



Eric Milstead  
Director

# Legislative Services Office Idaho State Legislature

---

*Serving Idaho's Citizen Legislature*

## MEMORANDUM

**TO:** Senators TIPPETS, Patrick, Schmidt and,  
Representatives HARTGEN, Anderson, King

**FROM:** Ryan Bush - Senior Legislative Research Analyst

**DATE:** December 05, 2014

**SUBJECT:** Temporary Rule

IDAPA 59.01.03 - PERSI Contribution Rules - Temporary Rule - Docket No. 59-0103-1402

IDAPA 59.01.03 - PERSI Contribution Rules - Temporary Rule - Docket No. 59-0103-1403

We are forwarding this temporary rule to you for your information only. No analysis was done by LSO. This rule is posted on our web site. If you have any questions, please call Ryan Bush at the Legislative Services Office at (208) 334-4834. Thank you.

Attachment: Temporary Rule

---

Mike Nugent, Manager  
Research & Legislation

Cathy Holland-Smith, Manager  
Budget & Policy Analysis

April Renfro, Manager  
Legislative Audits

Glenn Harris, Manager  
Information Technology

Statehouse, P.O. Box 83720  
Boise, Idaho 83720-0054

Tel: 208-334-2475  
[www.legislature.idaho.gov](http://www.legislature.idaho.gov)

# IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

## 59.01.03 - PERSI CONTRIBUTION RULES

### DOCKET NO. 59-0103-1402

#### NOTICE OF RULEMAKING - ADOPTION OF TEMPORARY RULE

**EFFECTIVE DATE:** The effective date of the temporary rule is October 21, 2014.

**AUTHORITY:** In compliance with Sections 67-5226, Idaho Code, notice is hereby given this agency has adopted a temporary rule. The action is authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

**DESCRIPTIVE SUMMARY:** The following is the required finding and concise statement of its supporting reasons for adopting a temporary rule:

To eliminate scheduled contribution rate increases.

**TEMPORARY RULE JUSTIFICATION:** Pursuant to Section(s) 67-5226(1)(c), Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons:

To eliminate scheduled contribution rate increases. Actuarial valuation indicates it is appropriate to eliminate the scheduled increases. Also, revises description of total rate in Rule 27.

**FEE SUMMARY:** Pursuant to Section 67-5226(2), the Governor has found that the fee or charge being imposed or increased is justified and necessary to avoid immediate danger and the fee is described herein:

Not applicable.

**ASSISTANCE ON TECHNICAL QUESTIONS:** For assistance on technical questions concerning the temporary rule, contact Joanna L. Guilfooy, (208) 287-9271.

DATED this 21st Day of October, 2014.

Don Drum, Executive Director  
Public Employee Retirement System of Idaho  
607 N. 8th Street, Boise, ID 83702  
P.O. Box 83720, Boise, ID 83720-0078  
Phone: (208) 287-9230  
Fax: (208) 334-3408

#### THE FOLLOWING IS THE TEXT OF THE TEMPORARY RULE FOR DOCKET NO. 59-0103-1402 (Only those Sections being amended are shown.)

##### **026. PERSI EMPLOYER GENERAL MEMBER CONTRIBUTION RATE (RULE 26).**

The PERSI employer contribution rate as provided in Section 59-1322, Idaho Code, shall be nine point seventy-seven percent (9.77%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be ten point thirty-nine percent (10.39%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be eleven point thirty-two percent (11.32%) of payroll ~~through June 30, 2015. Beginning July 1, 2015, the rate shall be twelve point twenty-four percent (12.24%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirteen point sixty-five percent (13.65%) of payroll~~ until next determined by the Board.

