



## 2023 4Q NEWSLETTER FOR ACTIVE MEMBERS



## ARE YOU READY FOR JULY 1, 2024?

This coming July (July 1, 2024) contribution rates for all three classes will change. Per Idaho Statute 59-1322(5), the PERSI Board must adjust contribution rates when the fund's amortization period exceeds 25 years. In October 2022, the Board proposed a series of contribution rate increases to comply with the statute, the first of which is scheduled to become effective July 1, 2024.

Future contribution rate adjustments are reviewed by the Board annually to determine whether they will be implemented, delayed, or eliminated. At the September 2023 Board meeting, the Board reviewed the draft for the FY 2023 Actuarial Valuation and determined that the first in the series of contribution rate increases was appropriate based upon the actuarial valuation and volatility in the market.

The Board has approved the following contribution rate adjustments to be effective July 1, 2024.

	GENERAL		SCHOOL DISTRICT		PUBLIC SAFETY	
	Employer	Employee	Employer	Employee	Employer	Employee
July 1, 2023	11.18%	6.71%	12.69%	7.62%	13.26%	9.83%
Contribution Rate Adjustment	0.78%	0.47%	0.79%	0.46%	0.72%	0.53%
Benefit Enhancement	0.00%	0.00%	0.00%	0.00%	0.67%	0.47%
July 1, 2024	<b>11.96%</b>	<b>7.18%</b>	<b>13.48%</b>	<b>8.08%</b>	<b>14.65%</b>	<b>10.83%</b>

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

## RETIREMENT BOARD ANNOUNCES EXECUTIVE DIRECTOR'S RETIREMENT FROM PERSI

The Public Employee Retirement System of Idaho's Retirement Board is saddened to announce that, after serving as PERSI's Executive Director for the last sixteen (16) years, Director Don Drum will retire in January of 2024. While PERSI is very happy for Director Drum on a well-earned retirement, he will be missed very much.

Director Drum joined PERSI in 2006 as PERSI's Deputy Director and became Executive Director in 2008. His expertise in working with the Idaho Legislature, knowledge of the pension industry, and his accounting and business background made him a standout as the right candidate for Executive Director.

During his time at PERSI as Executive Director, he has met with countless employers, members, and legislators during his well-known state tours. In addition, he has built numerous friendships around the state and nationally while representing PERSI.

He has served on numerous boards and committees focused on public pension systems and public workers' retirement benefits including the National Association of State Retirement Administrators as President.

"Don Drum has done a tremendous job during his tenure as Executive Director of PERSI. Don led PERSI through an expansion of the Choice 401(k) Plan, an extensive board governance process, and the development of a contemporary computerized pension administration system, Arrivos.

The number of retirees grew from 30,912 to 54,680 and the number of employers grew from 706 to 870. He was instrumental in protecting the retirees' purchasing power with growth of the monthly retirement check increasing 6.1% during his tenure.

The board congratulates Don on a well-deserved retirement and thanks him for his work making PERSI one of the premier public retirement systems in the nation." said Jeff Cilek, Chairman of the PERSI Retirement Board.

The PERSI Retirement Board will begin the process of selecting a replacement at the appropriate time.

## FISCAL YEAR 2023 UPDATE AND STATUS

This past summer and fall, Director Drum met with over 300 PERSI employers. During those meetings, he discussed several PERSI matters including contribution rates, fiscal year-end numbers, and the fund's health and sustainability.

[READ MORE HERE](#)



### HAVE YOU HEARD ABOUT THE STATE OF IDAHO'S PROPERTY TAX DEFERRAL PROGRAM?

The State of Idaho has a property tax deferral program offering eligible individuals a way to defer property taxes on their home and up to one acre of land. If you're an Idaho resident and homeowner, you may qualify. Please keep in mind, you must pay the taxes and interest later.

This program was created and funded by the Legislature and is administered by the Idaho State Tax Commission.

To learn more about the State of Idaho's deferral program and other tax relief options, go to

<https://tax.idaho.gov/taxes/property/homeowner/deferral/>

or contact your county assessor's office or call the Idaho State Tax Commission at (208)334-7736 if you need help.



### UPCOMING HOLIDAYS

PERSI will be closed in observance of the following holidays:

- Monday, January 15 – MLK Day
- Monday, February 19 – Presidents' Day

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

## REGULAR INTEREST RATE ANNOUNCED

At the November (2023) Retirement Board meeting, the regular interest rate members will earn on their personal Base Plan accounts was announced. From January 1, 2024, through December 31, 2024, members will earn 8.2%.

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.



## ANY TIME'S THE RIGHT TIME TO FOCUS ON YOUR FUTURE RETIREMENT

*Saving for retirement.* You set aside money from each paycheck to build up the nest egg you'll need for the life you want. Sounds simple enough. But the fact is that your approach to saving for retirement will evolve as your career evolves...

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*Presented by EMPOWER, recordkeeper of the PERSI Choice 401(k) Plan.*