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PERS*pectives*

FOR RETIREES

Public Employee Retirement System of Idaho

Second Quarter 2022

TOPICS / Changes To Idaho Statute §59-1356 pg. 1 / Medicare & Your Options pg. 2 / Resources To Help You Avoid Scams pg. 2 / New Mailing Address? Let PERSI Know! pg. 2 / Factoring Healthcare Costs Into Your Retirement Budget pg. 3 / PERSI Is Hiring! We Have Opportunities For You pg. 4

CHANGES TO IDAHO STATUTE §56-1356 REEMPLOYMENT OF RETIRED MEMBERS

The 2022 legislative session was busy, and updates were made to several PERSI statutes. One section in particular, I.C. §59-1356, concerning the reemployment of retired members, was extensively modified and updated.

Section one (1) of I.C. §59-1356 clarifies reemployment of an early retired member. Before an early retiree can be rehired by an employer participating in PERSI, a ninety (90)-day break in service must occur with NO promise of reemployment.

Early retirement means retirement by a member prior to age sixty (60) for police officer members or age sixty-five (65) for general members.

The ninety (90)-day break in service begins from the date of termination. This applies to ALL employers participating in PERSI.

This also applies to ALL types of employment, including but not limited to, independent contractor, leased employee, or temporary services.

Changes in section four (4) of I.C. §59-1356 remove the requirement for school district employers to pay contributions for a return-to-work retired school employee.

Section five (5) of I.C. §59-1356 was added to provide retirees who were retired and receiving a retirement allowance prior to January 1, 2022, the option to return to work without affecting their retirement allowance.

The retiree had to be age fifty-five (55), OR age fifty (50) for a police officer or firefighter member, at time of retirement. Under this subsection, retirees will not accrue additional service, and no contributions will be paid by the employer or employee. **Please note, this subsection expires after June 30, 2026.**

The consequences of not meeting the conditions included in I.C. §59-1356 could result in a negated retirement and repayment of benefits paid to the member and contributions due for eligible service.

Read the entire statute concerning reemployment of retired members here: <https://legislature.idaho.gov/statutesrules/idstat/title59/t59ch13/sect59-1356/>.

If you have questions, please call the PERSI Answer Center 1-800-451-8228 or 208-334-3365.



MEDICARE & YOUR OPTIONS

Whether you are already retired or still working but nearing age 65, you may be confused about how Medicare works and the many other options you have for health insurance. Idaho's Senior Health Insurance Benefits Advisors (SHIBA) program can help.

SHIBA is a part of the Idaho Department of Insurance and has three main goals:

- Help people understand Medicare – how it works, the advantages and disadvantages of each option, and how to avoid costly mistakes like coverage gaps, penalties, and enrollment errors.
- Help Idahoans find the right plan for their health, prescriptions, and individual needs.
- Provide assistance with complaints, appeals, and grievances in the event of claim denials, billing disputes, or other issues.

SHIBA counselors can help you apply for assistance to pay for prescription drug costs, learn about Medicare options if you are under age 65, and provide the most current Medicare information. SHIBA has many counseling sites throughout Idaho, and multiple Certified Medicare Counselors are available to assist beneficiaries or their caregivers. Services are free and unbiased.

To learn more about SHIBA, register for a SHIBA Medicare 101 class, or schedule an appointment with a counselor, call 1-800-247-4422.

For more information about SHIBA, visit the website at <https://doi.idaho.gov/shiba/>.



RESOURCES TO HELP YOU AVOID SCAMS

Educate and protect yourself and your family against scams, product recalls, and safety alerts through trusted national and state websites.

The United States Consumer Product Safety Commission website has many resources to protect you and your family.

Sign up for topic-specific newsletters, latest recalls, join the Neighborhood Safety Network (NSN), and much more. You can even download an app! Go to <https://www.cpsc.gov/> to get started.

Here in Idaho, the State of Idaho's Attorney General website has a number of resources to learn about consumer alerts, fraud, or how to file a complaint. There is also an extensive library of manuals discussing topics such as Internet safety or landlord and tenant guidelines. Get started at www.ag.idaho.gov/.

NEW MAILING ADDRESS? LET PERSI KNOW!

