



2008 CUSTOMER SERVICE SURVEY RESULTS

Each year, a survey is distributed to members who meet with PERSI staff. The survey goes to both those with an appointment and those who walk into the office without one. The goal is to get a survey into the hands of as many members as possible. The results of the 2008 Customer Service Survey were presented to the Retirement Board at its February 24, 2009 meeting.

Measuring Performance

Feedback from members is vital to PERSI, so we want to thank everyone who returned a survey during the past year. Those who receive a survey in the future are encouraged to complete the short form and return it in the postage-paid envelope provided. We value your comments, whether they are compliments or criticisms. If we don't measure our performance, we won't know how or where to make improvements. The PERSI staff is proud of the quality service they provide to members, and they strive to maintain at least a 95% satisfaction rating from members – a rating that has been achieved or exceeded every year. Below are the findings from the 2008 survey:

Of the 1166 surveys mailed, 616 (53%) were returned...a 20% increase over last year.

1. Nearly every respondent (99%) rated their overall experience with PERSI as meeting or exceeding expectations.
2. The majority (80%) of members came into PERSI regarding their retirement.
3. All (100%) of those who responded felt the PERSI staff was courteous and helpful.
4. Most (85%) walk-ins (those without an appointment) waited less than 1 minute after signing in before someone assisted them.

5. A little more than a quarter (27%) of respondents said they contacted PERSI about the same issue more than once.
 - There were several reasons members contacted PERSI multiple times: they had additional questions, they needed to provide additional information or documents to PERSI, or because PERSI needed to gather or provide additional information.
6. Members with appointments (48%) waited 1 minute or less after signing in until they went into their meeting. The next largest group of respondents (24%) said they waited approximately 2-3 minutes; and the remainder waited 3-5 minutes for their scheduled meeting.
7. Most members (88%) said making an appointment was easy.
8. Respondents gave a high approval rating (99%) to the PERSI Retirement Specialists.
9. Those who expressed dissatisfaction (1%) with their office visit said they felt rushed, didn't understand what they were told, or believed they were given inaccurate information.

PERSI will review the responses as well as the written comments to make improvements during the coming year. Our goal is to always provide members with the highest level of service possible. Thank you again to everyone who participated in the 2008 survey program. We look forward to serving you in 2009.

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Insights

SPENDING LESS ON HEALTHCARE

Health care is expensive. So knowing ways to spend less can be helpful. But remember, you don't want to compromise your health just to save a dollar. Here are some ways to take charge of your health and your wallet.

1) Always take your medications. It can be dangerous and costly to stop taking the medications prescribed by your doctor. Many brand name drugs now have a generic equivalent, so ask your doctor or your pharmacist about it. Generic drugs typically run 30% less than brand name drugs, they are equally as safe, and the good news is most pharmacies offer reduced prices on generic medications...often as low as \$4 for a 30-day supply. If you are taking a medication where there is no generic equivalent, ask your doctor if another medication that does come in generic form would provide the same results.

2) Schedule preventative care and pay attention to early warning signs. Even if you feel fine, continue your regular well-visit appointments. This is the best way to stay out in front of health problems. Early detection can not only save your life, but also cut your expenses over the long term. Typically a flu shot is recommended for people over age 50, and a pneumonia shot for people over age 65 (and those with chronic health issues that put them at high risk). Talk to your doctor about it. Below are recommended preventative screenings:

General Preventative Care	Preventative Care for Women	Preventative Care for Men
Routine Physical Blood Pressure Check Colonoscopy Cholesterol Screening Diabetes Screening Vision/Glaucoma Screening Fecal Occult Blood Test Tetanus-Diphtheria Vaccine Annual Flu Shot Pneumonia Shot <ul style="list-style-type: none"> • Good for 5 years • Over age 65 • Chronic health issues 	Breast exam Mammogram Pap Smear	Prostrate Exam <ul style="list-style-type: none"> • PSA • Digital Rectal

3) If you smoke, quit. If you're overweight, eat healthier and get moving. Studies show that losing weight can reduce your risk of heart disease and diabetes and lower your blood pressure and improve your cholesterol. If you quit smoking you can reduce your risk of emphysema and cancer. You'll also breathe easier and be less winded upon exertion...overall, you'll just feel better. If you stop smoking, think about the money you could save. At nearly \$5 per pack, smoking is expensive...so depending on your habit, you could really rack up a savings. If weight is your issue, try fixing meals at home instead of eating fast food. Yes, fresh fruits and vegetables aren't cheap; but since they are nutritious and low in calories your money is spent helping you stay healthy, not gain weight. And start moving. Stretching, walking, biking, or swimming as little as 15 minutes a day can help you lose weight, feel better, and improve your overall health.

