

Dear Senators ANDREASON, Coiner & Malepeai, and
Representatives SCHAEFER, Marriott & Ringo:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of
the PERSI:

1. IDAPA 59.01.02 – Eligibility Rules of the Public Employee Retirement System of Idaho (Docket
No. 59-0102-1001);
2. IDAPA 59.01.03 – Contribution Rules for the Public Employee Retirement System of Idaho – Fee
Rule (Docket No. 59-0103-1001);
3. IDAPA 59.01.04 – Disability Rules of the Public Employee Retirement System of Idaho (Docket
No. 59-0104-1001);
4. IDAPA 59.01.05 – Separation from Service Rules for the Public Employee Retirement system of
Idaho (Docket No. 59-0105-1001);
5. IDAPA 59.01.06 – Retirement Rules of the Public Employee Retirement System of Idaho
(Docket No. 59-0106-1001).

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 8-31-10.
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 9-28-10.

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 334-4845, or send a written request to the address or
FAX number indicated on the memorandum attached.



Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Commerce and Human Resources

FROM: Research & Legislation Staff - Eric Milstead

DATE: August 12, 2010

SUBJECT: Public Employee Retirement System of Idaho

PERSI has submitted rules as discussed below.

1. IDAPA 59.01.02 – Eligibility Rules of the Public Employee Retirement System of Idaho (Docket No. 59-0102-1001)

PERSI submits notice of proposed rulemaking at IDAPA 59.01.02 – Eligibility Rules of the Public Employee Retirement System of Idaho. The proposed rule makes three changes. First, it corrects a statutory cross-reference (Rule 005.08); second, it revises a phrase for clarification purposes (Rule 113); and third, eliminates a phrase in Rule 122, to clarify that a member is ineligible to contribute and receive certain credit while on certain leaves of absence.

PERSI's proposed rule is authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

2. IDAPA 59.01.03 – Contribution Rules for the Public Employee Retirement System of Idaho – Fee Rule (Docket No. 59-0103-1001)

PERSI submits notice of proposed rulemaking at IDAPA 59.01.03 – Contribution Rules for the Public Employee Retirement System of Idaho. The agency states that the proposed rule implements the Retirement Board's determination, based on actuarial values of reserves and liabilities, to increase the contribution rates to fund benefits. Beginning July 1, 2011, the contribution rates will be increased by 5.28%, phased in over a three-year period. Increases will

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

affect both employees and employers. The agency notes that the increases adopted by the Retirement Board are authorized by Section 59-1322, Idaho Code.

PERSI's proposed rule appears to be authorized pursuant to Sections 59-1314(1), 59-1322 and 72-1405, Idaho Code.

3. IDAPA 59.01.04 – Disability Rules of the Public Employee Retirement System of Idaho (Docket No. 59-0104-1001)

PERSI submits notice of proposed rulemaking at IDAPA 59.01.04 – Disability Rules of the Public Employee Retirement System of Idaho. This proposed rule is straightforward-- it implements the provisions of House Bill 458 passed by the 2010 Idaho Legislature. That bill concerned issues relating to when a retired member receiving a disability retirement allowance may return to work. Specifically, the proposed rule provides a definition of the term “applicant”; revises the rule dealing with the application review; provides for delegation of certain processes to third parties and revises Rule 300 which governs what the applicant for disability must demonstrate when requesting the resumption of a disability retirement allowance.

The proposed rule appears to be authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

4. IDAPA 59.01.05 – Separation from Service Rules for the Public Employee Retirement System of Idaho (Docket No. 59-0105-1001)

PERSI submits notice of proposed rulemaking at IDAPA 59.01.05 – Separation from Service Rules. This proposed rule eliminates Rule 104 which had authorized the use of pre-tax payroll deductions to pay for reinstatement of prior service.

The proposed rule appears to be authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

5. IDAPA 59.01.06 – Retirement Rules of the Public Employee Retirement System of Idaho (Docket No. 59-0106-1001)

PERSI submits notice of proposed rulemaking at IDAPA 59.01.06 – Retirement Rules of the Public Employee Retirement System of Idaho. This proposed rule clarifies a table relating to contingent annuitant facts for persons who retired before July 1, 1995. The proposed rule also deletes Rule 163 that governed post-retirement cost of living adjustments for the firefighters' retirement fund. Finally, the proposed rule includes a new rule—Rule 557—that provides definitions relating solely to PERSI's implementation of section 402(1) of the Internal Revenue Code (federal Pension Protection Act of 2006).

