

PERSI

2019 CEC PRESENTATION



January 15, 2019

Public Employee Retirement System of Idaho

WELCOME!

I will be discussing the following topics:

- PERSI Membership
- Idaho Code
- Contributions Rates
- Fund Status
- Market Volatility
- Going Forward

Don Drum
PERSI Executive Director
208-287-9230 or 1-800-451-8228 ext. 230
don.drum@persi.idaho.gov

PERSI MEMBERS

Fiscal Year-End	Employer	Active	Retirees	Total Membership*
2018	797	71,112	46,907	155,607
2017	783	70,073	45,468	149,692

- State agencies make up 12.5% of PERSI employers.
- Active state employees make up 26% of PERSI active members.

SOURCE: PERSI CAFRs
*Active, retirees, and inactive members

IDAHO CODE GOVERNS PERSI

- **Plan Sponsor: Legislature makes benefit changes.**
- **Plan Administrator: Retirement Board makes funding decisions.**



CONTRIBUTION RATES

- According to Idaho Code 59-1322(5), the Board must act if the amortization period for unfunded actuarial liability (UAL) exceeds 25 years.
 - The most common option is to recommend a rate adjustment.

 - The Board receives a valuation each October.

 - The Board understands the economic realities that employers and members face at this time.

 - The amortization period was 36.6 years in 2016. The Board proposed a contribution rate increase to be implemented July 1, 2018. This proposed increase was later postponed in 2017.
-

CONTRIBUTION RATE DECISION

OCTOBER 2018

- ▶ After reaching all-time highs at the end of August, the capital markets have seen significant volatility and drops through the end of 2018.
 - ▶ The current forecast for the capital markets is a continuation of volatility and general sideways movement for the immediate future.
 - ▶ The Board, while giving strong consideration to postponing the contribution rate increase, determined that it would be in the best interest of the fund to allow the rate increase to go into effect.
 - ▶ The contribution rate increase will go into effect on July 1, 2019.
-

CONTRIBUTION RATES

	PUBLIC SAFETY		GENERAL MEMBER	
YEAR	EMPLOYER(%)	EMPLOYEE(%)	EMPLOYER (%)	EMPLOYEE(%)
2019*	12.28	8.81	11.94	7.16
2013-2018	11.66	8.36	11.32	6.79
2004-2012	10.73	7.65	10.39	6.23
1997-2003	10.01	7.21	9.77	5.86
1994-1996	11.85	8.53	11.61	6.97
1994-1996	11.85	8.53	11.61	6.97

*Effective July 1, 2019

CONTRIBUTION HISTORY

FISCAL YEAR END	STATE AGENCIES	SCHOOLS
2018	\$95,478,137	\$151,575,614
2017	\$95,603,736	\$143,627,380
2016	\$89,185,162	\$136,102,718
2015	\$86,051,546	\$131,462,613
2014	\$82,499,108	\$129,020,052

Source: PERSI Actuarial Valuations 2018-2014

ESTIMATED FUNDED STATUS

January 10, 2019

►► Inputs

Date for calculation of UAAL
 Asset Return Year to Date (Net of Expenses)
 Total March 1, 2019 COLA ⁽¹⁾

1/10/2019
-1.61%
1.00%

►► PERSI Status as of 07/01/2018

Actuarial Accrued Liability ⁽²⁾	17,854.9
Market Value of Assets	16,274.8
Unfunded Actuarial Accrued Liability	1,580.1
Funded Ratio	91.2%
Amortization Period	13.9 Years

►► PERSI Status as of 01/10/2019 with user-input COLA

Actuarial Accrued Liability ⁽³⁾	18,265.5
Market Value of Assets	15,830.2
Unfunded Actuarial Accrued Liability	2,435.3
Funded Ratio	86.7%
Amortization Period	N/A Years