4) Don't participate in risky activity. Simple precautions such as lifting with your knees not your back or using a seat belt whenever you're in a car can save your body and your life. If you are a "do-it-yourselfer" make sure you know what you're doing and have the right tools for the job to avoid an accident; otherwise, ask someone for help or hire a professional. After all, putting on a new roof or rewiring the house isn't for everyone. Remember, "An ounce of prevention is worth a pound of cure."

5) Be resourceful. Review your health care benefits from time to time. See if any lifestyle benefits or programs are included. Take advantage of community wellness programs. And finally, check your insurance provider's Web site for a health risk assessment. This is a tool that calculates your personal risk based on responses to questions about your current health status, family medical history, and lifestyle. Based on the results, you can better manage your health care.

Taking care of yourself is not a luxury, it's a necessity.

PERSI WEB SITE REDESIGNED

If you haven't visited the PERSI Web site (www.persi.idaho.gov) recently, it might be worth your time to check it out. The newly designed Web site is user friendly and easier to navigate than before. The site clearly lays out sections for members, employers, and retirees. There are also sections devoted to investments, online services, and the retirement workshops. And no more searching for the latest news or important announcements – they are posted on the home page.

The Web site is a great source for information about the Choice 401(k) Plan, for downloadable forms, and for contact information. Retirees and active members are invited to browse the Web site to learn more about their benefits, obtain forms, or register for a workshop. We hope you utilize the Web as a quick and easy way to get information. If you have comments or suggestions regarding the Web site, you can let PERSI know by clicking on the **Communications** or **Webmaster** links on the **Contact Us** page.

IF YOU DON'T UNDERSTAND THE JARGON...YOU'RE NOT ALONE

Today, many public pension systems are facing significant financial challenges. Many, in fact, owe their members more than the system can afford to pay out in retirement benefits. PERSI has been and continues to be in better shape than most retirement systems nationwide. However, make no mistake, we have incurred losses. With the media and others providing us with a daily dose of financial news, it's a good time to explain some terms that you've probably heard bantered around lately, such as funded ratio, amortization period, actuarial assets and liabilities, and unfunded liability.

For a retirement system to properly fund the payment of benefits in future years, it must systematically amass funds on a regular basis. Your Base Plan was funded through your contributions, your former employer's contributions, and investment revenue.

With the current state of the economy, it's no surprise PERSI's investment revenue has declined. PERSI went from being a fund valued at \$11.2 billion with a 105 percent funded ratio, to a \$10.7 billion fund with a funding ratio of 93.3 percent at the end of fiscal year 2008. A **funded ratio** is a picture of the status of a retirement system's assets and liabilities. It identifies future obligations, which are amortized over extended periods and should not necessarily be viewed as a test of how well a retirement system can meet its current or future obligation to pay retirement benefits.

Next, it's important to understand an amortization period. **Amortization** is the gradual reduction of the value of an asset or liability by some periodic amount.

By Idaho Code (59-1322), PERSI's amortization period cannot exceed 25 years. This means PERSI's actuarial unfunded liability is calculated to theoretically disappear in 25 years. As of July 1, 2008, the date of the last actuarial valuation, PERSI's amortization period was 15.6 years.

So what is **actuarial unfunded liability**? It is the excess of a retirement plan's actuarial liability over the actuarial value of its assets. It's not as complicated as it may sound. Let's break it down: **Actuarial liability** is the amount a retirement system expects to pay out over the long term. **Actuarial value of assets** is the amount a retirement system expects to have available to pay retirement obligations over the long term.

Ideally, PERSI assets should equal the present value of the projected benefit obligations at any given time. That is currently not the case. As the market changes, members can expect PERSI's situation to also change. Although this period in our history seems extremely dire compared to anything we've experienced in the past, PERSI is confident that when our economy rebounds, we will be well positioned to rebound too. Naturally our current deficit is a concern; but there is no doubt about the sustainability of PERSI. Members should not worry about their Base Plan benefits, they are **guaranteed** by Idaho law.

Hopefully, this brief article helps you understand some of the pension industry jargon used by PERSI, the media, financial experts, and government officials...and eases any concerns you have about the security of your retirement benefits.



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NO REQUIRED MINIMUM DISTRIBUTIONS FOR 2009

Last December, Congress passed a law suspending required minimum distributions (RMDs) for 2009. This means the Internal Revenue Service (IRS) will not insist that you take a distribution from your Choice 401(k) Plan (or other retirement accounts) even if you have reached 70½ – the age where participants in “qualified plans” and individual retirement accounts generally have to begin withdrawing funds. For more information, visit the IRS Web site at <http://www.irs.gov/>.

PERSI INVESTMENT NEWS

as of March 18, 2009

Value of the Fund:

\$ 8,129,698,666

Fiscal Year Change in Market Value:

\$ (2,782,027,207)

Fiscal Year-to-Date Returns:

-25.1%

Month-to-Date Returns:

4.0%

*Posted monthly on PERSI Web site: www.persi.idaho.gov



www.persi.idaho.gov



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