The proposed rule appears to be authorized pursuant to Sections 59-1314(1) and 72-1405, Idaho Code.

cc: Public Employee Retirement System of Idaho, Don Drum & Joanna L. Guilfooy

IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM

59.01.02 - ELIGIBILITY RULES OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

DOCKET NO. 59-0102-1001

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 August 18, 2010.

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:

Correction of statutory cross-reference and clarification. Correct statutory cross-reference in Rule 005.08 and clarify wording in Rule 113 regarding definition of "normally works twenty hours..." Clarify Rule 122 regarding member on leave of absence without pay.

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: N/A

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), 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: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Joanna L. Guilfoy, 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 August 25, 2010.

DATED this 29th day of June, 2010.

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 FOR DOCKET NO. 59-0102-1001

005. DEFINITIONS (RULE 5).

The following definitions are supplemental to those provided by Section 59-1302, Idaho Code. (1-1-94)

01. Board. "Board" means the governing authority of the Public Employee Retirement System of Idaho as provided by Section 59-1304, Idaho Code, of the Firefighters' Retirement Fund created by Chapter 14, Title 72, Idaho Code, and the Policeman's Retirement Fund created by Chapter 15, Title 50, Idaho Code. (1-1-94)

02. Compensation. "Compensation" as used in Section 59-1342(6), Idaho Code, means "salary" as defined by Section 59-1302(31), Idaho Code. (1-1-94)

03. Date of Retirement. "Date of retirement" means the effective date on which a retirement allowance becomes payable. (1-1-94)

04. Employee. "Employee" means a person as defined in Section 59-1302(14), Idaho Code. (1-1-94)

05. Employment. "Employment" as used in Section 59-1302(14)(B)(b), Idaho Code, shall mean the period of time from a member's date of hire to the member's succeeding date of separation from that employer. Placing a member on leave of absence with or without pay shall not be considered as a separation from the employer. (1-1-94)

06. Firefighters' Retirement Fund. "Firefighters' Retirement Fund" or "FRF" is the retirement fund provided by Chapter 14, Title 72, Idaho Code. (1-1-94)

07. General Member. "General member" is a PERSI member not classified as a police officer, firefighter, or paid firefighter. (1-1-94)

08. Paid Firefighter. "Paid firefighter" includes a former FRF members and paid firefighters as defined by Section 59-13521(f), Idaho Code, hired October 1, 1980, and thereafter. ~~(1-1-94)~~(____)

09. Police Officer. "Police officer" means an employee who is serving in a position designated by Section 59-1303(3), Idaho Code, or in a position so designated by the Retirement Board as provided by Section 59-1303(4), Idaho Code. (1-1-94)

10. Primary Employer. The primary employer is the employer from whom the employee receives the highest aggregate salary per month. (1-1-94)

11. Public Employee Retirement System of Idaho. "Public Employee Retirement System of Idaho" or "PERSI" is the retirement system created by Chapter 13, Title 59, Idaho Code. (1-1-94)

12. Retirement Board. "Retirement Board" means the governing authority of the Public Employee Retirement System of Idaho as provided by Section 59-1304, Idaho Code, and of the Firefighters' Retirement Fund created by Chapter 14, Title 72, Idaho Code, and the Policeman's Retirement Fund created by Chapter 15, Title 50, Idaho Code. (1-1-94)

13. Same Position. "Same position" as set forth in Section 59-1303(7), Idaho Code, means the same job classification or position title including continued employment in any revised job classification or new position title evolving from that same position as the result of personnel reclassification procedures provided the continued employment remains within the same state agency or within the same department of a political subdivision. (1-1-94)

14. Surviving Spouse. "Surviving spouse" is a person as defined in Section 15-2-802, Idaho Code. (1-1-94)

15. **Teacher.** “Teacher” is defined as a school employee who is required to be certified. (1-1-94)

(BREAK IN CONTINUITY OF SECTIONS)

113. DEFINITION OF NORMALLY WORKS TWENTY HOURS (RULE 113).

If a person works twenty (20) hours or more per week ~~over~~ for more than one-half (1/2) of the weeks during the period of employment being considered, then the person meets the requirements of Section 59-1302(14)(A)(a), Idaho Code (“normally works twenty (20) hours or more per week”), and shall be considered an employee if the person meets the other requirements of Section 59-1302(14), Idaho Code. Statutory References: Section 59-1302(14)(A)(a).
(1-1-94)(_____)

(BREAK IN CONTINUITY OF SECTIONS)

122. LEAVE OF ABSENCE (RULE 122).

A member is ~~an inactive member~~ ineligible to contribute and receive membership service credit while on leave of absence without pay or while on leave of absence with less than one-half (1/2) pay, unless the absence is occasioned by a worker’s compensation claim approved by a surety. An active member separated from employment under conditions where both the member and the employer plan a later return to employment should be placed on leave of absence without pay during the planned period of absence. (1-1-94)(_____)

