

**Part 1 – Agency Profile**

**Agency Overview**

The Public Employee Retirement System of Idaho (PERSI) was created in 1963, and was funded by the Idaho Legislature in 1965. Since that time, PERSI has offered a defined benefit plan to provide a secure, long-term retirement benefit for career public service employees. The agency is directed by a five-member Retirement Board, each appointed by the Governor for 5-year terms. The Board has the duty to manage the system and maintains fiduciary responsibility for investment policy, asset allocation, the selection of individual investment managers, post-retirement increases (cost of living adjustments), and setting the contribution rates.

PERSI administers four pension funds: two defined benefit retirement plans - the PERSI Base Plan and the Firefighters’ Retirement Fund (FRF), and two defined contribution plans - the PERSI Choice Plans 401(k) and 414(k). PERSI also administers the Sick Leave Insurance Reserve Trust Fund. The Choice Plan 401(k) is somewhat unique to the public sector. PERSI obtained permission from the Internal Revenue Service to expand a grandfathered State 401(k) to all members statewide.

In recent years PERSI has worked to upgrade its technological infrastructure by re-writing the major benefit administration application (Galena), completing a comprehensive business process re-engineering project resulting in major reorganization and implementing new technology in digital imaging of all member records and automated workflow.

PERSI employs 63 staff, working in three locations: Boise, Pocatello, and Coeur d’Alene. It is headquartered at 607 North 8<sup>th</sup> Street, Boise, Idaho, 83702. (208) 334-3365.

PERSI Mission Statement:

To provide members and their beneficiaries with reliable, secure, long-term retirement, survivor and disability benefits as specified by law. To assist our members in planning a secure retirement by providing high quality, friendly service, and retirement education and information.

**Core Functions/Idaho Code**

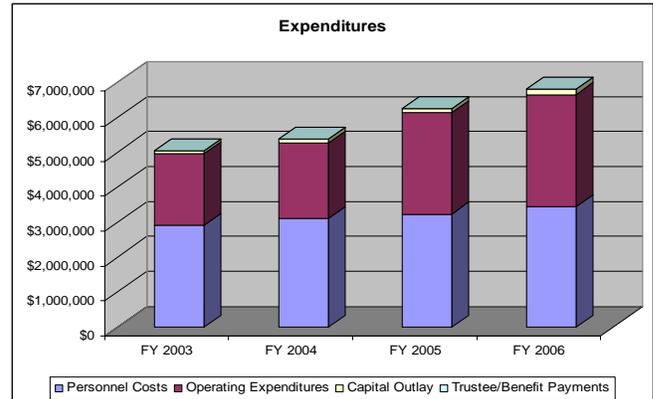
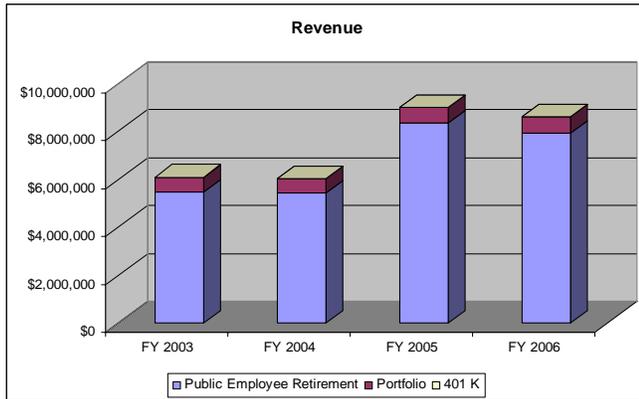
PERSI manages and administers retirement and disability benefits (including a 401(k) defined contribution plan) for public employees in the State of Idaho. Title 59, Chapter 13, Idaho Code.

PERSI manages and administers retirement and disability benefits for the Firefighters’ Retirement Fund in the State of Idaho. Title 72, Chapter 14, Idaho Code. PERSI manages and administers the unused sick leave for public employees in the State of Idaho. Sections 33-1228, 33-2109A and 67-5339 Idaho Code.

**Revenue and Expenditures:**

<b>Revenue</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Public Employee Retirement	\$5,461,600	\$5,417,000	\$8,362,100	\$7,938,300*
Portfolio	\$628,900	\$636,400	\$649,700	\$672,800
401 K	\$7,700	\$0	\$0	\$0
<b>Total</b>	<b>\$6,098,200</b>	<b>\$6,053,400</b>	<b>\$9,011,800</b>	<b>\$8,611,100</b>
<b>Expenditure</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Personnel Costs	\$2,916,500	\$3,113,200	\$3,231,000	\$3,436,100
Operating Expenditures	\$2,038,600	\$2,162,100	\$2,898,400	\$3,221,300
Capital Outlay	\$92,000	\$111,800	\$130,500	\$159,100
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$5,047,100</b>	<b>\$5,387,100</b>	<b>\$6,259,900</b>	<b>\$6,816,500</b>
Expenditures as % of Assets	<b>0.471%</b>	<b>0.439%</b>	<b>0.451%</b>	<b>0.494%</b>

\* includes \$2.2 million carry-forward from 2005



**Profile of Cases Managed and/or Key Services Provided**

Cases Managed and/or Key Services Provided	FY 2003	FY 2004	FY 2005	FY 2006
<b>PERSI Statistics</b>				
Number of Active Members	62,385	63,385	64,391	67,389
Number of Retirees	24,995	26,043	27,246	28,181
Choice Plan Employee Contributors	5,414	6,771	8,218	9,202
Employer Units	668	675	684	692
Base Plan Benefits Paid*	\$314.1	\$343.9	\$372.5	\$415.3
Base Plan Assets*	\$6,498.7	\$7,648.5	\$8,453.8	\$9,591.3
Net Return on Investments	3.7%	18.11%	10.7%	12.2%

