>100%</b>		<b>Composite *</b>

\* Composite returns are the target weighted returns of the asset class benchmarks

**INVESTMENT SECTION**

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**ACTUARIAL**  
SECTION





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October 17, 2024

Public Employee Retirement System of Idaho  
State of Idaho  
P.O. Box 83720  
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations for the Public Employee Retirement System of Idaho (PERSI) since the System's inception. It is anticipated that future actuarial valuations will be performed every year with the next valuation to be as of July 1, 2025. Various benefit increases have occurred since the System was established in 1965. The most recent significant benefit changes were effective July 1, 2000.

### **Contribution Rates**

The financing objective of the System is to establish contribution rates that will tend to remain level as percentages of payroll. From 1993 to 2024, the total contribution rate has been between 15.78% and 20.96%; year by year detail including employer and member rates is shown in the table on the following page.

At July 1, 2002, the combined overall contribution rate was 15.78%. Our July 1, 2002 valuation found that the contribution rates were not sufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date, as required by Section 59-1322, Idaho Code. Therefore, in November 2002, the Board approved three 1% contribution rate increases to take effect on July 1, 2004, July 1, 2005, and July 1, 2006. Effective July 1, 2003, the contribution rate for Fire and Police employers was also increased by 0.1% to offset the cost of the \$100,000 duty related death benefit. The July 1, 2004 contribution rate increase took effect as scheduled. Due to investment gains, the other two increases were deferred and ultimately in October 2007 the Board cancelled the scheduled contribution rate increases.

The July 1, 2009 valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in December 2009, the Board approved three contribution rate increases to take effect: 1.5% on July 1, 2011, 1.5% on July 1, 2012, and 2.28% on July 1, 2013. In December 2010, these scheduled rate increases were each delayed one year. In December 2011, these scheduled rate increases were again each delayed one year. On July 1, 2013, the first contribution rate increase went into effect as scheduled. In October 2013, the remaining two scheduled rate increases were each delayed one year; in September 2014 these increases were cancelled altogether.

## ACTUARIAL SECTION

The July 1, 2016 valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in October 2016, the Board approved a 1.0% contribution rate increase to take effect on July 1, 2018. In October 2017, the Board delayed this rate increase until July 1, 2019. On July 1, 2019, this rate increase went into effect.

Effective July 1, 2021, the contribution rate for Fire and Police members was increased by 0.32% to offset the cost of the new benefits for safety officers who become catastrophically disabled while in the line of duty.

The July 1, 2022, valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in October 2022, the Board approved three contribution rate increases to take effect: 1.25% on July 1, 2024, 2.50% on July 1, 2025, and 3.75% on July 1, 2026. On July 1, 2024, the first of these rate increases went into effect.

Effective July 1, 2023, the contribution rates were adjusted. The goal of this adjustment was to separate the teacher contribution rate from that charged for general members and to make the contribution rate for each class more in line with the cost of benefits for that class; all while limiting the change in the weighted total contribution rate. Details of this change are shown in the table below.

Effective July 1, 2024, the contribution rate for Fire and Police members was temporarily increased by 1.14% for July 1, 2024, to June 30, 2027, to offset the new return to work law for safety members.

The historical changes in contribution rates since 2000 are shown in the table below. This table does not reflect contribution rates that are scheduled to take effect after the valuation date; see Table 11 of July 1, 2024, for a summary of the scheduled contribution rate increases. Note that weighted total values may change even if rates by group do not change.

Year of Change	Total Rate	Weighted Total		Fire & Police		General		Teachers	
		Member Rate	Employer Rate	Member Rate	Employer Rate	Member Rate	Employer Rate	Member Rate	Employer Rate
2000	15.78%	5.98%	9.80%	7.21%	10.01%	5.86%	9.77%	5.86%	9.77%
2003	15.82	6.01	9.81	7.21	10.11	5.86	9.77	5.86	9.77
2004	16.84	6.41	10.43	7.65	10.73	6.23	10.39	6.23	10.39
2008	16.88	6.44	10.44	7.65	10.73	6.23	10.39	6.23	10.39
2009	16.89	6.45	10.44	7.69	10.73	6.23	10.39	6.23	10.39
2013	18.39	7.03	11.36	8.36	11.66	6.79	11.32	6.79	11.32
2019	19.42	7.43	11.99	8.81	12.28	7.16	11.94	7.16	11.94
2021	19.46	7.47	11.99	9.13	12.28	7.16	11.94	7.16	11.94
2023	19.47	7.49	11.98	9.83	13.26	6.71	11.18	7.62	12.69
2024	20.96	8.07	12.89	10.83	14.65	7.18	11.96	8.08	13.48

Our July 1, 2024 actuarial valuation found that the System's current rates are sufficient to pay the System's normal cost rate of 17.07%. As of July 1, 2024, there is an unfunded actuarial liability of \$3,789.7 million. The contribution rates as currently scheduled are projected to take 10.8 years to pay off the \$3,789.7 million Unfunded Actuarial Accrued Liability (UAAL), which is more than the 25-year maximum permitted in Idaho Code.

## ACTUARIAL SECTION

### Funding Status

Based on the July 1, 2024, actuarial valuation, the unfunded actuarial accrued liability was decreased by \$520.5 million due to an asset gain recognized as of July 1, 2024. Specifically, the System's assets earned a net return after expenses of 8.84%, which is 2.54% above the actuarial assumption of 6.30%. All other actuarial experience gains and losses increased the UAAL by \$159.7 million. Thus, the total experience gain for the year was \$360.8 million.

In addition, the UAAL decreased by \$0.4 million due to the scheduled contribution rate increases approved by the Board in October 2023, as a response to the new return to work law for safety members. The UAAL also increased by \$131.8 million because expected contributions plus assumed investment returns were less than the normal cost and the interest on the UAAL.

All of these items resulted in a decrease in UAAL of \$229.4 million and a change in funding status from an 83.7% funding ratio on July 1, 2023, to 85.4% on July 1, 2024. The funding ratio is the ratio of the fair value of the assets over the value of the actuarial accrued liability.

### Comparison to GASB Statement No. 67 Liabilities

The long term expected rate of investment return on assets, net of investment expenses, for the System is assumed to be 6.35%. For purposes of determining the System's funding status and UAAL, this is reduced by 0.05% for expected administrative expenses to give discount rate of 6.30%. The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%. Results and further details on these items can be found in our GASB 67 and 68 Report.

### Assumptions

Exhibit 1 of this report presents summaries of the actuarial assumptions and methods used in the valuation. The last major experience study, completed in August 2021, covered the period July 1, 2015 through June 30, 2020. We anticipate the next major experience study, to be completed in 2025, will cover the period July 1, 2020 through June 30, 2024.

### Other Information

PERSI is a cost-sharing multiple-employer defined benefit plan. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. They have chosen to define their Actuarially Determined Contribution as the contribution rate necessary to fully fund the system over a period of 25 years based on the valuation results two years prior to this measurement date. Starting with the July 1, 2023 valuation, this has changed. Due to the two year lag, this change will first be shown in financial reporting for fiscal year July 1, 2024, to June 30, 2025. We believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

### Purpose of the Valuation

Actuarial computations presented in this report are for the purposes of GFOA reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.



## ACTUARIAL SECTION

### Actuarial Assumptions

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

### Variability of Results

This report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Exhibit 1 of this report.

### Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

### Limited Distribution

Milliman's work is prepared solely for the use and benefit of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

## ACTUARIAL SECTION

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

### Models

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

### Qualifications and Certifications

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

### Conclusion

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retiree and Beneficiary Valuation Data
Exhibit 4	Schedule of Funding Progress
Exhibit 5	Solvency Test
Exhibit 6	Analysis of Actuarial Gains or Losses
Exhibit 7	Schedule of Contributions from the Employer and All Other Contributing Entities
Exhibit 8	Schedule of Contributions from the Employer Expressed as a Percentage of Payroll
Exhibit 9	Provisions of Governing Law

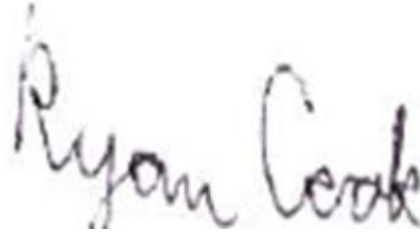
We would like to express our appreciation to Mike Hampton, Executive Director of the System, and to members of PERSI's staff, who gave substantial assistance in supplying the data on which this report is based.

**ACTUARIAL SECTION**

Sincerely,



Robert L Schmidt, FSA., EA, MAAA  
Principal and Consulting Actuary



Ryan J Cook, FSA, EA, CERA, MAAA  
Consulting Actuary

RLS/RJC/kw



## ACTUARIAL SECTION

### Public Employee Retirement System of Idaho

#### EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2024

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The actuarial assumptions for financial reporting are the same as those used in our funding valuation.

#### 1. Investment Return (Adopted July 1, 2021)

The annual rate of investment return on the assets of the System, net of investment expenses, is assumed to be 6.35%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.30%.

#### 2. Actuarial Value of Assets (Adopted July 1, 1994)

All assets are valued at fair value as of the valuation date.

#### 3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the System's actual experience.

#### 4. Mortality (Adopted July 1, 2021)

##### ***Contributing Members, Service Retirement Members, and Beneficiaries***

- ***Teachers***

Males Pub-2010 Teacher Tables, increased 12%.

Females Pub-2010 Teacher Tables, increased 21%.

- ***Fire & Police***

Males Pub-2010 Safety Tables, increased 21%.

Females Pub-2010 Safety Tables, increased 26%.

5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.

- ***General Employees and All Beneficiaries***

Males Pub-2010 General Tables, increased 11%.

Females Pub-2010 General Tables, increased 21%.

- ***Disabled Members***

Males Pub-2010 Disabled Tables, increased 38%.

Females Pub-2010 Disabled Tables, increased 36%.

- ***Mortality Improvement***

All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by Social Security Administration from 1957 through 2017 (blended 50% male, 50% female).

## ACTUARIAL SECTION

### 5. Service Retirement (Adopted July 1, 2021)

Annual rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

Age	Fire & Police		General Employees			
	First Year Eligible	There after	Male		Female	
			First Year Eligible	There after	First Year Eligible	There after
55	29%	24%	20%	N/A	19%	N/A
60	14	25	21	14%	29	16%
65	34	37	31	43	36	43
70	*	*	14	21	18	25

Age	Teachers			
	Male		Female	
	First Year Eligible	Thereafter	First Year Eligible	Thereafter
55	32%	N/A	33%	N/A
60	36	33%	32	27%
65	36	41	44	49
70	*	*	*	*

\* For all ages older than the age indicated, retirement is assumed to occur immediately.

### 6. Early Retirement (Adopted July 1, 2021)

Annual rates of retirement assumed to occur among persons eligible for a reduced early retirement benefit are illustrated in the following table:

Age	Fire & Police	General Employees		Teachers	
		Male	Female	Male	Female
50	4%	*	*	*	*
55	6%	2%	3%	2%	3%
60	N/A	5	6	9	10

\* Members cannot yet be eligible for early retirement at the age indicated, withdrawal is assumed to occur (see Section 7).

## ACTUARIAL SECTION

### 7. Other Terminations of Employment (Adopted July 1, 2021)

Assumed annual rates of termination are illustrated below. Rates are based only on years of service.

Years of Service	Fire and Police	General Employees		Teachers	
		Male	Female	Male	Female
5	6.8%	9.2%	10.4%	5.8%	6.7%
10	3.9	4.7	6.5	3.2	3.6
15	2.7	4.0	4.2	2.1	2.1
20	1.5	2.3	3.0	1.2	1.3
25	1.3	1.8	2.4	0.9	0.9
30	1.3	1.8	2.4	0.9	0.9

### 8. Disability Retirement (Adopted July 1, 2021)

Annual rates assumed for disability retirement are illustrated in the following table:

Age	Fire & Police	General Employees		Teachers	
		Male	Female	Male	Female
25	.01%	.01%	.01%	.01%	.03%
35	.05	.05	.03	.03	.03
45	.12	.09	.10	.06	.10
55	.40	.32	.26	.19	.30

25% of Fire and Police active member disabilities are assumed to be duty related. Of these, half are assumed to be catastrophic disabilities. This assumption was adopted July 1, 2021.

### 9. Future Salaries (Adopted July 1, 2021)

In general, the total annual rates at which salaries are assumed to increase include 3.05% per annum for increase in the general wage level of the membership plus increases due to promotions and longevity. The general wage level increases are due to inflation and increases in productivity. The total ultimate rates assumed are illustrated below.

Years of Service	Fire and Police	General Employees		General Employees	
		Male	Female	Male	Female
5	6.68%	5.63%	6.18%	7.23%	6.99%
10	5.05	4.73	4.96	6.44	6.68
15	3.90	3.88	4.39	4.63	5.08
20	3.89	3.82	3.85	3.76	3.70

## ACTUARIAL SECTION

### 10. Vesting (Adopted July 1, 2021)

The following table illustrates the assumed probability that vested terminating members will elect to receive deferred benefits instead of withdrawing accumulated contributions.

Age	Fire and Police	General Employees		Teachers	
		Male	Female	Male	Female
25	60%	68%	71%	90%	78%
35	60	76	76	80	86
45	76	78	79	85	88
55	N/A	N/A	N/A	N/A	N/A

### 11. Deferred Inactive Member Retirement (Adopted July 1, 2021)

Vested inactive members not currently receiving benefits are assumed to commence their benefits at the later of the member's current age or age 62 (age 55 for fire and police members).

For non-vested inactive members not currently receiving benefits, the present value of benefits is equal to the accumulated member contributions.

### 12. Form of Payment (Adopted July 1, 2021)

Upon commencement of early, service, or disability retirement members are assumed to elect annuity payment forms at the following rates:

- 29% will elect a 100% Contingent Annuitant Allowance
- 14% will elect a 50% Contingent Annuitant Allowance
- 57% will elect a single life annuity

If death occurs in active or disability retirement status, 15% are assumed to have an eligible surviving spouse that elects an annuity (the spouse is assumed to be two years younger than the male members and two years older than the female members). The remaining 85% are assumed to receive the lump sum payment option (either because they have no eligible spouse or the spouse elected a lump sum).

### 13. Growth in Membership (Adopted July 1, 2021)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.05% average annual expansion in the payroll of covered members.

### 14. Interest on Employee Contributions (Adopted July 1, 2016, and re-examined in 2021)

The credited interest rate on employee contributions is assumed to be 8.50%.

### 15. Postretirement Benefit Increases (Postretirement Allowance Adjustments or PAAs)

A nondiscretionary postretirement increase of 1% per year is assumed for the valuation. See Exhibit 3 for total discretionary and nondiscretionary increases granted by the Board for the past ten years

## ACTUARIAL SECTION

### 16. Impact of Fire and Police Return to Work

Idaho senate bill 1054, signed into law March 20, 2023, provides fire and police members of PERSI, who are at least age 50, the opportunity to return to work (RTW) after retiring and continue receiving retirement benefits through June 30, 2027. During the RTW period, the employer and employee must make contributions and benefit accruals are frozen. We have incorporated this new plan provision into our 2024 valuation including the following assumption changes:

- We have assumed that the new law will increase retirement rates for fire and police members as follows:
  - For fiscal years beginning 2024 - 2026, retirement rates for ages 50 - 59 in the first year a member becomes eligible for unreduced retirement are increased by a factor of 4.0 (but no greater than 100%).
  - For fiscal years beginning 2024 - 2026, retirement rates for ages 50 - 59 for the second and later years a member is eligible for unreduced retirement are increased by a factor of 2.0 (but no greater than 100%).
  - These factors are based on the assumption that as soon as active safety members become eligible for unreduced retirement and RTW, they will utilize it at very high rates. We assume a drop-off in the rates if they don't take it the first year they meet these criteria. It's also based on the assumption that the younger eligible members are those most likely to use RTW, so we limited the increased retirement rates to members under age 60.
- In addition, we have assumed that members will continue with RTW until the earlier of July 1, 2027, or age 60, at which point they will cease working to continue receiving their retirement benefits.

### 17. Actuarial Cost Method

The individual entry age actuarial cost method is used, as was adopted by the Board on August 20, 2013. This method is well suited for PERSI's contribution structure of contributing a percentage of pay over employees working lifetimes. The normal cost rates used in this valuation were calculated based on all current active members as of July 1, 2024, for each sex and type of employee in the valuation. The normal costs and projected fiscal year 2024 salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate. We anticipate the normal cost rate will be adopted in October, 2024, in conjunction with the July 1, 2024 actuarial valuation.

The Unfunded Actuarial Accrued Liability (UAAL) created by this method, including gains and losses, is amortized as a level percentage of the System's projected payroll.

Commencing July 1, 2007, 1.49% of the payroll of higher education faculty covered by the Optional Retirement Program (ORP) is payable to PERSI until July 1, 2025. Commencing July 1, 1997, 3.83% of the payroll of community college and post-secondary vocational educational institutions covered by the ORP was payable to PERSI until July 1, 2011. The difference between the future ORP contributions and the actuarial accrued liability computed under the actuarial cost method is the portion of the actuarial accrued liability used to determine the UAAL, or funding reserve, for PERSI.

## ACTUARIAL SECTION

### 18. Experience Studies

The last experience study was completed in 2021 for the period July 1, 2015 through June 30, 2020 and reviewed economic assumptions, mortality and all demographic assumptions. We anticipate these assumptions will be studied in 2025 for the period from July 1, 2020 through June 30, 2024. Assumptions were adopted as noted.

### 19. Recent Changes

The 2024 valuation results reflect the Board's decision in September 2023 to temporarily increase contribution rates for Safety members for July 1, 2024, to July 1, 2027, due to the return to work law for safety members passed in 2023.

### EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date July 1	Number	Annual Salaries*		
		Annual Valuation Payroll	Average Annual Pay	% Increase in Average Annual Pay
2015	67,008	\$ 2,756,913,000	\$ 41,143	1.8%
2016	68,517	2,833,369,000	41,353	0.5
2017	70,073	3,040,649,000	43,393	4.9
2018	71,112	3,188,316,000	44,835	3.3
2019	72,502	3,356,492,000	46,295	3.3
2020	73,657	3,520,698,000	47,799	3.2
2021	73,563	3,654,378,000	49,677	3.9
2022	74,409	3,890,350,000	52,283	5.2
2023	76,668	4,237,274,000	55,268	5.7
2024	78,354	4,541,818,000	57,965	4.9

\* Actuarial valuation payroll is computed as the sum of the annualized rate of pay received in the fiscal year ending on the valuation date by all those who were active members as of the valuation date, and differs from the actual payroll shown in the financial section of the annual report.

**ACTUARIAL SECTION**

**Public Employee Retirement  
System of Idaho**

**EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA <sup>(1)</sup>**

Valuation Date July 1	Number			PAA Percentage Increases Granted Previous March 1
	Total	Added	Removed	
2015	42,657	2,889	1,008	1.70% + 2.30% Partial Restoration
2016	44,181	2,634	1,110	0.20% + 0.80% Partial Restoration
2017	45,468	2,746	1,459	1.1
2018	46,907	2,657	1,218	1.9
2019	48,120	2,572	1,359	1.0
2020	49,573	2,784	1,331	0.70% + 4.76% Full Restoration
2021	50,891	2,885	1,567	1.0
2022	53,190	3,752	1,453	3.5
2023	54,680	2,883	1,393	1.0
2024	56,084	2,724	1,320	1.0

Valuation Date July 1	Annual Benefits				
	Total Rolls End of Year	Added to Rolls <sup>(2)</sup>	Removed from Rolls	Average	% Increase in Average
2015	\$ 754,201,000	\$ 70,985,000	\$ 11,730,000	\$ 17,681	3.7%
2016	793,277,000	52,788,000	13,712,000	17,955	1.5
2017	836,201,000	60,924,000	18,000,000	18,391	2.4
2018	884,827,000	64,770,000	16,144,000	18,863	2.6
2019	922,112,000	59,048,000	21,763,000	19,163	1.6
2020	99,794,000	99,199,000	21,517,000	20,168	5.2
2021	1,043,515,000	69,478,000	25,757,000	20,505	1.7
2022	1,140,827,000	120,054,000	22,742,000	21,448	4.6
2023	1,191,960,000	73,195,000	22,062,000	21,799	1.6
2024	1,243,201,000	72,698,000	21,457,000	22,167	1.7

<sup>(1)</sup> Information regarding the number of retirees and beneficiaries added to, and removed from, the rolls was not used in the actuarial valuations.

<sup>(2)</sup> Includes postretirement increases.

## ACTUARIAL SECTION

### Public Employee Retirement System of Idaho

#### EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS (ALL DOLLAR AMOUNTS IN MILLIONS)

Actuarial Valuation Date July 1	Fair Value of Assets	Actuarial Accrued Liabilities (AAL) <sup>(1)</sup>	Present Value of Future ORP Contributions	Unfunded Actuarial Accrued Liabilities (UAAL) <sup>(2)</sup>	Funded Ratio <sup>(3)</sup>	Covered Payroll <sup>(4)</sup>	UAAL as a Percentage of Covered Payroll
2015	\$ 13,956.7	\$ 15,488.2	\$ 41.3	\$ 1,490.2	90.4%	\$2,791.1	53.4 %
2016	13,884.2	16,128.3	38.0	2,206.1	86.3	2,909.3	75.8
2017	15,296.7	17,101.0	37.7	1,766.6	89.6	3,089.6	57.2
2018	16,274.8	17,889.0	34.1	1,580.1	91.2	3,200.4	49.4
2019	17,239.5	18,661.7	31.0	1,391.2	92.5	3,382.1	41.1
2020	17,392.1	19,852.3	27.0	2,433.2	87.7	3,546.0	68.6
2021	21,770.7	21,840.7	21.0	49.0	99.8	3,716.7	1.3
2022	19,349.5	23,433.1	16.4	4,077.2	82.6	3,927.0	103.8
2023	20,695.8	24,726.9	12.0	4,019.1	83.7	4,234.2	94.9
2024	22,131.8	25,928.0	6.5	3,789.7	85.4	4,573.4	82.9

<sup>(1)</sup> Actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.

<sup>(2)</sup> Actuarial accrued liabilities less actuarial value of assets and present value of future ORP contributions. Amounts reported in this table do not include the value of any discretionary PAA or Gain Sharing allocations granted after the valuation date. If negative, amount is referred to as a funding reserve.

<sup>(3)</sup> Funded Ratio is the ratio of the actuarial value of assets over the actuarial accrued liabilities less the present value of future ORP contributions.

<sup>(4)</sup> Covered Payroll includes compensation paid to all active employees on which contributions are calculated during the fiscal year ending on the actuarial valuation date. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is the annualized rate of pay of those members who were active on the actuarial valuation date.



## ACTUARIAL SECTION

### Public Employee Retirement System of Idaho

**EXHIBIT 5: SOLVENCY TEST**  
(ALL DOLLAR AMOUNTS IN MILLIONS)

Actuarial Valuation Date July 1	Actuarial Accrued Liabilities For				Portion of Actuarial Accrued Liabilities Covered by Assets		
	Fair Value of Assets	Active Member Contributions (A)	Retirees and Beneficiaries (B)	Active Members (Employer Financed Portion) (C)	(A)	(B)	(C)
2015	\$13,956.7	\$ 3,468.5	\$ 8,565.6	\$ 3,454.1	100%	100%	55.7%
2016	13,884.2	3,652.6	9,097.0	3,378.7	100	100	33.6
2017	15,296.7	3,554.1	9,609.7	3,937.2	100	100	54.2
2018	16,274.8	3,611.4	10,121.1	4,156.5	100	100	61.2
2019	17,239.5	3,817.2	10,559.3	4,285.2	100	100	66.8
2020	17,392.1	3,962.7	11,413.9	4,475.7	100	100	45.0
2021	21,770.7	3,985.1	12,385.0	5,470.6	100	100	98.7
2022	19,349.5	4,225.0	13,555.9	5,632.2	100	100	27.3
2023	20,695.8	4,709.5	14,189.5	5,827.9	100	100	30.8
2024	22,131.8	4,737.6	14,724.4	6,466.0	100	100	41.3

## ACTUARIAL SECTION

### Public Employee Retirement System of Idaho

#### EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES (ALL DOLLAR AMOUNTS IN MILLIONS)

	Gain (Loss) for Period		
	2023-2024	2022-2023	2021-2022
<b>Investment Income</b>			
Investment income was greater (less) than expected	\$ 520.5	\$ 539.3	\$ (3,435.4)
<b>Pay Increases</b>			
Pay increases were less (greater) than expected	(157.4)	(206.9)	(151.8)
<b>Membership Growth</b>			
New members increased liabilities by less (more) than their contributions increased assets	(0.7)	(1.3)	5.4
<b>Postretirement Allowance Adjustment (PAA)</b>			
Different automatic PAA than expected	0.0	0.0	0.0
<b>Other Retired Member Experience</b>			
Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes	(31.7)	(10.7)	(205.6) <sup>(1)</sup>
<b>Other Active and Inactive Member Experience</b>			
Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes	30.1	(207.2)	(55.1)
<b>Total Gain (Loss) During the Period From Actuarial Experience</b>	360.8	113.2	(3,842.5)
<b>Contribution Income</b>			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the Unfunded Actuarial Accrued Liability	(131.8)	(132.4)	89.7
<b>Non-Recurring Items</b>			
Changes in actuarial assumptions caused a gain (loss)	None	None	None
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss) <sup>(2)</sup>	None	(22.9)	(275.4)
Change in Future Contribution Rates <sup>(3)</sup>	0.4	100.2	None
<b>Composite Gain (Loss) During the Period</b>	<u>\$ 229.4</u>	<u>\$ 58.1</u>	<u>\$ (4,028.2)</u>

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

- (1) 2021-2022 loss included re-addition of some retired members that were previously omitted from the retired member data supplied by PERSI.
- (2) For 2022-23, this reflects the Return to Work provision. For 2021-22, this reflects the 2.50% discretionary PAA, effective March 1, 2022.
- (3) for 2022-23, this reflects the October 2022 Board decision to adopted a 1.25% contribution rate increase effective July 1, 2024, an additional 2.50% increase effective July 1, 2025, and an additional 3.75% rate increase effective July 1, 2026. for 2023-24, this reflects the September 2023 Board decision to, as a response to the new return to work law for safety members, implement a temporary 1.14% increase in Safety contributions rates for July 1, 2024, to June 30, 2027.

