



FISCAL YEAR 2025 REVIEW

MARKET AND FUND

At the end of fiscal year 2025, the PERSI trust fund was 90.6% funded and saw an investment return of 10.76% net of all expenses compared to last year's 8.79% return.

MEMBERSHIP

During the fiscal year, the number of active PERSI members slightly increased from 78,354 to 78,746. PERSI's retired members or annuitants receiving a monthly benefit continued to rapidly grow from 56,084 to 57,473. Over \$1.3 billion in benefits were paid to PERSI retirees.

Inactive members, both vested and non-vested, grew from 55,054 to 58,055. The total membership of PERSI increased from 189,492 to

194,274 members. PERSI had 865 employers throughout the state during the year.

POSTRETIREMENT ALLOWANCE

ADJUSTMENT (PAA) – IDAHO STATUTE §56-1355

Pursuant to Idaho Statute §59-1355, an annual postretirement allowance adjustment (PAA) based on and limited by the August-to-August Consumer Price Index-Urban (CPI-U) was considered by the PERSI Board at the December meeting.

If the CPI-U change is 1% or more, a statutorily required 1% automatic PAA is granted in March of the subsequent year. The CPI-U for August 2025 was 2.9%, therefore the 1% will become effective March 1, 2026.

Additionally, the Board voted to recommend a 1.7% retroactive PAA stemming from 2022 adjustment year, subject to legislative approval. If approved, this retroactive PAA will become effective March 1, 2026, for eligible retirees. Retirees that are eligible for this retroactive PAA are those whose date of last contribution was prior to March 1, 2022.

The Legislature has forty-five (45) days from the beginning of the session to either approve, adjust, or deny the Board's retro- PAA recommendation.

LOOKING AHEAD

PERSI is preparing for a busy legislative session. We will provide updates if there is any potential legislation that may impact PERSI.



END OF RETURN-TO-WORK PROVISION UNDER IDAHO STATUTE 59-1356(5)

In 2022, House Bill 555 allowed certain PERSI retirees to return to full-time employment without affecting their retirement benefit under Idaho Code 59-1356(5).

The PERSI retirees covered under this legislation were those general population retirees that retired prior to January 1, 2022, and returned to work once House Bill 555 went into effect on April 1, 2022.

Idaho Code 59-1356(5) is scheduled to sunset on June 30, 2026, meaning it will no longer be in effect after that date.

Because of the sunset, any retiree currently working full-time under this statute must be terminated on their employer's

transmittal no later than June 30, 2026.

After termination, reemployment rules depend on the retiree's age:

- **Retirees who are not at service retirement age** (age 65 for general members) must take a 30-day break in service before returning to work.
- **Retirees who are at service retirement age** must take a **24-hour break in service** before returning to work.

After the required break, retirees may return to work under the standard post-retirement rule. This means they must either:

- Work **fewer than 20 hours per week**, or
- If working full-time, work **fewer than five months**.

PERSI encourages affected retirees to plan ahead and coordinate with their employers to ensure a smooth transition when the sunset takes effect.

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



PREPARING FOR 2026: UPDATED PERSI CHOICE 401(K) PLAN CONTRIBUTION LIMITS

As we get ready for the upcoming new year, we want to share a quick update on the 2026 401(k) contribution limits. These annual limits, set by the IRS, determine how much you can save in your 401(k) plan through pre-tax or Roth contributions.

2026 Contribution Limits at a Glance:

- The standard employee paycheck contribution limit (pre-tax and/or Roth) for 2026 is \$24,500, up from \$23,500 in 2025.
- For employees aged 50 and older, the “catch-up” contribution limit increases to \$8,000, totaling \$32,500 in paycheck contributions in 2026. That is up from \$31,000 in 2025.

- If your payroll system allows for the “enhanced” contribution limit, employees aged 60-63 may contribute up to \$11,250 as their catch-up amount for a total of \$35,750.
- The IRS ceiling for combined contributions (employee + any employer contributions) in 2026 is the lesser of the employee’s annual salary or \$72,000. This limit in 2025 was \$70,000.
- [Click Here](#) to see IRS 2026 contribution limits increase.

Empower, the Choice Plan recordkeeper, will be conducting two webinars for new hires in the month of January. Please share these webinar dates and details with your new hires.

NEW HIRE ENROLLMENT: Saving through your PERSI Choice 401(k) Plan is one of the simplest ways to pursue the future you imagine. Sign up for this webinar and learn more about the benefits of enrolling.

UPCOMING EMPOWER WEBINARS FOR NEW HIRES:

- Wednesday, January 14, 2026 @ 12:30 pm Register [Here](#)
- Wednesday, January 14, 2026 @ 4:30 pm Register [Here](#)