01. Employer and Employee Contributions -- Leave of Absence. During the leave of absence without pay, employer and employee contributions cease. If the member is on a leave of absence as a result of an approved worker’s compensation claim, employer and employee contributions are due and payable on any salary paid to the member. The member is entitled to a month of membership service credit for each month the member remains on leave of absence as a result of an approved worker’s compensation claim and receives salary in addition to income benefits. (1-1-94)

02. Documentation of Leave of Absence. The employer shall provide PERSI with documentation, on a form provided by PERSI, of a leave of absence to clarify the member’s status and retirement benefit entitlement. (1-1-94)

03. Status of Employee on Leave of Absence. An employee placed on a leave of absence by an employer remains in an employee status and is ineligible for payment of any separation benefits or for payment of a service, early, disability, or vested retirement allowance. If a member on leave of absence without pay terminates employment without returning to work, the leave without pay status is negated. (5-8-09)

04. Leave of Absence -- Effect on Benefit Enhancement. An employee shall not be placed on a leave of absence without pay prior to the effective date of a benefit enhancement and then return to work after the effective date of the benefit enhancement for the purpose of qualifying for the benefit enhancement. An employee placed on unpaid leave of absence prior to the date of the benefit enhancement who returns to work after the effective date of the benefit enhancement and subsequently applies for retirement shall include with the application for retirement, certification from the employer that the leave of absence was not granted for the purpose of allowing the person to qualify for the benefit enhancement. (1-1-94)

IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM

59.01.03 - CONTRIBUTION RULES FOR THE PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

DOCKET NO. 59-0103-1001

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 August 18, 2010.

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:

Section 59-1322(1), Idaho Code, requires the Retirement Board to establish contribution rates to fund benefits, within certain constraints. The Retirement Board has determined, based on actuarial values of reserves and liabilities, that it is necessary to increase the contributions necessary to fund the level of benefits authorized by the plan. The contribution rates will be increased by a total of 5.28%. The increase is to be phased in over a three-year period, beginning July 1, 2011. These increases will affect employees and employers, since, by law, contributions are allocated 37.5% to employees and 62.5% to employers.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased:

Increase contribution rates by a total of 5.28%. The increase is to be phased in over a three-year period, beginning July 1, 2011. These increases will affect employees and employers, since, by law, contributions are allocated 37.5% to employees and 62.5% to employers.

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:

Employer contribution rates will increase by a total of 3.26% (of payroll) over a three-year period, beginning July 1, 2011. This will affect the general fund as the state is a PERSI employer, to the extent that an agency's PERSI employer fund contributions are made from general fund dollars.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), 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: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Joanna L. Guilfoy, 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 August 25, 2010.

DATED this 29th day of June, 2010.

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
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THE FOLLOWING IS THE PROPOSED TEXT FOR DOCKET NO. 59-0103-1001

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, 2011. Beginning July 1, 2011, the rate shall be eleven point thirty-two percent (11.32%) of payroll through June 30, 2012. Beginning July 1, 2012, the rate shall be twelve point twenty-four percent (12.24%) of payroll through June 30, 2013. Beginning July 1, 2013, 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) (~~5-8-09~~)(_____)

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 <u>through June 30, 2011. Beginning July 1, 2011, the rate shall be eleven point sixty-six percent (11.66%) of payroll through June 30, 2012. Beginning July 1, 2012, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll</u> 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:	Seventeen point twenty-four percent (17.24%) until next determined by the Board.
TOTAL Contribution:	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 <u>through June 30, 2011. Beginning July 1, 2011, the rate shall be thirty seven point fifty-five percent (37.55%) of payroll through June 30, 2012. Beginning July 1, 2012, the rate shall be thirty eight point forty-seven percent (38.47%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be thirty nine point eighty-eight percent (39.88%) of payroll</u> until next determined by the Board.

(5-8-09)(____)

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:

Class D 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, 2011. Beginning July 1, 2011, the rate shall be eleven point sixty-six percent (11.66%) of payroll through June 30, 2012. Beginning July 1, 2012, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be thirteen point ninety-nine percent (13.99%) of payroll until next determined by the Board.
Excess Merger Costs:	Seventeen point twenty-four percent (17.24%) until next determined by the Board.
TOTAL Contribution:	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, 2011. Beginning July 1, 2011, the rate shall be twenty eight point nine percent (28.9%) of payroll through June 30, 2012. Beginning July 1, 2012, the rate shall be twenty nine point eighty-two percent (29.82%) of payroll through June 30, 2013. Beginning July 1, 2013, the rate shall be thirty one point twenty-three percent (31.23%) of payroll until next determined by the Board.

