Boise | Coeur d'Alene | Pocatello

PERSpectives
FOR RETIREES

Public Employee Retirement System of Idaho

Second Quarter 2017

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CHAIRMAN OF THE BOARD, JODY B. OLSON RETIRES FROM PERSI

BOISE, ID – The longest serving Trustee in PERSI history, and Chairman of the Board since 1995, Jody B. Olson has retired from the PERSI Board of Directors after thirty (30) years of service. Chairman Olson served a total of six terms, and was appointed by five different Idaho Governors, both democrat and republican; Cecil Andrus, Phil Batt, Dirk Kempthorne, Jim Risch, and C.L. "Butch" Otter.

In a letter to the Chairman, Governor Otter expressed his appreciation, *"I want to take this opportunity to sincerely thank you for the many years of dedicated and exemplary service you have provided to Idaho's public employees. The sustained strength and stability of the PERSI investment program during the past 30 years is due in significant measure to your steady hand on the tiller, your passion for retirees and your unsurpassed knowledge. It would be impossible to adequately assess the value that your leadership has meant to our retirees and those who have pursued careers in public service in part because of the generous pension benefits that our system affords. We all owe you a debt of gratitude and respect for your contributions to our great state."*

> **"I want to take this opportunity to sincerely thank you for the many years of dedicated and exemplary service you have provided to Idaho's public employees.**
>
> ***Governor Butch Otter***

"Chairman Olson has done a marvelous job for PERSI with his leadership." said Governor Batt.

"PERSI, one of the nation's strongest pension systems, has been very fortunate to have the chairmanship of Jody Olson. I was saddened to hear about Jody's retirement...Idaho is grateful for his time and talent," said Governor Andrus.

"I am honored to have been appointed and proud to serve five Governors, many Legislators, and most importantly our members," said Chairman Olson.

Chairman Olson used his long tenure to help guide the PERSI fund to all-time asset highs, and nationally recognized stability. When he began serving on the Board in 1987, PERSI was 67% funded with $1.16

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> **PERSI is one of the most solvent and best run retirement systems in the country, much to Jody Olson's credit, and all beneficiaries of the fund owe him a deep debt of gratitude.**
>
> ***Former Idaho Governor and current U.S. Senator Jim Risch***

billion in assets and 59,000 members/retirees. Today, the fund is valued at more than $16 billion and is over 90% funded, serving almost 145,000 members/retirees.

"Our current stability, efficiency, and structure is almost entirely due to Jody's leadership – as is our style of investing. The 'feel' of PERSI is unique – one that does not automatically arise in public service and is a direct outgrowth of Chairman Olson's leadership and example. I don't know of any trustee of any public fund in America that has that record of service and accomplishment," said Bob Maynard, PERSI's Chief Investment Officer.

"Chairman Olson has done so much for PERSI and the State of Idaho. He rescued a fund from uncertainty and transformed it into one of the strongest public pension funds in the nation. I personally owe the Chairman a huge thank you for providing me with the opportunity to be PERSI's Executive Director," said Don Drum, Executive Director of PERSI.

"Today, Idaho's pension plan is rated fifth best among the 50 states, and is a role model for leadership and transparency other states should follow. Credit for this success goes to PERSI Chairman Jody Olson. We can all be very proud of Chairman Olson's leadership and service." said Governor Dirk Kempthorne.

Chaiman Olson with former PERSI Trustee, Dennis L. Johnson

During his thirty year tenure, Chairman Olson played pivotal roles in a number of significant events for PERSI and its membership:

- **1980s** Restructured entire investment program
- **1990s** Enhanced retirement benefits formula
- **1992** Board granted first retroactive COLA, retirees made whole from inflation of 1970s & 1980s
- **1994** Existing PERSI headquarters building completed in downtown Boise
- **2001** Only system to create Daily Asset Valuation Report
- **2001** Gain Sharing of $155.4 million for public workers, retirees, and employers, resulting in the introduction of supplemental defined contribution plan
- **2006** Fully funded an unfunded sick leave program for state and school employees
- **2014** 4% COLA increase for retirees
- **2014** Integrated Judges Retirement Fund
- **2015** PERSI celebrated its 50th anniversary

Chairman Olson

"PERSI is one of the most solvent and best run retirement systems in the country, much to Jody Olson's credit, and all beneficiaries of the fund owe him a deep debt of gratitude," said U.S. Senator Jim Risch. *"As Governor in 2006, I was proud to reappoint him to a third term as Chairman of the Board at PERSI. Throughout his 30 years of service in this role, Jody positively impacted so many Idahoans. I wish Jody and his family a long, fulfilling, and much deserved retirement."*

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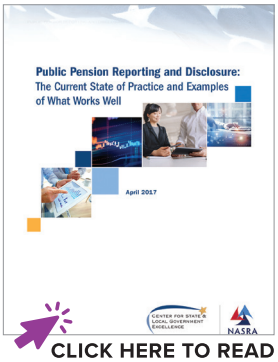
Chairman Olson is possibly most proud of the relationships and connections he has formed with PERSI members, whether it's the police officers on the street, the teachers in the classroom, or any of PERSI's 45,000 retirees. *"I will really miss interacting with current members and employers, past members, and retirees. Public employees in Idaho are often times not paid what their private sector comparables are, during their career. They deserve a proud and secure retirement,"* said Chairman Olson.