Statutory Reference: Sections 59-1302(16), 59-1391, 59-1394, and 59-1397, Idaho Code. Cross References: (Amended 10-1-94) (Amended 10-1-97) (Amended 10-1-98) (Amended 10-1-99) (Amended 7-1-00) (Amended 3-30-01) (Amended 3-20-04) ~~(10-15-13)T~~(10-21-14)T

**027. FIREFIGHTER RETIREMENT FUND EMPLOYER RATE (RULE 27).**

The Firefighter Retirement Fund employer rate shall be: (10-1-94)

**01. Option I and II Firefighters.** For option I and II firefighters hired before October 1, 1980, as follows:

<b>Option I And II Firefighters</b>	
PERSI Employer Contribution Rate:	Ten point eleven percent (10.11%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be ten point seventy-three percent (10.73%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be eleven point sixty-six percent (11.66%) of payroll <del>through June 30, 2015. Beginning July 1, 2015, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll</del> until next determined by the Board.
Additional Employer Rate:	One percent (1.00%)
Social Security Rate:	Seven point sixty-five percent (7.65%)
Excess Merger Costs <b>Rate:</b>	Seventeen point twenty-four percent (17.24%) until next determined by the Board.
TOTAL Contribution <b>Rate:</b>	<del>Thirty-six percent (36%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be thirty-six point sixty-two percent (36.62%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be thirty-seven point fifty-five percent (37.55%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be thirty-eight point forty-seven percent (38.47%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirty-nine point eighty-eight percent (39.88%) of payroll until next determined by the Board</del> <b>The total contribution rate is the sum of the PERSI employer contribution rate, the additional employer rate, the social security rate and the excess merger costs rate.</b>

~~(10-15-13)T~~(10-21-14)T

**02. Class D Firefighters.** For class D firefighters (firefighters employed on or after October 1, 1980, by a city or fire district that employs paid firefighters who are participating in the Firefighters' Retirement Fund), as follows:

<b>Class D Firefighters</b>	
PERSI Employer Contribution Rate:	Ten point eleven percent (10.11%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be ten point seventy-three percent (10.73%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be eleven point sixty-six percent (11.66%) of payroll <del>through June 30, 2015. Beginning July 1, 2015, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll</del> until next determined by the Board.
Excess Merger Costs:	Seventeen point twenty-four percent (17.24%) until next determined by the Board.

<b>Class D Firefighters</b>	
TOTAL Contribution:	<del>Twenty seven point thirty five percent (27.35%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be twenty seven point ninety seven percent (27.97%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be twenty eight point nine percent (28.9%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be twenty nine point eighty two percent (29.82%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirty one point twenty three percent (31.23%) of payroll until next determined by the Board.</del> <u>The total contribution rate is the sum of the PERSI employer contribution rate and the excess merger costs rate.</u>

Statutory References: Sections 59-1302(16), 59-1391, 59-1394, 59-1397, 72-1403, and 72-1434, Idaho Code. Cross References: (Amended 10-1-94) (Amended 10-1-97) (Amended 10-1-98) (Amended 10-1-99) (Amended 7-1-00) (Amended 3-30-01) (Amended 7-1-03) (Amended 3-20-04) ~~(10-15-13)T~~(10-21-14)T

**03. Class E Members.** For class E members (general members who meet the definition of paid firefighter under Section 59-1391(f), Idaho Code, but are not firefighters as defined in Section 59-1302(16), Idaho Code) the employer general member contribution rate as provided in Rule 26, plus the excess merger costs specified in Subsection 027.01. (3-20-04)

**028. PERSI EMPLOYER CLASS II CONTRIBUTION RATE (RULE 28).**

The PERSI employer contribution rate as provided in Section 59-1322, Idaho Code, for an employee classified as a police officer member excluding those listed in Rule 29 of this chapter when applicable, and firefighters excluding those listed in Rule 27 of this chapter, shall be ten point eleven percent (10.11%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be ten point seventy-three percent (10.73%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be eleven point sixty-six percent (11.66%) of payroll ~~through June 30, 2015. Beginning July 1, 2015, the rate shall be twelve point fifty eight percent (12.58%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirteen point ninety nine percent (13.99%) of payroll~~ until next determined by the Board.