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) (5-8-09)(____)

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, 2011. Beginning July 1, 2011, the rate shall be eleven point sixty-six percent (11.66%) of payroll through June 30, 2012. Beginning July 1, 2012, the rate shall be twelve point fifty-eight percent (12.58%) of payroll through June 30, 2013. Beginning July 1, 2013, 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) (5-8-09)(____)

(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, 2011. Beginning July 1, 2011, the rate shall be six point seventy-nine percent (6.79%) of salary through June 30, 2012. Beginning July 1, 2012, the rate shall be seven point thirty-four percent (7.34%) of salary through June 30, 2013. Beginning July 1, 2013, 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) (~~5-8-09~~)(_____)

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, 2011. Beginning July 1, 2011, the rate shall be eight point thirty-two percent (8.32%) of salary through June 30, 2012. Beginning July 1, 2012, the rate shall be eight point ninety-nine percent (8.99%) of salary through June 30, 2013. Beginning July 1, 2013, 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) (~~5-8-09~~)(_____)

IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM

59.01.04 - DISABILITY RULES OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

DOCKET NO. 59-0104-1001

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 August 18, 2010.

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:

Amend rules 06, 201, 205 and 300 to implement HB 458, passed in the 2010 session, which created Section 59-1354A, Idaho Code regarding a disability retiree return to work. Technical correction to rule 100. Delete rule 102 (duplicative of rule 300).

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: N/A

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), 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: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Joanna L. Guilfoy, 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 August 25, 2010.

DATED this 29th day of June, 2010.

Don Drum
Executive Director
Public Employee Retirement System of Idaho
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THE FOLLOWING IS THE TEXT FOR DOCKET NO. 59-0104-1001

006. DEFINITIONS (RULE 6).

PERSI adopts through incorporation by reference as if set forth fully herein all of the definitions listed in IDAPA 59.01.02, Section 005, "Eligibility Rules of the Public Employee Retirement System of Idaho". The following definitions are supplemental. (4-5-00)()

01. Applicant. "Applicant" means an applicant for disability retirement under Section 59-1352, Idaho Code, or an individual requesting resumption of a disability retirement allowance under Section 59-1354A, Idaho Code. ()

(BREAK IN CONTINUITY OF SECTIONS)

100. GENERAL RULE (RULE 100).

Only ~~active~~ members of PERSI with five (5) years of credited service are eligible for disability retirement except as provided in Section 59-1352(2), Idaho Code. (5-8-09)()

(BREAK IN CONTINUITY OF SECTIONS)

~~**102. DISABLED PRIOR TO SEPARATION (RULE 102).**~~

~~The applicant must demonstrate that, before he separated from service, he was disabled under the applicable disability standard. In other words, the applicant must demonstrate that, while an active member, he was disabled under the applicable standard.~~ (4-5-00)

~~1032. -- 199. (RESERVED).~~

(BREAK IN CONTINUITY OF SECTIONS)

201. INITIAL APPLICATION REVIEW —~~SERVICE REQUIREMENTS~~ (RULE 201).

Applications will first be reviewed to determine whether the applicant meets ~~service~~ eligibility requirements. If ~~service~~ all eligibility requirements are met, the application will proceed to disability assessment review. If ~~service~~ all eligibility requirements are not met, the applicant will be notified in writing. ~~Eligibility determinations are subject to subsequent review, audit and adjustment.~~ (4-5-00)()

(BREAK IN CONTINUITY OF SECTIONS)

205. DELEGATION (RULE 205).

PERSI may, by contract or otherwise, delegate all or part of these processes to third parties. Where such delegation has been made, the term "PERSI" includes those third parties. When a member requests the resumption of a disability retirement allowance pursuant to Section 59-1354A, Idaho Code, the board may delegate its authority under Section 59-1354A, Idaho Code, to a third party. Where such delegation has been made, the term "Board" includes those third parties. (4-5-00)()

(BREAK IN CONTINUITY OF SECTIONS)

300. BURDEN ON APPLICANT (RULE 300).

~~Disability retirement is only available to active members.~~ Applicant must demonstrate that, on or before applicant's last day of employment, he was disabled under the disability standard. The last day of employment is the last day applicant earned compensation, including annual leave and sick leave. When a member requests the resumption of a disability retirement allowance pursuant to Section 59-1354A, Idaho Code, the member must demonstrate that he could not successfully return to work because of the same disability on which his disability retirement was based. (4-5-00)()

IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM

59.01.05 - SEPARATION FROM SERVICE RULES FOR THE PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO (PERSI)

DOCKET NO. 59-0105-1001

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 August 18, 2010.