## ACTUARIAL SECTION

### Public Employee Retirement System of Idaho

#### EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (ALL DOLLAR AMOUNTS IN MILLIONS)

Fiscal Year Ending	Covered Employee Payroll <sup>(1)</sup>	Actual PERSI Employer Contributions Dollar Amount <sup>(2)</sup>	Actual ORP Contributions Dollar Amount	Total Actual Employer Contributions	Actuarially Determined Contribution (ADC) <sup>(3)</sup>	Percentage of ADC Dollars Contributed
2015	\$2,791.1	\$317.0	\$4.2	\$321.2	\$327.1	98%
2016	2,909.3	331.1	4.5	335.6	298.7	112
2017	3,089.6	351.6	4.8	356.4	337.2	106
2018	3,200.4	364.2	4.9	369.1	388.3	95
2019	3,382.1	384.9	5.2	390.1	382.6	102
2020	3,546.0	425.2	5.4	430.6	392.3	110
2021	3,716.7	445.7	5.3	451.0	394.8	114
2022	3,927.0	470.8	5.6	476.4	463.1	103
2023	4,234.2	507.7	6.1	513.8	436.8	118
2024	4,573.4	547.9	6.5	554.4	650.5 <sup>(4)</sup>	85

- <sup>(1)</sup> Computed as the dollar amount of the actual PERSI employer contribution made divided by the actual PERSI contribution rate expressed as a percentage of payroll.
- <sup>(2)</sup> Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes. Dollar amounts shown exclude additional receipts due to merger of retirement systems.
- <sup>(3)</sup> For PERSI employers, the ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus a 25-year amortization of any Unfunded Actuarial Accrued Liability less member contributions. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year following the valuation date. For Optional Retirement Plan (ORP) employers, the ADC is equal to 1.49% of salaries of university members in the ORP until 2025 and 3.83% of salaries of community college members in the ORP until 2011. With the 2023 valuation, the ADC definition has changed; however due to the lag, the change won't show up in financial reporting until the fiscal year ending June 30, 2025.
- <sup>(4)</sup> The ADC for the PERSI fiscal year ending June 30, 2024 is based on 14.08% of covered payroll as computed in the 2022 valuation.

## ACTUARIAL SECTION

### Public Employee Retirement System of Idaho

#### EXHIBIT 8: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A PERCENTAGE OF PAYROLL

Fiscal Year Ending	Actual PERSI Employer Contribution % <sup>(1)</sup>	Actuarially Determined Contribution (ADC) % <sup>(2)</sup>	Percentage of ADC Contributed
2015	11.36%	11.570%	98%
2016	11.38	10.110	113
2017	11.38	10.760	106
2018	11.38	11.980	95
2019	11.38	11.160	102
2020	11.99	10.910	110
2021	11.99	10.480	114
2022	11.99	11.650	103
2023	11.99	10.170	118
2024	11.98	14.080 <sup>(3)</sup>	85

- <sup>(1)</sup> The actual PERSI employer contributions are expressed as a percentage of payroll. Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. Thus, the actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes. Percentages shown exclude additional receipts due to merger of retirement systems.
- <sup>(2)</sup> For PERSI employers, the ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus a 25-year amortization of any Unfunded Actuarial Accrued Liability less member contributions. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year following the valuation date. For Optional Retirement Plan (ORP) employers, the ADC is equal to 1.49% of salaries of university members in the ORP until 2025 and 3.83% of salaries of community college members in the ORP until 2011. With the 2023 valuation, the ADC definition has changed; however due to the lag, the change won't show up in financial reporting until the fiscal year ending June 30, 2025.
- <sup>(3)</sup> The ADC for the PERSI fiscal year ending June 30, 2024 is based on 14.08% of covered payroll as computed in the 2022 valuation.

## ACTUARIAL SECTION

### Public Employee Retirement System of Idaho

#### EXHIBIT 9: PROVISIONS OF GOVERNING LAW

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All actuarial calculations are based on our understanding of the statutes governing the Public Employee Retirement System of Idaho, as contained in Sections 59-1301 through 59-1399, inclusive, of the Idaho Code, with amendments effective through July 1, 2024. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Idaho Code. This summary does not attempt to cover all the detailed provisions of the law. Only those benefits in effect through July 1, 2024 are considered in this valuation. The items in parentheses are the provisions applicable to firefighters and police officers.

#### **Effective Date**

The effective date of the Retirement System was July 1, 1965.

#### **Member Contribution Rate**

The member contribution rate effective July 1, 2024 is 7.18% of salary for general members, 8.08% of salary for teachers, and 10.83% of salary for firefighters and police officers.

The member contribution rate is fixed at 60% (72%) of the employer contribution rate. For firefighters and police officers, the 72% adjustment is applied after reducing the employer rate by 0.10% for the 2003 addition of a \$100,000 death benefit for fire and police members who die in the line of duty. After the 72% is applied, the resulting rate is increased by 0.36% for the line of duty disability benefit. Member contributions have been “picked up” on a pre-tax basis by the employer since June 30, 1983 (Sections 59-1331 and 59-1332).

#### **Employer Contribution Rate**

The employer contribution rate is set by the Retirement Board (Section 59-1322). The current rates are 11.96% of salary for general members, 13.48% of salary for teachers, and 14.65% for firefighters and police officers.

#### **Service Retirement Allowance**

##### ***Eligibility***

Age 65 (60) with five years of service including six months of membership service (Section 59-1341).

##### ***Amount of Allowance***

For each year of credited service, the annual service retirement allowance is 2.0% (2.3%) of the highest 42-month average salary (Section 59-1342).

## ACTUARIAL SECTION

### Service Retirement Allowance (continued)

#### **Minimum Benefit**

\$60 (\$72) annual allowance for each year of service. The dollar amounts increase after 1974 according to the rate of cost of living increases in retirement allowances (Section 59-1342).

#### **Maximum Benefit**

In no case may a member's regular retirement benefit exceed the highest three-year average salary of the member (Section 59-1342).

#### **Plus Up Benefits (aka late retirement increases)**

For each month of service an active member accrues after age 70 with five years of service, the member's benefit is increased by an amount determined by the Board (Section 59-1342(7)). The current administrative rules are to increase benefits by 0.6% per month. This increase is applied after the application of the minimum and maximum benefits.

#### **Normal Form**

Straight life retirement allowance plus any death benefit (Section 59-1351).

#### **Optional Form**

Members can elect a 100% or 50% Contingent Annuitant Allowance. They may also choose to have their benefit be adjusted such that they receive a reduced amount prior to social security normal retirement age and greater amount after such age, such that the difference in the two amounts is approximately equal to the social security benefit to be payable at such age. The optional forms are calculated to be actuarial equivalent to the normal form under the options available, according to the mortality and interest basis adopted by the Board (Section 59-1351).

### Early Retirement Allowance

#### **Eligibility**

Age 55 (50) with five years of service, including six months of membership service (contributing members only) (Section 59-1345).

#### **Amount of Allowance**

Full accrued service retirement allowance if age plus service equals 90 (80); otherwise, the accrued service retirement allowance, reduced by 3% for each of the first five years by which the early retirement date precedes the date the member would be eligible to receive the full accrued benefit, and by 5.75% for each additional year (Section 59-1346).

### Vested Retirement Allowance

#### **Eligibility**

Former contributing members with five years of membership service are entitled to receive benefits after attaining age 55 (50) (Section 59-1345).

#### **Amount of Allowance**

Same as early retirement allowance (Section 59-1345).

## ACTUARIAL SECTION

### **Disability Retirement Allowance Eligibility**

Five years of membership service. For a police officer or a firefighter hired after July 1, 1993, who is disabled from an occupational cause, there is no service requirement (Section 59-1352).

### **Amount of Allowance**

Projected service retirement allowance based on accrued service plus service projected to age 65 (60) (latter limited to excess of 30 years over accrued service) less any amount payable under workers' compensation law (Section 59-1353).

### **Normal Form**

Temporary annuity to age 65 (60) plus any death benefit. Service retirement allowance becomes payable in the same amount at age 65 (60) (Section 59-1354).

### **Safety Member Lump Sum Duty Disability Benefit**

Fire and Police members who are disabled in the line of duty are eligible for a \$100,000 lump sum benefit, in addition to the annuity benefits discussed above (Section 59-1352A).

Those whose disability is deemed to be "Catastrophic" are instead eligible for a \$500,000 lump sum benefit. In addition, they get an annuity of the greater of the amount described above or \$75,000. The \$75,000 is adjusted every four years per changes in average public safety officer benefits. If the member receives this alternative \$75,000 annuity, their benefit will increase per the indexing described in the prior sentence instead of the regular PERSI PAAs. In addition, a catastrophically disabled member's annuity is paid out as a 100% Contingent Annuitant Allowance without the usual reduction (Section 59-1352B).

### **Death Benefits**

#### **After Retirement**

Under the normal form of the retirement allowance, the excess, if any, of the member's accumulated contributions with interest at retirement over all payments received. Otherwise, payable according to the option elected (Section 59-1361).

## ACTUARIAL SECTION

### ***Before Retirement***

A. If a member with at least five years of service, a lump sum payment is made equal to twice the accumulated contributions with interest.

OR

B. If the member had an eligible spouse at the time of their death, the spouse may elect to forego the lump sum and instead receive an immediate lifetime annuity. The annuity is calculated as the amount the member would have received if they had retired immediately prior to their death and elected the 100% Contingent Annuitant Allowance payment form. If the member was not yet eligible for retirement, then the annuity amount is reduced such to make it actuarially equivalent to an annuity deferred to the earliest eligible retirement age of the member (calculated as if they had separated from service immediately prior to their death) (Section 59-1361). Fire and police members are entitled to an additional \$100,000 payment if death occurs in the line of duty. (Section 59-1361 A).

**Withdrawal Benefits** Accumulated contributions with interest (Section 59-1358). The interest rate is determined by the Board (Section 59-1301(26)).

### **Postretirement Increases**

Postretirement Allowance Adjustments (PAAs) are based on changes in the Consumer Price Index. The measurement period for changes in the CPI-U is August to August. The PAA changes are implemented effective on the March 1 following the measurement period.

If the CPI-U increases by at least 1%, the PAA is at least 1%. If the CPI-U increases by more than 1%, an additional postretirement increase of up to 5% each year (but not more than the increase in the CPI-U) may be authorized by the Board, subject to the approval of the Legislature.

If the CPI-U increases by less than 1% or decreases, the PAA is automatic, based on the change in the CPI. If a negative PAA is applicable, the negative PAA cannot decrease benefits by more than 6%. Additionally, a negative PAA cannot decrease a member's benefit below the amount of the benefit at the initial benefit date.

If a PAA is implemented that is less than the increase in the CPI-U, members' benefits will not retain their full inflation adjusted purchasing power. In such cases, the Board may implement a retro-PAA at a later date to bring those members closer to 100% of inflation adjusted purchasing power. As with a discretionary PAA, a retro-PAA is subject to approval of the Legislature. (Section 59-1355).



## ACTUARIAL SECTION

### **Gain Sharing**

Beginning in 2000, under Section 59-1309, Idaho Code, the Board may allocate all or a portion of “extraordinary gains” to active and retired members and employers as Gain Sharing.

Extraordinary gains are defined as the excess, if any, at the close of the fiscal year of the Assets over Actuarial Accrued Liabilities plus an amount necessary to absorb a one standard deviation market event without increasing contribution rates, as determined by the Board. Under the Board’s current investment policy, assets in excess of a 113% funded ratio are considered extraordinary gains. The Board has the authority to rescind the Gain Sharing up to the date of distribution.

### **Return to Work**

Under Section 59-1356, Idaho Code, if a retired member is reemployed by a PERSI employer, their retirement benefits cease, contributions (both employer and member) restart, and the member begins accruing a new benefit. Section 59-1356 lays out the following exceptions to this rule.

If a retired member becomes re-employed, at least 6 months after retirement, as a result of being elected to public office (other than an office held prior to retirement) the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member or employer, and the member will not accrue additional benefits.

If a teacher who retired (without a promise of reemployment) after age 60 or a public safety officer is reemployed as a teacher at least 90 days after their retirement and was receiving an unreduced service retirement benefit, the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member (the employer still makes contributions), and the member will not accrue additional benefits.

If a member who retired (without a promise of reemployment) after age 55 and before January 1, 2022, is reemployed at least 90 days after their retirement, the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member (the employer still makes contributions), and the member will not accrue additional benefits. This exception expires on July 1, 2026.

Effective July 1, 2023, if a police officer or firefighter who retired (without a promise of reemployment) after age 50, is reemployed at least 30 days after their retirement, the member may elect to continue receiving retirement benefits. In which case, contributions restart (both employer and member) at the fire and police rate (even if re-employed as a teacher or general member), but the member will not accrue additional benefits. This exception expires on July 1, 2027.



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October 17, 2024

Public Employee Retirement System of Idaho State of Idaho  
P.O. Box 83720  
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations of the Idaho Firefighters' Retirement Fund (FRF) from 1981 through 1988 and biennial valuations from July 1, 1990 to July 1, 2000. Starting with the July 1, 2001 valuation, actuarial valuations occurred annually through the July 1, 2007 valuation. From July 1, 2007 through July 1, 2013 the valuations were again biennial. Beginning with the July 1, 2014 valuation they have been performed annually once again. The most recent actuarial valuation was for July 1, 2024; the next is scheduled for July 1, 2025.

### **Contribution Rates**

FRF covers a closed group of firefighters who were hired before October 1, 1980 and who receive benefits in excess of those provided under the Public Employee Retirement System of Idaho (PERSI). The cost of these excess benefits is paid by member contributions, employer contributions, and receipts from a Fire Insurance Premium Tax (FIPT). Employer contributions comprise two elements: 8.65% of the salaries of covered members and an additional rate applied to the salaries of all firefighters of the employer. The additional rate is designed to meet the costs of the Fund not covered by other resources. Idaho Code Section 59-1394 requires the cost of the excess benefits to be retired by the schedule of contributions over a given period of time not to exceed 50 years.

FRF benefits were offset by PERSI benefits effective October 1, 1980. Effective July 1, 1990, all members hired after June 30, 1978 are to receive the same FRF benefits as members hired earlier.

Effective October 1, 1994, the PERSI benefits and contributions were increased. The FRF additional contribution rate to fund the excess benefits was decreased to 15.40% and the total employer contributions for FRF members remained fixed at 35.90% for Class A & B firefighters and 27.25% for Class D firefighters.

The Retirement Board lowered the PERSI contribution rates starting October 31, 1997 and made the reduction permanent as of April 25, 2000. The FRF excess contribution rate was increased to 17.24% since the total employer contributions for FRF members remained fixed at the 35.90% / 27.25% rates.

The Retirement Board raised the PERSI contribution rates, with the first increase effective July 1, 2004, and additional increases effective July 1, 2005 and July 1, 2006 an additional 0.1% contribution was added to provide for a \$100,000 death benefit for duty related deaths. The FRF excess contribution rate was maintained at 17.24%. The July 1, 2004 rate increase took effect as scheduled, but the other two rate increases were delayed by the Board to July 1, 2006 and July 1, 2007.

## ACTUARIAL SECTION

After the July 1, 2006 PERSI and FRF valuation reports were completed, the PERSI Board delayed the effective date of the scheduled contribution rate increases to July 1, 2008 and July 1, 2009. In October 2007, the Board cancelled the remaining scheduled contribution rate increases.

After the July 1, 2009 PERSI and FRF valuation reports were completed, the PERSI Board approved three new contribution rate increases scheduled for July 1, 2011, July 1, 2012, and July 1, 2013. These were adopted in December 2009 due to a significant drop in funded status because of investment losses in the year ending June 30, 2009.

Due to the 12.01% investment return in the year ending June 30, 2010, in December 2010, the PERSI Board delayed the scheduled contribution rate increases for July 1, 2011, July 1, 2012, and July 1, 2013, to July 1, 2012, July 1, 2013, and July 1, 2014, respectively.

Due to the 20.25% investment return in the year ending June 30, 2011, in December 2011, the Board delayed the scheduled contribution rate increases for July 1, 2012, July 1, 2013, and July 1, 2014, to July 1, 2013, July 1, 2014, and July 1, 2015, respectively.

On July 1, 2013, the first of three scheduled contribution rate increases went into effect. This raised the member contribution for Class D Firefighters from 7.69% to 8.36%. It also increased the PERSI Rate employer contribution from 10.73% to 11.66% for all firefighter groups.

In December 2013, the Board delayed the scheduled contribution rate increases for July 1, 2014 and July 1, 2015 to July 1, 2015 and July 1, 2016, respectively.

In September 2014 the scheduled contribution rate increases scheduled for July 1, 2015 and July 1, 2016 were cancelled.

On January 1, 2015, the additional employer contribution rate was decreased from 17.24% to 5.00%.

After the July 1, 2016 PERSI and FRF valuation reports were completed, the PERSI Board approved a contribution rate increase scheduled for July 1, 2018. This was adopted in October 2016 due to a drop in funded status because of low investment returns in the fiscal years 2015 and 2016. In 2017, the rate increase was delayed one year: from July 1, 2018 to July 1, 2019.

On July 1, 2019, the member contribution for Class D Firefighters increased from 8.36% to 8.81%. The PERSI Rate employer contribution increased from 11.66% to 12.28% for all firefighter groups.

On July 1, 2020, the additional employer contribution rate was decreased from 5.00% to 0.00%.

As of July 1, 2021, there are no longer any active firefighters covered by the plan. With the additional employer contribution rate of 0%, there are no longer any contributions coming into the plan (other than receipts from the FIPT).

### **Funding Status**

Based on the July 1, 2024 actuarial valuation, there is currently no Unfunded Actuarial Accrued Liability (UAAL) to amortize. This is consistent with the results from the July 1, 2023 valuation. The Fund's original funding goal is to amortize the liabilities by June 30, 2018 (40 years from July 1, 1978). The current amortization period of zero is less than the statutory maximum of 50 years.

The UAAL was decreased by \$0.1 million due to an asset gain partially recognized as of July 1, 2024. Specifically, the Fund's assets earned an annual average net return after expenses of 6.40% for the 2023-24 fiscal year which was less than the actuarial assumption of 6.30%.

## ACTUARIAL SECTION

All experience gains and losses (including the asset loss) over the one-year period since the prior valuation resulted in the UAAL being increased by \$3.3 million. The UAAL increased by \$22.5 million assumed due to deferred asset gains/losses from prior years which was recognized during the 2023-24 fiscal year. The UAAL decreased by \$18.3 million because assumed contributions plus assumed investment returns were more than the normal cost and the interest on the UAAL.

The funding status decreased from a 207.6% funding ratio on July 1, 2023, to 205.0% on July 1, 2024. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability.

### **Comparison to GASB Statement No. 67 Liabilities**

The long-term expected rate of investment return on assets, net of investment expenses, for the Fund is assumed to be 6.35%. For purposes of determining the Fund's funding status and UAAL, this is reduced by 0.05% for expected administrative expenses to give discount rate of 6.30%. The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%.

For the July 1, 2024 valuation, 3-year smoothing is used to calculate the actuarial value of plan assets. This is in contrast to the Fiduciary Net Position (FNP) used for purposes of GASB reporting. According to GASB Statement 67, the FNP must be based on the plan's fair value of assets at the valuation date. Therefore, FNP has been determined without any asset smoothing.

Results and further details on these items can be found in our GASB 67 and 68 Report.

### **Assumptions**

Exhibit 1 of this report presents summaries of the actuarial assumptions and methods used in the valuation. The FRF assumptions generally reflect the assumptions used for the PERSI Fire and Police members.

We anticipate the next major PERSI experience study, to be completed in 2025, will cover the period July 1, 2020 through June 30, 2024.

### **Other Information**

The FRF system is a cost-sharing multiple-employer defined benefit plan. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. They have chosen to define their Actuarially Determined Contribution as \$0. Because the plan has no members accruing additional benefits and has no funding shortfall, we believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for FRF's contribution structure of contributing a percentage of pay over employees' working lifetimes.

### **Purpose of the Valuation**

Actuarial computations presented in this report are for the purposes of GFOA reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

## ACTUARIAL SECTION

### Actuarial Assumptions

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

### Variability of Results

This report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of plan benefits, only the timing of plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost method, and the Board has adopted them as indicated in Exhibit 1 of this report.

### Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

### Limited Distribution

Milliman's work is prepared solely for the internal business use of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a release, subject to the following exceptions:

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

## ACTUARIAL SECTION

- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

### Models

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

### Qualifications and Certifications

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this letter is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

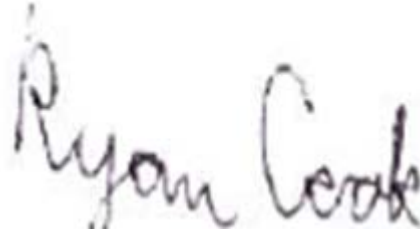
Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retiree and Beneficiary Valuation Data
Exhibit 4	Schedule of Funding Progress
Exhibit 5	Solvency Test
Exhibit 6	Analysis of Actuarial Gains or Losses
Exhibit 7	Schedule of Contributions from the Employer and All Other Contributing Entities
Exhibit 8	Contribution Rates as a Percent of Payroll
Exhibit 9	Provisions of Governing Law

**ACTUARIAL SECTION**

Sincerely,



Robert L Schmidt, FSA, EA, MAAA  
Principal and Consulting Actuary



Ryan J Cook, FSA. EA, CERA, MAAA  
Consulting Actuary

RLS//RJC/kw



## ACTUARIAL SECTION

### Idaho Firefighters' Retirement Fund

#### EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2024

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##### 1. Investment Return (Adopted July 1, 2021)

The annual rate of investment return on the assets, net of investment expenses, for the Fund is assumed to be 6.35%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.30%.

##### 2. Actuarial Value of Assets (Adopted September 2014)

For the July 1, 2014 valuation, all assets are valued at fair value as of the valuation date. Use of 3-year smoothing to calculate the actuarial value of plan assets is being implemented prospectively: the July 1, 2015 valuation used a 2-year smoothing; subsequent valuations have used a 3-year smoothing.

##### 3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the PERSI Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the PERSI total fund's actual experience.

##### 4. Service Retirement, Disability Retirement, and Termination

Starting with the July 1, 2021 valuation, there are no longer any actively employed members of FRF, so these assumptions are no longer applicable.

##### 5. Mortality (Adopted July 1, 2021)

- **Healthy Members**

Males Pub-2010 Safety Tables, increased 21%.

Females Pub-2010 Safety Tables, increased 26%.

- **Beneficiaries**

Males Pub-2010 General Tables, increased 11%.

Females Pub-2010 General Tables, increased 21%.

- **Disabled Members**

Males Pub-2010 Disabled Tables, increased 38%.

Females Pub-2010 Disabled Tables, increased 36%.

- **Mortality Improvement**

All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60-year geometric average of the mortality improvement rates reported by the Social Security Administration from 1957 through 2017 (blended 50% male, 50% female).

##### 6. Future Salaries

Starting with the July 1, 2021 valuation, there are no longer any actively employed members of FRF, so this assumption is no longer applicable.



## ACTUARIAL SECTION

### 7. Replacement of Terminated Members

The FRF is a closed group. No new members are permitted. The total number of firefighters in PERSI (including those hired October 1, 1980 and later) is assumed to remain unchanged from year to year.

### 8. Postretirement Benefit Increases (Adopted July 1, 2021)

FRF benefits are based on paid salary and are assumed to increase at the same rate as the average paid firefighter's salary, or 3.05% per year. For members whose FRF benefits are offset by their PERSI benefits, the PERSI benefits are assumed to have post-retirement benefit increases of 1.00% per year. The assumptions regarding PERSI future post-retirement benefit increases is part of the funding policy for the FRF.