At the time of this printing, Governor Otter has not yet appointed a replacement Trustee.

Chairman Olson with former PERSI Trustee, Susan K. Simmons and current Trustee, Celia R. Gould

PERSI FEATURED IN NATIONAL CASE STUDY ON TRANSPARENCY FOR PUBLIC PENSIONS

PERSI is currently featured as one of five state pension systems in the national publication, **The Public Pension Reporting and Disclosure: The Current State of Practice and Examples of What Works Well,** published nationally by the Center for State & Local Government Excellence and the National Association of State Retirement Administrators.



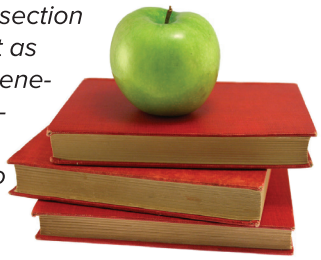
CLICK HERE TO READ

The authors selected PERSI from more than 100 peer systems throughout the country in part because of its favorable financial condition and organizational culture. In the report, PERSI is recognized for its direct impact on a large percentage of Idaho's population, and as such, PERSI is "both very important to the financial well-being of many Idahoans and has high visibility, thus making transparency and communication all the more important." It elaborates on PERSI's exceptional standards for financial transparency and member communication and also recognizes the professionalism of the Retirement Board of Directors and PERSI staff.

NEW LAW COULD IMPACT RETIRED TEACHERS

This past March, Governor Otter signed into law house Bill 113 amending 59-1356(4).* This change, effective July 1, 2017, allows retired school teachers and administrators who retired at age 60 (previously age 62) to return to teaching with a school district and continue to receive retirement benefits.**

(4) If a retired school teacher or administrator, who retired on or after age sixty (60) years and is receiving a benefit that is not reduced under section 59-1346, Idaho Code, again becomes an employee as defined in this section and section 59-1302(14), Idaho Code, as a result of returning to employment with a school district as provided in section 33-1004H, Idaho Code, the retired member may elect to continue receiving benefits and not accrue additional service, in which event no contributions shall be made by the member during such reemployment and any benefit payable on behalf of such member shall continue. However, the school district shall pay the required employer contribution for that employee to the public employee retirement system.



*This change to the law only applies to members that terminated (date of last contribution) on or after July 1, 2017. If you terminated prior to that date, you are still covered by the old law, meaning you would have to have been age 62 when you terminated. If you have questions or would like more information, call the PERSI Member Services Answer Center at 1-800-451-8228 or 208-334-3365 from the Treasure Valley.

***Returning teachers who participate in the Choice 401(k) Plan will be unable to withdraw Choice 401(k) Plan funds until all employment ends with PERSI employers and also not eligible to make paycheck contributions into the Choice 401(k) Plan.*

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HAVE YOU REGISTERED FOR *MY*PERSI YET?

To prevent identity theft, PERSI created a personal indentification number (PIN) program to work in conjunction with the *my*PERSI web portal. For your security and if you do not have a pin number, we are asking all members to please register. You must first request a PIN through PERSI, by clicking the *my*PERSI link on PERSI's homepage, you will be directed how to request your PIN. Members wanting assistance may call the PERSI Answer Center at 1-800-451-8228 or (208) 334-3365 in the Treasure Valley.

*my*PERSI Login

PERSI INVESTMENT NEWS
AS OF June 30, 2017

VALUE OF THE FUND
$16,383,599,400

FISCAL YEAR CHANGE IN MARKET VALUE
$1,536,745,679

FISCAL YEAR-TO-DATE RETURNS: 12.7%

MONTH-TO-DATE RETURNS: 0.5%

*Posted monthly at www.persi.idaho.gov
Fiscal Year July 1, 2016 - June 30, 2017

RETIREMENT BOARD OF DIRECTORS

Jeff Cilek, ***Trustee***
Joy Fisher, ***Trustee***
Celia R. Gould, ***Trustee***
J. Kirk Sullivan, ***Trustee***

Executive Director • Donald Drum
Deputy Director • Michael L. Hampton
Public Information Officer • Jenny Flint

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