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:

Delete rule 104 allowing for pre-tax payroll deduction to pay for reinstatement of prior service. Reinstatement could be made pre-tax through a rollover from a qualified plan and can be made with after tax dollars.

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: N/A.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), 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: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Joanna L. Guilfoy, 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 August 25, 2010.

DATED this 29th day of June, 2010.

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 FOR DOCKET NO. 59-0105-1001

~~104. EMPLOYER "PICKUP" OF REINSTATEMENT PAYMENTS (RULE 104).~~

~~**01. Periodic Pre Tax Payments.** Payroll deduction payments may be made pre tax under the employer pickup provision referenced in Section 59-1332, Idaho Code, only if the member authorizes an irrevocable payroll deduction. Once executed, the deduction cannot be changed or revoked. If the member terminates employment the member may continue making payments directly to PERSI but they will not be considered pre tax until they are picked up by a subsequent irrevocable payroll deduction, approved by PERSI, and executed with another PERSI employer. (3-30-01)~~

~~**02. Multiple Irrevocable Payroll Deductions.** Members who have previously authorized an irrevocable payroll deduction for purposes of making periodic pre tax payments to reinstate previous credited service as provided in Section 59-1360, Idaho Code, may increase repayments by executing additional irrevocable payroll deductions to supplement the previously authorized deductions so long as the previous irrevocable deductions are not modified or terminated. (3-30-01)~~

1054. IN-SERVICE TRANSFERS TO REINSTATE SERVICE (RULE 1054).

To the extent permitted by federal law, and in accordance with any regulation or other guidance issued by the Internal Revenue Service, an active member may transfer funds from a 401(k), a 403(b), or an eligible 457(b) plan, in which they are currently eligible to participate, to the Base Plan for purposes of buying back service previously forfeited due to receiving a separation benefit, purchasing service related to eligible waiting periods, or purchasing service for periods of delinquent contributions. (5-3-03)

1065. -- 123. (RESERVED).

IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM

59.01.06 - RETIREMENT RULES OF THE PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO (PERSI)

DOCKET NO.59-0106-1001

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 August 18, 2010.

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:

Clarification of rule 162 (Table C) to reflect the factors applicable to those persons who retired before July 1, 1995, the last time the factors were changed; delete rule 163; and adds a new rule 557 to incorporate definitions for purposes of the federal Pension Protection Act which provides that PERSI pays insurance premiums from retirement allowance for retired public safety officers, which is exempt from income tax up to \$3,000.

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: N/A

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220, 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: N/A

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 August 25, 2010.

DATED this 29th day of June, 2010.

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 FOR DOCKET NO. 59-0106-1001

162. ACTUARIAL ASSUMPTION TABLES (RULE 162).

The actuarial tables used for determining optional and early retirement benefits are as follows:

TABLE A -- Page 1

**PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
EARLY RETIREMENT FACTORS**

If the date of last contribution is prior to 10/1/92

Months	Years										
	0	1	2	3	4	5	6	7	8	9	10
0	1.00	.970	.940	.910	.880	.850	.770	.690	.610	.530	.450
1	.998	.968	.938	.908	.878	.843	.763	.683	.603	.523	
2	.995	.965	.935	.905	.875	.837	.757	.677	.597	.517	
3	.993	.963	.933	.903	.873	.830	.750	.670	.590	.510	
4	.990	.960	.930	.900	.870	.823	.743	.663	.583	.503	
5	.988	.958	.928	.898	.868	.817	.737	.657	.577	.497	
6	.985	.955	.925	.895	.865	.810	.730	.650	.570	.490	
7	.983	.953	.923	.893	.863	.803	.723	.643	.563	.483	
8	.980	.950	.920	.890	.860	.797	.717	.637	.557	.477	
9	.978	.948	.918	.888	.858	.790	.710	.630	.550	.470	
10	.975	.945	.915	.885	.855	.783	.703	.623	.543	.463	
11	.973	.943	.913	.883	.853	.777	.697	.617	.537	.457	

First sixty months reduction: .2500% Next sixty months reduction: 0.6667%

(1-1-94)

TABLE A -- Page 2

**PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
EARLY RETIREMENT FACTORS**

If the date of last contribution is on or after 10/1/92 but prior to 10/1/93

Months	Years										
	0	1	2	3	4	5	6	7	8	9	10
0	1.00	.970	.940	.910	.880	.850	.777	.705	.632	.560	.487
1	.998	.968	.938	.908	.878	.844	.771	.699	.626	.554	