### 9. Probability of Marriage

It is assumed that there is an 85% probability that the member has an eligible spouse. The spouse's age is assumed to be two years younger than the member's.

### 10. Fire Insurance Premiums (Adopted July 1, 2004)

The fire insurance premiums received for the plan year ending June 30, 2024, amounted to \$3,888,153 or approximately 4.2% of all firefighters' covered compensation during the same period. Future fire insurance premiums are expected to provide contributions as a decreasing percentage of compensation, due to the assumption that the firefighters' covered compensation (including Class D members) will increase at the rate of 3.05% per year, but future fire insurance premiums are assumed to increase at a rate of only 2.30% per year. The rate for the increase for covered compensation was adopted July 1, 2021. The rate for the increase of fire insurance premiums was adopted July 1, 2021.

Note that the FIPT contribution listed above is only half of the premiums collected. Starting with the plan year ending June 30, 2021, only half the fire insurance premiums are being contributed to the plan due to the additional employer contribution rate being reduced to 0.00%.

### 11. Actuarial Cost Method (Adopted July 1, 1998)

Costs are determined based on the entry age normal cost method. The actuarial present value of future benefits not provided by PERSI less the present value of future normal costs equals the actuarial accrued liability. The UAAL is equal to the actuarial accrued liability less the actuarial value of the assets. The UAAL is amortized as a level dollar amount over a fixed amortization period. The current amortization period is zero since the UAAL at July 1, 2024 is negative.

The Actuarially Determined Contribution (ADC) is then the total of the normal cost allocated to the current plan year plus the amortization payment on the UAAL. Since both the normal cost and the UAAL are \$0, the ADC is \$0.

## ACTUARIAL SECTION

### **12. Experience Studies**

The last experience study for PERSI was completed in 2021 for the period July 1, 2015, through June 30, 2020, and reviewed economic assumptions and mortality. We anticipate these assumptions will be studied again in 2025 for the period from July 1, 2020, through June 30, 2024. The FRF assumptions generally reflect the assumptions used for the PERSI Fire and Police members.

### **13. Recent Changes**

There have been no changes to the valuation assumptions since the prior valuation.

**ACTUARIAL SECTION**

**Idaho Firefighters' Retirement Fund**

**EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA**

<b>Valuation Date July 1</b>	<b>Number</b>	<b>Annual Salaries</b>		<b>Annual Increase in Average</b>
		<b>Total</b>	<b>Average</b>	
2015	2	(1)	(1)	(1)
2016	2	(1)	(1)	(1)
2017	1	(1)	(1)	(1)
2018	1	(1)	(1)	(1)
2019	1	(1)	(1)	(1)
2020	1	(1)	(1)	(1)
2021	—	—	N/A	N/A
2022	—	—	N/A	N/A
2023	—	—	N/A	N/A
2024	—	—	N/A	N/A

<sup>(1)</sup> Salary information is not shown for years in which there are fewer than 5 active members.

## ACTUARIAL SECTION

### Idaho Firefighters' Retirement Fund

#### EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA <sup>(1)</sup>

Valuation Date July 1	Number			COLA Increases Granted Previous January 1
	Total	Added	Removed	
2015	535	1	11	(0.34)%
2016	524	3	14	1.73
2017	517	2	9	2.85
2018	507	1	11	1.88
2019	486	5	26	3.13
2020	472	11	25	3.92
2021	461	6	17	1.28
2022	448	14	27	5.44
2023	437	11	22	2.52
2024	424	6	19	4.63

Valuation Date July 1	Annual Benefits				
	Total <sup>(2)</sup>	Added <sup>(3)</sup>	Removed	Average	Annual Increase in Average
2015	\$ 26,319,030	\$ (33,958)	\$ 503,921	\$49,194	(0.2)%
2016	26,285,792	576,922	610,160	50,164	2.0
2017	26,687,801	815,356	413,347	51,621	2.9
2018	26,650,120	515,311	552,992	52,564	1.8
2019	26,400,434	964,724	1,214,411	54,322	3.3
2020	26,795,398	1,699,606	1,304,642	56,770	4.5
2021	26,500,438	757,260	1,052,220	57,485	1.3
2022	27,334,865	2,273,149	1,438,722	61,015	6.1
2023	27,317,790	1,352,370	1,369,445	62,512	2.5
2024	27,758,210	1,524,693	1,084,273	65,467	4.7

<sup>(1)</sup> Information regarding the number of retirees and beneficiaries added to, and removed from, the rolls was not used in the actuarial valuations.

<sup>(2)</sup> Combined annual benefits from FRF and PERSI. The FRF benefits comprised \$19,865,392 of the 2024 total.

<sup>(3)</sup> Includes postretirement increases (or decreases, if applicable) for all retirees and beneficiaries.

## ACTUARIAL SECTION

### Idaho Firefighters' Retirement Fund

#### EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS (All Dollar Amounts in Millions)

Actuarial Valuation Date July 1	Actuarial Value of Assets <sup>(1)</sup>	Actuarial Accrued Liabilities (AAL) <sup>(2)</sup>	Unfunded Actuarial Accrued Liabilities (UAAL) <sup>(3)</sup>	Funded Ratio	Covered Payroll <sup>(4)</sup>	UAAL as a Percentage of Covered Payroll
2015	\$360.4	\$301.9	\$(58.5)	119.4%	\$63.8	(91.7)%
2016	363.4	294.7	(68.7)	123.3	68.0	(101.0)
2017	369.8	292.2	(77.6)	126.6	70.6	(109.9)
2018	385.7	283.2	(102.5)	136.2	74.8	(137.0)
2019	411.5	273.9	(137.6)	150.2	78.3	(175.7)
2020	427.2	269.3	(157.9)	158.6	78.7	(200.6)
2021	460.8	242.7	(218.1)	189.9	85.9	(253.9)
2022	472.4	243.3	(229.1)	194.2	78.9	(290.4)
2023	489.9	236.0	(253.9)	207.6	84.5	(300.5)
2024	481.1	234.7	(246.4)	205.0	92.5	(266.4)

- <sup>(1)</sup> Use of 3-year smoothing to calculate the actuarial value of plan assets has been implemented prospectively: the July 1, 2015 valuation used a 2-year smoothing; subsequent valuations use a 3-year smoothing.
- <sup>(2)</sup> The excess of the actuarial present value of future excess benefits less the present value of future normal cost contributions under the entry age cost method.
- <sup>(3)</sup> Actuarial accrued liabilities less actuarial value of assets.
- <sup>(4)</sup> Covered Payroll includes compensation paid to all active firefighters for whom contributions to FRF could be charged during the fiscal year ending on the actuarial valuation date. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is an annualized compensation of only those members hired prior to October 1, 1980, who were active on the actuarial valuation date.

## ACTUARIAL SECTION

### Idaho Firefighters' Retirement Fund

**EXHIBIT 5: SOLVENCY TEST**  
(All Dollar Amounts in Millions)

Actuarial Valuation Date July 1	Actuarial Liabilities <sup>(1)</sup> for					Portion of Actuarial Liabilities Covered by Assets		
	Actuarial Value of Assets <sup>(2)</sup>	(A)	(B)	(C)	(A)	(B)	(C)	
		Active Member Contributions	Retirees and Beneficiaries	Active Members (Employer Financed Portion)				
2015	\$360.4	\$—	\$301.3	\$0.6	100%	100%	100%	
2016	363.4	—	294.0	0.7	100	100	100	
2017	369.8	—	291.7	0.5	100	100	100	
2018	385.7	—	282.7	0.5	100	100	100	
2019	411.5	—	273.4	0.5	100	100	100	
2020	427.2	—	268.8	0.5	100	100	100	
2021	460.8	—	242.7	—	100	100	100	
2022	472.4	—	243.3	—	100	100	100	
2023	489.9	—	236.0	—	100	100	100	
2024	481.1	—	234.7	—	100	100	100	

<sup>(1)</sup> Computed based on funding policy methods and assumptions.

<sup>(2)</sup> Use of 3-year smoothing to calculate the actuarial value of plan assets has been implemented prospectively: the July 1, 2015 valuation used a 2-year smoothing; subsequent valuations use a 3-year smoothing.

## ACTUARIAL SECTION

### Idaho Firefighters' Retirement Fund

#### EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES (All Dollar Amounts in Millions)

	Gain (Loss) for Period		
	2023-2024	2022-2023	2021-2022
<b>Investment Income</b>			
Investment income was greater (less) than expected	0.1 <sup>(1)</sup>	4.0 <sup>(1)</sup>	(26.6) <sup>(1)</sup>
<b>Fire Insurance Premium Tax (FIPT)</b>			
FIPT contribution was greater (less) than expected	0.5	0.4	0.3
<b>Membership Growth</b>			
No new members since plan was closed in 1980	None	None	None
<b>Postretirement Allowance Adjustment (PAA) and Cost of Living Adjustment (COLA)</b>			
Different PERSI PAAs and FRF COLAs than expected	(4.5)	1.6	(5.4)
<b>Other Retired Member Experience</b>			
Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes	0.6	1.0	0.5
<b>Other Active and Inactive Member Experience</b>			
Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes	None <sup>(2)</sup>	None <sup>(2)</sup>	None <sup>(2)</sup>
<b>Total Gain (Loss) During the Period From Actuarial Experience</b>	(3.3)	7.0	(31.2)
<b>Contribution Income</b>			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the Unfunded Actuarial Accrued Liability	18.3	16.0	19.6
<b>Deferred Recognition of Investment Income</b>			
Due to asset smoothing, one third of the investment gain (loss) from each of the two prior years are recognized in the current period	(22.5)	1.8	22.6
<b>Non-Recurring Items</b>			
Changes in actuarial assumptions caused a gain (loss)	None	None	None
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss)	None	None	None
Changes to Contribution Rate Increase Schedule	None	None	None
<b>Composite Gain (Loss) During the Period</b>	<u>\$ (7.5)</u>	<u>\$ 24.8</u>	<u>\$ 11.0</u>

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

<sup>(1)</sup> The investment gains/(losses) were \$0.5, \$12.2), and (\$79.9) million for fiscal years 2024, 2023, and 2022, respectively; however, only a portion of these were recognized each year due to the 3-year smoothing.

<sup>(2)</sup> As of the July 1, 2021, Actuarial Valuation there are no active or inactive members remaining in the plan.

## ACTUARIAL SECTION

### Idaho Firefighters' Retirement Fund

#### EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (Actual Dollar Amounts)

Fiscal Year Ending	Covered Employee Payroll <sup>(1)</sup>	Statutory Employer Contributions <sup>(2)</sup>	Additional Employer Contributions <sup>(2)</sup>	Insurance Premium Payment from the State	Total Employer Contributions	Actuarially Determined Contribution (ADC) <sup>(3)</sup>	Percentage of ADC Contributed
2015	\$63,780,545	\$17,259	\$7,720,025	\$3,568,189	\$11,305,473	\$—	N/A
2016	68,017,833	17,723	3,400,892	3,779,982	7,198,597	—	N/A
2017	70,568,501	12,273	3,638,264	3,802,450	7,452,987	—	N/A
2018	74,848,287	12,226	3,731,159	3,962,841	7,706,226	—	N/A
2019	78,284,032	12,715	3,914,200	4,320,912	8,247,827	—	N/A
2020	78,657,631	12,608	3,932,881	4,714,908	8,660,397	—	N/A
2021	85,896,222	—	—	2,549,471	2,549,471	—	N/A
2022	78,865,896	—	—	2,901,920	2,901,920	—	N/A
2023	84,485,207	—	—	3,346,505	3,346,505	—	N/A
2024	92,485,844	—	—	3,888,153	3,888,153	—	N/A

<sup>(1)</sup> Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the contribution rate, expressed as a percentage of payroll. Provided by PERSI in 2021. In 2022, computed as the sum of the annualized pay rate of all Class D members active as of the end of the fiscal year. Provided by PERSI in 2023 and 2024.

<sup>(2)</sup> Employer contributions are made as a percentage of actual payroll rather than as a dollar amount. The Statutory Employer FRF contributions in excess of PERSI required contributions are payable only on Class A & B active member payroll. The Additional Employer FRF contributions are payable on Class A & B and Class D active member payrolls.

<sup>(3)</sup> Starting July 1, 1996, the ADC, formerly known as the Annual Required Contribution (ARC), is computed as a dollar amount based on the entry age cost method and future payroll contributions from Class A & B members only. The ADC is computed for GASB reporting purposes only. The actual employer contributions as a percentage of payroll varied from those determined by the actuarial valuation based on the funding policy as shown in Table C-6 of the actuarial valuation report. The actual dollar amount of the employer contributions will differ from the dollar amount of the ADC.



## ACTUARIAL SECTION

### Idaho Firefighters' Retirement Fund

#### EXHIBIT 8: CONTRIBUTION RATES AS A PERCENT OF PAY

Year <sup>(1)</sup>	State Contributions	Employer Contributions				Total Employer Contributions For Members	
	Fire Insurance Premium Tax <sup>(2)</sup>	PERSI Rate	Statutory FRF Rate	Additional Rate	Social Security	Hired Before 10/1/80 <sup>(3)</sup>	Hired After 9/30/80 <sup>(4)</sup>
Effective Date:	July 1	October 1	January 1	October 1	January 1	October 1	October 1
2015	5.60%	11.66%	8.65%	5.00%	7.65%	25.31%	24.31%
2016	5.60	11.66	8.65	5.00	7.65	25.31	24.31
2017	5.20	11.66	8.65	5.00	7.65	25.31	24.31
2018	5.30	11.66	8.65	5.00	7.65	25.31	24.31
2019	5.50	12.28	8.65	5.00	7.65	25.93	24.93
2020	3.00	12.28	8.65	0.00 <sup>(5)</sup>	7.65	20.93	19.93
2021	2.97	12.28	8.65	0.00	7.65	20.93	19.93
2022	3.68	12.28	8.65	0.00	7.65	20.93	19.93
2023	3.96	13.26	8.65	0.00	7.65	21.91	20.91
2024	4.20	14.65	8.65	0.00	7.65	23.30	22.30

<sup>(1)</sup> Rates become effective on dates shown in given year.

<sup>(2)</sup> Actual FIPT premiums received divided by the covered payroll for the given year.

<sup>(3)</sup> PERSI rate plus Statutory FRF rate plus additional rate.

<sup>(4)</sup> PERSI rate plus additional rate plus Social Security (note that the 7.65% Social Security + Medicare tax is paid to the federal government for these members, not contributed to PERSI).

<sup>(5)</sup> The Employer additional rate changed to 0.00% on July 1, 2020.

## ACTUARIAL SECTION

### Idaho Firefighters' Retirement Fund

#### **EXHIBIT 9: PROVISIONS OF GOVERNING LAW**

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This exhibit outlines our understanding of the laws governing the Idaho Firefighters' Retirement Fund (FRF), compared with the provisions that apply to firefighters of the Public Employee Retirement System of Idaho (PERSI), as contained in Sections 59-1301 through 59-1399 for PERSI and Sections 72-1401 through 72-1472 for FRF, inclusive of the Idaho Code through July 1, 2024. Each currently active firefighter hired before October 1, 1980, is entitled to receive the larger of (a) a benefit based on the FRF provisions, considering all of his service as a firefighter, and (b) a PERSI benefit, based on membership service beginning October 1, 1980, plus prior service rendered before July 1, 1965. Firefighters hired October 1, 1980 and later (Class D members) are not entitled to FRF benefits.

In 1990, the law was changed to provide benefits to all members of FRF equally. Prior to the change, members hired after July 1, 1978, and before October 1, 1980, (Class C members) received a lower level of benefits. Class A members are members hired prior to July 1, 1976, who chose Option 1, where contributions are calculated on the basis of statewide average paid firefighter's salary. Benefits are based on the statewide average salary in effect at the date of retirement. Class B members are all Option 2 members hired prior to July 1, 1978, where contributions are calculated on the basis of the individual's annual average salary, but benefits are based on actual pay.

## ACTUARIAL SECTION

### Retirement Provisions Affecting Firefighters In Idaho

July 1, 2024

	<u>Public Employee Retirement System</u>	<u>Firefighters' Retirement Fund</u>
<b>Service Retirement Allowance</b>		
<b>Eligibility</b>	Age 60 with five years of service, including six months of membership service.	20 years of service. <sup>(1)</sup>
<b>Amount of annual Allowance</b>	2.30% of the highest 3.5-year average salary for the each year of credited service.	40% of final five-year average salary <sup>(2)</sup> plus 5.00% of average salary for each year of service in excess of 20 years.
<b>Maximum Benefit</b>	100% highest three-year average salary.	65% of final five-year average salary. <sup>(2)</sup>
<b>Minimum Benefit</b>	For retirement during or prior to 1974, \$72 annual allowance for each year of service, increasing in subsequent years at the rate of cost-of-living increases in retirement allowances.	None.
<b>Normal Form</b>	Payable for member's lifetime, with death benefit determined by option selected at retirement.	Payable for firefighter's lifetime, with 100% of benefit continued to eligible surviving spouse or children.
<b>Optional Form</b>	Actuarial equivalent of the normal form under the options available according to the mortality and interest basis adopted by the Board.	None.

<sup>(1)</sup> Completed years of service. No partial years of service are recognized.

<sup>(2)</sup> For firefighters employed prior to July 1, 1976, who chose Option 1, contributions are calculated on the basis of the statewide average paid firefighter's salary. Benefits are based on the statewide average salary in effect at the date of retirement.

For firefighters employed prior to July 1, 1976, who chose Option 2, contributions are based on the individual members' salaries for the prior year. Benefits are based on actual pay.

## ACTUARIAL SECTION

	<u>Public Employee Retirement System</u>	<u>Firefighters' Retirement Fund</u>
<b>Non-Duty Disability Retirement Allowance</b>		
<b><i>Eligibility</i></b>	Five years of membership service.	Five years of service. <sup>(1)</sup>
<b><i>Amount of Annual Allowance</i></b>	Projected service retirement allowance based on accrued service plus service projected to age 60 (projected service is limited to excess of 30 years over accrued service), less any amount payable under workers' compensation law.	2.00% of final five-year average salary <sup>(2)</sup> times years of service <sup>(1)</sup> , or same as service retirement benefit if eligible.
<b><i>Normal Form</i></b>	Temporary annuity to age 60 plus any death benefit. Service retirement allowance becomes payable in the same amount at age 60.	Payable for firefighter's lifetime, with 100% of benefit continued to eligible surviving spouse or children.
<b>Duty Disability Retirement Allowance</b>		
<b><i>Eligibility</i></b>	If hired after July 1, 1993, no service requirement, otherwise same as non-duty disability retirement.	No age or service requirements.
<b><i>Amount of Annual Allowance</i></b>	Same as non-duty disability retirement for those disabled prior to July 1, 2021.	65% of final five-year average salary.
<b><i>Normal Form</i></b>	Same as non-duty disability retirement for those disabled prior to July 1, 2021.	Same as non-duty disability retirement.
<b>Special Disability Benefit</b>		
<b><i>Eligibility</i></b>	Firefighters hired after October 1, 1980 and prior to July 1, 1993, with less than 10 years of service.	None.
<b><i>Benefit</i></b>	Same as FRF disability benefit.	None.

<sup>(1)</sup> Completed years of service. No partial years of service are recognized.

<sup>(2)</sup> For firefighters employed prior to July 1, 1976, who chose Option 1, contributions are calculated on the basis of the statewide average paid firefighter's salary. Benefits are based on the statewide average salary in effect at the date of retirement.

For firefighters employed prior to July 1, 1976, who chose Option 2, contributions are based on the individual members' salaries for the prior year. Benefits are based on actual pay.

## ACTUARIAL SECTION

### Public Employee Retirement System

### Firefighters' Retirement Fund

#### Death Benefits Before Retirement

**Eligibility**

Five years of service for surviving spouse's benefit.

Non-duty death: Five years of service.<sup>(1)</sup> Duty death: No service requirement. Benefits are payable to surviving spouse or, if no eligible surviving spouse, to unmarried children under 18.

**Amount of Annual Allowance**

1. Accumulated contribution with interest, or  
 2. The surviving spouse of a member with five years of service who dies while:  
     i. contributing;  
     ii. noncontributing, but eligible for benefits; or  
     iii. retired for disability  
 receives an automatic joint and survivor option applied to the actuarial equivalent of the member's accrued service retirement allowance.

100% of the benefit the firefighter would have received as a duty or non-duty disability allowance, depending on cause of his death.

#### Death Benefits After Retirement

**Eligibility**

Designated beneficiary or estate.

Surviving spouse or, if no eligible surviving spouse, unmarried children under 18.

**Amount of Benefit**

Under the normal form of the retirement allowance, the excess, if any, of the member's accumulated contributions with interest at retirement over all payments received. Otherwise payable according to the option elected.

100% of firefighter's retirement allowance.

<sup>(2)</sup> Completed years of service. No partial years of service are recognized.

## ACTUARIAL SECTION

	<u>Public Employee Retirement System</u>	<u>Firefighters' Retirement Fund</u>
<b>Early Retirement Allowance</b>		
<b><i>Eligibility</i></b>	Age 50 with five years of service including six months of membership service (contributing members only).	None.
<b><i>Amount of Allowance</i></b>	Full accrued service retirement allowance if age plus service equals 80; otherwise, the accrued service retirement allowance reduced by 3.00% for each of the first five years by which the early retirement date precedes the date the member would be eligible to receive his full accrued benefit, and by 5.75% for each additional year.	None.
<b>Vested Retirement Allowance</b>		
<b><i>Eligibility</i></b>	Former contribution members with five years of membership service are entitled to receive benefits after attaining age 50.	Firefighters who terminate after five years of service <sup>(1)</sup> are entitled to receive benefits beginning at age 60.
<b><i>Amount of Allowance</i></b>	Same as early retirement allowance.	2.00% of final five-year average salary times years of service <sup>(1)</sup> .
<b>Withdrawal Benefit</b>	Accumulated contributions with interest.	Accumulated contributions with interest.
<b>Post-Retirement Increases</b>		
<b><i>Amount of Adjustment</i></b>	<p>Postretirement Allowance Adjustments (PAAs) are based on changes in the Consumer Price Index, subject to a maximum total increase or decrease of 6% in any year.</p> <p>If the Consumer Price Index increases by at least 1% from August to August, a 1.00% annual postretirement increase is effective the following March. An additional postretirement increase of up to 5.00% each year may be authorized by the Board.</p> <p>If the CPI-U increases by less than 1% or decreases, the PAA is automatically equal to the change in the CPI-U. A decrease cannot be more than 6%. Member benefits cannot decrease below the amount at the initial benefit date.</p>	Benefits increase or decrease by the same percentage by which the average paid firefighter's salary increases or decreases. The change for the year is effective each January.

<sup>(2)</sup> Completed years of service. No partial years of service are recognized



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October 17, 2024

Public Employee Retirement System of Idaho State of Idaho  
P.O. Box 83720  
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations of the Judges' Retirement Fund of the State of Idaho (JRF) beginning with the June 30, 2010 actuarial valuation. Until June 30, 2014, the JRF was an independent Fund. Beginning with the July 1, 2014 actuarial valuation, the Fund has been administered by the Public Employee Retirement System of Idaho (PERSI). It is anticipated that future actuarial valuations will be performed every year with the next valuation to be as of July 1, 2025.

### **Contribution Rates**

The financing objective of the Fund is to establish contribution rates that will tend to remain level as percentages of payroll. The current total contribution rate is 74.10%: 62.53% employer contribution rate and 11.57% employee contribution rate. Based on the July 1, 2024 valuation assumptions and valuation results, this contribution rate will be sufficient to amortize the Unfunded Actuarial Accrued Liability (UAAL) over the required 25-year period ending July 1, 2049.

### **Funding Status**

Based on the July 1, 2024 actuarial valuation, the UAAL was decreased by \$2.6 million due to an asset gain recognized as of July 1, 2024. Specifically, the Fund's assets earned a net return after accounting for all expenses of 8.70%, which is 2.40% above the actuarial assumption of 6.30%. All other experience gains and losses decreased the UAAL by \$0.2 million. Thus, the total experience gain for the year was \$2.8 million.

Also, the UAAL decreased by \$0.9 million because actual contributions plus assumed investment returns were more than the normal cost and the interest on the UAAL.

The current contribution rates are adequate to amortize the Normal Cost and UAAL balance over the required 25-year period.

The funding status increased from a 83.7% funding ratio on July 1, 2023, to 86.7% on July 1, 2024. The funding ratio is the ratio of the fair value of the assets over the value of the actuarial accrued liability.

## ACTUARIAL SECTION

### Comparison to GASB Statement No. 67 Liabilities

The long term expected rate of investment return on the assets, net of investment expenses, for the Fund is assumed to be 6.35%. For purposes of determining the Fund's funding status and UAAL, this is reduced by 0.05% for expected administrative expenses to give discount rate of 6.30%. The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%. Results and further details on these items can be found in our GASB 67 and 68 Report.

