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PERSpectives FOR RETIREES

Public Employee Retirement System of Idaho

Fourth Quarter 2023

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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 pub-

lic 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



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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

DURING THE PAST FISCAL YEAR

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.

FUND STATUS

PERSI’s fiscal year (2023) ended with a funded ratio of 83.7%, and an amortization of 13.5 years. This year’s amortization was below the twenty-five (25) years required by law, per Idaho Statute 59-1322.

Since the Great Recession, the fund has maintained a funding ratio of 80% or higher and remains one of the nation’s top state pension systems. PERSI’s sustainability is the Board’s priority. Modest adjustments as needed ensure the benefit will be here for you, other PERSI members, and Idaho’s future public workers.

CONTRIBUTION RATES

During fiscal year 2023 (July 1, 2022, to June 30, 2023) contribution rates remained the same for general, public safety, and the school employee member classes.

At the beginning of FY2024 (July 1, 2023) there was a rate adjustment for all three classes — general, public safety, and school district employees.

Beginning in FY2025 (July 1, 2024) there will be slight rate increases for public safety and school employee members. The rate for general members will return to rates close to those of FY2022.

Contribution rates and proposed contribution rates are posted on PERSI’s website, www.persi.idaho.gov.

GLOBAL AND NATIONAL EVENTS AFFECTING THE FUND

Global and national events continue to impact the markets and economy. However, the fund fared better than in the previous fiscal year. The fund ended fiscal year 2023 with a funding ratio of 83.7%, and an amortization of 13.5 years.

Had the amortization been more than twenty-five (25) years, by law (Idaho Statute 59-1322) the Board would be required to propose additional contribution rate increases.

COST-OF-LIVING ADJUSTMENT

At the December Retirement Board meeting, the Board discussed the cost-of-living adjustment (COLA) for retirees. Trustees recognize inflation is a factor for retirees.

They also recognize that protecting full monthly benefits for all members and the fund is a prime concern. Director Drum also pointed out that the Board caught retirees up on previous cost-of-living adjustments in 2019.

Unlike the Social Security Administration, the PERSI Retirement Board must adhere to the statutes put in place by the Plan Sponsor, the Idaho Legislature. PERSI has no connection with the Social Security Administration.

Per Idaho Statute 59-1355, the legislatively mandated one percent (1%) cost-of-living adjustment will go into effect on March 1, 2024. Retirees in the first year of retirement will receive a proration

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of the 1% COLA based on the number of months they have been retired.

OVERALL AND LASTLY

PERSI has very experienced experts monitoring the fund. The Board is committed to protecting the fund and the benefit it provides to members. While modest changes may need to be made from time to time, we are moving in the right direction for a secure future.

As a final note, Director Drum shared with employers that he is retiring in January (2024). It has been his pleasure working for the State of Idaho for the last thirty (30+) plus years and he is grateful for the friendships he has made along the way.

The PERSI Retirement Board will announce when they have selected a replacement at the appropriate time.

GET PERSI NEWS QUICKER! SUBSCRIBE TO OUR COMMUNICATIONS SERVICE!

PERSI is using an enhanced communications service for 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 and alerts 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 hope you will try the govDelivery™ subscription service and make use of the myPERSI online portal.

We encourage members to go to PERSI's website at www.persi.idaho.gov and sign up to receive PERSI communications through the govDelivery™ subscription service.

NEW WEBINAR AVAILABLE ON PERSI'S WEBSITE

Director Drum recently completed a webinar recapping the past year. In his webinar, he covers:

- Contribution rates
- Factors impacting the fund
- The Board's approach to the fund
- Market volatility and the valuation
- Stability and sustainability
- Cost-of-living adjustment

In addition to the mentioned topics, he also discusses securing the future of the fund for current members and Idaho's future public workers.

You can view the Director's webinar on PERSI's website, here: <https://www.persi.idaho.gov/news/>.





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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/homeowners/deferred/> 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 1 – New Year's Day
- 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.

RETIREMENT BOARD OF DIRECTORS

Jeff Cilek, **Chairman**
Joy Fisher, **Vice Chair**
Park Price, **Trustee**
Darin DeAngeli, **Trustee**
Lori Wolff, **Trustee**

Executive Director • Donald Drum
Deputy Director • Michael L. Hampton
Public Information Officer • Jenny Flint

www.persi.idaho.gov

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