Months	Years									
2	.995	.965	.935	.905	.875	.838	.765	.693	.620	.548
3	.993	.963	.933	.903	.873	.832	.759	.687	.614	.542
4	.990	.960	.930	.900	.870	.826	.753	.681	.608	.536
5	.988	.958	.928	.898	.868	.820	.747	.675	.602	.530
6	.985	.955	.925	.895	.865	.814	.741	.669	.596	.524
7	.983	.953	.923	.893	.863	.808	.735	.663	.590	.518
8	.980	.950	.920	.890	.860	.802	.729	.657	.584	.512
9	.978	.948	.918	.888	.858	.796	.723	.651	.578	.506
10	.975	.945	.915	.885	.855	.790	.717	.645	.572	.500
11	.973	.943	.913	.883	.853	.784	.711	.639	.566	.494

First sixty months reduction: 0.2500% Next sixty months reduction: 0.6042%

(3-20-97)

TABLE A -- Page 3

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
EARLY RETIREMENT FACTORS

If the date of last contribution is on or after 10/1/93 but prior to 10/1/94

Months	Years										
	0	1	2	3	4	5	6	7	8	9	10
0	1.00	.970	.940	.910	.880	.850	.785	.720	.655	.590	.525
1	.998	.968	.938	.908	.878	.845	.780	.715	.650	.585	
2	.995	.965	.935	.905	.875	.839	.774	.709	.644	.579	
3	.993	.963	.933	.903	.873	.834	.769	.704	.639	.574	
4	.990	.960	.930	.900	.870	.828	.763	.698	.633	.568	
5	.988	.958	.928	.898	.868	.823	.758	.693	.628	.563	
6	.985	.955	.925	.895	.865	.817	.752	.687	.622	.557	
7	.983	.953	.923	.893	.863	.812	.747	.682	.617	.552	
8	.980	.950	.920	.890	.860	.807	.742	.677	.612	.547	
9	.978	.948	.918	.888	.858	.801	.736	.671	.606	.541	
10	.975	.945	.915	.885	.855	.796	.731	.666	.601	.536	
11	.973	.943	.913	.883	.853	.790	.725	.660	.595	.530	

First sixty months reduction: 0.2500% Next sixty months reduction: 0.5417%

(3-20-97)

TABLE A -- Page 4

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
EARLY RETIREMENT FACTORS

Date of last contribution is on or after 10/1/94 or later

Months	Years										
	0	1	2	3	4	5	6	7	8	9	10
0	1.0	.970	.940	.910	.880	.850	.792	.735	.677	.620	.562
1	.998	.968	.938	.908	.878	.845	.788	.730	.673	.615	
2	.995	.965	.935	.905	.875	.840	.783	.725	.668	.610	
3	.993	.963	.933	.903	.873	.836	.778	.721	.663	.606	
4	.990	.960	.930	.900	.870	.831	.773	.716	.658	.601	
5	.988	.958	.928	.898	.868	.826	.769	.711	.654	.596	
6	.985	.955	.925	.895	.865	.821	.764	.706	.649	.591	
7	.983	.953	.923	.893	.863	.816	.759	.701	.644	.586	
8	.980	.950	.920	.890	.860	.812	.754	.697	.639	.582	
9	.978	.948	.918	.888	.858	.807	.749	.692	.634	.577	
10	.975	.945	.915	.885	.855	.802	.745	.687	.630	.572	
11	.973	.943	.913	.883	.853	.797	.740	.682	.625	.567	

(3-20-97)

TABLE B -- Page 1

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
RETIREMENT REDUCTION FACTORS FOR OPTIONS 3 AND 4 AND CERTAIN DEATH BENEFITS

Options 3 and 4: Years and Months Until Member Would Be Social Security Retirement Age

**Death Benefits: Additional Years and Months Until Member Would Qualify
for an Unreduced Service Retirement Allowance
AFTER Applying Table A factors**

Months	Years										
	0	1	2	3	4	5	6	7	8	9	10
0	1.00	.923	.853	.787	.727	.671	.620	.572	.528	.488	.451
1	.993	.917	.847	.782	.722	.667	.616	.568	.525	.485	
2	.987	.911	.841	.777	.717	.662	.612	.565	.521	.481	
3	.980	.905	.836	.772	.713	.658	.608	.561	.518	.478	
4	.974	.899	.830	.767	.708	.654	.604	.557	.515	.475	
5	.967	.893	.825	.762	.703	.649	.600	.554	.511	.472	
6	.961	.887	.819	.756	.699	.645	.596	.550	.508	.469	
7	.955	.881	.814	.751	.694	.641	.592	.546	.504	.466	
8	.948	.876	.808	.746	.689	.636	.588	.543	.501	.463	