### Other Information

JRF is a single-employer defined benefit plan. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. PERSI is currently in the process of adjusting their Actuarially Determined Contribution (ADC) definition. During the interim, we have set the ADC equal to the actual contribution rates level when they fall within statutory limits. As of the July 1, 2023 valuation at the beginning of this fiscal year, the current contribution rates were sufficient to amortize the UAAL over a period of 12.4 years. We believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for JRF's contribution structure of contributing a percentage of pay over employees' working lifetimes.

### Assumptions

Exhibit 1 of this report presents summaries of the actuarial assumptions and methods used in the valuation. A demographic experience study was performed in 2024 which updated the retirement, mortality, and payment form election rates. See our letter dated May 29, 2024 for more details. Economic assumptions generally reflect the assumptions used for the PERSI valuation.

The 2024 experience study covered the period July 1, 2018 through June 30, 2023.

### Purpose of the Valuation

Actuarial computations presented in this report are for the purposes of GFOA reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

### Actuarial Assumptions

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.



## ACTUARIAL SECTION

### Variability of Results

This report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Exhibit 1 of this report.

### Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

### Limited Distribution

Milliman's work is prepared solely for the use and benefit of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

### Models

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

## ACTUARIAL SECTION

### Qualifications and Certifications

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

### Conclusion

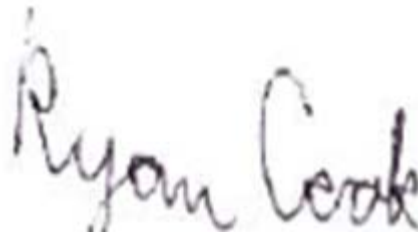
The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retiree and Beneficiary Valuation Data
Exhibit 4	Schedule of Funding Progress
Exhibit 5	Solvency Test
Exhibit 6	Analysis of Actuarial Gains or Losses
Exhibit 7	Schedule of Contributions from the Employer
Exhibit 8	Schedule of Contributions from the Employer Expressed as a Percentage of Covered Payroll
Exhibit 9	Provisions of Governing Law

Sincerely,



Robert L Schmidt, FSA, EA,  
MAAA  
Principal and Consulting Actuary



Ryan J Cook, FSA, EA, CERA,  
MAAA  
Consulting Actuary

RLS/RJC/kw

## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

#### EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2024

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**1. Investment Return (Adopted July 1, 2021)**

The annual rate of investment return on the assets, net of investment expenses, for the Fund is assumed to be 6.35%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.30%.

**2. Actuarial Value of Assets**

All assets are valued at fair value as of the valuation date.

**3. Actuarial Assumptions**

The actuarial assumptions and methods were adopted by the PERSI Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the PERSI total fund's actual experience.

**4. Service Retirement (Adopted July 1, 2024)**

Annual rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

Age	Rate of Retirement <sup>(1)</sup>
55	13%
60	14
65	26
70	29
71	100

<sup>(1)</sup> Eligibility occurs after 20 years of service, attained age 55 with 15 years of service, attained age 60 with 10 years of service, or attained age 65 with 4 years of service.

**5. Mortality (Adopted July 1, 2024)**

**Contributing Members, Service and Disability Retirement Members, and Beneficiaries**

Males	Pre-Commencement	General Pub-2010 Above Median tables for male employees
	Post-Commencement	General Pub-2010 Above Median tables for male healthy annuitants
Females	Pre-Commencement	General Pub-2010 Above Median tables for female employees
	Post-Commencement	General Pub-2010 Above Median tables for female healthy annuitants

## ACTUARIAL SECTION

All mortality tables are adjusted with gender specific, generational projection scales. the projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by the Social Security Administration from 1957 through 2017 (blended 50% male, 50% female).

### 6. Disability Retirement

None.

### 7. Other Terminations of Employment

There are no other employment termination assumptions that are valued.

### 8. Future Salaries (Adopted July 1, 2021)

The rate of annual salary increase assumed for the purpose of the valuation is 3.05%.

### 9. Growth in Membership (Adopted July 1, 2021)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.05% average annual expansion in the payroll of covered members.

### 10. Interest on Employee Contributions

The credited interest rate on employee contributions is assumed to be 6.50%.

### 11. Postretirement Benefit Increases (Adopted July 1, 2021)

Any member who assumed office prior to July 1, 2012 is assumed to have a postretirement increase of 3.05% per year. However, for members who made an irrevocable election prior to August 1, 2012, to have their postretirement benefit increases based on Idaho Code Section 59-1355, a postretirement increase of 1.00% per year is assumed instead.

Any member who assumed office on or after July 1, 2012, is assumed to have a postretirement increase of 1.00% per year.

### 12. Probability of Marriage

The marriage assumption for all members is 100%. Males are assumed to be 2 years older than their spouses.

### 13. Form of Payment (Adopted July 1, 2024)

There are two normal forms of payment, 50% Contingent Annuitant (CA) for those hired before July 1, 2012, and 30% CA for those hired after June 30, 2012. Upon commencement of retirement, members are assumed to elect annuity payment forms of the following rates:

- 50% elect the normal form of payment
- 50% elect the 100% CA

## ACTUARIAL SECTION

### 14. Retirement under Paragraph (b)

At retirement, 50% of eligible members are assumed to elect to retire under Paragraph (b) of section 1-2001(2) of Idaho code.

### 15. Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value are not provided for at a valuation date by the sum of (a) the actuarial value of the assets and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL, if positive, is amortized as a level percentage of the projected salaries of present and future members of the Fund during various amortization periods. In effect, this means that UAAL amortization payments are assumed to grow at the same rate as the General Wage increase assumption (currently 3.05%).

The normal cost rates used in this valuation were calculated based on all current active members as of July 1, 2024. The actuarial present values of projected benefits and of projected salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate.

### 16. Experience Studies

A demographic experience study was performed in 2024 which updated the retirement, mortality, and payment form election rates. See our letter dated May 29, 2024, for more details. The JRF economic assumptions generally reflect the assumptions used for the PERSI valuation.

### 17. Recent Changes

An experience study was performed in 2024 which updated the retirement, mortality, and payment form election rates; see our 2024 Experience Study Report dated May 29,2024, for details.

## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

#### EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date July 1	Number	Annual Salaries		
		Total <sup>(1)</sup>	Average	Annual Increase in Average
2015	52	\$6,543,000	\$125,827	N/A
2016	53	6,886,500	129,934	3.3%
2017	50	6,690,000	133,800	3.0
2018	53	7,257,000	136,928	2.3
2019	53	7,448,600	140,540	2.6
2020	55	7,870,000	143,091	1.8
2021	55	7,994,000	145,345	1.6
2022	55	8,060,000	146,545	0.8
2023	56	8,575,000	153,125	4.5
2024	51	8,029,000	157,431	2.8

<sup>(1)</sup> Annualized average salaries for covered members for the 12-month period commencing on the valuation date.

## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

#### EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA

Valuation Date July 1	Number			Postretirement Increases Granted Previous Year	
	Total	Added	Removed	JRF	PERSI
2015	92	8	2	0%	1.7%
2016	94	2	—	3.70 <sup>(1)</sup>	0.2
2017	101	8	1	6.59 <sup>(1)</sup>	1.1
2018	102	5	4	3.20 <sup>(1)</sup>	1.9
2019	107	7	2	2.81 <sup>(1)</sup>	1.0
2020	105	1	3	1.87 <sup>(1)</sup>	1.7
2021	106	3	2	1.83 <sup>(1)</sup>	1.0
2022	113	10	3	0.00 <sup>(1)</sup>	3.5
2023	115	3	1	4.72 <sup>(1)</sup>	1.0
2024	117	4	2	2.84 <sup>(1)</sup>	1.0

#### Annual Benefits

Valuation Date July 1	Total	Added <sup>(2)</sup>	Removed	Average	Annual Increases in Average
2015	\$5,873,186	\$545,609	\$121,376	\$63,839	N/A
2016	6,124,128	250,942	—	65,150	2.1%
2017	6,740,340	690,100	73,888	66,736	2.4
2018	7,004,642	507,626	243,324	68,673	2.9
2019	7,572,230	654,828	87,240	70,769	3.1
2020	7,672,234	270,278	170,275	73,069	3.3
2021	7,955,424	373,835	90,645	75,051	2.7
2022	8,479,073	805,641	281,992	75,036	—
2023	8,958,250	508,026	28,849	77,898	3.8
2024	9,322,688	538,638	174,200	79,681	2.3

<sup>(1)</sup> JRF postretirement benefit increases are based on salary increase of position previously held by the retiree. Pay raises vary by position. The raises effective July 1, 2016 ranged from 0.00% to 3.70%. The raises effective July 1, 2017 ranged from 2.49% to 6.59%. The raises effective July 1, 2018 ranged from 2.63% to 3.20%. The raises effective July 1, 2019 ranged from 2.46% to 2.81%. The raises effective July 1, 2020 ranged from 1.64% to 1.87%. The raises effective July 1, 2021 ranged from 1.62% to 1.83%. There were no raises in salaries from July 1, 2021 to July 1, 2022. The raises effective July 1, 2023, ranged from 2.94% to 4.72%. The raises effective July 1, 2024, ranged from 2.55% to 2.84%.

<sup>(2)</sup> Includes postretirement increases for all retirees and beneficiaries.

## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

#### EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS (All Dollar Amounts in Millions)

Actuarial Valuation Date July 1	Fair Value of Assets	Actuarial Accrued Liabilities (AAL) <sup>(1)</sup>	Unfunded Actuarial Accrued Liabilities (UAAL) <sup>(2)</sup>	Funded Ratio	Covered Payroll <sup>(3)</sup>	UAAL as a Percentage of Covered Payroll
2015	\$76.5	\$97.8	\$21.3	78.2%	\$6.1	349.2%
2016	75.4	100.2	24.8	75.3	6.1	406.6
2017	82.9	104.5	21.6	79.3	6.2	348.4
2018	88.1	107.3	19.2	82.1	6.2	309.7
2019	93.2	113.4	20.2	82.2	6.7	301.5
2020	93.7	116.1	22.4	80.7	7.8	287.2
2021	117.3	122.5	5.2	95.8	8.1	64.2
2022	103.9	126.4	22.5	82.2	8.2	274.4
2023	111.0	132.6	21.6	83.7	8.7	248.3
2024	117.8	135.8	18.0	86.7	8.9	202.2

<sup>(1)</sup> Actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.

<sup>(2)</sup> Actuarial accrued liabilities less fair value of assets.

<sup>(3)</sup> Covered Payroll includes compensation paid to all active judges for whom contributions were made to JRF. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is an annualized compensation for the upcoming fiscal year for those members who were active on the actuarial valuation date.



## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

**EXHIBIT 5: SOLVENCY TEST**  
(All Dollar Amounts in Millions)

Actuarial Valuation Date July 1	Fair Value of Assets	Actuarial Liabilities for			Portion of Actuarial Liabilities Covered by Assets		
		(A) Active Member Contributions	(B) Retirees and Beneficiaries	(C) Active Member (Employee) Financed Portion	(A)	(B)	(C)
2015	\$76.5	\$3.1	\$70.5	\$24.2	100%	100%	12.0%
2016	75.4	3.6	72.3	24.3	100	99.3	—
2017	82.9	3.0	78.5	23.0	100	100	6.1
2018	88.1	3.7	81.7	21.9	100	100	12.3
2019	93.2	3.8	91.2	18.4	100	98.0	—
2020	93.7	4.5	90.7	20.9	100	98.3	—
2021	117.3	5.2	94.7	22.6	100	100	77.0
2022	103.9	4.9	100.3	21.2	100	98.7	—
2023	111.0	5.4	103.0	24.2	100	100	10.7
2024	117.8	5.7	105.0	25.1	100	100	28.3

## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

**EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES**  
(All Dollar Amounts in Millions)

	Gain (Loss) for Period		
	2023-2024	2022-2023	2021-2022
<b>Investment Income</b>			
Investment income was greater (less) than expected	\$ 2.6	\$ 2.9	\$ (18.7)
<b>Pay Increases<sup>(1)</sup></b>			
Pay increases were less (greater) than expected	0.7	(1.0)	1.9
<b>Membership Growth</b>			
New members increased liabilities by less (more) than their contributions increased assets	0.0	0.01	0.4
<b>Postretirement Allowance Adjustment (PAA)</b>			
Different PERSI PAA than expected	0.0	0.0	(0.8)
<b>Other Retired Member Experience</b>			
Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes	0.2	(1.4)	(0.2)
<b>Other Active and Inactive Member Experience</b>			
Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes	(0.7)	(0.2)	(1.7)
<b>Total Gain (Loss) During the Period From Actuarial Experience</b>	<b>2.8</b>	<b>0.4</b>	<b>(19.1)</b>
<b>Contribution Income</b>			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL	0.9	0.5	1.8
<b>Non-Recurring Items</b>			
Changes in actuarial assumptions caused a gain (loss)	(0.1)	None	None
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss)	None	None	None
Change in Future Contribution Rate increases	None	None	None
<b>Composite Gain (Loss) During the Period</b>	<b>\$ 3.6</b>	<b>\$ 0.9</b>	<b>\$ (17.3)</b>

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

<sup>(1)</sup> This includes the effect of retired members' postretirement benefit increases that are dictated by salary changes.

## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

#### EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER (Actual Dollar Amounts)

Fiscal Year Ending	Covered Employee Payroll <sup>(1)</sup>	Total Actual Employer Contributions <sup>(2)</sup>	Actuarially Determined Contribution (ADC) <sup>(3)</sup>	Percentage of ADC Dollars Contributed
2015	\$ 6,149,339	\$ 3,595,417	\$ 3,492,825	103%
2016	6,097,302	3,370,587	3,463,268	97
2017	6,162,190	3,946,599	3,604,265	109
2018	6,178,081	4,278,996	3,273,147	131
2019	6,731,755	4,688,762	3,307,311	142
2020	7,801,909	4,878,534	3,897,054	125
2021	8,102,963	5,066,720	4,032,795	126
2022	8,188,212	5,120,089	3,367,812	152
2023	8,697,841	5,438,760	4,906,452	111
2024	8,863,091	5,542,091	5,542,091	100

<sup>(1)</sup> Computed as the dollar amount of the actual employee contribution made divided by the contribution rate, expressed as a percentage of payroll.

<sup>(2)</sup> Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC) employer contribution rate for GASB disclosure purposes.

<sup>(3)</sup> The ADC is computed as a dollar amount based on the entry age cost method and future payroll contributions from members. The ADC is computed for GASB reporting purposes only. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the ADC.

## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

**EXHIBIT 8: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER  
EXPRESSED AS A PERCENTAGE OF COVERED PAYROLL**

Fiscal Year Ending	Actual JRF Employer Contribution % <sup>(1)</sup>	Annual Determined Contribution (ADC) % <sup>(2)</sup>	Percentage of ADC Contributed
2015	58.47%	56.80%	103%
2016	55.28	56.80	97
2017	64.05	58.49	109
2018	69.26	52.98	131
2019	69.65	49.13	142
2020	62.53	49.95	125
2021	62.53	49.77	126
2022	62.53	41.13	152
2023	62.53	56.41	111
2024	62.53	62.53	100

<sup>(1)</sup> Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by statute and the Board's Funding Policy may differ from the computed ADC employer contribution rate for GASB disclosure purposes.

<sup>(2)</sup> The ADC is computed based on the entry age cost method and future payroll contributions from members. The ADC is computed for GASB reporting purposes only. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the ADC.

## ACTUARIAL SECTION

### Judges' Retirement Fund of the State of Idaho

#### EXHIBIT 9: PROVISIONS OF GOVERNING LAW

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All actuarial calculations are based on our understanding of the statutes governing the Judges' Retirement Fund of the State of Idaho, as contained in Sections 1-2001 through 1-2012, inclusive, of the Idaho Code, with amendments effective through July 1, 2024. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Idaho Code. This summary does not attempt to cover all the detailed provisions of the law. Members seeking specific plan provisions should consult their member handbook. Only those benefits in effect through July 1, 2024 are considered in this valuation.

**Effective Year**

The effective date of the Retirement Fund was 1947.

**Member Contribution Rate**

The member contribution rate effective July 1, 2024 is 11.57% of salary. Members contribute to the plan during the first 20 years of service (Section 1-2004B).

**Employer Contribution Rate**

The employer contribution rate effective July 1, 2024, 62.53% of salary is contributed by the State, during the first 20 years of service (Section 1-2004A).

**Service Retirement Allowance**

***Eligibility***

Age 65 with four years of service, 60 with 10 years of service, 55 with 15 years of service, or any age with 20 years of service (Section 1-2001).

***Amount of Allowance***

The annual service retirement allowance is 5.0% multiplied by the number of years served as either justice or judge or both, for the first 10 years of credited service plus 2.5% multiplied by the remaining number of years of credited service as either justice or judge or both, but in any event the total shall not be greater than 75%.

For members who assumed office before July 1, 2012, the retirement allowance is multiplied by the current annual compensation of the highest office in which they served.

For members who assumed office on or after July 1, 2012, the initial retirement allowance is multiplied by the annual compensation at the time of retirement of the highest office in which he or she served (Section 1-2001).

## ACTUARIAL SECTION

<b>Service Retirement Allowance (continued)</b>	<p><b>Normal Form</b> For members who first assumed office before July 1, 2012, monthly payments for life under a fully subsidized 50% Joint and Survivor annuity.</p> <p>For members who first assumed office on or after July 1, 2012, monthly payments for life under a fully subsidized 30% Joint and Survivor annuity (Section 1-2001, 1-2001b, and 1-2009).</p>
<b>Vested Retirement Allowance</b>	<p><b>Eligibility</b> Vested former contributing members are entitled to receive benefits upon reaching the eligibility age requirements in Section 1-2001.</p> <p><b>Amount of Allowance</b> Accrued service retirement allowance (Section 1-2001).</p>
<b>Disability Retirement Allowance</b>	<p><b>Eligibility</b> Four years of membership service. (Section 1-2001).</p> <p><b>Amount of Allowance</b> Accrued service retirement allowance. (Section 1-2001).</p> <p><b>Normal Form</b> Same as service retirement.</p>
<b>Death Benefits</b>	<p><b>After Retirement or Termination</b> For members who first assumed office before July 1, 2012, 50% of the judge's retirement benefit is continued to the surviving spouse.</p> <p>For members who first assumed office on or after July 1, 2012, 30% of the judge's retirement benefit is continued to the surviving spouse.</p> <p>Upon termination or retirement, a member may elect to have 100% of his or her accrued retirement benefit continued to his or her surviving spouse upon his or her death. Such election results in a reduction of his or her monthly benefit to the actuarial equivalent of their assumed normal retirement benefit, which is a 50% surviving spouse benefit if first assumed office before July 1, 2012, or a 30% surviving spouse benefit if first assumed office on or after July 1, 2012 (Sections 1-2001b and 1-2009).</p> <p><b>Before Retirement or Termination</b> An amount equal to the benefit the judge would have received had he or she elected a 100% Joint and Survivor benefit before his or her death (Section 1-2009).</p>
<b>Withdrawal Benefits</b>	<p>Accumulated contributions with credited interest at 6.5% per annum, compounded annually (Section 1-2001).</p>

## ACTUARIAL SECTION

### **Postretirement Increases**

For members who first assumed office before July 1, 2012, postretirement benefit increases are in proportion to increases in the salary of the highest office in which the member served (Section 1-2001).

Members who assumed office before July 1, 2012, had until August 1, 2012 to make an irrevocable election to have their postretirement benefit increases based on the consumer Price Index as described in Idaho Code Section 59-1355. Those that made this election will instead receive the benefit increases described below.

For members who first assumed office on or after July 1, 2012, postretirement benefit increases are based on PAAs described in the prior paragraph. The measurement period for changes in the CPI-U is August to August. The PAA changes are implemented effective on the July 1 following the measurement period.

If the CPI-U increases by at least 1%, the PAA is at least 1%. If the CPI-U increases by more than 1%, an additional postretirement increase of up to 5% each year (but not more than the increase in the CPI-U) may be authorized by the Board, subject to the approval of the Legislature.

If the CPI-U increases by less than 1% or decreases, the PAA is automatic, based on the change in the CPI. If a negative PAA is applicable, the negative COLA cannot decrease benefits by more than 6%. Additionally, a negative PAA cannot decrease a member's benefit below the amount of the benefit at the initial benefit date.

If a PAA is implemented that is less than the increase in the CPI-U, members' benefits will not retain their full inflation-adjusted purchasing power. In such cases the Board may implement a Restoration of Purchasing Power (ROPP) COLA at a later date to bring those members closer to 100% of inflation adjusted purchasing power. As with a discretionary PAA, a retro-PAA is subject to approval of the Legislature (Section 59-12355).

### **Pop-Up Benefit**

Section 1-2001b, paragraph (2), provides a judge with a pop-up benefit if the named contingent annuitant predeceases the judge. This benefit equals what they would have received had they not elected the 100% Joint and Survivor form of payment.

### **Retirement Under Paragraph (b)**

Section 1-2001(2), paragraph (b), provides any person now serving as justice of the supreme court, a judge of the court of appeals, or a district judge of a district court an additional 2.5% multiplied by 5 years senior judge service, but in any event the total shall not be greater than 75% of the current annual compensation. The five years of senior judge service is required for this benefit. This benefit is not available with the age 55 and 15 years of service retirement for those judges who first took office after July 1, 2012.

## ACTUARIAL SECTION



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October 17, 2024

Public Employee Retirement System of Idaho State of Idaho  
P.O. Box 83720  
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Dear Members of the Board:

Milliman has performed actuarial valuations for the Sick Leave of Idaho Retirement Funds (the Funds, Programs, or Plan). The most recent valuation was performed as of July 1, 2024. It is anticipated that future actuarial valuations will be performed every year with the next valuation to be as of July 1, 2025. The benefits provided by the fund are provided under Idaho Code Section 67-5333 for State employees and Section 33-1228 for School employees and administered by the Public Employee Retirement System of Idaho (PERSI).

### **Contribution Rates**

The financing objective of the Funds is to establish contribution rates that will tend to remain level as percentages of payroll. From 1993 to 2024, the total contribution rate has been between 0.00% and 1.26%; year by year detail including employer and member rates is shown in the table on the following page.

At July 1, 1988, the contribution rates were 0.40% and 0.325% for State employers and School employers, respectively. Our July 1, 1988 valuation found that the contribution rates were not sufficient to amortize the unfunded actuarial accrued liability. Therefore, the Board approved contribution rate increases to take effect over the next few years. Effective July 1, 1993, the contribution rate for State employers was set at 0.65%. Contribution rates for School employers were also increased over this time period, settling at 1.15% as of July 1, 1996. Effective July 1, 2006, the contribution rate for School employers was increased again. The rates vary by school location between 1.16% and 1.26% according to the number of days of paid sick leave accruing during the contract year in accordance with Rule 552 of the Idaho Administrative Code. Effective January 1, 2020, the contribution rate for State employers and for School employers were both set at 0.00%. The contribution rates are scheduled to increase to the normal cost rate on July 1, 2031, for State employers and on July 1, 2026, for School employers.



## ACTUARIAL SECTION

The historical changes in contribution rates since 2012 are shown in the table below.

Effective Date <sup>(1)</sup>	Actual Rates		Calculated Employer Rates State					
	State	Schools	State			Schools		
			Normal Cost	Unfunded Actuarial Accrued Liability	Total	Normal Cost	Unfunded Actuarial Accrued Liability	Total
2012	0.65 %	1.16/1.26 <sup>(2)</sup>	0.37%	N/A	0.37%	0.63%	0.13%	0.76%
2015	0.65	1.16/1.26 <sup>(2)</sup>	0.35	N/A	0.35	0.62	N/A	0.62
2016	0.65	1.16/1.26 <sup>(2)</sup>	0.39	N/A	0.39	0.65	N/A	0.65
2017	0.65	1.16/1.26 <sup>(2)</sup>	0.38	N/A	0.38	0.68	N/A	0.68
2019	0.65	1.16/1.26 <sup>(2)</sup>	0.36	N/A	0.36	0.64	N/A	0.64
2020	0.00 <sup>(3)</sup>	0/0 <sup>(2&amp;3)</sup>	0.32	N/A	0.32	0.61	N/A	0.61
2021	0.00 <sup>(3)</sup>	0/0 <sup>(2&amp;3)</sup>	0.41	N/A	0.41	0.76	N/A	0.76
2022	0.00 <sup>(3)</sup>	0/0 <sup>(2&amp;3)</sup>	0.38	N/A	0.38	0.73	N/A	0.73
2023	0.00 <sup>(3)</sup>	0/0 <sup>(2&amp;3)</sup>	0.40	N/A	0.40	0.74	N/A	0.74
2024	0.00 <sup>(3)</sup>	0/0 <sup>(2&amp;3)</sup>	0.40	N/A	0.40	0.73	N/A	0.73

- (1) Contribution rates are effective July 1 of the indicated year for the State program, September 1 of the indicated year for the Schools program.
- (2) Contribution rates for School participants vary by school location according to the number of days of paid sick leave accruing during the contract year in accordance with Rule 552 of the Idaho Administrative Code.
- (3) Per the Board decisions in 2019, 2020 and 2021, there are not contributions charged of employers from January 1, 2020 through June 30, 2024.

