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REGULAR INTEREST RATE ANNOUNCED FOR 2021

Boise, Idaho – October 21, 2020

During the October, 2020 Retirement Board meeting, the regular interest rate members will earn on their personal Base Plan accounts from January 1, 2021 through December 31, 2021 was announced. It will be 2.39%.

Members are paid interest on their PERSI account balances at a rate determined annually by a formula established in PERSI rules. By rule, regular interest for each calendar year is the greater of 90% of the rate of return on the PERSI fund net of all expenses for the fiscal year ending immediately prior to the calendar year as reported in the actuary's annual valuation report, or 1%.

The amount of money and/or interest in a Base Plan account is only important in the event of a lump sum separation benefit or death benefit payment. The amount of money and/or interest in a Base Plan account is not a factor in the calculation of a retirement benefit. All credited interest will be paid to the member in the event of a separation withdrawal, or in the case of a member's death, a lump sum death payment is made to the beneficiary.

As a reminder, contributions paid by employees go directly into individual accounts held just for them. The money in the individual Base Plan accounts plus any interest earned will always belong to the members and will never be lost due to market conditions.

Every PERSI member has a personal Base Plan account. Employee contributions go into personal accounts, while employer contributions go into the Trust to fund future benefits for all members.