**PERSI Base Plan Sample Footnote for Employers with a 9/30/2026 FYE using 6/30/2026 Measurement Date**

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Pensions*

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## NOTE X - PENSION PLAN

*Plan Description*

The {Employer} contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

*Pension Benefits*

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. 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

SAMPLE

service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan 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 PERSI Board has the authority to provide higher 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.

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI 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.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for public safety. As of June 30, 2026 it was 7.18% for general employees and 8.08% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.96% general employees and 13.98% for police and firefighters. The {Employer's} contributions were $xxx,xxx for the year ended {Date}.

*Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At {Year End}, the {Employer} reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2026, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The {Employer's} proportion of the net pension liability was based on the {Employer's} share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2026, the {Employer's} proportion was {X.XXXXXXX} percent.

For the year ended {Date}, the {Employer} recognized pension expense (revenue) of {$X,XXX}. At {Date}, the {Employer} reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
|---|---|---|
| | | |
| Differences between expected and actual experience | $X,XXX | $X,XXX |
| Changes in assumptions or other inputs | $X,XXX | $X,XXX |
| Net difference between projected and actual earnings on pension plan investments | $X,XXX | $X,XXX |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | $X,XXX | $X,XXX |

SAMPLE

| | | |
|---|---|---|
| {Employer} contributions subsequent to the measurement date | $X,XXX | $ |
| Total | $X,XXX | $X,XXX |

$X,XXX reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending {Employer year-end}.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2026 the beginning of the measurement period ended June 30, 2025 is 4.6 and 4.6 for the measurement period June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

**Year ended {Date}:**

| | |
|---|---|
| 2026 | $ X,XXX |
| 2027 | $ X,XXX |
| 2028 | $ X,XXX |
| 2029 | $ X,XXX |
| 2030 | $ X,XXX |

*Actuarial Assumptions*

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. 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 Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2026 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.40% |
| Salary increases | 3.15% |
| Salary inflation | 3.15% |
| Investment rate of return | 6.55%, net of investment expenses |
| Cost-of-living adjustments | 1% |

**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%. |

SAMPLE

| | |
|---|---|
| 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 assumptions was adopted July 1, 2021 |
| Disabled Members - Males | Pub-2010 Disabled Tables, increased 38%. |
| Disabled Members - Females | Pub-2010 Disabled Tables, increased 36%. |

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2026 is based on the results of an actuarial valuation date July 1, 2026.

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. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. 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 System'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. The capital market assumptions are as of 2026.

**2026**

| Asset Class | DB Plans | Sick Leave |
|---|---|---|
| Fixed Income | 30.0% | 50.0% |
| US/Global Equity | 55.0% | 39.3% |
| International Equity | 15.0% | 10.7% |
| Cash | 0.0% | 0.00% |
| Total | 100% | 100% |

AMPLE

*Discount Rate*

The discount rate used to measure the total pension liability was 6.55%. 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 pension plan administrative expense.

*Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.55 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55 percent) or 1-percentage-point higher (7.55 percent) than the current rate:

| | **1% Decrease (5.55%)** | **Current Discount Rate (6.55%)** | **1% Increase (7.55%)** |
|---|---|---|---|
| Employer's proportionate share of the net pension liability (asset) | $xxx,xxx | $xxx,xxx | $xxx,xxx |

*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

*Payables to the pension plan*

At {year end}, the {Employer} reported payables to the defined benefit pension plan of $X,XXX for legally required employer contributions and $X,XXX for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

SAMPLE

**Required Supplementary Information**

**Schedule of Employer's Share of Net Pension Liability**
**PERSI – Base Plan**
**Last 10 – Fiscal Years ***

| | 2015 | 2016 | 2025 | 2026 |
|---|---|---|---|---|
| Employer's portion of net the pension liability | X.XXX% | X.XXX% | X.XXX% | X.XXX% |
| Employer's proportionate share of the net pension liability | $X,XXX | $X,XXX | $X,XXX | $X,XXX |
| Employer's covered-employee payroll | $X,XXX | $X,XXX | $X,XXX | $X,XXX |
| Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll | XX.XX% | XX.XX% | XX.XX% | XX.XX% |
| Plan fiduciary net position as a percentage of the total pension liability | XX.XX% | XX.XX% | XXXX | XXXX |

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the {Employer} will present information for those years for which information is available.

Data reported is measured as of June 30, 2026

**Schedule of Employer Contributions**
**PERSI – Base Plan**
**Last 10 – Fiscal Years ***

| | 2015 | 2016 | 2025 | 2026 |
|---|---|---|---|---|
| Statutorily required contribution | $X,XXX | $X,XXX | $X,XXX | $X,XXX |
| Contributions in relation to the statutorily required contribution | ($X,XX) | ($X,XX) | ($X,XX) | ($,XXX) |
| Contribution (deficiency) excess | $X,XXX | $X,XXX | $X,XXX | $X,XXX |
| Employer's covered-employee payroll | $X,XXX | $X,XXX | $X,XXX | $X,XXX |
| Contributions as a percentage of covered-employee payroll | X.XX% | X.XX% | X.XX% | X.XX% |

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the {Employer} will present information for those years for which information is available.

Data is reported is measured as of {Employer's most recent fiscal year-end}.

**Notes to the Required Supplementary Information**
**For the Year Ended {Date}**

Changes of benefit terms: {Describe changes, if any. Otherwise delete}

Changes in composition of the population covered by the benefit terms: {Describe changes, if any. Otherwise delete}

Changes of assumptions: {Describe changes, if any. Otherwise delete}

SAMPLE