### Funding Status

The most recent valuation was performed as of July 1, 2024. Based on this valuation, there is currently no unfunded actuarial accrued liability to amortize. This is consistent with the July 1, 2023, actuarial valuation. As of July 1, 2024, there is a funding excess (assets exceed actuarial accrued liability) of \$159.2 million for the State program and \$87.8 million for the Schools program.

The unfunded actuarial accrued liability was decreased by \$17.0 million for the State program and \$23.2 million for the Schools program due to an asset gain recognized as of July 1, 2024. Specifically, the Funds' assets earned a net return after expenses of 12.04% and 11.78%, which is 6.64% and 6.38% above the actuarial assumption of 5.40% (State and Schools Funds, respectively). All other actuarial experience gains and losses increased the UAAL by \$2.4 million for the State program and decreased the UAAL by \$3.0 million for the Schools program. Thus, the total experience gain/loss for the year was a gain of \$14.6 million for the State program and a gain of \$26.2 million for the Schools program.

Also, the UAAL for the State program decreased by \$2.0 million because expected contributions plus assumed investment returns were more than the normal cost and the interest on the UAAL. The UAAL for the Schools program increased by \$9.8 million because expected contributions plus assumed investment returns were less than the normal cost and the interest on the UAAL.

All of these items resulted in a change in funding status for the State program from a 222.7% funding ratio on July 1, 2023, to 227.6% on July 1, 2024. All of these items resulted in a change in funding status for the Schools program from a 123.8% funding ratio on July 1, 2023, to 128.1% on July 1, 2024. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability.

## ACTUARIAL SECTION

### Comparison to GASB Statement No. 74 Liabilities

The long term expected rate of investment return on the assets, net of investment expenses, for the Funds is assumed to be 5.45%. For purposes of determining the Funds' funding status and UAAL, this is reduced by 0.05% for expected administrative expenses to give discount rate of 5.40%. All figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total OPEB Liability (TOL) and Net OPEB Liability (NOL) for purposes of GASB reporting. According to GASB Statement 74, the discount rate used to calculate TOL and NOL must be net of investment expenses but not administrative expenses. Therefore, TOL and NOL have been determined using a discount rate of 5.45%. Results and further details on these items can be found in our GASB 74/75 Report.

### Other Information

The Sick Leave systems are cost-sharing multiple-employer defined benefit plans. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. They have chosen to define their Actuarially Determined Contribution as the normal cost rate based on the valuation results from the year prior to this measurement date. Because the plans have no funding shortfall, we believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for the Sick Leave's contribution structure of contributing a percentage of pay over employees' working lifetimes.

### Assumptions

Exhibit 1 of this report presents summaries of the actuarial assumptions and methods used in the valuation. The last major experience study for PERSI, completed in July and August 2021, covered the period July 1, 2015 through June 30, 2020. We anticipate the next major experience study, to be completed in 2025, will cover the period July 1, 2020 through June 30, 2024. In 2020, a demographic experience study was performed on the Sick Leave plans, resulting in some assumptions diverging from those used for PERSI.

### Purpose of the Valuation

Actuarial computations presented in this report are for purposes of GFOA reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

### Actuarial Assumptions

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the Plans' funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the Plans have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plans and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plans and are expected to have no significant bias.

## ACTUARIAL SECTION

### Variability of Results

This report is only an estimate of the Plans' financial condition as of a single date. It can neither predict the Plans' future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of plans benefits, only the timing of plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the Plans' funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Exhibit 1 of this report.

### Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, statutory provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with data used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

### Limited Distribution

Milliman's work is prepared solely for the internal business use of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a release, subject to the following exceptions:

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

### Models

The valuation results were developed using models employing standard actuarial techniques. The intent of the models was to value OPEB liabilities. We have reviewed the models, including their inputs, calculations, and outputs, for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs). The models, including all input, calculations, and output may not be appropriate for any other purpose.

## ACTUARIAL SECTION

### Qualifications and Certifications

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

### Conclusion

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

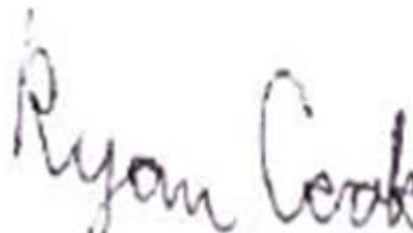
Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retiree and Beneficiary Valuation Data
Exhibit 4	Schedule of Funding Progress
Exhibit 5	Solvency Test
Exhibit 6	Analysis of Actuarial Gains or Losses
Exhibit 7	Schedule of Contributions from the Employer All Other Contributing Entities
Exhibit 8	Schedule of Contributions from the Employer Expressed as a Percentage of Payroll
Exhibit 9	Provisions of Governing Law

We would like to express our appreciation to Mike Hampton, Executive Director of the System, and to members of their staff, who gave substantial assistance in supplying the data on which this report is based.

Sincerely,



Robert L Schmidt, FSA, EA, MAAA  
Principal and Consulting Actuary



Ryan J Cook, FSA, EA, CERA, MAAA  
Consulting Actuary

RLS/RJC/kw

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

#### EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2024

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#### 1. Investment Return (Adopted July 1, 2021)

The annual rate of investment return on the assets of the Funds, net of investment expenses, is assumed to be 5.45%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 5.40%.

#### 2. Actuarial Value of Assets (Adopted July 1, 1994)

All assets are valued at fair value as of the valuation date.

#### 3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the System's and the Programs' actual experience.

#### 4. Mortality (Adopted July 1, 2021)

##### ***Contributing Members, Service Retirement Members, and Beneficiaries***

- ***Teachers***

Males Pub-2010 Teacher Tables, increased 12%.

Females Pub-2010 Teacher Tables, increased 21%.

- ***Fire & Police***

Males Pub-2010 Safety Tables, increased 21%.

Females Pub-2010 Safety Tables, increased 26%.

- ***General Employees and All Beneficiaries***

Males Pub-2010 General Tables, increased 11%.

Females Pub-2010 General Tables, increased 21%.

- ***Disabled Members***

Males Pub-2010 Disabled Tables, increased 38%.

Females Pub-2010 Disabled Tables, increased 36%.

- ***Mortality Improvement***

All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by the Social Security Administration from 1957 through 2017 (blended 50% male, 50% female).

## ACTUARIAL SECTION

### 5. Service Retirement (Adopted July 1, 2021)

Annual rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

General Employees - Schools				
Male			Female	
Age	First Year Eligible	Thereafter	First Year Eligible	Thereafter
55	25%	N/A	24%	N/A
60	20	16%	26	13%
65	33	31	36	42
70	15	17	13	23

General Employees - State				
Male			Female	
Age	First Year Eligible	Thereafter	First Year Eligible	Thereafter
55	23%	N/A	20%	N/A
60	24	13%	24	16%
65	30	41	35	43
70	12	23	15	28

Teachers				
Male			Female	
Age	First Year Eligible	Thereafter	First Year Eligible	Thereafter
55	32%	N/A	33%	N/A
60	36	33%	32	27%
65	36	41	44	49
70	*	*	*	*

Fire and Police		
Age	First Year Eligible	Thereafter
55	23%	N/A
60	14	23
65	28	33
70	*	*

\* For all ages older than the age indicated, retirement is assumed to occur immediately.

## ACTUARIAL SECTION

### 6. Early Retirement (Adopted July 1, 2021)

Annual rates of retirement assumed to occur among persons eligible for a reduced early retirement benefit are illustrated in the following table:

Age	General Employees - Schools		General Employees - State		Teachers		Fire and Police
	Male	Female	Male	Female	Male	Female	
50	*	*	*	*	*	*	3%
55	2%	2%	3%	3%	2%	3%	5
60	5	6	6	6	9	10	N/A

\* Members cannot yet be eligible for early retirement at the age indicated, withdrawal is assumed to occur (see Section 7).

### 7. Other Terminations of Employment (Adopted July 1, 2021)

Assumed annual rates of termination are illustrated below. Rates are based only on years of service.

Years of Service	General Employees - Schools		General Employees - State		Teachers		Fire and Police
	Male	Female	Male	Female	Male	Female	
5	9.0%	10.8%	9.0%	10.8%	5.8%	6.7%	7.9%
10	5.6	6.8	5.4	6.6	3.2	3.6	4.7
15	3.7	4.2	3.7	4.1	2.1	2.1	3.1
20	2.7	3.3	2.6	3.0	1.2	1.3	1.7
25	1.6	1.9	1.3	2.2	0.9	0.9	0.7
30	1.6	1.9	1.3	2.2	0.9	0.9	0.7

### 8. Disability Retirement (Adopted July 1, 2021)

Annual rates assumed for disability retirement are illustrated in the following table:

Age	General Employees		Teachers		Fire and Police
	Male	Female	Male	Female	
25	.01%	.01%	.01%	.03%	.01%
35	.05	.03	.03	.03	.05
45	.09	.10	.06	.10	.12
55	.32	.26	.19	.30	.40

## ACTUARIAL SECTION

### 9. Future Salaries (Adopted July 1, 2021)

In general, the total annual rates at which salaries are assumed to increase include 3.05% per annum for increase in the general wage level of the membership plus increases due to promotions and longevity. The general wage level increases are due to inflation and increases in productivity. The total ultimate rates assumed are illustrated below.

Years of service	General Employees		Teachers		Fire and Police
	Male	Female	Male	Female	
5	5.63%	6.18%	7.23%	6.99%	6.68%
10	4.73	4.96	6.44	6.68	5.05
15	3.88	4.39	4.63	5.08	3.90
20	3.82	3.85	3.76	3.70	3.89

### 10. Assumed Rates of Accrual for Sick Leave Hours and Days

The unused sick leave hours and days accumulation assumptions were set based on a study of actual member sick leave hours and days, as of July 1, 2020. The study showed a significant difference between different income levels (for the State program only) and different sexes. The member's current salary was compared against \$60,000 for State members. If the salary was larger than \$60,000, his or her current sick leave hours were projected forward based on the higher accrual rate.

Group	Annual Accrual Rate
State males earning less than \$60,000 per year	49.7 hours
State females earning less than \$60,000 per year	34.9 hours
State males earning more than \$60,000 per year	61.0 hours
State females earning more than \$60,000 per year	51.0 hours

Group	Annual Accrual Rate
Schools males	6.66 days
Schools females	5.00 days

### 11. Forfeitures of Sick Leave Balance

3.25% / 2.00% (State / Schools) of sick leave benefits (as of the later of retirement or the valuation date) are assumed to be forfeited due to death before benefits are fully spent. Active and inactive liabilities are reduced by this percentage.

### 12. Payout Percentage

20% / 25% (State/Schools) of remaining retiree balances are assumed to be paid out each year.

### 13. Growth in Membership (Adopted July 1, 2021)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.05% average annual expansion in the payroll of covered members.



## ACTUARIAL SECTION

### 14. Actuarial Cost Method

The individual entry age actuarial cost method is used. This cost method was adopted as of July 1, 2013 by the Board in order to be consistent with the cost method required by GASB Statements 74 and 75.

The normal cost rates used in the July 1, 2024, valuation were calculated based on all current active members as of July 1, 2024, for each sex and type of employee in the valuation. The normal costs and projected fiscal year 2025 salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate. We anticipate the normal cost rate was adopted will be adopted in October, 2024, in conjunction with the July 1, 2024 actuarial valuation.

The Unfunded Actuarial Accrued Liability (UAAL) created by this method, including gains and losses, is amortized as a level percentage of the Programs' projected payroll.

### 15. Experience Studies

In 2020 a Sick Leave demographic experience study was completed studying retirement and termination rates for general and fire & police members, accrual of unused sick leave hours/days, payout period, and for forfeitures. The remaining assumptions were studied in the PERSI experience study completed in 2021 for the period July 1, 2015, through June 30, 2020. We anticipate that assumptions will be studied again in 2025 for the period from July 1, 2020, through June 30, 2024. The payout percentage assumption is studied each year as part of the annual valuation.

### 16. Recent Changes

There have been no changes to the valuation assumptions since the prior valuation.

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

#### EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date July 1	State Coverage - ORP		State Coverage - Other		Schools Coverage		Total	
	Members	Annual Salaries In Thousands	Members	Annual Salaries In Thousands	Members	Annual Salaries In Thousands	Members	Annual Salaries In Thousands
2012	(1)	\$276,912	17,856	\$729,030	28,843	\$1,051,824	46,698	\$2,057,766
2015	(1)	310,128	18,159	775,085	29,879	1,121,478	48,037	2,206,691
2016	3,978	242,292	18,291	779,043	30,464	1,150,959	52,733	2,172,294
2017	3,859	257,426	16,863	803,788	31,558	1,238,143	52,280	2,299,357
2019	4,127	281,937	16,932	839,989	33,114	1,380,543	54,173	2,502,469
2020	4,207	298,387	17,171	877,914	33,744	1,456,859	55,122	2,633,160
2021	4,156	291,476	16,906	875,915	33,982	1,550,208	55,044	2,717,599
2022	4,266	308,820	16,653	926,561	34,775	1,663,265	55,694	2,898,646
2023	4,422	337,438	17,279	1,022,241	25,625	1,746,770	57,326	3,106,449
2024	4,519	360,891	17,544	1,085,991	36,515	1,882,042	58,578	3,328,924

(1) Detailed individual data for ORP members was not provided before the 2016 valuation.

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

#### EXHIBIT 3: SCHEDULE OF RETIREE VALUATION DATA

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Valuation Date July 1	State Coverage		Schools Coverage		Total	
	Retired Members	Remaining Entitlement Balance in Thousands	Retired Members	Remaining Entitlement Balance in Thousands	Retired Members	Remaining Entitlement Balance in Thousands
2012	3,384	\$15,061	4,775	\$38,652	8,159	\$53,713
2015	4,027	16,946	5,724	43,602	9,751	60,548
2016	4,145	17,014	5,910	44,031	10,055	61,045
2017	4,301	17,635	5,946	43,418	10,247	61,053
2019	5,232	25,226	6,229	44,721	11,461	69,947
2020	5,534	27,474	6,523	47,821	12,057	75,295
2021	5,835	30,390	6,850	51,886	12,685	82,276
2022	6,415	35,383	7,401	57,916	13,816	93,299
2023	6,502	37,390	7,838	63,370	14,340	100,760
2024	6,998	40,564	8,147	66,032	15,145	106,596

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Fund Public Employee Retirement System of Idaho

#### EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS (ALL DOLLAR AMOUNTS IN MILLIONS)

##### State Sick Leave Program

Valuation Date July 1	Actuarial Accrued Liability	Plan Assets	Unfunded Actuarial Liability	Funding Percentage	Covered Payroll	UAAL as a Percent of Cov. Payroll
2012	\$100.1	\$108.3	\$(8.2)	108%	\$891.3	-1%
2015	91.3	157.7	(66.4)	173	976.6	(7)
2016	86.5	162.9	(76.4)	188	1,046.8	(7)
2017	85.9	186.5	(100.6)	217	1,098.0	(9)
2019	99.3	225.2	(125.9)	227	1,153.5	(11)
2020	93.7	234.4	(140.7)	250	1,382.8	(10)
2021	104.6	286.2	(181.6)	274	1,111.6	(16)
2022	103.5	244.5	(141.0)	236	1,180.6	(12)
2023	116.2	258.8	(142.6)	223	1,401.9	(10)
2024	124.8	284.0	(159.2)	228	1,500.4	(11)

##### Schools Sick Leave Program

Valuation Date July 1	Actuarial Accrued Liability	Plan Assets	Unfunded Actuarial Liability	Funding Percentage	Covered Payroll	UAAL as a Percent of Cov. Payroll
2012	\$194.1	\$175.2	\$18.9	90%	\$1,081.2	2%
2015	194.6	246.6	(52.0)	127	1,136.3	(5)
2016	200.8	250.9	(50.1)	125	1,174.7	(4)
2017	220.5	285.5	(65.0)	129	1,240.6	(5)
2019	249.3	344.5	(95.2)	138	1,380.9	(7)
2020	233.7	356.0	(122.3)	152	1,507.1	(8)
2021	277.0	421.3	(144.3)	152	1,497.2	(10)
2022	280.8	355.9	(75.1)	127	1,603.5	(5)
2023	299.4	370.8	(71.4)	124	1,730.6	(4)
2024	312.2	400.0	(87.8)	128	1,860.3	(5)

Notes:

Actuarial accrued liability is the actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.

Funded ratio is the ratio of the actuarial value of assets over the actuarial accrued liabilities.

Covered Payroll includes compensation paid to all active employees on which contributions are calculated during the fiscal year ending on the valuation date. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2 which is compensation of only those members who were active on the actuarial valuation date.

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

**EXHIBIT 5: SOLVENCY TEST**  
(ALL DOLLAR AMOUNTS IN MILLIONS)

#### State Sick Leave Program

Valuation Date July 1	Plan Assets	Actuarial Accrued Liabilities for			Portion Covered by Assets (A)	Portion Covered by Assets (B)	Portion Covered by Assets (C)
		Active Member Contributions (A)	Retirees and Beneficiaries (B)	Active Members (Employer Financed) (C)			
2012	\$108.3	\$—	\$15.1	\$85.0	100%	100%	100%
2015	157.7	—	16.9	74.4	100	100	100
2016	162.9	—	17.0	69.5	100	100	100
2017	186.5	—	17.6	68.3	100	100	100
2019	225.2	—	25.2	74.1	100	100	100
2020	234.4	—	23.4	70.3	100	100	100
2021	286.2	—	26.6	78.0	100	100	100
2022	244.5	—	27.8	75.7	100	100	100
2023	258.8	—	29.3	86.9	100	100	100
2024	284.0	—	31.8	93.0	100	100	100

#### Schools Sick Leave Program

Valuation Date July 1	Plan Assets	Actuarial Accrued Liabilities for			Portion Covered by Assets (A)	Portion Covered by Assets (B)	Portion Covered by Assets (C)
		Active Member Contributions (A)	Retirees and Beneficiaries (B)	Active Members (Employer Financed) (C)			
2012	\$175.2	\$—	\$38.7	\$155.4	100%	100%	88%
2015	246.6	—	43.6	151.0	100	100	100
2016	250.9	—	44.0	156.8	100	100	100
2017	285.5	—	43.4	177.1	100	100	100
2019	344.5	—	44.7	204.6	100	100	100
2020	356.0	—	41.2	192.5	100	100	100
2021	421.3	—	46.0	231.0	100	100	100
2022	355.9	—	48.0	232.8	100	100	100
2023	370.8	—	52.6	246.8	100	100	100
2024	400.0	—	54.8	257.4	100	100	100

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

**EXHIBIT 6a: STATE PROGRAM  
ANALYSIS OF ACTUARIAL GAINS OR LOSSES  
(ALL DOLLAR AMOUNTS IN MILLIONS)**

	<b>Gain (Loss) for Period</b>		
	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>Investment Income</b>			
Investment income was greater (less) than expected	\$ 17.0	\$ 6.7	\$ (51.5)
<b>Pay Increases</b>			
Pay increases were less (greater) than expected	(1.2)	(2.5)	(2.6)
<b>Membership Growth</b>			
New members increased liabilities by more (less) than their contributions increased assets (includes new hires, rehires, and transfer from non-sick leave eligible employers to sick leave eligible employers)	(1.9)	(2.0)	(1.5)
<b>Postretirement Allowance Adjustment (PAA)</b>			
This plan is not directly affected by the PERSI PAAs	N/A	N/A	N/A
<b>Other Retired Member Experience</b>			
New retirees had lower (higher) sick leave balances than expected and miscellaneous retiree gains (and losses) resulting from other causes	(0.1)	(0.9)	(2.2)
<b>Other Active and Inactive Member Experience</b>			
Members using more (less) sick leave than expected and miscellaneous gains (and losses) resulting from other causes	0.8	2.3	3.2
<b>Total Gain (Loss) During the Period From Actuarial Experience</b>	<b>14.6</b>	<b>3.6</b>	<b>(54.6)</b>
<b>Contribution Income</b>			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL	2.0	2.7	4.6
<b>Non-Recurring Items</b>			
Changes in actuarial assumptions caused a gain (loss)	None	(4.7)	9.4
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss)	None	None	None
Change in Future Contribution Rates	None	None	None
<b>Composite Gain (Loss) During the Period</b>			
Total Gain (Loss) During the Period	<u>\$ 16.6</u>	<u>\$ 1.6</u>	<u>\$ (40.6)</u>

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the unfunded actuarial accrued liability.

## ACTUARIAL SECTION

### EXHIBIT 6b: SCHOOLS PROGRAM ANALYSIS OF ACTUARIAL GAINS OR LOSSES (ALL DOLLAR AMOUNTS IN MILLIONS)

	Gain (Loss) for Period		
	2023-2024	2022-2023	2021-2022
<b>Investment Income</b>			
Investment income was greater (less) than expected	\$ 23.2	\$ 9.4	\$ (75.1)
<b>Pay Increases</b>			
Pay increases were less (greater) than expected	(4.6)	0.2	(3.2)
<b>Membership Growth</b>			
New members increased liabilities by more (less) than their contributions increased assets (includes new hires, rehires, and transfer from non-sick leave eligible employers to sick leave eligible employers)	(4.3)	(4.0)	(2.8)
<b>Postretirement Allowance Adjustment (PAA)</b>			
This plan is not directly affected by the PERSI PAAs	N/A	N/A	N/A
<b>Other Retired Member Experience</b>			
New retirees had lower (higher) sick leave balances than expected and miscellaneous retiree gains (and losses) resulting from other causes	4.1	4.2	2.3
<b>Other Active and Inactive Member Experience</b>			
Members using more (less) sick leave than expected and miscellaneous gains (and losses) resulting from other causes	7.8	0.6	3.0
<b>Total Gain (Loss) During the Period From Actuarial Experience</b>	26.2	10.4	(75.8)
<b>Contribution Income</b>			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL	(9.8)	(8.8)	(5.1)
<b>Non-Recurring Items</b>			
Changes in actuarial assumptions caused a gain (loss)	None	(5.3)	11.7
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss)	None	None	None
Change in Future Contribution Rates	None	None	None
<b>Composite Gain (Loss) During the Period</b>			
Total Gain (Loss) During the Period	\$ 16.4	\$ (3.7)	\$ (69.2)

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

#### EXHIBIT 7a: STATE PROGRAM

#### SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (ALL DOLLAR AMOUNTS IN MILLIONS)

Fiscal Year Ending	Covered Employee Payroll <sup>(1)</sup>	Actual Employer Contributions Dollar Amount <sup>(2)</sup>	Actuarially Determined Contribution (ADC) <sup>(3)</sup>	Percentage of ADC Dollars Contributed
2015	\$976.6	\$6.3	\$3.6	176%
2016	1,046.8	6.8	3.7	186
2017	1,098.0	7.1	4.3	167
2018	1,101.7	7.2	4.2	171
2019	1,153.5	7.5	4.4	170
2020	1,382.8	4.5	5.0	90
2021	1,111.6	—	3.6	—
2022	1,180.6	—	4.8	—
2023	1,401.9	—	5.3	—
2024	1,500.4	—	6.0	—

<sup>(1)</sup> Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the Actual contribution rate expressed as a percentage of payroll. Provided by PERSI starting in 2021.

<sup>(2)</sup> Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

<sup>(3)</sup> The ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus an amortization of any Unfunded Actuarial Accrued Liability over the remaining lifetime of the covered members. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year containing the valuation date.



## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

#### EXHIBIT 7b: SCHOOLS PROGRAM

#### SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (ALL DOLLAR AMOUNTS IN MILLIONS)

Fiscal Year Ending	Covered Employee Payroll <sup>(1)</sup>	Actual PERSI Employer Contributions Dollar Amount <sup>(2)</sup>	Actuarially Determined Contribution (ADC) <sup>(3)</sup>	Percentage of ADC Dollars Contributed
2015	\$1,136.3	\$13.5	\$8.6	157%
2016	1,174.7	14.0	7.3	192
2017	1,240.6	14.8	8.1	183
2018	1,310.9	15.6	8.9	175
2019	1,380.9	16.4	9.4	174
2020	1,507.1	9.0	9.6	94
2021	1,497.2	—	9.1	—
2022	1,603.5	—	12.2	—
2023	1,730.6	—	12.6	—
2024	1,860.3	—	13.8	—

<sup>(1)</sup> Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the Actual contribution rate expressed as a percentage of payroll. Provided by PERSI starting in 2021.

<sup>(2)</sup> Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

<sup>(3)</sup> The ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus an amortization of any Unfunded Actuarial Accrued Liability over the remaining lifetime of the covered members. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year containing the valuation date.

## ACTUARIAL SECTION

**EXHIBIT 8a: STATE PROGRAM  
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A  
PERCENTAGE OF PAYROLL**

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Fiscal Year Ending	Actual PERSI Employer Contribution % <sup>(1)</sup>	Actuarially Determined Contribution (ADC) % <sup>(2)</sup>	Percentage of ADC Contributed
2015	0.65%	0.37%	176%
2016	0.65	0.37	176
2017	0.65	0.35	186
2018	0.65	0.39	167
2019	0.65	0.38	171
2020	0.33	0.36	92
2021	—	0.32	—
2022	—	0.41	—
2023	—	0.38	—
2024	—	40	—

<sup>(1)</sup> Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

<sup>(2)</sup> The ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus an amortization of any Unfunded Actuarial Accrued Liability over the remaining lifetime of the covered members. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year containing the valuation date.