\* Millions

Cases Managed and/or Key Services Provided	FY 2003	FY 2004	FY 2005	FY 2006
<b>PERSI Services</b>				
Retirement Estimates Calculated	n/a	6,015	6,480	6,068
Separation Benefits Paid (Cashed Out)	n/a	6,087	4,828	5,709
Members Receiving Retirement Education*	5,368	4,739	4,120	4,234
Retirement Applications Processed	1,845	1,891	1,989	2,217
Disability Applications Processed	169	200	214	231
Employer Payroll Reports Processed	n/a	11,850	13,380	13,894

\*Calendar year

**Performance Highlights**

**Reorganization:** In 2004, PERSI initiated a major multi-year Business Process Reengineering (BPR) project to improve and enhance the agency's customer service delivery system to meet the growing demand for services from an aging membership. By restructuring the organization, the agency is better positioned to meet the growing needs of the members and employers well into the future. Three primary operating areas have been established: the PERSI Answer Center, PERSI Processing Center, and the Employer Service Center. Administration, Fiscal, Portfolio, and Communications round out the PERSI operations. This reorganization has been critical in applying the BPR techniques in streamlining our delivery of service to our customers. A high level of staff training will continue over the next year to complete the transition from specialist to generalist.

**Digital Imaging and Workflow:** Part of the BPR project was to convert all member files composed of almost 2 million microfilm documents to a digital platform. This increases the accessibility of the records and decreases the disaster recovery risk by allowing more immediate and reliable backup of records. Workflow is the automation of work processes within all levels of PERSI. Rather than moving paper and files through processing steps the workflow system moves digital images through a specific set of automated steps. This eliminates lost files,

missed steps, enhances the consistency of processing and permits managers to monitor the processing of the various documents within PERSI.

Customer Service: PERSI is committed to a high level of customer service. To measure that level of service we must continue to upgrade our surveying tools. In this next year we will be reviewing our survey process and topics to ensure we are surveying the correct service delivery and asking the right questions.

Funding Status: PERSI's objective is to accumulate sufficient assets to ensure there will be funds available to meet current and future benefit obligations to members on a timely basis. As of June 30, 2005, the PERSI Base Plan has succeeded in funding 93.2 percent of the Actuarial Accrued Liability. The remaining unfunded amount is being systematically funded over 7.3 years as part of the contribution required by the Retirement Board. The 2006 funded status has not been determined by the PERSI actuary at this time.

**Part II – Performance Measures**

Performance Measure	2003	2004	2005	2006	Benchmark
1. Overall Satisfactory Level of Members	62%	87%	92%	92%	90%+
2. Overall Satisfaction Level of Employers	N/A	94%	94%	92%	90%+
3. Number of Employee Education Sessions Per Year	220	207	280	160	N/A
4. Average Wait Time For Calls (sec)	20*	90*	13	18	12
5. Percentage of Retirees Who Receive their first annuity payment on their first eligibility date	93%	94%	95%	95%	95%
6. Percentage of calls that reach a knowledgeable staff member	N/A	N/A	N/A	N/A	90%
7. Number of business days to produce an written estimate of benefits after request	10*	10*	7*	7*	5
8. Number of days to produce a separation benefit after receipt of documentation	9*	9*	7*	7*	7*
9. Average Number of days after receipt to process Employer Transmittals.	N/A	N/A	1.6	2.4	3
10. Total Expenses as % of Assets	<b>0.471%</b>	<b>0.439%</b>	<b>0.451%</b>	<b>0.494%</b>	0.50%

**Performance Measure Explanatory Note:**

- The 2006 number of sessions is low because we experienced turnover in our two trainer position. The member education program is going through an extensive review and will most likely not be in the same configuration in the future. Therefore we cannot set a benchmark for the future until we have the new program developed.
- In 2005 new call reporting software was installed which increased our accuracy of reporting. In 2006 we reorganized to a generalist concept which slowed our call response somewhat. We are implementing a new phone system with more robust reporting and call distribution which will help attain our goal. The goal is

established as the average wait time of our peer public retirement systems. We have a ways to go before we can get our 1 year old call center up to full operation.

6. Our goal is to have a 90% probability that all phone calls from members will be answered by a knowledgeable person without transfer or call back. The first person who answers the phone will be able to answer all the member's questions. We are installing a new phone system that will permit us to track this goal but as yet we do not have any history on it.
7. We are also installing an automated workflow system that, among other things, will permit us to track these specific times regarding this metric. This will be ready by the first of the calendar year.
8. Workflow will also be used to measure this goal and may permit us to "fine tune" the metric to measure the time from receipt to authorization of the payment which is a more precise metric.
9. Workflow will also enable more precise measurement of this category. Rather than measuring in days as is permitted by the current process, we will be able to measure the processing time in hours.
10. This measure of total expenses includes all expenses, both appropriated and non-appropriated, from the PERSI trust. The actuary assumes 50 basis points (a basis point = 0.01%) for expenses and this has become the total budget target for the PERSI Board.

**For More Information Contact**

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**PERSI**  
Public Employee Retirement System of Idaho  
HELPING YOU BUILD A SECURE RETIREMENT

## **DIRECTOR ATTESTATION FOR AGENCY PROFILE**

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**Retirement Board**

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**Executive Director**

Alan H. Winkle

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**CHOICE PLAN**

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[www.persi.state.id.us](http://www.persi.state.id.us)

In accordance with Idaho Code §67-1904, I certify the data provided in the Agency Profile has been internally assessed for accuracy, and, to the best of my knowledge is deemed to be accurate except for those items marked as estimates.

Department: PERSI

  
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Executive Director

September 6, 2006