

Dear Senators PATRICK, Martin, Schmidt, and  
Representatives HARTGEN, Anderson, King:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of the PERSI (Public Employee Retirement System of Idaho):  
IDAPA 59.01.03 - PERSI Contribution Rules - Proposed Rule (Docket No. 59-0103-1402);  
IDAPA 59.01.03 - PERSI Contribution Rules - Proposed Rule (Docket No. 59-0103-1403).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative Services. The final date to call a meeting on the enclosed rules is no later than 06/30/2015. If a meeting is called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis from Legislative Services. The final date to hold a meeting on the enclosed rules is 07/29/2015.

The germane joint subcommittee may request a statement of economic impact with respect to a proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement, and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has been held.

To notify Research and Legislation, call 334-4834, or send a written request to the address on the memorandum attached below.



Eric Milstead  
Director

# Legislative Services Office

## Idaho State Legislature

*Serving Idaho's Citizen Legislature*

### MEMORANDUM

**TO:** Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Commerce & Human Resources Committee  
**FROM:** Principal Legislative Research Analyst - Ryan Bush  
**DATE:** June 10, 2015  
**SUBJECT:** PERSI (Public Employee Retirement System of Idaho)

IDAPA 59.01.03 - PERSI Contribution Rules - Proposed Rule (Docket No. 59-0103-1402)

IDAPA 59.01.03 - PERSI Contribution Rules - Proposed Rule (Docket No. 59-0103-1403)

**(1) 59.01.03 - PERSI Contribution Rules - Proposed Rule (Docket No. 59-0103-1402)**

The Public Employee Retirement System of Idaho (PERSI) submits notice of proposed rulemaking at IDAPA 59.01.03 - PERSI Contribution Rules. This rule change eliminates scheduled increases in contribution rates for employers and employees and revises the description of the total rate for the Firefighter Retirement Fund employer rate.

PERSI states that negotiated rulemaking was not conducted because it would have been inconsistent with the Retirement Board's exclusive fiduciary responsibility for plan operations. There is no fiscal impact associated with this rulemaking.

The proposed rule appears to be within the statutory authority granted to PERSI in Sections 59-1314(1) and 72-1405, Idaho Code.

**(2) 59.01.03 - PERSI Contribution Rules - Proposed Rule (Docket No. 59-0103-1403)**

The Public Employee Retirement System of Idaho (PERSI) submits notice of proposed rulemaking at IDAPA 59.01.03 - PERSI Contribution Rules. This rule change reduces the excess merger cost portion of the Firefighter Retirement Fund employer rate and revises the description of the total rate.

PERSI states that negotiated rulemaking was not conducted because it would have been inconsistent with the Retirement Board's exclusive fiduciary responsibility for plan operations. There is no fiscal impact associated with this rulemaking.

The proposed rule appears to be within the statutory authority granted to PERSI in Sections 59-1314(1) and 72-1405, Idaho Code.

cc: PERSI (Public Employee Retirement System of Idaho)  
Don Drum

Mike Nugent, Manager  
Research & Legislation

Cathy Holland-Smith, Manager  
Budget & Policy Analysis

April Renfro, Manager  
Legislative Audits

Glenn Harris, Manager  
Information Technology

# IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

## 59.01.03 - PERSI CONTRIBUTION RULES

DOCKET NO. 59-0103-1402

### NOTICE OF RULEMAKING - PROPOSED RULE

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than June 17, 2015.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

To eliminate scheduled increase in contribution rates for employers and employees. Also, revises description of total rate in Rule 27.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: None.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: NA

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was not conducted because it would be inconsistent with the Retirement Board's exclusive fiduciary responsibility for plan operations.

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: NA

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Joanna L. Guilfooy, Deputy Attorney General, PERSI, 287-9271.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before June 24, 2015.

DATED this 27th Day of April, 2015.

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

Pursuant to Section 67-5221(1), Idaho Code, this docket is being published as a proposed rule.

This docket has been previously published as a temporary rule.  
The temporary effective date is October 21, 2014.

The original text of the temporary rule was published in the Idaho Administrative Bulletin,  
[Volume 14-12, December 3, 2014, pages 116 through 119.](#)

**THE FOLLOWING IS THE PROPOSED TEXT OF 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, 2014. Beginning July 1, 2014, the rate shall be twelve point twenty-four percent (12.24%) of payroll through June 30, 2015. Beginning July 1, 2015, 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) ~~(4-4-13)~~( )

**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:

Option I And II Firefighters	
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, 2014. Beginning July 1, 2014, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2015. Beginning July 1, 2015, 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 <u>Rate</u> :	<p><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, 2014. Beginning July 1, 2014, the rate shall be thirty eight point forty seven percent (38.47%) of payroll through June 30, 2015. Beginning July 1, 2015, 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></p>
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(4-4-13)( )

**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:	<p>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, 2014. Beginning July 1, 2014, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2015. Beginning July 1, 2015, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll</del> until next determined by the Board</p>
Excess Merger Costs:	Seventeen point twenty-four percent (17.24%) until next determined by the Board.
TOTAL Contribution:	<p><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, 2014. Beginning July 1, 2014, the rate shall be twenty nine point eighty two percent (29.82%) of payroll through June 30, 2015. Beginning July 1, 2015, 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></p>

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) (4-4-13)( )

**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, 2014. Beginning July 1, 2014, the rate shall be twelve point fifty eight percent (12.58%) of payroll through June 30, 2015.~~

~~Beginning July 1, 2015, 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) ~~(4-4-13)~~( )

**(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, 2014. Beginning July 1, 2014, the rate shall be seven point thirty-four percent (7.34%) of salary through June 30, 2015. Beginning July 1, 2015, 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) ~~(4-4-13)~~( )

**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, 2014. Beginning July 1, 2014, the rate shall be eight point ninety-nine percent (8.99%) of salary through June 30, 2015. Beginning July 1, 2015, 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) ~~(4-4-13)~~( )

# IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

## 59.01.03 - PERSI CONTRIBUTION RULES

### DOCKET NO. 59-0103-1403

#### NOTICE OF RULEMAKING - PROPOSED RULE

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than June 17, 2015.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

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

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: None.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: NA

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was not conducted because it would be inconsistent with the Retirement Board's exclusive fiduciary responsibility for plan operations.

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: NA

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Joanna L. Guilfooy, Deputy Attorney General, PERSI, 287-9271.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before June 24, 2015.

DATED this 27th Day of April, 2015.

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 PROPOSED TEXT OF DOCKET NO. 59-0103-1403**  
**(Only those Sections being amended are shown.)**

Pursuant to Section 67-5221(1), Idaho Code, this docket is being published as a proposed rule.

This docket has been previously published as a temporary rule.  
 The temporary effective date is October 21, 2014.

The original text of the temporary rule was published in the Idaho Administrative Bulletin,  
**Volume 14-12, December 3, 2014, pages 120 through 122.**

**THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 59-0103-1403**  
**(Only those Sections being amended are shown.)**

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

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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.</u> <u>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, 2014. Beginning July 1, 2014, the rate shall be thirty-eight point forty-seven percent (38.47%) of payroll through June 30, 2015. Beginning July 1, 2015, 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>

(4-4-13)( )

**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, 2014. Beginning July 1, 2014, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2015. Beginning July 1, 2015, 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.</u> <u>Beginning January 1, 2015, five percent (5%)</u> until next determined by the Board.
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, 2014. Beginning July 1, 2014, the rate shall be twenty nine point eighty two percent (29.82%) of payroll through June 30, 2015. Beginning July 1, 2015, 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) ~~(4-4-13)~~(\_\_\_\_\_)

**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)