Statutory References: Cross Reference: (Amended 10-1-94) (Amended 10-1-97) (Amended 10-1-98) (Amended 10-1-99) (Amended 7-1-00) (Amended 3-30-01) (Amended 7-1-03) (Amended 3-20-04) ~~(10-15-13)T~~(10-21-14)T

**(BREAK IN CONTINUITY OF SECTIONS)**

**100. PERSI EMPLOYEE GENERAL MEMBER CONTRIBUTION RATE (RULE 100).**

The PERSI employee contribution rate as provided in Section 59-1333, Idaho Code, for all members not classified as police members or firefighters, shall be five point eighty-six percent (5.86%) of salary through June 30, 2004. Beginning July 1, 2004, the rate shall be six point twenty-three percent (6.23%) of salary through June 30, 2013. Beginning July 1, 2013, the rate shall be six point seventy-nine percent (6.79%) of salary ~~through June 30, 2015. Beginning July 1, 2015, the rate shall be seven point thirty four percent (7.34%) of salary through June 30, 2016. Beginning July 1, 2016, the rate shall be eight point nineteen percent (8.19%) of salary~~ until next determined by the Board.

Statutory References: Cross Reference: (Amended 10-1-94) (Amended 10-1-97) (Amended 10-1-98) (Amended 10-1-99) (Amended 7-1-00) (Amended 3-30-01) (Amended 3-20-04) ~~(10-15-13)T~~(10-21-14)T

**101. PERSI EMPLOYEE CLASS II CONTRIBUTION RATE (RULE 101).**

The employee contribution rate as provided in Section 59-1334, Idaho Code, for an employee classified as a police officer member is seven point twenty-one percent (7.21%) of salary through June 30, 2004. Beginning July 1, 2004, the rate shall be seven point sixty-five percent (7.65%) of salary through June 30, 2013. Beginning July 1, 2013, the rate shall be eight point thirty-two percent (8.32%) of salary ~~through June 30, 2015. Beginning July 1, 2015, the rate shall be eight point ninety nine percent (8.99%) of salary through June 30, 2016. Beginning July 1, 2016, the rate~~

~~shall be ten percent (10%) of salary~~ until next determined by the Board.

Statutory References: Cross Reference: (Amended 10-1-94) (Amended 10-1-97) (Amended 10-1-98) (Amended 10-1-99) (Amended 7-1-00) (Amended 3-30-01) (Amended 3-20-04) ~~(10-15-13)T~~(10-21-14)T

# IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

## 59.01.03 - PERSI CONTRIBUTION RULES

### DOCKET NO. 59-0103-1403

#### NOTICE OF RULEMAKING - ADOPTION OF TEMPORARY RULE

**EFFECTIVE DATE:** The effective date of the temporary rule is October 21, 2014.

**AUTHORITY:** In compliance with Sections 67-5226, Idaho Code, notice is hereby given this agency has adopted a temporary rule. The action is authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

**DESCRIPTIVE SUMMARY:** The following is the required finding and concise statement of its supporting reasons for adopting a temporary rule:

To reduce the excess merger cost portion of the firefighter retirement fund employer rate. Also, revises description of total rate in Rule 27.

**TEMPORARY RULE JUSTIFICATION:** Pursuant to Section(s) 67-5226(1)(c), Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons:

To reduce the excess merger cost portion of the firefighter retirement fund employer rate. Actuarial valuation of the firefighter retirement fund indicates it is appropriate to reduce the rate.

**FEE SUMMARY:** Pursuant to Section 67-5226(2), the Governor has found that the fee or charge being imposed or increased is justified and necessary to avoid immediate danger and the fee is described herein:

Not applicable.

**ASSISTANCE ON TECHNICAL QUESTIONS:** For assistance on technical questions concerning the temporary rule, contact Joanna L. Guilfooy, (208) 287-9271.