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

**EXHIBIT 8b: SCHOOLS PROGRAM  
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A  
PERCENTAGE OF PAYROLL**

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Fiscal Year Ending	Actual PERSI Employer Contribution % <sup>(1)</sup>	Actuarially Determined Contribution (ADC) % <sup>(2)</sup>	Percentage of ADC Contributed
2015	1.19%	0.76%	157%
2016	1.19	0.76	157
2017	1.19	0.62	192
2018	1.19	0.65	183
2019	1.19	0.68	175
2020	0.60	0.64	94
2021	—	0.61	—
2022	—	0.76	—
2023	—	0.73	—
2024	—	74	—

<sup>(1)</sup> Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

<sup>(2)</sup> The ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus an amortization of any Unfunded Actuarial Accrued Liability over the remaining lifetime of the covered members. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year containing the valuation date.

## ACTUARIAL SECTION

### Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

#### EXHIBIT 9: PROVISIONS OF GOVERNING LAW

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All actuarial calculations are based on our understanding of the statutes governing the use of unused sick leave benefits administered by the Public Employee Retirement System of Idaho, as contained in Section 67-5333 for State employees and Section 33-1228 for School employees of the Idaho Code. The benefit and contribution provisions of this law are summarized briefly below. The items in parentheses are the provisions applicable to school employees.

#### Effective Date

The effective date of the Retirement System was July 1, 1976.

#### Benefits

Upon separation from State (public schools) employment for retirement reasons, a member's unused sick leave earned subsequent to July 1, 1976, is determined and reported to PERSI. The monetary value of one-half of the unused sick leave is transferred from the sick leave account to the member's retirement account (the entitlement balance). The monetary value of the unused sick leave is based upon the rate of pay of the employee at the time of retirement.

Effective July 1, 2001, the maximum amount transferred shall be limited for State covered members only, based on the number of hours of credited State service as follows:

<b>Years of State Service</b>	<b>Maximum Unused Sick Leave</b>
Less than 5*	420 Hours
5-10	480
10-15	540
16 or more	600

*\* All members who are eligible for retirement benefits have at least 5 years of service.*

The transferred monies to the member's retirement account are used for the payment of group health, accident, and life insurance premiums under programs maintained by the State (school district). Upon a retired covered member's death, any remaining entitlement balance reverts to the sick leave account.

#### Contributions

Each State government (public school) employer contributes a percentage of covered members' salaries to the sick leave account maintained by the System. The System's board determines the contribution rate.



**STATISTICAL**  
SECTION





## STATISTICAL SECTION

The objectives of the Statistical Section are to provide additional historical perspective, context, and relevant details to assist readers in using the information in the financial statements, notes to the financial statements, and the required supplementary information in order to understand and assess the System's economic condition. In support of these objectives, the System has implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

The System is the administrator of seven fiduciary funds including three defined benefit retirement plans - the Public Employee Retirement Fund Base Plan (PERSI Base Plan) the Firefighters' Retirement Fund (FRF) and the Judges' Retirement Plan (JRF); two defined contribution plans - the Public Employee Retirement Fund Choice Plans 401(k) and 414(k) (PERSI Choice Plan); and two Sick Leave Funds – one for state employers and one for school district employers. The data in Tables 1 through 4 of this section was provided by the System's actuary and Choice Plan record keeper. The data in the remaining tables was provided by the System's own records.

During Fiscal Year 2024, the number of active PERSI members increased from 76,668 to 78,354. The number of retired members or annuitants receiving monthly allowances increased from 54,680 to 56,084. The number of inactive members who have not been paid a separation benefit increased from 52,074 to 55,054. Of these inactive members, 16,546 have achieved vested eligibility. Total membership in PERSI increased from 183,422 to 189,492 during the fiscal year. Table 1 of this section illustrates the diversity of our employee membership, and Table 2 shows how the membership distribution of active, retired, and inactive members has changed over the years.

As of June 30, 2024 there were 862 public employers in Idaho who were PERSI members. Tables 8 and 9 of this section illustrate the diversity of our employer participation.

## STATISTICAL SECTION

**Table 1**  
**Distribution of Membership by Group**

	Active Members			Inactive Members			Retirees	Total
	Vested	Non-vested	Total	Vested	Non-vested	Total		
<b>Cities</b>								
Female	1,527	1,275	2,802	810	1,286	2,096	1,952	6,850
Male	3,342	2,444	5,786	1,325	1,867	3,192	3,427	12,405
Total	4,869	3,719	8,588	2,135	3,153	5,288	5,379	19,255
<b>Counties</b>								
Female	2,702	1,950	4,652	949	1,932	2,881	2,700	10,233
Male	2,888	2,060	4,948	775	1,653	2,428	2,433	9,809
Total	5,590	4,010	9,600	1,724	3,585	5,309	5,133	20,042
<b>Schools</b>								
Female	15,940	12,069	28,009	5,215	13,860	19,075	18,360	65,444
Male	5,206	3,188	8,394	1,413	3,613	5,026	6,434	19,854
Total	21,146	15,257	36,403	6,628	17,473	24,101	24,794	85,298
<b>State</b>								
Female	5,246	4,000	9,246	2,736	6,558	9,294	8,743	27,283
Male	4,945	3,590	8,535	2,047	5,013	7,060	7,527	23,122
Total	10,191	7,590	17,781	4,783	11,571	16,354	16,270	50,405
<b>All Others</b>								
Female	1,008	979	1,987	633	1,463	2,096	1,890	5,973
Male	2,425	1,570	3,995	643	1,263	1,906	2,618	8,519
Total	3,433	2,549	5,982	1,276	2,726	4,002	4,508	14,492
<b>Grand Total</b>								
Female	26,423	20,273	46,696	10,343	25,099	35,442	33,645	115,783
Male	18,806	12,852	31,658	6,203	13,409	19,612	22,439	73,709
Total	45,229	33,125	78,354	16,546	38,508	55,054	56,084	189,492



## STATISTICAL SECTION

**Table 2**  
**Changes in Membership - PERSI Base Plan**

Fiscal Year Ended	Active Members			Retired Members		Inactive Members
	Number	Average Age	Average Years of Service	Number	Average Age	Number
2015	67,008	46.5	10.4	42,657	71.6	29,827
2016	68,517	46.8	10.1	44,181	71.8	31,862
2017	70,073	46.6	9.9	45,468	72.2	34,151
2018	71,112	46.0	9.9	46,907	72.4	37,588
2019	72,502	45.9	9.8	48,120	72.7	39,867
2020	73,657	45.8	9.7	49,573	72.9	41,945
2021	73,563	45.7	9.7	50,891	73.2	45,718
2022	74,409	45.5	9.5	53,190	73.2	50,203
2023	76,668	45.3	9.3	54,680	73.4	52,074
2024	78,354	45.2	9.2	56,084	73.7	55,054

**Table 3a**  
**Retired Members by Type of Benefit - PERSI Base Plan**

Amount of Monthly Benefit	Total Number of Retirees	Type of Retirement			Option Selected	
		Normal	Disability	Beneficiary	Joint & Survivor <sup>(1)</sup>	Straight Life <sup>(2)</sup>
\$0 - 250	4,677	4,114	4	559	1,305	3,372
251 - 500	6,726	6,133	24	569	1,817	4,909
501 - 750	5,803	5,245	83	475	1,655	4,148
751 - 1,000	4,776	4,260	113	403	1,428	3,348
1,001 - 1,250	4,015	3,566	97	352	1,276	2,739
1,251 - 1,500	3,463	3,033	122	308	1,163	2,300
1,501 - 1,750	2,960	2,558	152	250	1,005	1,955
1,751 - 2,000	2,688	2,365	115	208	940	1,748
Over 2,000	20,976	19,558	646	772	8,344	12,632
<b>Totals</b>	<b>56,084</b>	<b>50,832</b>	<b>1,356</b>	<b>3,896</b>	<b>18,933</b>	<b>37,151</b>

<sup>(1)</sup> Joint & Survivor (also known as Contingent Annuitant)

<sup>(2)</sup> Single Life Options include Straight Life, Cash Refund, Social Security and all other FOPs

## STATISTICAL SECTION

**Table 3b**  
**Retired Members by Type of Benefit - Firefighters' Retirement Fund**

Amount of Monthly Benefit	Total Number of Retirees	Type of Retirement			Option Selected	
		Normal	Disability	Beneficiary	Joint & Survivor <sup>(1)</sup>	Straight Life <sup>(2)</sup>
\$0 - 250	4	2	—	2	2	2
251 - 500	2	—	—	2	—	2
501 - 750	5	1	—	4	1	4
751 - 1,000	10	4	—	6	4	6
1,001 - 1,250	2	2	—	—	2	—
1,251 - 1,500	11	6	—	5	6	5
1,501 - 1,750	11	7	1	3	8	3
1,751 - 2,000	9	6	1	2	7	2
Over 2,000	370	221	24	125	245	125
<b>Totals</b>	<b>424</b>	<b>249</b>	<b>26</b>	<b>149</b>	<b>275</b>	<b>149</b>

All FRF retirees and disableds are valued with two benefits and two options.

- 1) The benefit payable by the FRF plan is valued using a Straight Life option.
- 2) The total benefit is valued using a Spouse Reversionary option (spouse benefit payable upon the death of the retiree or disabled).

All FRF beneficiaries are valued using a Straight Life option.

<sup>(1)</sup> Joint & Survivor (also known as Contingent Annuitant)

<sup>(2)</sup> Single Life Options include Straight Life, Cash Refund, Social Security and all other FOPs. Monthly benefit refers to the benefit payable by the FRF plan (total benefit less PERSI benefit).

## STATISTICAL SECTION

**Table 3c**

**Retired Members by Type of Benefit - Judges' Retirement Fund**

Amount of Monthly Benefit	Total Number of Retirees	Type of Retirement			Option Selected		
		Normal	Disability Under Normal Retirement Age	Disability Over Normal Retirement Age	Beneficiary	Joint & Survivor <sup>(1)</sup>	Straight Life <sup>(2)</sup>
\$0 - 2,000	2	—	—	—	2	—	2
2,001 - 2,500	3	1	—	—	2	1	2
2,501 - 3,000	6	3	—	—	3	3	3
3,001 - 3,500	2	—	—	—	2	—	2
3,501 - 4,000	8	4	—	—	4	3	5
4,001 - 4,500	11	4	—	—	7	4	7
4,501 - 5,000	7	5	—	—	2	4	3
5,001 - 5,500	6	5	—	—	1	3	3
Over 5,500	72	68	—	—	4	58	14
<b>Totals</b>	<b>117</b>	<b>90</b>	<b>—</b>	<b>—</b>	<b>27</b>	<b>76</b>	<b>41</b>

<sup>(1)</sup> Joint & Survivor (also known as Contingent Annuitant)

<sup>(2)</sup> Single Life

**Table 3d**

**Retired Members by Type of Benefit - PERSI Choice Plan**

Amount of Monthly Benefit	Total Number of Retirees	Both 414(k) and 401(k)	414(k) Only	401(k) Only
\$0 - 250	89	51	12	26
251 - 500	113	69	2	42
501 - 750	58	35	1	22
751 - 1,000	64	40	—	24
1,001 - 1,250	25	19	—	5
1,251 - 1,500	25	14	—	11
1,501 - 1,750	7	4	—	3
1,751 - 2,000	22	18	—	4
Over 2,000	26	20	—	6
<b>Totals</b>	<b>429</b>	<b>270</b>	<b>15</b>	<b>143</b>

## STATISTICAL SECTION

**Table 4a**  
**Average Benefit Payments – PERSI Base Plan**

Retirement Effective Dates	Years Credited Service							Beneficiaries
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Period 7/1/2014 to 6/30/2015								
Average monthly benefit	\$ 121	\$ 402	\$ 837	\$ 1,186	\$ 1,797	\$ 2,758	\$ 3,717	\$ 1,274
Average final average salary	\$ 1,609	\$ 2,329	\$ 3,066	\$ 3,260	\$ 3,784	\$ 4,533	\$ 4,986	N/A
Number of retired members	51	525	410	409	331	383	519	196
Period 7/1/2015 to 6/30/2016								
Average monthly benefit	\$ 122	\$ 426	\$ 840	\$ 1,306	\$ 1,852	\$ 2,731	\$ 3,742	\$ 1,451
Average final average salary	\$ 1,087	\$ 2,459	\$ 3,090	\$ 3,556	\$ 3,931	\$ 4,519	\$ 4,994	N/A
Number of retired members	37	432	369	339	371	394	475	171
Period 7/1/2016 to 6/30/2017								
Average monthly benefit	\$ 203	\$ 447	\$ 834	\$ 1,317	\$ 1,830	\$ 2,711	\$ 3,894	\$ 1,469
Average final average salary	\$ 906	\$ 2,520	\$ 3,186	\$ 3,473	\$ 3,835	\$ 4,799	\$ 5,213	N/A
Number of retired members	22	408	400	349	312	415	532	102
Period 7/1/2017 to 6/30/2018								
Average monthly benefit	\$ 120	\$ 449	\$ 855	\$ 1,326	\$ 2,013	\$ 2,742	\$ 3,706	\$ 1,291
Average final average salary	\$ 813	\$ 2,860	\$ 3,289	\$ 3,448	\$ 4,004	\$ 4,457	\$ 5,061	N/A
Number of retired members	38	427	376	364	335	446	464	83
Period 7/1/2018 to 6/30/2019								
Average monthly benefit	\$ 146	\$ 429	\$ 873	\$ 1,322	\$ 2,008	\$ 2,898	\$ 3,761	\$ 1,408
Average final average salary	\$ —	\$ 3,967	\$ 2,901	\$ 3,464	\$ 3,264	\$ 3,902	\$ 3,202	N/A
Number of retired members	23	416	422	385	340	423	478	61
Period 7/1/2019 to 6/30/2020								
Average monthly benefit	\$ 102	\$ 437	\$ 809	\$ 1,329	\$ 1,915	\$ 2,858	\$ 3,849	\$ 1,452
Average final average salary	\$ —	\$ 2,797	\$ 2,062	\$ 3,274	\$ 3,677	\$ 3,664	\$ 4,028	N/A
Number of retired members	33	463	402	411	353	420	483	41
Period 7/1/2020 to 6/30/2021								
Average monthly benefit	\$ 173	\$ 452	\$ 858	\$ 1,386	\$ 2,020	\$ 2,823	\$ 3,900	\$ 1,431
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	19	539	443	406	421	447	561	47
Period 7/1/2021 to 6/30/2022								
Average monthly benefit	\$ 135	\$ 451	\$ 857	\$ 1,445	\$ 2,043	\$ 3,029	\$ 3,890	\$ 1,267
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	15	531	481	469	396	450	585	46
Period 7/1/2022 to 6/30/2023								
Average monthly benefit	\$ 262	\$ 479	\$ 878	\$ 1,404	\$ 2,007	\$ 3,102	\$ 4,170	\$ 1,212
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	19	523	402	432	438	415	503	27
Period 7/1/2023 to 6/30/2024								
Average monthly benefit	\$ 126	\$ 499	\$ 1,003	\$ 1,470	\$ 2,110	\$ 3,253	\$ 3,682	\$ 1,602
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	17	469	354	403	323	460	479	21

## STATISTICAL SECTION

**Table 4b**  
**Average Benefit Payments – Firefighters’ Retirement Fund**

Retirement Effective Dates	Years Credited Service							Beneficiaries
	Other	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Period 7/1/2014 to 6/30/2015								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,693
Number of retired members	—	—	—	—	—	—	—	7
Period 7/1/2015 to 6/30/2016								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,980
Number of retired members	—	—	—	—	—	—	—	4
Period 7/1/2016 to 6/30/2017								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2017 to 6/30/2018								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2018 to 6/30/2019								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2019 to 6/30/2020								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2020 to 6/30/2021								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2021 to 6/30/2022								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2022 to 6/30/2023								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2023 to 6/30/2024								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	—	—	—	—	—	—

## STATISTICAL SECTION

**Table 4c**

**Average Benefit Payments - Judges' Retirement Plan**

Retirement Effective Dates	Years Credited Service							Beneficiaries
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Period 7/1/2014 to 6/30/2015								
Average monthly benefit	\$ 2,151	\$ 5,123	\$ 6,446	\$ —	\$ 9,899	\$ —	\$ —	\$ —
Number of retired members	1	1	1	—	2	—	—	—
Period 7/1/2015 to 6/30/2016								
Average monthly benefit	\$ —	\$ —	\$ 9,542	\$ 8,855	\$ 10,094	\$ —	\$ —	\$ —
Number of retired members	—	—	1	1	1	—	—	—
Period 7/1/2016 to 6/30/2017								
Average monthly benefit	\$ —	\$ 5,983	\$ 6,650	\$ 8,548	\$ —	\$ 3,759	\$ —	\$ —
Number of retired members	—	2	2	2	—	2	—	—
Period 7/1/2017 to 6/30/2018								
Average monthly benefit	\$ 2,664	\$ —	\$ 8,471	\$ —	\$ —	\$ —	\$ —	\$ 5,535
Number of retired members	1	—	1	—	—	—	—	1
Period 7/1/2018 to 6/30/2019								
Average monthly benefit	\$ —	\$ —	\$ 6,411	\$ 8,643	\$ 10,222	\$ 6,237	\$ —	\$ 3,069
Number of retired members	—	—	3	1	1	1	—	1
Period 7/1/2019 to 6/30/2020								
Average monthly benefit	\$ —	\$ —	\$ 7,503	\$ —	\$ —	\$ —	\$ —	\$ —
Number of retired members	—	—	1	—	—	—	—	—
Period 7/1/2020 to 6/30/2021								
Average monthly benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,782	\$ 9,866	\$ —
Number of retired members	—	—	—	—	—	1	1	—
Period 7/1/2021 to 6/30/2022								
Average monthly benefit	\$ —	\$ 4,880	\$ 8,863	\$ 5,741	\$ 9,398	\$ —	\$ —	\$ 4,480
Number of retired members	—	3	2	2	1	—	—	2
Period 7/1/2022 to 6/30/2023								
Average monthly benefit	\$ —	\$ 5,134	\$ 7,509	\$ —	\$ —	\$ —	\$ —	\$ 6,529
Number of retired members	—	2	1	—	—	—	—	1
Period 7/1/2023 to 6/30/2024								
Average monthly benefit	\$ —	\$ 5,678	\$ —	\$ 8,598	\$ —	\$ 9,302	\$ —	\$ —
Number of retired members	—	2	—	1	—	1	—	—

## STATISTICAL SECTION

**Table 4d**  
**Average Benefit Payments – PERSI Choice Plan**

Retirement Effective Dates	Years of Service						
	0 - 4*	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+
Period 7/1/14 to 6/30/15							
Average monthly benefit	\$ 588	\$ 1,665	\$ 844	\$ 1,341	\$ 747	\$ 927	\$ 738
Number of retired members	2	14	25	26	13	22	43
Period 7/1/15 to 6/30/16							
Average monthly benefit	\$ 318	\$ 945	\$ 606	\$ 585	\$ 577	\$ 563	\$ 499
Number of retired members	5	18	37	26	29	29	48
Period 7/1/16 to 6/30/17							
Average monthly benefit	\$ 694	\$ 844	\$ 737	\$ 670	\$ 494	\$ 776	\$ 588
Number of retired members	21	26	44	41	30	46	60
Period 7/1/17 to 6/30/18							
Average monthly benefit	\$ 679	\$ 898	\$ 534	\$ 415	\$ 476	\$ 488	\$ 485
Number of retired members	40	30	47	41	32	44	57
Period 7/1/18 to 6/30/19							
Average monthly benefit	\$ 483	\$ 786	\$ 599	\$ 611	\$ 701	\$ 549	\$ 604
Number of retired members	18	38	58	49	38	47	47
Period 7/1/19 to 6/30/2020							
Average monthly benefit	\$ 710	\$ 1,180	\$ 1,070	\$ 859	\$ 923	\$ 827	\$ 965
Number of retired members	16	33	48	40	32	35	69
Period 7/1/20 to 6/30/2021							
Average monthly benefit	\$ 623	\$ 485	\$ 855	\$ 637	\$ 855	\$ 881	\$ 603
Number of retired members	17	14	31	30	58	53	124
Period 7/1/21 to 6/30/2022							
Average monthly benefit	\$ 689	\$ 843	\$ 823	\$ 719	\$ 1,185	\$ 770	\$ 856
Number of retired members	29	35	50	38	45	41	50
Period 7/1/22 to 6/30/2023							
Average monthly benefit	\$ 800	\$ 772	\$ 712	\$ 712	\$ 1,142	\$ 716	\$ 784
Number of retired members	41	55	65	56	60	54	66
Period 7/1/23 to 6/30/2024							
Average monthly benefit	\$ 1,025	\$ 745	\$ 924	\$ 757	\$ 987	\$ 887	\$ 732
Number of retired members	15	42	34	56	63	66	144

\*Average final average salary data not applicable for this defined contribution plan. The average monthly benefit is determined by the retiree and can vary significantly based on the number of months the retiree chooses to receive payments

## STATISTICAL SECTION

**Table 5**  
**Schedule of Benefit Expenses by Type**

Fiscal Year	Age & Service Benefits		Disabilities			Refunds		Total
	Retirants	Survivors <sup>(2)</sup>	Pre-NRA	Post-NRA	Survivors	Death	Separation	
<b>PERSI BASE PLAN and FRF</b>								
2019	858,803,241	37,082,031	16,982,825	17,682,996	6,464,109	13,883,047	27,262,885	978,161,134
2020	911,695,768	39,998,407	16,762,235	18,617,617	6,671,327	16,047,284	31,557,305	1,041,349,943
2021	978,603,505	43,806,801	16,578,013	19,404,775	7,074,676	17,901,551	27,244,051	1,110,613,372
2022	1,036,967,265	48,094,515	16,267,973	19,913,178	7,577,026	26,508,125	30,342,849	1,185,670,930
2023	1,103,330,005	52,364,420	15,372,542	20,831,022	8,158,937	19,996,439	41,023,998	1,261,077,363
2024	1,149,587,123	56,063,999	14,794,219	21,236,050	8,446,225	20,334,571	43,699,369	1,314,161,556
<b>JUDGES' RETIREMENT PLAN</b>								
2019	6,117,401	1,051,002						
2020	6,554,175	1,085,537						
2021	6,670,388	1,009,299						
2022	7,049,399	1,117,345						
2023	7,408,955	1,208,572						
2024	7,934,260	1,243,829						
<b>PERSI CHOICE PLAN</b>								
2019	51,884,409							
2020	50,050,809							
2021	58,602,751							
2022	76,279,978							
2023	77,070,556							
2024	90,666,100							
<b>SICK LEAVE FUNDS</b>								
2019	16,885,258							
2020	16,625,362							
2021	17,495,154							
2022	18,199,150							
2023	18,744,801							
2024	19,340,693							

<sup>(1)</sup> The split between duty and non-duty disabilities is not available.

<sup>(2)</sup> Benefit amounts are not available. All survivors are included with the Age & Service Benefits survivors.

NRA = Normal Retirement Age. PERSI members with disability benefits convert to age & service retirees at NRA (60 for Fire & Police, 65 for other members).

Schedule is intended to show information for 6 years.



## STATISTICAL SECTION

**Table 6**  
**History of Cost-of-Living Adjustments**

<u>Year</u>	<u>CPI Rate</u>	<u>PERSI COLA Rate</u>	<u>Maximum COLA</u>	<u>Difference</u>	
2000	2.3	2.3	2.3	0	
2001	3.4	3.4	3.4	0	
2002	2.7	2.7	2.7	0	
2003	1.8	1	1.8	0.8	(1)
2004	2.2	2.2	2.2	0	
2005	2.7	2.7	2.7	0	(1)
2006	3.6	3.6	3.6	0	
2007	3.8	3.8	3.8	0	
2008	2	2	2	0	
2009	5.4	1	5.4	4.4	(2) (3)
2010	(1.48)	1	(1.48)	0	(2)
2011	1.15	1	1.15	0.15	(3) (4)
2012	3.77	1	3.77	2.77	(4)
2013	1.69	1	1.69	0.69	
2014	1.59	1	1.59	0.59	
2015	1.7	1.7	1.7	0	(4)
2016	0.2	0.2	0.2	0	
2017	1.1	1.1	1.1	0	
2018	1.9	1.9	1.9	0	
2019	1.7	1.0	1.0	0.7	
2020	1.3	1.7% (4.8% retroactive)	1.0	0.3	
2021	5.3	1.0	1.0	0	
2022	8.3	3.5	3.5	0	
2023	3.7	1.0	1.0	0	
2024	3.7	1.0	1.0	0	

(1) A retroactive COLA was awarded effective March 1, 2005 to reestablish purchasing power for 2003.

