P. O. Box 83720, Boise, ID 83720-0078
208-334-3365 1-800-451-8228 FAX: 208-334-3805

PERSI ANNOUNCES SOLID INVESTMENT PERFORMANCE, RESULTING IN COST OF LIVING ADJUSTMENT(S) FOR RETIREES, & CONTRIBUTION RATE RELIEF FOR PUBLIC EMPLOYERS AND EMPLOYEES

Boise, Idaho – September 22, 2014

BOISE, Idaho — BOISE, Idaho — The Public Employee Retirement System of Idaho (PERSI) ended fiscal year 2014 (July 1, 2013 - June 30, 2014) in great shape with a 17.2% investment return -- among the top ten single-year performances in PERSI history. Year-end assets reached an all-time high of nearly $15 billion, with a funded status of 93.9%. On the heels of a very successful year, the PERSI Retirement Board made these important decisions:

4% COST OF LIVING ADJUSTMENT (COLA)

The Board voted to award up to a 4% COLA for PERSI retirees. Not since 2007 have PERSI retirees seen more than a 1% increase. By law, the COLA decision is subject to approval by the Idaho Legislature. Following legislative review, the COLA will take effect March 1, 2015. Not all retirees will receive the full 4%. Each individual retiree's COLA will be calculated based on his/her date of last contribution.

CONTRIBUTION RATE INCREASES CANCELED

The Board elected to eliminate two future planned contribution rate increases for active employees and employers. That leaves existing contribution rates where they are (11.32% for employers and 6.79% for employees) for the foreseeable future. These rates are a lower percentage of pay than they were fifteen years ago.

According to PERSI's actuaries, eliminating the future rate increases and awarding the 4% COLA would reduce PERSI's funded status from 93.8% to 92.3%, with an amortization period of 12.8 years to pay down remaining unfunded liability – well within statutory the limit of 25 years. According to the Pew Center for the States, public pension systems funded at 80% or better are considered healthy.

PERSI was created in 1963 by the Idaho Legislature for the purpose of providing secure, long-term pension benefits for public employees. The system is funded through investment income, and employer and employee contributions. Today, PERSI administers a $14.8 billion plan for approximately 135,000 PERSI members, retirees and beneficiaries and 764 employers. In fiscal year 2014, PERSI paid more than $700 million in benefits; approximately 90% of that ($630 million) went to retirees living in Idaho, which supported the state's economy.

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