DATED this 21st Day of October, 2014.

Don Drum, Executive Director  
Public Employee Retirement System of Idaho  
607 N. 8th Street, Boise, ID 83702  
P.O. Box 83720, Boise, ID 83720-0078  
Phone: (208) 287-9230  
Fax: (208) 334-3408

#### THE FOLLOWING IS THE TEXT OF THE TEMPORARY RULE FOR DOCKET NO. 59-0103-1403 (Only those Sections being amended are shown.)

**027. FIREFIGHTER RETIREMENT FUND EMPLOYER RATE (RULE 27).**

The Firefighter Retirement Fund employer rate shall be: (10-1-94)

**01. Option I and II Firefighters.** For option I and II firefighters hired before October 1, 1980, as follows:

<b>Option I And II Firefighters</b>	
PERSI Employer Contribution Rate:	Ten point eleven percent (10.11%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be ten point seventy-three percent (10.73%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be eleven point sixty-six percent (11.66%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll until next determined by the Board.
Additional Employer Rate:	One percent (1.00%)
Social Security Rate:	Seven point sixty-five percent (7.65%)
Excess Merger Costs <u>Rate</u> :	Seventeen point twenty-four percent (17.24%) <u>through December 31, 2014. Beginning January 1, 2015, five percent (5%)</u> until next determined by the Board.
TOTAL Contribution <u>Rate</u> :	<del>Thirty six percent (36%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be thirty six point sixty two percent (36.62%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be thirty seven point fifty five percent (37.55%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be thirty eight point forty seven percent (38.47%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirty nine point eighty eight percent (39.88%) of payroll until next determined by the Board.</del> <u>The total contribution rate is the sum of the PERSI employer contribution rate, the additional employer rate, the social security rate and the excess merger costs rate.</u>

~~(10-15-13)T~~(10-21-14)T

**02. Class D Firefighters.** For class D firefighters (firefighters employed on or after October 1, 1980, by a city or fire district that employs paid firefighters who are participating in the Firefighters' Retirement Fund), as follows:

<b>Class D Firefighters</b>	
PERSI Employer Contribution Rate:	Ten point eleven percent (10.11%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be ten point seventy-three percent (10.73%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be eleven point sixty-six percent (11.66%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll until next determined by the Board.
Excess Merger Costs <u>Rate</u> :	Seventeen point twenty-four percent (17.24%) <u>through December 31, 2014. Beginning January 1, 2015, five percent (5%)</u> until next determined by the Board.

<b>Class D Firefighters</b>	
TOTAL Contribution <u>Rate</u> :	<del>Twenty seven point thirty five percent (27.35%) of payroll through June 30, 2004. Beginning July 1, 2004, the rate shall be twenty seven point ninety seven percent (27.97%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be twenty eight point nine percent (28.9%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be twenty nine point eighty two percent (29.82%) of payroll through June 30, 2016. Beginning July 1, 2016, the rate shall be thirty one point twenty three percent (31.23%) of payroll until next determined by the Board.</del> <u>The total contribution rate is the sum of the PERSI employer contribution rate and the excess merger costs rate.</u>

Statutory References: Sections 59-1302(16), 59-1391, 59-1394, 59-1397, 72-1403, and 72-1434, Idaho Code. Cross References: (Amended 10-1-94) (Amended 10-1-97) (Amended 10-1-98) (Amended 10-1-99) (Amended 7-1-00) (Amended 3-30-01) (Amended 7-1-03) (Amended 3-20-04) ~~(10-15-13)T~~(10-21-14)T

**03. Class E Members.** For class E members (general members who meet the definition of paid firefighter under Section 59-1391(f), Idaho Code, but are not firefighters as defined in Section 59-1302(16), Idaho Code) the employer general member contribution rate as provided in Rule 26, plus the excess merger costs specified in Subsection 027.01. (3-20-04)