(2) A retroactive COLA of 2.48% was awarded effective March 1, 2010 to restore partial purchasing power for 2009 for a net COLA of 1%.

(3) A retroactive COLA of up to 2.3% was awarded effective March 1, 2015 to reestablish purchasing power for the years 2009, 2011, 2012.

(4) A retroactive COLA of up to .8% was awarded effective March 1, 2016 to reestablish purchasing power for the year 2011.

## STATISTICAL SECTION

**Table 7a**  
**Changes in Net Position - Base Plan**  
 (last 10 fiscal years)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Additions:</b>			
Employee Contributions	\$ 359,388,202	\$ 335,646,335	\$ 315,161,350
Employer Contributions	554,409,453	513,828,265	476,416,795
Investment Income <sup>(1)</sup>	376,421,219	322,867,773	285,174,801
Gains and Losses	1,447,327,382	1,432,563,513	(2,364,562,304)
Other Income	1,312,299	518,724	407,053
<b>Total additions to plan net position</b>	<b>2,772,475,199</b>	<b>2,605,424,610</b>	<b>(1,287,402,305)</b>
<b>Deductions:</b>			
Benefit Payments <sup>(2)</sup>	1,247,268,159	1,215,182,360	1,132,362,367
Refunds	43,913,108	34,586,136	25,812,562
Administrative Expenses	11,386,642	9,997,170	9,984,308
<b>Total deductions to plan net position</b>	<b>1,302,567,909</b>	<b>1,259,765,666</b>	<b>1,168,159,237</b>
<b>Change in net position</b>	<b><u>\$ 1,469,907,290</u></b>	<b><u>\$ 1,345,658,944</u></b>	<b><u>\$(2,455,561,542)</u></b>

<sup>(1)</sup> Investment income is reported net of investment expense.

<sup>(2)</sup> Benefit Payments include PERSI benefit payments , Separation payments, \$43,913,108, and Death benefit payments, \$15,879,903.

## STATISTICAL SECTION

2021	2020	2019	2018	2017	2016	2015
\$ 294,084,814	\$ 280,790,591	\$ 257,060,511	\$ 243,950,654	\$ 237,032,668	\$ 220,866,936	\$ 211,468,780
450,951,588	430,638,154	390,080,902	369,139,113	356,367,389	335,610,100	321,240,628
293,398,721	289,766,084	293,129,527	309,314,922	284,543,243	277,666,987	273,500,316
4,448,933,304	173,079,424	1,009,441,400	976,147,101	1,411,348,507	(72,888,917)	97,579,801
383,548	421,066	329,710	38,380	29,366	25,283	16,767
<b>5,487,751,975</b>	<b>1,174,695,319</b>	<b>1,950,042,050</b>	<b>1,898,590,170</b>	<b>2,289,321,173</b>	<b>761,280,389</b>	<b>903,806,292</b>
1,069,602,510	987,304,234	963,881,907	885,355,285	835,774,004	792,705,222	742,712,826
22,816,679	25,253,837	22,854,217	24,357,947	29,497,711	32,307,543	28,354,914
8,972,053	10,179,831	9,276,642	8,922,335	8,810,136	6,806,655	6,434,462
<b>1,101,391,242</b>	<b>1,022,737,902</b>	<b>984,509,516</b>	<b>918,635,567</b>	<b>874,081,851</b>	<b>831,819,420</b>	<b>777,502,202</b>
<b><u>\$4,386,360,733</u></b>	<b><u>\$ 151,957,417</u></b>	<b><u>\$ 965,532,534</u></b>	<b><u>\$ 979,954,603</u></b>	<b><u>\$1,415,239,322</u></b>	<b><u>\$ (70,539,031)</u></b>	<b><u>\$ 126,304,090</u></b>

## STATISTICAL SECTION

**Table 7b**  
**Changes in Net Position - FRF Plan**  
 (last 10 fiscal years)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Additions:</b>			
Employee Contributions	\$ —	\$ —	—
Employer Contributions	3,888,153	3,346,505	2,901,920
Investment Income <sup>(1)</sup>	7,349,882	7,349,882	6,592,204
Gains and Losses	23,589,088	32,611,409	(54,660,080)
Other Income	—	—	—
<b>Total additions to plan net position</b>	<b>33,616,645</b>	<b>43,307,796</b>	<b>(45,165,956)</b>
<b>Deductions:</b>			
Benefit Payments	19,495,076	19,446,545	19,014,750
Refunds	—	—	—
Administrative Expenses	62,420	46,516	56,863
<b>Total deductions to plan net position</b>	<b>19,557,496</b>	<b>19,493,061</b>	<b>19,071,613</b>
<b>Change in net position</b>	<b><u>\$ 14,059,149</u></b>	<b><u>\$ 23,814,735</u></b>	<b><u>\$ (64,237,569)</u></b>

<sup>(1)</sup> Investment income is reported net of investment expense.

## STATISTICAL SECTION

2021	2020	2019	2018	2017	2016	2015
\$ —	\$ 4,503	\$ 4,540	\$ 4,368	4,385	\$ 6,329	\$ 6,168
2,549,471	8,660,397	8,247,827	7,706,226	7,452,987	7,198,597	11,305,473
6,882,804	6,942,993	7,203,382	7,489,302	6,961,648	6,892,864	6,896,831
104,366,970	4,147,101	24,806,072	23,635,009	34,527,177	(1,809,410)	2,461,078
—	—	—	—	—	—	—
<b>113,799,245</b>	<b>19,754,994</b>	<b>40,261,821</b>	<b>38,834,905</b>	<b>48,946,197</b>	<b>12,288,380</b>	<b>20,669,550</b>
18,828,213	19,073,931	18,929,519	18,934,403	19,294,441	19,476,228	19,874,275
—	—	—	—	—	—	—
46,585	73,557	55,031	29,833	43,022	58,873	153,719
<b>18,874,798</b>	<b>19,147,488</b>	<b>18,984,550</b>	<b>18,964,236</b>	<b>19,337,463</b>	<b>19,535,101</b>	<b>20,027,994</b>
<b>\$ 94,924,447</b>	<b>\$ 607,506</b>	<b>\$ 21,277,270</b>	<b>\$ 19,870,669</b>	<b>\$ 29,608,734</b>	<b>\$ (7,246,721)</b>	<b>\$ 641,556</b>

## STATISTICAL SECTION

**Table 7c**

**Changes in Net Position - Choice Plan 401(k)**  
(last 10 fiscal years)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Additions:</b>			
Employee Contributions	\$ 83,545,730	\$ 80,103,170	\$ 76,423,883
Employer Contributions	10,736,833	9,571,246	8,511,252
Investment Income <sup>(1)</sup>	20,517,538	20,517,538	17,674,756
Gains and Losses	126,302,241	105,602,775	(164,972,964)
Rollovers	13,856,579	11,169,245	16,230,934
Other Income	—	—	—
<b>Total additions to plan net position</b>	<b>259,350,482</b>	<b>226,963,974</b>	<b>(46,132,139)</b>
<b>Deductions:</b>			
Benefit Payments	86,593,530	72,472,242	72,056,313
Refunds	—	—	—
Administrative Expenses	2,216,476	2,171,176	2,192,812
Transfers/Rollovers Out	—	—	—
<b>Total deductions to plan net position</b>	<b>88,810,006</b>	<b>74,643,418</b>	<b>74,249,125</b>
<b>Change in net position</b>	<b><u>\$ 170,540,476</u></b>	<b><u>\$ 152,320,556</u></b>	<b><u>\$ (120,381,264)</u></b>

<sup>(1)</sup> Investment income is reported net of investment expense.

## STATISTICAL SECTION

2021	2020	2019	2018	2017	2016	2015
\$ 68,307,119	\$ 63,949,419	\$ 59,426,695	\$ 52,141,131	\$ 48,333,290	\$ 45,299,030	\$ 42,874,459
7,728,018	7,027,305	6,517,244	5,993,209	5,475,485	4,778,923	5,166,873
17,334,673	16,407,170	15,820,380	15,624,002	13,786,327	12,385,370	9,589,538
284,009,584	12,034,995	54,408,333	53,200,084	64,650,113	(3,529,621)	9,030,653
17,153,438	21,341,826	13,948,722	14,179,305	14,836,646	11,868,500	14,575,338
—	—	—	—	—	—	—
<b>39,532,832</b>	<b>120,760,715</b>	<b>150,121,373</b>	<b>141,137,731</b>	<b>147,081,861</b>	<b>70,802,202</b>	<b>81,236,861</b>
55,439,687	47,345,691	43,319,799	38,708,774	34,029,074	35,985,817	12,729,966
—	—	—	—	—	—	—
2,029,774	1,845,868	1,570,385	125,334	115,788	1,069,543	—
—	—	—	—	—	—	23,364,173
<b>57,469,461</b>	<b>49,191,559</b>	<b>44,890,184</b>	<b>38,708,774</b>	<b>34,029,074</b>	<b>35,985,817</b>	<b>36,094,139</b>
<b><u>\$ 337,063,371</u></b>	<b><u>\$ 71,569,156</u></b>	<b><u>\$ 105,231,189</u></b>	<b><u>\$ 102,428,957</u></b>	<b><u>\$ 113,052,787</u></b>	<b><u>\$ 34,816,385</u></b>	<b><u>\$ 45,142,722</u></b>

## STATISTICAL SECTION

**Table 7d**

**Changes in Net Position - Choice Plan 414(k)**  
(last 10 fiscal years)

	2024	2023	2022
<b>Additions:</b>			
Employee Contributions	\$ —	\$ —	\$ —
Investment Income <sup>(1)</sup>	111,302	99,650	183,241
Gains and Losses	4,946,664	5,179,069	(6,475,896)
Other Income	—	—	—
<b>Total additions to plan net position</b>	<b>5,057,966</b>	<b>5,278,719</b>	<b>(6,292,655)</b>
<b>Deductions:</b>			
Benefit Payments	4,072,570	4,598,314	4,223,665
Refunds	—	—	—
Administrative Expenses	218,012	280,696	352,550
Transfers/Rollovers Out	—	—	—
<b>Total deductions to plan net position</b>	<b>4,290,582</b>	<b>4,879,010</b>	<b>4,576,215</b>
<b>Change in net position</b>	<b>\$ 767,384</b>	<b>\$ 399,709</b>	<b>\$ (10,868,870)</b>

<sup>(1)</sup> Investment income is reported net of investment expense.



## STATISTICAL SECTION

2021	2020	2019	2018	2017	2016	2015
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
105,134	78,391	117,688	93,272	(101,457)	227,137	901,407
15,208,511	1,508,108	4,308,210	3,627,429	5,758,352	639,034	776,244
—	—	—	—	—	—	—
<b>15,313,645</b>	<b>1,586,499</b>	<b>4,425,898</b>	<b>3,720,701</b>	<b>5,656,895</b>	<b>866,171</b>	<b>1,677,651</b>
3,163,064	3,330,570	3,838,437	3,211,082	3,329,355	5,378,148	2,932,845
—	—	—	—	—	—	—
345,101	335,552	344,469	10,196	10,491	523,170	—
—	—	—	—	—	—	2,049,671
<b>3,508,165</b>	<b>3,666,122</b>	<b>4,182,906</b>	<b>3,221,278</b>	<b>3,339,846</b>	<b>5,901,318</b>	<b>4,982,516</b>
<b>\$ 11,805,480</b>	<b>\$ (2,079,624)</b>	<b>\$ 242,992</b>	<b>\$ 499,423</b>	<b>\$ 2,317,049</b>	<b>\$ (5,035,147)</b>	<b>\$ (3,304,865)</b>

## STATISTICAL SECTION

**Table 7e**

**Changes in Net Position – Sick Leave Fund – State**  
(last 10 fiscal years)

	2024	2023	2022
<b>Additions:</b>			
Employer Contributions	\$ —	\$ (833)	\$ (182)
Net appreciation (depreciation) <sup>(1)</sup>	30,855,288	19,836,889	(36,182,352)
Other Income	7,388	2,408	386
<b>Total additions to plan net position</b>	<b>30,862,676</b>	<b>19,838,464</b>	<b>(36,182,148)</b>
<b>Deductions:</b>			
Benefit Payments	5,657,498	5,470,465	5,459,867
Administrative Expenses	56,590	48,921	48,539
<b>Total deductions to plan net position</b>	<b>5,714,088</b>	<b>5,519,386</b>	<b>5,508,406</b>
<b>Change in net position</b>	<b>\$ 25,148,588</b>	<b>\$ 14,319,078</b>	<b>\$ (41,690,554)</b>

**Table 7f**

**Changes in Net Position – Sick Leave Fund – Schools**  
(last 10 fiscal years)

	2024	2023	2022
<b>Additions:</b>			
Employer Contributions	\$ —	\$ (11,621)	\$ (2,109)
Net appreciation (depreciation) <sup>(1)</sup>	42,933,353	28,281,879	(52,577,567)
Other Income	19,107	8,024	1,393
<b>Total additions to plan net position</b>	<b>42,952,460</b>	<b>28,278,282</b>	<b>(52,578,283)</b>
<b>Deductions:</b>			
Benefit Payments	13,683,195	13,274,336	12,739,283
Administrative Expenses	81,415	70,715	71,098
<b>Total deductions to plan net position</b>	<b>13,764,610</b>	<b>13,345,051</b>	<b>12,810,381</b>
<b>Change in net position</b>	<b>\$ 29,187,850</b>	<b>\$ 14,933,231</b>	<b>\$ (65,388,664)</b>

<sup>(1)</sup> Reported net of investment expense.

## STATISTICAL SECTION

2021	2020	2019	2018	2017	2016	2015
\$ (682)	\$ 4,494,217	\$ 7,497,670	\$ 7,161,239	\$ 7,136,693	\$ 6,804,354	\$ 6,347,903
56,874,632	9,554,069	16,084,184	17,315,690	21,515,574	3,356,390	5,722,685
931	1,957	1,777	1,270	30	889	600
<b>56,874,881</b>	<b>14,050,243</b>	<b>23,583,631</b>	<b>24,478,199</b>	<b>28,652,297</b>	<b>10,161,633</b>	<b>12,071,188</b>
5,083,113	<b>4,739,183</b>	4,611,044	4,671,380	5,010,974	4,980,235	4,510,989
47,914	47,225	47,183	44,182	41,148	40,752	40,375
<b>5,131,027</b>	<b>4,786,408</b>	<b>4,658,227</b>	<b>4,715,562</b>	<b>5,052,122</b>	<b>5,020,987</b>	<b>4,551,364</b>
<b>\$ 51,743,854</b>	<b>\$ 9,263,835</b>	<b>\$ 18,925,404</b>	<b>\$ 19,762,637</b>	<b>\$ 23,600,175</b>	<b>\$ 5,140,646</b>	<b>\$ 7,519,824</b>

2021	2020	2019	2018	2017	2016	2015
\$ 8,967,109	\$ 8,967,109	\$ 16,432,554	\$ 15,599,238	\$ 14,763,323	\$ 13,978,967	\$ 13,521,617
14,515,013	14,515,013	24,687,356	26,544,159	32,991,024	3,919,755	9,043,823
3,000	3,000	2,725	1,948	2,187	360	164
<b>23,485,121</b>	<b>23,485,121</b>	<b>41,122,635</b>	<b>42,145,345</b>	<b>47,756,534</b>	<b>17,899,082</b>	<b>22,565,604</b>
11,886,179	11,886,179	11,930,829	12,186,675	13,155,040	13,458,676	13,342,020
72,369	72,369	72,453	67,806	63,192	63,588	63,965
<b>11,958,548</b>	<b>11,958,548</b>	<b>12,003,282</b>	<b>12,254,481</b>	<b>13,218,232</b>	<b>13,522,264</b>	<b>13,405,985</b>
<b>\$ 11,526,573</b>	<b>\$ 11,526,573</b>	<b>\$ 29,119,354</b>	<b>\$ 29,890,864</b>	<b>\$ 34,538,302</b>	<b>\$ 4,376,818</b>	<b>\$ 9,159,619</b>

## STATISTICAL SECTION

**Table 7g**

**Changes in Net Position – JRF Plan**  
(last 10 fiscal years)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Additions:</b>				
Employee Contributions	\$ 939,033	\$ 924,368	\$ 908,857	\$ 875,812
Employer Contributions	5,542,091	5,438,760	5,120,089	5,066,720
Investment Income <sup>(1)</sup>	1,999,860	1,734,256	1,541,393	1,579,766
Net appreciation (depreciation)	7,626,947	7,694,338	(12,705,655)	23,894,290
Other Income	31,215	16,008	2,393	2,918
<b>Total additions to plan net position</b>	<b>16,139,146</b>	<b>15,807,730</b>	<b>(5,132,923)</b>	<b>31,419,507</b>
<b>Deductions:</b>				
Benefit Payments	9,239,797	8,610,785	8,166,744	7,679,687
Administrative Expenses	121,476	115,561	106,053	104,054
<b>Total deductions to plan net position</b>	<b>9,361,273</b>	<b>8,726,346</b>	<b>8,272,797</b>	<b>7,783,741</b>
<b>Special Item - Transfer in of Judges' Retirement</b>	—	—	—	—
<b>Change in net position</b>	<b><u>\$ 6,777,873</u></b>	<b><u>\$ 7,081,384</u></b>	<b><u>\$ (13,405,720)</u></b>	<b><u>\$ 23,635,766</u></b>

<sup>(1)</sup> Reported net of investment expense.

## STATISTICAL SECTION

2020	2019	2018	2017	2016	2015
\$ 845,925	\$ 778,864	\$ 714,804	\$ 630,392	\$ 623,754	\$ 629,077
4,878,534	4,688,762	4,278,996	3,946,599	3,370,587	3,595,417
1,560,565	1,579,702	1,668,307	1,540,236	1,505,550	1,523,041
975,063	5,357,121	5,261,917	7,612,667	(413,420)	526,854
12,960	13,200	7,947	4,946	2,571	2,063
<b>8,273,046</b>	<b>12,417,649</b>	<b>11,931,971</b>	<b>13,734,840</b>	<b>5,089,042</b>	<b>6,276,452</b>
7,639,712	7,168,403	6,691,558	6,173,415	5,974,937	5,577,389
127,095	121,305	104,949	74,035	133,096	95,733
<b>7,766,807</b>	<b>7,289,708</b>	<b>6,796,507</b>	<b>6,247,450</b>	<b>6,108,033</b>	<b>5,673,122</b>
—	—	—	—	—	<b>75,864,300</b>
<b>\$ 506,239</b>	<b>\$ 5,127,941</b>	<b>\$ 5,135,464</b>	<b>\$ 7,487,390</b>	<b>\$ (1,018,991)</b>	<b>\$ 76,467,630</b>

## STATISTICAL SECTION

**Table 8**  
**Principal Participating Employers**  
**2024**

Participating Employers	Covered Employees	Rank	Percentage of Total System
State of Idaho	17,781	1	23%
West Ada County School District	3,987	2	5
Boise Ind School District	3,013	3	4
Ada County	2,087	4	3
City of Boise	1,671	5	2
Bonneville School District	1,487	6	2
Pocatello School District	1,424	7	2
Nampa School District	1,319	8	2
Idaho Falls School District	1,183	9	2
Coeur d`Alene School District	1,127	10	1
All other	43,275		55
<b>Total (862 employers)</b>	<b>78,354</b>		<b>100%</b>

**2015**

Participating Employers	Covered Employees	Rank	Percentage of Total System
State of Idaho	17,268	1	26%
West Ada County School District	3,302	2	5
Boise Ind School District	3,022	3	5
Ada County	1,615	4	2
Nampa School District	1,311	5	2
City of Boise	1,310	6	2
Pocatello School District	1,180	7	2
Bonneville School District	1,046	8	2
Coeur d`Alene School District	990	9	1
Twin Falls School District	910	10	1
All other	35,054		52
<b>Total (766 employers)</b>	<b>67,008</b>		<b>100%</b>

## STATISTICAL SECTION

**Table 9**  
**Public Entities Participating in PERSI**

**State Agencies**

Administration Dept  
Agriculture Dept  
Attorney General  
Barley Commission  
Bean Commission  
Beef Council  
Board of Education  
Boise State Univ  
Brand Inspector  
Commission For The Blind  
Commission On Hispanic  
Affairs  
Commerce Dept  
Commission On Aging  
Commission On The Arts  
Commission for Pardons  
and Paroles  
Controller`s Office  
Correction Department  
Correctional Industries  
Dairy Council  
Department of  
Environmental Quality  
Division of Financial Mgt  
Division of Veteran Services  
Division of Occupational &  
Professional License  
Division of Human Resources  
Endowment Fund  
Investment Board  
Finance Dept  
Fish & Game Department  
Forest Products Commission  
Governor`s Office  
Health & Welfare Department  
Health District 1  
Health District 2  
Health District 3  
Health District 4  
Health District 5

Health District 6  
Health District 7  
Historical Society  
House of Representatives  
Idaho Workforce  
Development Council  
Idaho Public Television  
Idaho Career & Technical  
Education  
Idaho Grape Growers &  
Wine Producers  
Commission  
Idaho Oilseed  
Commission  
Idaho Rangeland  
Resources Commission  
Idaho State Police  
Idaho State Univ  
Independent Living Council  
Industrial Commission  
Information Technology Services  
Insurance Department  
Insurance Fund  
Judicial Branch  
Juvenile Corrections  
Labor Department  
Lands Department  
Lava Hot Springs Foundation  
Legislative Services  
Lewis-Clark State College  
Library  
Lieutenant Governor  
Liquor Dispensary  
Lottery  
Military Division  
Office of Administrative Hearings  
Office of Drug Policy  
Office of Energy Resources  
Office of Performance  
Evaluations  
Office of Species Conservation

Parks & Recreation  
Potato Commission  
Public Charter School Commission  
Public Employee  
Retirement System  
Public Utility Commission  
Racing Commission  
STEM Action Center  
Secretary of State  
Senate  
Soil Conservation Commission  
State Appellate Public Defender  
State Bar  
State Public Defender  
Superintendent of Public  
Instruction  
Tax Appeals Board  
Tax Commission  
Transportation Department  
Treasurer  
University of Idaho  
Vocational Rehab  
Water Resources Department  
Wheat Commission

**Counties**

Ada County  
Adams County  
Bannock County  
Bear Lake County  
Benewah County  
Bingham County  
Blaine County  
Boise County  
Bonner County  
Bonneville County  
Boundary County  
Butte County  
Camas County  
Canyon County  
Caribou County  
Cassia County

## STATISTICAL SECTION

Clark County	City of Bonners Ferry	City of Hayden Lake
Clearwater County	City of Bovill	City of Hazelton
Custer County	City of Buhl	City of Heyburn
Elmore County	City of Burley	City of Homedale
Franklin County	City of Caldwell	City of Hope
Fremont County	City of Cambridge	City of Horseshoe Bend
Gem County	City of Carey	City of Idaho City
Gooding County	City of Cascade	City of Idaho Falls
Idaho County	City of Castleford	City of Inkom
Jefferson County	City of Challis	City of Iona
Jerome County	City of Chubbuck	City of Irwin
Kootenai County	City of Clark Fork	City of Island Park
Latah County	City of Coeur d'Alene	City of Jerome
Lemhi County	City of Cottonwood	City of Juliaetta
Lewis County	City of Council	City of Kamiah
Lincoln County	City of Craigmont	City of Kellogg
Madison County	City of Culdesac	City of Kendrick
Minidoka County	City of Dalton Gardens	City of Ketchum
Nez Perce County	City of Deary	City of Kimberly
Oneida County	City of Declo	City of Kooskia
Owyhee County	City of Donnelly	City of Kootenai
Payette County	City of Dover	City of Kuna
Power County	City of Downey	City of Lapwai
Shoshone County	City of Driggs	City of Lava Hot Springs
Teton County	City of Dubois	City of Lewiston
Twin Falls County	City of Eagle	City of Mackay
Valley County	City of Emmett	City of Malad
Washington County	City of Fairfield	City of Malta
	City of Filer	City of Marsing
	City of Firth	City of McCall
	City of Franklin	City of McCammon
	City of Fruitland	City of Melba
	City of Garden City	City of Menan
	City of Genesee	City of Meridian
	City of Georgetown	City of Middleton
	City of Glens Ferry	City of Montpelier
	City of Gooding	City of Moscow
	City of Grace	City of Moyie Springs
	City of Grangeville	City of Mountain Home
	City of Greenleaf	City of Mud Lake
	City of Hagerman	City of Mullan
	City of Hailey	City of Nampa
	City of Harrison	City of New Meadows
	City of Hayden	City of New Plymouth
		City of Newdale

### **Cities**

City of Aberdeen  
City of Albion  
City of American Falls  
City of Ammon  
City of Arco  
City of Ashton  
City of Athol  
City of Bancroft  
City of Basalt  
City of Bellevue  
City of Blackfoot  
City of Bliss  
City of Bloomington  
City of Boise