Months	Years									
9	.942	.870	.803	.742	.685	.632	.584	.539	.498	.460
10	.936	.864	.798	.737	.680	.628	.580	.535	.494	.457
11	.930	.858	.793	.732	.676	.624	.576	.532	.491	.454

(1-1-94)

TABLE B -- Page 2

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
RETIREMENT REDUCTION FACTORS FOR OPTIONS 3 AND 4 AND CERTAIN DEATH BENEFITS

Options 3 and 4: Years and Months Until Member Would Be Social Security Retirement Age

**Death Benefits: Additional Years and Months Until Member Would Qualify
for an Unreduced Service Retirement Allowance
AFTER Applying Table A factors**

Months	Years										
	10	11	12	13	14	15	16	17	18	19	20
0	.451	.416	.384	.355	.327	.302	.279	.258	.238	.220	.203
1	.448	.413	.382	.352	.325	.300	.277	.256	.236	.218	
2	.445	.411	.379	.350	.323	.298	.276	.254	.235	.217	
3	.442	.408	.377	.348	.321	.296	.274	.253	.233	.215	
4	.439	.405	.374	.345	.319	.294	.272	.251	.232	.214	
5	.436	.402	.372	.343	.317	.293	.270	.249	.230	.213	
6	.433	.400	.369	.341	.315	.291	.268	.248	.229	.211	
7	.430	.397	.367	.339	.313	.289	.267	.246	.227	.210	
8	.427	.394	.364	.336	.311	.287	.265	.244	.226	.208	
9	.424	.392	.362	.334	.308	.285	.263	.243	.224	.207	
10	.422	.389	.359	.332	.306	.283	.261	.241	.223	.206	
11	.419	.387	.357	.330	.304	.281	.260	.240	.221	.204	

(1-1-94)

TABLE B -- Page 3

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
RETIREMENT REDUCTION FACTORS FOR OPTIONS 3 AND 4 AND CERTAIN DEATH BENEFITS

Options 3 and 4: Years and Months Until Member Would Be Social Security Retirement Age

**Death Benefits: Additional Years and Months Until Member Would Qualify
for an Unreduced Service Retirement Allowance
AFTER Applying Table A Factors**

	Months		Years			
	20	21	22	23	24	25
0	.203	.187	.173	.160	.148	.136
1	.202	.186	.172	.159	.147	.135
2	.200	.185	.171	.158	.146	.134
3	.199	.184	.170	.157	.145	.134
4	.198	.183	.169	.156	.144	.133
5	.196	.181	.167	.155	.143	.132
6	.195	.180	.166	.154	.142	.131
7	.194	.179	.165	.153	.141	.130
8	.192	.178	.164	.152	.140	.129
9	.191	.177	.163	.151	.139	.128
10	.190	.175	.162	.150	.138	.127
11	.189	.174	.161	.149	.137	.127

(1-1-94)

TABLE C -- Page 1

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
CONTINGENT ANNUITANT FACTORS

For persons retiring before July 1, 1995

	<u>Age Difference in Years</u>	<u>Factors</u>	
		<u>Option 1</u>	<u>Option 2</u>
	<u>15 *</u>	<u>0.600</u>	<u>0.750</u>
	<u>14</u>	<u>0.610</u>	<u>0.758</u>
	<u>13</u>	<u>0.621</u>	<u>0.766</u>
	<u>12</u>	<u>0.631</u>	<u>0.775</u>
	<u>11</u>	<u>0.642</u>	<u>0.782</u>
<u>Member</u>	<u>10</u>	<u>0.652</u>	<u>0.789</u>
<u>Older</u>	<u>9</u>	<u>0.663</u>	<u>0.797</u>
<u>Than</u>	<u>8</u>	<u>0.674</u>	<u>0.804</u>
<u>Contingent Annuitant</u>	<u>7</u>	<u>0.685</u>	<u>0.812</u>
	<u>6</u>	<u>0.697</u>	<u>0.821</u>
	<u>5</u>	<u>0.708</u>	<u>0.830</u>
	<u>4</u>	<u>0.720</u>	<u>0.838</u>
	<u>3</u>	<u>0.732</u>	<u>0.846</u>

