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## 2022 4Q NEWSLETTER FOR ACTIVE MEMBERS



### FISCAL YEAR 2022 UPDATE

Fiscal year 2022 (ended on June 30, 2022) was very busy for PERSI. The system added a new employee class, introduced a new Chief Investment Officer, experienced market volatility, and the Board proposed future contribution rates.

**NEW CLASS – SCHOOL DISTRICT EMPLOYEES** During fiscal year 2022, a new class was added to the PERSI system – school district employees. Who is considered a school district employee? Any employee of any school district or charter school employed as instructional staff, pupil service staff, professionally endorsed staff, staff holding a certificate as determined under I.C. 33-1201, school bus drivers, and school resource officers, subject to the provisions of I.C. 59-1302(14).

**RETURN TO WORK FOR ALL RETIREES** PERSI members who retired prior to January 1, 2022, may return to work full time with a PERSI employer without impacting their benefit. A retiree returning to work will not accrue additional retirement benefits.

Please be aware that there is a sunset provision concerning a retired member as defined in I.C. 59-1302(27), including the subsection that shall no longer be effective after June 30, 2026. However, other provisions of this section shall remain effective and applicable to all employment.

**NEW CHIEF INVESTMENT OFFICER** The PERSI Retirement Board selected Richelle Sugiyama to serve as Chief Investment Officer (CIO), as of October 2022. Ms. Sugiyama will be responsible for directing all aspects of the retirement system's \$21-billion investment program. She replaces Robert Maynard, who had directed PERSI's investment portfolio since 1992 and retired in September 2022.

**MARKET VOLATILITY IMPACTING THE FUND** National and global volatility continues to impact the markets and economy. The fund experienced market volatility throughout the fiscal year, ending with a funding ratio of 82.6% and an amortization period over one hundred (100) years. The investment return for the fiscal year was a negative -9.66%, net of all expenses.

**CONTRIBUTION RATES – FAIRNESS ADJUSTMENT AND PROPOSED** The Board chose to adjust contribution rates for public safety and general members, and create a new contribution rate for the new school employee class. The new rates ensure fairness for all members and will be considerate of budget cycles. The new rates become effective July 1, 2023.

As mentioned earlier, the amortization period was over one hundred years. Due to the period exceeding twenty-five (25) years or more, per I.C. 59-1322(5), the Board proposed contribution rate increases. The increases will be phased in over a three (3) year period beginning FY2025 (July 1, 2024). The Board will review each year if the increases are still necessary.

Contribution rates and proposed contribution rates are posted on PERSI's website, [www.persi.idaho.gov](http://www.persi.idaho.gov).

**COST-OF-LIVING ADJUSTMENT** The legislatively mandated one percent (1%) cost-of-living adjustment (COLA) will go into effect on March 1, 2023. Retirees in the first year of retirement will receive a proration of the 1% COLA based on the number of months they have been retired.

The PERSI Retirement Board has completed a comprehensive outline concerning funding guidelines for the PERSI Plan. The Board's primary priority is to protect the fund, maintain long-term sustainability, and adhere to Idaho Statute. While the fund remains sustainable, the Board must consistently take steps to maintain long-term sustainability.

PERSI has received questions and concerns regarding the recent announcement of a legislatively mandated one percent (1%) COLA. Executive Director, Don Drum, has been working with PERSI's actuaries and will present their findings concerning the COLA in a webinar. He will also address the questions and concerns PERSI has received. The webinar will be posted to PERSI's website for viewing in early January.

To learn more about PERSI's Funding Guidelines, please click here: <https://www.persi.idaho.gov/docs/news/publications/2022-Funding-Guidelines.pdf>

**OVERALL** PERSI has very knowledgeable experts monitoring the fund. The Board is dedicated to protecting the fund and the benefit it provides members. While modest changes need to be made from time to time, we feel we are moving in the right direction for a sound future.

## REGULAR INTEREST RATE ANNOUNCED

The regular interest rate members will earn on their personal Base Plan accounts was announced. From January 1, 2023, through December 31, 2023, members will earn 1.00%.

Interest on member account balances are 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%.

Employee contributions go directly into individual accounts. The money and any interest earned belongs to the member and is not impacted by market conditions.

