

Part I – 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 three defined benefit retirement plans - the PERSI Base Plan, the Firefighters' Retirement Fund (FRF), and the Judges' Retirement Fund (JRF), and a defined contribution plan - the PERSI Choice 401(k) Plan which has a 414(k) component (for gain-sharing contributions from the PERSI Base Plan). 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. PERSI also administers the Sick Leave Insurance Reserve Trust Fund.

PERSI employs 65 staff, working in three locations: Boise, Pocatello, and Coeur d'Alene. It is headquartered at 607 North 8th Street, Boise, Idaho, 83702. (208) 334-3365.

PERSI Fiduciary Duty of Loyalty:

The primary duty of the Retirement Board and PERSI staff, as fiduciaries, is that of loyalty, or acting with an "eye single" to the interests of the beneficiaries. PERSI is required by law to make all its decisions solely in the interest of the beneficiaries and to avoid, at all costs, serving the interests of any other party not a beneficiary of the system.

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 Judges' Retirement System in the State of Idaho. Title 1, Chapter 20, 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

Revenue	FY 2014	FY 2015	FY 2016	FY 2017
Retirement Administration	\$5,980,400	\$6,218,000	6,462,200	6,856,700
Portfolio Investment	\$880,600	\$901,100	922,300	969,100
Total	\$6,861,000	\$7,119,100	\$7,384,500	\$7,825,800
Expenditures	FY 2014	FY 2015	FY 2016	FY 2017
Personnel Costs	\$4,051,671	\$3,852,583	4,064,865	4,545,000
Operating Expenditures**	\$2,284,563	\$2,212,698	2,565,770	2,549,300
Capital Outlay	\$90,964	\$222,020	269,155	231,200
Total	\$6,427,198	\$6,287,301	\$6,899,790	\$7,325,500

**The FY 2017 IT project expenditures of \$1,848,571 are not included above. Other 2016 encumbered expenditures paid during FY2017 of \$161,168 are not included above.

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2014	FY 2015	FY 2016	FY 2017
PERSI Statistics				
Number of Active Members	66,452	67,183	68,654	70,215
Number of Retirees	41,178	43,053	44,637	46,692
Choice Plan Employee Contributors	11,427	12,427	13,178	13,336
Employer Units	764	766	776	784
DB Plan Benefits Paid (millions)	\$703.2	\$796.6	\$850.5	\$884.6
DB Plan Assets (millions)	\$14,217.1	\$14,420.6	\$14,341.7	\$15,838.6
Return on Investments	17.2%	3.0%	1.85%	12.70%
PERSI Services				
Retirement Estimates Calculated	18,148	20,356	19,819	10,473
Separation Benefits Paid (Cashed Out)	3,834	3,109	3,280	2,294
Members Receiving Retirement Education	3,087	7,598	6,617	6,966
Retirement Applications Processed	2,886	2,972	2,773	2,189
Disability Applications Processed	170	166	163	112
Employer Payroll Reports Processed	16,097	16,802	17,006	20,116

FY 2017 Performance Highlights**National Recognition**

PERSI was selected as one of five public pension systems to be featured in the national publication, *The Public Pension Reporting and Disclosure: The Current State of Practice and Examples of What Works Well*, published by the Center for State & Local Government Excellence and NASRA. Authors selected PERSI from more than 100 peer systems throughout the country because of its favorable financial condition and organizational culture. It highlights PERSI's high standards for financial transparency, member communication, and recognizes the professionalism of the Retirement Board of Directors and PERSI staff.

Part II – Performance Measures

Performance Measure		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Customer Service						
1. Average wait time for calls (sec)	actual	31	30	50	33	-----
	target	25	25	25	25	33
2. Percentage of calls handled without transfer	actual	82.5%	81.8%	84.0%	87.7%	-----
	target	80%	80%	80%	80%	87.7%
3. Percentage of retirees who receive their first annuity payment on their first eligibility date	actual	90%	92%	94%	94%	-----
	target	95%	95%	95%	95%	94%
4. Number of business days to produce a written estimate of benefits after request	actual	5	5	5	12.75	-----
	target	5	5	5	5	12
5. Number of days to produce a separation benefit after receipt of documentation	actual	7	7	7	11.56	-----
	target	7	7	7	7	10
6. Average Number of days after receipt to process Employer Transmittals	actual	3.2	3.5	3.0	2.12	-----
	target	3	3	3	3	2.12
7. Total Service Score	actual	83%	79%	79%	79%	-----
	target	79%	79%	79%	79%	79%

Performance Measure		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Education						
8. Number of employee education sessions per year	actual	102	338	270	443	-----
	target	N/A	N/A	N/A	N/A	450
Trust						
9. Total expenses as % of assets	actual	0.392%	0.376%	0.357%	.351%	-----
	target	.50%	.50%	.50%	.50%	.354

Performance Measure Explanatory Notes

Performance Measure 1: Total Service Score is a weighted average of service scores on activities including member transactions, member communication, and quality indicators as defined by a third party CEM Benchmarking Inc. The benchmark is the peer median of 12 comparable US pension systems.

Performance Measure 4 and 5: For performance measures 4 and 5, the conversion to IRIS has allowed us to get a more accurate representation of the processing time for different workflows. These processes now also include time that the member accounts were being audited, whereas in years past, those were done in separate process.

Performance Measure 8: PERSI trainers present several different training workshops for members in different stages of their careers. PERSI offers three different workshops: **Ready...** - targeting members new to PERSI; **Set?** – focused on vested members; and **GO!** – intended for those approaching retirement. Trainers presenting workshops at employers’ on-site locations in addition to fixed off-site venues throughout Idaho.

Performance Measure 9: 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 is also the long range budget goal set by the PERSI Board.

For More Information Contact

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