	<u>Age Difference in Years</u>	<u>Factors</u>	
	<u>2</u>	<u>0.746</u>	<u>0.855</u>
	<u>1</u>	<u>0.762</u>	<u>0.865</u>
	<u>0</u>	<u>0.780</u>	<u>0.876</u>
	<u>1</u>	<u>0.799</u>	<u>0.887</u>
	<u>2</u>	<u>0.823</u>	<u>0.902</u>
	<u>3</u>	<u>0.836</u>	<u>0.910</u>
	<u>4</u>	<u>0.847</u>	<u>0.918</u>
	<u>5</u>	<u>0.856</u>	<u>0.924</u>
<u>Member</u>	<u>6</u>	<u>0.865</u>	<u>0.930</u>
<u>Younger</u>	<u>7</u>	<u>0.873</u>	<u>0.935</u>
<u>Than</u>	<u>8</u>	<u>0.881</u>	<u>0.940</u>
<u>Contingent Annuitant</u>	<u>9</u>	<u>0.888</u>	<u>0.944</u>
	<u>10</u>	<u>0.897</u>	<u>0.949</u>
	<u>11</u>	<u>0.906</u>	<u>0.955</u>
	<u>12</u>	<u>0.916</u>	<u>0.961</u>
	<u>13</u>	<u>0.926</u>	<u>0.967</u>
	<u>14</u>	<u>0.934</u>	<u>0.969</u>
	<u>15 or more</u>	<u>0.940</u>	<u>0.970</u>

*For each year the member is more than fifteen (15) years older than the contingent annuitant subtract .01 from the factor for Option 1 and subtract .006 from the factor for Option 2. ()

TABLE C -- Page 2

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
CONTINGENT ANNUITANT FACTORS

For persons retiring on or after July 1, 1995

	<u>Age Difference in Years</u>	<u>Factors</u>	
		<u>Option 1</u>	<u>Option 2</u>
	<u>15 *</u>	<u>0.690</u>	<u>0.810</u>
	<u>14</u>	<u>0.700</u>	<u>0.816</u>
	<u>13</u>	<u>0.710</u>	<u>0.822</u>
	<u>12</u>	<u>0.720</u>	<u>0.828</u>
	<u>11</u>	<u>0.730</u>	<u>0.834</u>

	Age Difference in Years	Factors	
Member	10	0.735	0.840
Older	9	0.740	0.846
Than	8	0.745	0.852
Contingent Annuitant	7	0.750	0.858
	6	0.755	0.864
	5	0.760	0.870
	4	0.765	0.876
	3	0.770	0.882
	2	0.785	0.888
	1	0.800	0.894
	0	0.815	0.900
	1	0.835	0.915
	2	0.855	0.925
	3	0.875	0.935
	4	0.890	0.945
	5	0.900	0.950
Member	6	0.910	0.955
Younger	7	0.920	0.960
Than	8	0.930	0.965
Contingent Annuitant	9	0.940	0.967
	10	0.944	0.969
	11	0.946	0.971
	12	0.948	0.973
	13	0.950	0.975
	14	0.952	0.977
	15 or more	0.954	0.979

*For each year the member is more than fifteen (15) years older than the contingent annuitant subtract .01 from the factor for Option 1 and subtract .006 from the factor for Option 2. (Amended 96) (3-20-97)(____)

~~163. POST RETIREMENT COST OF LIVING ADJUSTMENTS — FIREFIGHTERS' RETIREMENT FUND (RULE 163).~~

~~The Board shall annually determine the post retirement cost of living adjustment (COLA) for the firefighters' retirement fund pursuant to Section 72-1471, Idaho Code. The Board shall annually adopt the COLA at the November Board meeting with an effective date of January 1 of the next year.~~

~~Statutory References: Section 72-1471, Idaho Code. (3-20-97)~~

~~1643~~. -- 174. (RESERVED).

(BREAK IN CONTINUITY OF SECTIONS)

557. PENSION PROTECTION ACT DEFINITIONS (RULE 557).

Solely for purposes of the implementation by PERSI of section 402(l) of the Internal Revenue Code, the following definitions shall apply: ()

01. Chaplain. “Chaplain” means any individual serving as an officially recognized or designated member of a legally organized volunteer fire department or legally organized police department, or an officially recognized or designated public employee of a legally organized fire or police department who was responding to a fire, rescue, or police emergency. ()

02. Eligible Retired Public Safety Officer. “Eligible retired public safety officer” means an individual who, by reason of disability or attainment of normal retirement age, is separated from service as a public safety officer with the employer who maintains the eligible retirement plan from which distributions are made. ()

03. Normal Retirement Age. “Normal Retirement Age” means the member’s age at the time that the member is eligible to retire with an unreduced benefit. ()

04. Public Safety Officer. “Public Safety Officer” means an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, as a firefighter, as a chaplain, or as a member of a rescue squad or ambulance crew. ()

~~5578~~. -- 575. (RESERVED).