## PERSI'S NEW COMMUNICATIONS SERVICE

*by Larry Sweat, PERSI IT Manager*

PERSI has engaged a new service for enhancing communications with members and other interested parties. The service, called govDelivery™, gives anyone the ability to sign up for email communications from PERSI. A subscription page on the PERSI website lets people pick the message types they want (such as newsletters) and nix categories they don't. The aim is to deliver information that people want as soon as it is available and avoid bugging people with messages that are not useful.

We chose govDelivery™, because it specializes in helping government clients connect with citizens. It does not buy, sell or misuse captured email addresses or data and is a FedRAMP-certified, secure, cloud technology for government. It enables PERSI to easily dispatch quick bulletins to people who want to receive them and to do a better job of managing periodic communications like newsletters. More than 5,500 government entities use govDelivery™, including several other Idaho government agencies.

We encourage anyone who wants to be more connected with PERSI to sign up for the bulletins or newsletters that interest them. Go to the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov) and look for the "Sign Up Here" link. Click the link and follow the instructions.

PERSI is serious about protecting members' confidential information. While electronic communication is fast and efficient, we must be careful with sensitive

information. We won't send sensitive information through a non-secure channel such as regular email. We have a secure email option for that.

We encourage you to take steps to strengthen the security of your PERSI information. The best thing you can do, if you haven't already, is register for a myPERSI account. It does these important things:

- Prevents a bad actor from using your social security number (SSN) to compromise your account. If your SSN and other personal information is exposed in a data breach, such as the Equifax breach, and you haven't created your myPERSI account, a bad actor can use your credentials to register for your myPERSI account and access your and your beneficiaries' information.
- Provides a secure channel for you to upload sensitive documents such as a Beneficiary form. It's easy to log into myPERSI, click 'Upload' and attach your documents. There's no reason to put your and your beneficiaries' information at risk by sending it through a non-secure channel.
- Gives you access to your balances, annual statements, and other account information anytime and anywhere you have internet access.
- Lets you easily update your email address, beneficiaries, and other information, create benefit estimates for various retirement options or dates, and make use of other online services offered.

We hope you will try the govDelivery™ subscription service and make use of the myPERSI online portal. These applications provide easy and secure access to the information and tools you need to get the most good from your PERSI benefits.

[SIGN UP HERE](#)

## JOIN US FOR A PERSI WORKSHOP

PERSI trainers have made preparing for retirement even easier with virtual and in-person workshops. Members can register for live online or in-person workshops to learn how to reach their retirement goals.

Whether it is a virtual or in-person workshop, members will have the opportunity to ask questions during the workshop. There will also be additional time to ask further questions at the end of each workshop.

Our trainers have custom-designed workshops for members in different stages of their careers to learn how to better prepare for retirement and about their PERSI retirement benefits.

The following workshop descriptions will help you decide which workshop is right for you:

**READY** workshops are for anyone just starting a career with a PERSI employer. They provide a general overview of what PERSI is and the benefits it provides for PERSI members.

**SET** workshops are for those in mid-career with a PERSI employer. SET workshops focus on how vesting changes PERSI benefits and things to consider in planning for retirement.

**GO!** workshops are designed for late-career PERSI members who may be approaching or contemplating retirement.

**NOTE:** To protect personal information, members can obtain benefit estimates through the myPERSI portal or by calling the PERSI Answer Center at 1-800-451-8228 or 208-334-3365.

To register for a workshop, go to the PERSI workshop registration page and click "Contact Us" to schedule a workshop. If you have a question, please call the PERSI Answer Center at 1-800-451-8228 or at 208-334-3365.

[LEARN MORE HERE](#)



## NEW MAILING ADDRESS?

You will need to work with your employer to ensure that your new address is submitted to PERSI.

Employers can only update an address on their payroll transmittals, so it may take up to a month for the address to be reflected in PERSI's records.

Address changes affect your Base Plan and Choice 401(k) Plan accounts simultaneously. Once the address change is processed, all



## UPCOMING HOLIDAYS

PERSI will be closed in observance of the following holidays:

- Monday, January 16 – MLK Day
- Monday, February 20 – Presidents' Day

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

statements and correspondence will be mailed to the address of record.

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



## **DO YOU NEED HELP WITH YOUR CHOICE 401(k) PLAN STATEMENT?**

In each statement, Empower explains the many different areas of your statement like your balance, a snapshot of your investment portfolio, and account activity.

They also provide information on the performance of your investments and overall rate of return. Click below for more information.

**[LEARN MORE HERE](#)**