You may update your mailing address in your myPERSI account under the "Personal Info" tab in the myPERSI portal. You may also update your mailing address by mailing or faxing a completed Member Mailing Address Change form to PERSI (available at www.persi.idaho.gov).

Updating your mailing address with PERSI only updates your mailing address with PERSI and your PERSI Choice 401(k) Plan account, if you have one. You will still need to update your mailing address with the United States Postal Service.

Once your address change is processed, all statements, correspondence, and documents will be mailed to the address on record.

If you have questions, contact the PERSI Answer Center at 1-800-451-8228 or 208-334-3365.



FACTORING HEALTHCARE COSTS INTO YOUR RETIREMENT BUDGET

Contributed by Empower Retirement, recordkeeper of the PERSI Choice 401(k) Plan

Creating a realistic budget for your post-work life is a critical part of a successful retirement strategy. According to one commonly used rule of thumb, we need to replace roughly 70% of our working income in retirement to maintain a similar lifestyle. That means a person making the median annual 2020 income of \$67,521 needs \$47,265 of income each year of their retirement.¹

Another factor to keep in mind as you plan your budget is future healthcare expenses. We all know healthcare needs tend to increase as we age. So, it's important to understand and budget for how much you may need to cover healthcare costs during your retirement.

No one can predict how much care they may need in the future. Everyone's healthcare needs are different — and healthcare costs are always changing. But to give you a rough idea, one analysis by the Employee Benefits Research Institute found that, in order to have a 50% chance of having enough to cover premiums and median prescription drug expenses in retirement, a 65-year-old man needs \$73,000 in savings and a 65-year-old woman needs \$95,000 in savings.²

Another study found that a 65-year-old couple that retired in 2021 can expect to spend \$300,000 on healthcare and medical expenses throughout retirement.³

When you think about your retirement budget, you probably focus on the fun things you want to do with your time. And you should. But it's also

important to keep in mind the other expenses you will have. Knowledge is power. Understanding healthcare costs may significantly impact your financial well-being in retirement but can empower you to make better-informed decisions about your future.

¹ Census.gov, "Income and Poverty in the United States: 2020," 2021, <https://www.census.gov/library/publications/2021/demo/p60-273.html>

² EBRI.org, "A Bit of Good News During the Pandemic: Savings Medicare Beneficiaries Need for Health Expenses Decrease in 2020," <https://www.ebri.org/content/a-bit-of-good-news-during-the-pandemic-savings-medicare-beneficiaries-need-for-health-expenses-decrease-in-2020>

³ Investopedia.com, "How to Plan for Medical Expenses in Retirement," 2021, <https://www.investopedia.com/retirement/how-plan-medical-expenses-retirement/>



PROTECT YOURSELF REGISTER & CLAIM YOUR *my*PERSI ACCOUNT

PERSI strongly urges all members to register and claim their *my*PERSI account.

By doing this, you can greatly reduce the risk to your account, and stop potential fraudsters in their tracks!

Keep your account, and your personal information out of the hands of bad actors.

Learn how to register and claim your account here: <https://www.persi.idaho.gov/docs/brochures/myPERSI-Registration.pdf>

If you have questions, call the PERSI Answer Center at 1-800-451-8228 or 208-334-3365 from the Treasure Valley area.





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RETIREES, RETURN-TO-WORK AT PERSI! WE HAVE OPPORTUNITIES FOR YOU!

Would you like to return-to-work and still receive your benefit? Updates made to Idaho Statute (discussed on page one) now allow PERSI retirees to return-to-work at a PERSI employer and continue to receive their retirement benefit.

At PERSI, our vision is to be a trusted expert in helping Idaho's public employees build and receive a secure and meaningful retirement.

Our strength is the service we provide our membership and the staff that provide that service.

We have a friendly and member-focused workplace atmosphere. Our staff are dedicated, talented, and caring, and committed to providing the best customer service possible.

If this sounds like a place you would like to work or you know someone that would be interested, email us at: frontdesk@persi.idaho.gov.

UPCOMING HOLIDAYS

PERSI will be closed in observance of the following holidays:

- Monday, September 5 – Labor Day

If you have questions, call the PERSI Answer Center at 1-800-451-8228 or 208-334-3365.

RETIREMENT BOARD OF DIRECTORS

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