

PERSI BENEFITS

at a glance



An overview of your retirement benefits

PERSI Retirement Plan

You become a PERSI member when you go to work in an eligible position with a PERSI employer. When you earn 60 months of service credit you will be vested to receive a lifetime benefit at retirement. The 60-month vesting period (5 months for elected and some appointed officials) does not have to be with the same PERSI employer. So unless you leave public employment all together, changing jobs should not affect your PERSI membership.

Base Plan Benefits

Enrollment in the PERSI Base Plan (your pension) is automatic. Both you and your employer make contributions to PERSI. Your contributions are credited to a personal account that earns interest. The money in your account belongs to you...*it is always yours no matter what!* Employer contributions are pooled in a trust to cover future benefits for all members. When you retire as a vested member, PERSI will pay you a benefit every month for as long as you live – and if you select a retirement option with a survivor benefit, your Contingent Annuitant will receive a lifetime benefit after your death.

Value: The actual value of your benefit exceeds your contributions. Within the first 3 - 5 years of retirement most members have already received all the money they contributed while working. For example, if your contributions to PERSI during your career totaled \$60,000, and your monthly retirement benefit is \$1,500, you would receive your \$60,000 in approximately three years. Although you would have exhausted everything you contributed, PERSI would continue to pay you \$1,500 a month for the rest of your life, plus annual cost of living adjustments (COLAs) if approved by the Idaho Legislature. This means if your retirement were to last another 20 years, you would receive \$360,000 in benefits from the PERSI trust.

Disability Benefits

In addition to your retirement benefit, your Base Plan contributions provide for disability coverage. Should you become totally and permanently disabled while an active vested member, you may be eligible for a disability benefit. Disability for retirement purposes is considered to be a total and permanent physical or mental impairment that prevents you from earning a livelihood. If you perform any work for compensation, you will not be considered to be disabled.

Time Limit: PERSI members applying for disability benefits have a limited period of time to file an application. The law (effective July 1, 2006) requires inactive members applying for PERSI disability benefits to file their claim within one year of the date of their last contribution to PERSI. Members go from active to inactive status when they are no longer eligible to accrue service or make contributions.

Return to Work: Effective July 1, 2010, PERSI members on disability may attempt to return to work. If they are unsuccessful, they may be able to resume their PERSI disability retirement if certain requirements are met.

Survivor Benefits

The PERSI Base Plan offers financial security for your beneficiaries after you die. Whether an active or inactive member, if you die after becoming vested and had named your spouse as your sole beneficiary, PERSI will offer your spouse the choice of a lump sum payment of your remaining contributions plus interest or a monthly allowance payable for life. The lump sum death benefit for vested members is two times your account balance with interest. If you die before becoming vested, your beneficiary will receive your account balance plus any interest accrued.

Portability of Funds

Your Base Plan contributions are always yours. If you leave a PERSI employer, but keep your Base Plan money in PERSI and later work for another PERSI-covered employer, you retain the service credit earned in your previous job. All service credit earned while working for a PERSI employer is automatically combined into a single account for you.

If you leave PERSI-covered employment, you may withdraw your Base Plan money, plus any interest earned – although tax penalties and withholdings may apply; or you may roll over your money and interest to an Individual Retirement Account (IRA) or other qualified retirement plan, including the PERSI Choice 401(k) Plan, if you have an account.

Cost-of-Living Adjustments

The Retirement Board considers a Cost-of-Living Adjustment (COLA) to Base Plan retiree benefit payments each year. The amount of the COLA is tied to the Consumer Price Index and subject to the growth or decline in retirement fund assets. If a COLA is awarded, it becomes effective March 1st.

The Choice 401(k) Plan

The Choice 401(k) Plan is an optional defined contribution (DC) retirement savings plan available to active members. Unlike the Base Plan, participation in the Choice 401(k) Plan is completely voluntary. It allows you to contribute a portion of your salary on a tax-deferred basis via payroll deductions. This means your contributions come out of your paycheck before taxes, thereby reducing the amount of taxes you pay during the year.

Loans: The Choice 401(k) Plan includes a loan provision where members may take a loan for any reason as long as they have a balance of \$2,000 or more in their account, excluding any gain sharing amounts.

Investment Options: The Choice 401(k) Plan has several investment options. One of the most popular is the PERSI Total Return Fund (TRF), which mirrors the Base Plan investments. The TRF is the default investment fund. Your contributions are automatically invested in the TRF unless you elect

otherwise. Unlike the Base Plan, you are responsible for managing your Choice 401(k) Plan funds. In most cases, you may change deferral amounts and investments at any time. No fee is charged for making changes to your account. Record keeping and investment management fees apply.

Rollovers: Money from other qualified retirement plans, such as a 401(a), 457, pre-tax IRA, 403(a) or 403(b), or another 401(k) account, can be rolled over to the Choice 401(k) Plan at PERSI. After-tax contributions cannot be rolled into the Choice Plan.

For More Information

To learn more about PERSI, or for detailed information about your retirement options and benefits, visit the PERSI website at: www.persi.idaho.gov or contact the PERSI Member Services Answer Center Monday - Friday from 7:30 a.m. and 5:30 p.m. (MT) at 1-800-451-8228 or 208-334-3365 from the Treasure Valley area. Your human resources and/or payroll personnel will gladly assist you as well.

Videos & Free Workshops: A number of helpful videos can be found on the Education pages of the PERSI website. In addition, PERSI offers three educational workshops about retirement at no cost to members or employers. To schedule a workshop at your location, have your employer contact the PERSI Education team at (208) 287-9291 or (208) 287-9292.

Brochures: Several brochures that provide more information about your benefits are available on the PERSI website.

Newsletters: Active members receive a quarterly newsletter called *PERSpectives*, which is filled with benefit, investment, legislative, and financial information.

If there is any discrepancy between this document and the law, the provisions of the law will prevail.