## STATISTICAL SECTION

City of Nezperce  
 City of Notus  
 City of Oakley  
 City of Oldtown  
 City of Orofino  
 City of Osburn  
 City of Paris  
 City of Parker  
 City of Parma  
 City of Paul  
 City of Payette  
 City of Peck  
 City of Pierce  
 City of Pinehurst  
 City of Plummer  
 City of Pocatello  
 City of Ponderay  
 City of Post Falls  
 City of Potlatch  
 City of Preston  
 City of Priest River  
 City of Rathdrum  
 City of Rexburg  
 City of Richfield  
 City of Rigby  
 City of Riggins  
 City of Ririe  
 City of Roberts  
 City of Rupert  
 City of Salmon  
 City of Sandpoint  
 City of Shelley  
 City of Shoshone  
 City of Smelterville  
 City of Soda Springs  
 City of Spirit Lake  
 City of St Anthony  
 City of St Charles  
 City of St Maries  
 City of Stanley  
 City of Star  
 City of Sugar City  
 City of Sun Valley  
 City of Tensed

City of Teton  
 City of Tetonia  
 City of Troy  
 City of Twin Falls  
 City of Ucon  
 City of Victor  
 City of Wallace  
 City of Weippe  
 City of Weiser  
 City of Wendell  
 City of Weston  
 City of Wilder  
 City of Winchester  
 City of Worley

### Water and Sewer Districts

A&B Irrigation District  
 Aberdeen-Springfield Canal Co  
 Ada County Drainage Dist #2  
 American Falls Reservoir  
     District #1  
 American Falls Reservoir  
     District #2  
 Avondale Irrigation District  
 Bayview Water & Sewer District  
 Big Lost River Irrigation  
 Big Wood Canal Company  
 Bingham Ground Water District  
 Black Canyon Irrigation District  
 Boise Project Board of Control  
 Boise-Kuna Irrigation District  
 Burley Irrigation District  
 Cabinet Mountains Water  
     District  
 Caldwell Irrigation Lateral  
     District  
 Canyon Hill Irrigation District  
 Cataldo Water District  
 Central Shoshone County  
     Water District  
 Dalton Gardens Irrigation District  
 E Greenacres Irrigation District  
 East Shoshone County  
     Water District

Emmett Irrigation District  
 Falls Irrigation District  
 Fish Haven Area  
     Recreational Sewer District  
 Fremont-Madison Irrigation  
 Grandview Mutual Canal  
     Company  
 Granite Reeder Water & Sewer  
 Hayden Lake Recreational  
     Water & Sewer District  
 Hayden Lake Irrigation District  
 Henry's Fork Ground  
     Water District  
 Hoodoo Water and Sewer District  
 Idaho Irrigation District  
 Kalispel Bay Water &  
     Sewer District  
 King Hill Irrigation District  
 Kingston Water District  
 Kootenai-Ponderay Sewer District  
 Lake Irrigation District  
 Lewiston Orchard Irrigation District  
 Little Wood River Irrigation District  
 Milner Low Lift Irrigation District  
 Minidoka Irrigation District  
 Mtn Home Irrigation District  
 Nampa-Meridian Irrigation  
 New Sweden Irrigation District  
 New York Irrigation District  
 North Kootenai Water District  
 North Lake Recreational Sewer &  
     Water District  
 North Snake Ground  
     Water District  
 Opaline Irrigation District  
 Orofino Cr-Whiskey Cr  
     Water & Sewer District  
 Outlet Bay Water & Sewer District  
 Owyhee Project South  
     Board of Control  
 Payette Lakes Water &  
     Sewer District  
 Peoples Canal and  
     Irrigation Company  
 Pinehurst Water District

## STATISTICAL SECTION

Pioneer Irrigation District  
Portneuf River Water  
Users District #29  
Progressive Irrigation District  
Riverside Independent  
Water & Sewer  
Riverside Irrigation District  
Riverside Irrigation District LTD  
Roseberry Irrigation District  
Ross Point Water District  
Settlers Irrigation District  
Snake River Valley Irrigation  
District  
Southside Water & Sewer  
District  
Star Sewer & Water District  
Sun Valley Water & Sewer  
Twin Falls Canal Company  
W Bonner Water & Sewer  
District  
Water District #1  
Water District #11  
Water District #31  
Water District #32-C  
Water District #34  
Water District #36A  
Water District #37  
Water District #37N  
Water District #63  
Water District #65  
Water District #67  
Weiser Irrigation District  
Wilder Irrigation District

### **Highway Districts**

Ada County Highway District  
Atlanta Highway District  
Bliss Highway District  
Buhl Highway District  
Burley Highway District  
Canyon Highway District #4  
Central Highway District  
Clarkia Better Roads  
Highway District  
Clearwater Highway District

Cottonwood Highway District  
Deer Creek Highway District  
Dietrich Highway District #5  
Doumeq Highway District  
Downey Swan Lake  
Highway District  
East Side Highway District  
Evergreen Highway District  
Fenn Highway District  
Ferdinand Highway District  
Filer Highway District  
Gem Highway District  
Glenns Ferry Highway District  
Golden Gate Highway District  
Gooding Highway District  
Grangeville Highway District  
Greencreek Highway District  
Hagerman Highway District  
Highway District #1 (Fruitland)  
Hillsdale Highway District  
Homedale Highway District  
Independent Highway District  
Jerome Highway District  
Kamiah Highway District  
Keuterville Highway District  
Kidder-Harris Highway District  
Kimama Highway District  
Lakes Highway District  
Lost River Highway District  
Minidoka County Highway District  
Mountain Home Highway District  
Murtaugh Highway District  
N Latah County Highway District  
Nampa Highway District  
North Highway District  
Notus-Parma Highway District  
Oakley Highway District  
Plummer-Gateway Highway  
District  
Post Falls Highway District  
Prairie Highway District Board  
Raft River Highway District  
Richfield Highway District #3  
S Latah County Highway  
District #2

Shoshone Highway District #2  
Three Creek Highway District  
Twin Falls Highway District  
Union Independent Highway  
District  
Weiser Valley Highway District  
Wendell Highway District #6  
West Point Highway District  
White Bird Highway District  
Winona Highway District  
Worley Highway District

### **Community Colleges and Public School Districts**

Aberdeen School District  
Alturas International Academy  
Alturas Preparatory Academy Inc  
American Falls School District  
American Heritage Charter School  
Anser of Idaho Inc  
Arbon School District  
Avery School District  
Basin School District  
Bear Lake School District  
Bingham Academy  
Blackfoot Charter Community  
Learning Center  
Blackfoot School District  
Blaine County School District  
Bliss School District  
Boise Independent School District  
Bonnevill School District  
Boundary County School  
District  
Bruneau-Grandview School  
District  
Buhl School District  
Butte Co School District  
Caldwell School District  
Camas County School District  
Cambridge School District  
Canyon-Owyhee SD (COSSA)

## STATISTICAL SECTION

Cardinal Academy Inc	Grace School District	Lewiston Independent
Cascade School District	Hagerman Jt School District	School District
Cassia County School District	Hansen School District	Liberty Charter School Inc
Castleford School District	Hayden Canyon Charter	Mackay School District
Challis Jt School District	Heritage Academy	Madison School District
Chief Tahgee Elementary	Heritage Community	Marsh Valley Jt School District
Academy	Charter School	Marsing School District
Clark County School District	Highland Jt School District	McCall Donnelly School District
Clearwater/Orofino Jt School	Homedale School District	Meadows Valley School District
District	Horseshoe Bend School	Melba School District
Coeur d`Alene Charter Academy	District	Meridian Charter High School Inc
Coeur d`Alene School District	I Succeed Virtual High School	Meridian Medical Arts
College of Eastern Idaho	Idaho Bureau of Education	Charter School
College of Southern Idaho	Svc for the Deaf and Blind	Meridian School District
College of Western Idaho	Idaho High School Activity Assn	Middleton School District
Compass Public Charter	Idaho Arts Charter School	Midvale School District
School	Idaho College and Career	Minidoka County School District
Cottonwood School District	Readiness Academy	Monticello Montessori
Council Valley School District	Idaho Falls School District	Charter School
Culdesac Jt School District	Idaho Science & Technology	Mosaics Public School
Dietrich School District	Charter School	Moscow Charter School
Doral Academy of Idaho	Idaho Virtual Academy	Moscow School District
Elevate Academy Nampa LLC	Idaho Virtual Education	Mountain Community School
Elevate Academy North LLC	Partners Inc	Mountain Home School District
Elevate Academy Inc	Inspire Virtual Charter School	Mountain View School District
Emmett School District	Island Park Charter School	Mullan School District
Falconridge Charter School	Jerome School District	Murtaugh School District
Fern-Waters Public Charter School	Kamiah Jt School District	Nampa School District
Filer School District	Kellogg School District	New Plymouth School District
Firth School District	Kendrick School District	NezPerce Jt School District
Forge International School	Kimberly School District	North Gem School District
Fruitland School District	Kootenai Bridge Academy	North Idaho College
Future Public School Inc	Kootenai Classical Academy Inc	North Star Charter School
Garden Valley School District	Kootenai School District	North Valley Academy
Gem Prep: Meridian LLC	Kootenai Technical	Charter School
Gem Prep: Meridian North LLC	Education Campus	Notus School District
Gem Prep: Meridian South LLC	Kuna Jt School District	Oneida School District
Gem Prep: Nampa LLC	Lake Pend Oreille School	Palouse Prairie Education
Gem Prep: Online, LLC	District	Organization
Gem Prep: Pocatello LLC	Lakeland School District	Parma School District
Gem Prep: Twin Falls LLC	Lapwai School District	Pathways in Education - Nampa Inc
Genesee School District	Legacy Public Charter School	Pathways in Education - West Ada
Glenns Ferry Jt School District		Payette River Regional
Gooding Jt School District		Technical Academy

## STATISTICAL SECTION

Payette School District  
 Peace Valley Charter  
 Pinecrest Academy of Idaho  
 Pinecrest Academy of Lewiston  
 Pleasant Valley School District  
 Plummer-Worley Jt School District  
 Pocatello Community Charter School  
 Pocatello School District  
 Post Falls School District  
 Potlatch School District  
 Prairie School District  
 Preston School District  
 Project Impact STEM Academy  
 Promise Academy  
 RISE Charter School Inc  
 Richard McKenna Charter High School  
 Richfield School District  
 Rigby School District  
 Ririe School District  
 Rockland School District  
 Rolling Hills Charter School  
 STEM Charter Academy  
 Sage International School of Boise  
 Salmon River Jt School District  
 Salmon School District  
 Sandpoint Charter School  
 Shelley Jt School District  
 Shoshone School District  
 Snake River School District  
 Soda Springs School District  
 South Lemhi School District  
 St Anthony School District (FremontCoSD)  
 St Maries School District  
 Sugar-Salem School District  
 Swan Valley School District  
 Syringa Mountain School  
 Taylors Crossing Public Charter School

Teton School District  
 The Academy Inc  
 The Village Charter School  
 Thomas Jefferson Charter School  
 Three Creek School District  
 Treasure Valley Classical Academy Inc  
 Troy School District  
 Twin Falls School District  
 Upper Carmen Charter School  
 Valley School District  
 Vallivue School District  
 Victory Charter School  
 Vision Charter School  
 Wallace School District  
 Weiser School District  
 Wendell School District  
 West Bonner County School District  
 West Jefferson School District  
 West Side School District  
 White Pine Charter School  
 Whitepine Jt School District  
 Wilder School District  
 Xavier Charter School  
  
**Other**  
 Aberdeen District Library  
 Ada County Free Library  
 American Falls Housing Authority  
 American Falls Free Library  
 Ammon Cemetery District  
 Association of Idaho Cities  
 Bannock Planning Organization  
 Bear Lake County Library  
 Bear Lake County Fire District  
 Bear Lake Regional Commission  
 Bingham County Senior Citizen Center  
 Blackfoot Fire Department  
 Blaine County Recreation District  
 Blaine Soil Conservation District  
 Boise Basin Library District

Boise City/Ada County Housing Authority  
 Boise Fire Department  
 Boise River Flood Control District #10  
 Bonner Soil & Water Conservation District  
 Bonneville County Library District  
 Bonneville County Fire District #1  
 Boundary County Free Library  
 Buhl Fire District  
 Buhl Housing Authority  
 Burley Fire Department  
 Burley Library  
 Caldwell Fire Department  
 Caldwell Housing Authority  
 Canyon County Mosquito Abatement District  
 Canyon County Ambulance District  
 Capital City Development Corporation  
 Caribou Soil Conservation District  
 Cascade Medical Center  
 Cascade Rural Fire & EMS  
 Central Fire District  
 Central Orchards Sewer District  
 Clearwater-Potlatch Timber Protection Assn  
 Coeur d'Alene Fire Department  
 Commission Planning Association of SW Idaho  
 Consolidated Free Library District  
 Coolin Sewer District  
 Cottonwood Rural Fire Dept  
 Council Valley Free Library District  
 Deary Rural Fire District  
 Donnelly Rural FPD

## STATISTICAL SECTION

Dry Creek Cemetery District	Groveland Cemetery	Kootenai County Fire & Rescue F
Eagle Fire Protection District	Maintenance District	Kootenai County Fire & Rescue P
Eagle Sewer District	Hagerman Cemetery District	Kootenai Metropolitan
East Bonner County	Hagerman Fire Protection District	Planning Organization
Library District	Hauser Lake Fire	Kuna Cemetery
Eastern Elmore County Recreation	Protection District	Maintenance District
District	Hayden Area Regional	Kuna Fire District
Eastern Idaho Fair Recreation	Sewer Board	Kuna Library District
District	Hillcrest Cemetery	Kuna Rural Fire District
Eastern Idaho Regional	Maintenance District	Latah County Library District
Waste Water Authority	Homedale Library District	Lemhi County Fire Protection
East Side Fire District	Homedale Rural Fire	District
Edwards Mosquito	Protection District	Lemhi County Library District
Abatement District	Housing Alliance &	Lemhi Soil & Water Conservation
Ellisport Bay Sewer District	Community Partnerships (HACP)	District
Filer Cemetery Maintenance District	Idaho Association of Counties	Lewiston Fire Department
Filer Rural Fire Protection District	Idaho Association of School	Lewiston-Nez Perce
Foster Grandparents of	Administrators	County Airport Authority
South East Idaho	IDAWY Solid Waste District	Lincoln County Cemetery District
Franklin County Library District	Idaho County Risk Mgmt Program	Lincoln County Emergency
Franklin County Fire District	Idaho Crop Improvement	Services
Fremont County District Library	Association	Lincoln County Housing
Garden Valley Fire	Idaho Falls Fire Department	Authority
Protection District	Idaho Digital Learning	Local Highway Technical
Gem County Mosquito	Academy	Assistance Council
Abatement District	Idaho Education Association	Madison County Library District
Gem County Recreation	Idaho Heritage Trust	M-A-R Cemetery District
Gem County Fire Protection	Idaho School Boards	Marsing-Homedale
District 1	Association	Cemetery District
Gem Soil & Water Conservation	Idaho School District Council	Marsing Rural Fire District
District	ID Independent Intergovernmental	McCall Fire Protection District
Gooding Cemetery	Authority	Meadows Valley Rural
Maintenance District	Iona Bonneville Sewer District	Fire District
Gooding Fire District	Jefferson Free Library District	Meadows Valley Public
Gooding Public Library District	Jerome Cemetery	Library District
Gooding Soil	Maintenance District	Meridian Cemetery
Conservation District	Jerome Fire Department	Maintenance District
Grangeville Cemetery	Jerome Recreation District	Meridian Library District
Maintenance District	Joplin Cemetery	Metro Community
Greater Middleton Parks	Maintenance District	Services Inc
& Recreation District	Ketchum Fire Department	Mica Kidd Island Fire
Greater Swan Valley Fire	Kingston-Cataldo Sewer District	Protection District
Protection District	Kootenai County Emergency	Middleton Rural Fire District
	Medical Services	

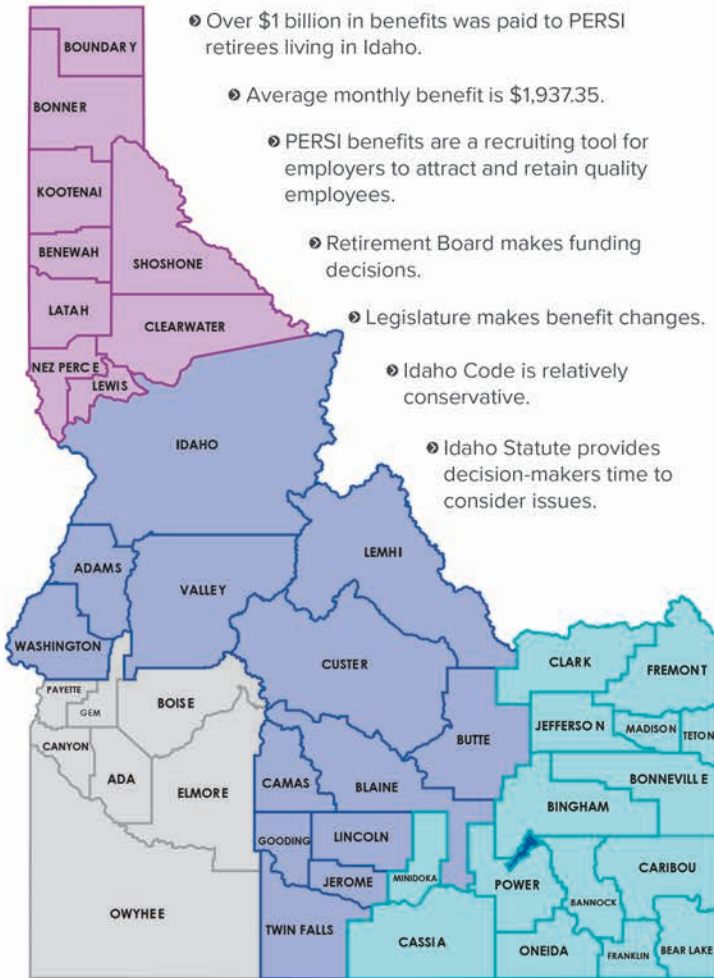


## STATISTICAL SECTION

Minidoka County Fire Protection District	S Bannock Library District	Timberlake Fire Protection District
Minidoka Soil & Water Conservation District	S Idaho Solid Waste District	Twin Falls County Pest Abatement District
Moscow Cemetery District	S Idaho Timber Protection Association	Twin Falls County Fair
Moscow Fire Department	Sagle Fire District	Twin Falls Fire Department
Moscow Rural Fire District	Salmon Library District	Twin Falls Housing Authority
N Ada Co Fire/Rescue District	Salmon River Canal Company Ltd	Valley of Tetons Library Board
N Bingham County Library District	Sandpoint Fire Department	Valley Recreation District of Hazelton
N Fremont Cemetery District	Schweitzer Fire District	Valley Regional Transit
Nampa Fire Protection District	Selkirks-Pend Oreille Transit Authority	Valley Soil & Water Conservation District
Nampa Housing Authority	Shelley Cemetery District	W Boise Sewer District
Nez Perce County Fair Board	Shelley-Firth Ambulance District	Weiser Ambulance District
No Lakes Fire Protection District	Shelley-Firth Fire Protection District	Weiser Area Rural Fire District
North Bannock Fire District	Shoshone City & Rural Fire Protection District	Weiser Memorial Hospital
North Idaho Fair	Shoshone County Fire Department #1	Wendell Rural Fire Department
Northside Fire District	Shoshone County Fire Department #2	West Bonner Library District
Oneida County Library	Shoshone County FD#2	West End Cemetery District
Oregon Trail Recreation District	So Central Regional E911	West End Fire Protection District
Orofino Cemetery District	South Bingham Soil Conservation District	Westside Fire District
Paradise Valley Fire District	South Boundary Fire Protection District	Whitney Fire Protection District
Paul Cemetery District	South Fork Coeur d Alene River Sewer District	Whitney FPD
Payette County Gopher Extermination District	South Fremont Fire Protection District	Wilder Cemetery District
Payette County Recreation District	Southern Valley County Recreation District	Wilderness Ranch Fire Protection District
Payette Fire Department	Spirit Lake Fire Protection District	Wilder Rural Fire Protection District
Plummer Gateway Fire Protection District	Squaw Creek Soil Conservation District	Wood River Fire & Rescue
Pocatello Fire Department	St Maries Fire Protection District	Wood River Soil & Water Conservation District
Pocatello-Chubbuck Auditorium District	Stanley Community Library District	Worley Fire Protection District
Port of Lewiston	Star Cemetery Maintenance District	W Pend Oreille Fire District
Portneuf Library District	Star Joint Fire Protection District	
Post Falls Urban Renewal Agency	Teton County Fire Protection District	
Prairie-River Library District		
Priest Lake Public Library		
Rexburg Cemetery District		
Rexburg-Madison Fire		
Rock Creek Fire Protection District		

# STATISTICAL SECTION

## PERSI BENEFITS PAID IN FISCAL YEAR 2024 TO RETIREES LIVING IN IDAHO



- Over \$1 billion in benefits was paid to PERSI retirees living in Idaho.
- Average monthly benefit is \$1,937.35.
- PERSI benefits are a recruiting tool for employers to attract and retain quality employees.
- Retirement Board makes funding decisions.
- Legislature makes benefit changes.
- Idaho Code is relatively conservative.
- Idaho Statute provides decision-makers time to consider issues.

COUNTIES	2024 in millions	NUMBER OF RETIREES	AVERAGE MONTHLY BENEFIT
Boundary	5.47	351	\$1,299.64
Bonner	20.53	1,110	\$1,541.35
Kootenai	77.59	3,595	\$1,798.66
Benewah	6.00	333	\$1,501.54
Shoshone	8.96	520	\$1,435.80
Latah	36.85	1,531	\$2,005.83
Clearwater	9.41	489	\$1,604.31
Nez Perce	34.14	1,437	\$1,980.07
Lewis	2.03	107	\$1,584.63
Idaho	12.00	703	\$1,422.88
Adams	4.00	219	\$1,521.07
Washington	8.50	467	\$1,517.09
Valley	13.35	553	\$2,012.42
Lemhi	6.46	361	\$1,491.45
Custer	3.05	181	\$1,402.91
Butte	1.68	106	\$1,319.82
Camas	1.40	65	\$1,790.36
Blaine	13.21	497	\$2,215.35
Gooding	9.54	541	\$1,469.89
Lincoln	3.39	171	\$1,651.58
Jerome	9.76	508	\$1,600.85
Twin Falls	47.51	2,186	\$1,811.19
Payette	11.72	589	\$1,658.85
Gem	12.25	651	\$1,567.63
Boise	6.15	300	\$1,707.30
Canyon	104.67	4,893	\$1,782.71
Ada	334.21	12,994	\$2,143.33
Elmore	14.37	737	\$1,625.03
Owyhee	4.83	300	\$1,341.76
Minidoka	11.54	651	\$1,477.34
Cassia	13.75	736	\$1,556.77
Oneida	3.06	161	\$1,586.18
Power	5.00	245	\$1,700.94
Franklin	5.19	281	\$1,330.27
Bear Lake	4.49	271	\$1,343.72
Bannock	74.36	3,005	\$2,061.99
Caribou	4.55	256	\$1,481.90
Bingham	28.91	1,433	\$1,681.41
Bonneville	63.93	2,665	\$1,999.19
Teton	3.04	163	\$1,553.07
Madison	13.33	627	\$1,771.73
Jefferson	15.05	767	\$1,635.12
Fremont	10.02	511	\$1,633.28
Clark	0.74	41	\$1,493.93
<b>TOTALS FOR IDAHO</b>	<b>1,124</b>	<b>48,362</b>	<b>\$1,937.35</b>

### CONTACT US AT

Public Employee Retirement System of Idaho  
 607 North 8th Street | Boise, Idaho 83702  
 208.334.3365 or 1.800.451.8228  
[www.persi.idaho.gov](http://www.persi.idaho.gov)

## STATISTICAL SECTION

Several publications and reports are distributed to members and employers to keep them informed about the status of their membership accounts and PERSI in general, including:

- Annual Comprehensive Financial Report
- Member Handbook
- Annual Membership Account Statement
- Remittance Advice
- Newsletters
- Brochures
- Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. (Form 1099R)
- Pre-Retirement Education Materials
- Reports to Legislature
- Memorandums to Employers

To receive any of these materials, contact PERSI (numbers below). Additional PERSI information can be found on PERSI's website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

### **PERSI Office Locations:**

#### **Boise**

Office Location:  
607 North 8th Street  
Boise, ID 83702

Mailing Address:  
P.O. Box 83720  
Boise, ID 83720-0078

#### **Coeur d'Alene**

Office Location:  
1250 W. Ironwood Dr.  
Suite 316  
Coeur d'Alene, ID 83814

Mailing Address:  
P.O. Box 83720  
Boise, ID 83720-0078

#### **Pocatello**

Office Location:  
305 N. 3rd Avenue  
Suite B  
Pocatello, ID 83201

Mailing Address:  
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Boise, ID 83720-0078

### **Telephone:**

**PERSI Answer Center** (208) 334-3365 Toll-free 1-800-451-8228

**Employer Service Center** (208) 287-9525 Toll-free 1-866-887-9525

**PERSI Choice 401(k) Plan** Toll-free 1-866-437-3774







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