DOW JONES

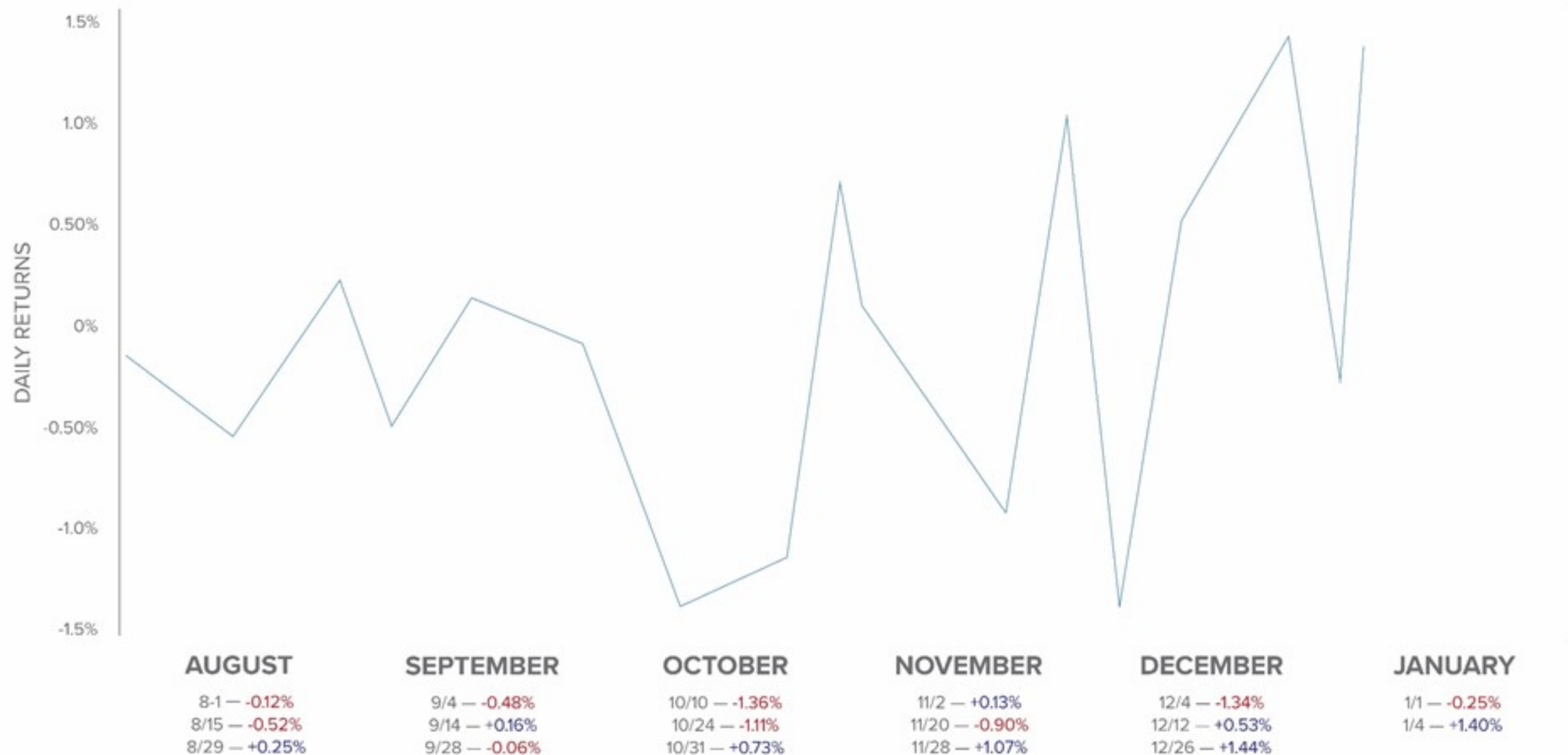
AUGUST 2018 THROUGH EARLY JANUARY 2019



SOURCE: Macrotrends.net

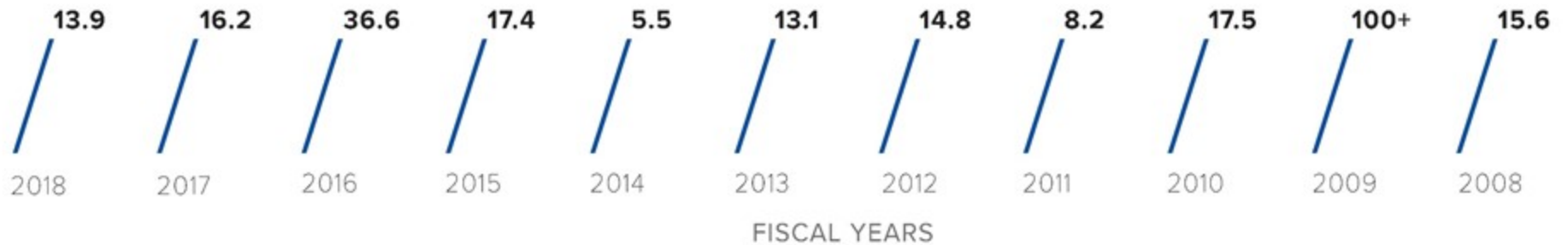
DAILY RETURNS

AUGUST 2018 THROUGH EARLY JANUARY 2019



SOURCE: PERSI Daily Investment Reports

AMORTIZATION HISTORY



SOURCE: PERSI Valuations 2018-2007

GOING FORWARD

➤ PERSI Status as of 07/01/2018

Actuarial Accrued Liability ⁽²⁾	17,854.9
Market Value of Assets	16,274.8
Unfunded Actuarial Accrued Liability	1,580.1
Funded Ratio	91.2%
Amortization Period	13.9 Years

➤ PERSI Status as of 01/10/2019 with user-input COLA

Actuarial Accrued Liability ⁽³⁾	18,265.5
Market Value of Assets	15,830.2
Unfunded Actuarial Accrued Liability	2,435.3
Funded Ratio	86.7%
Amortization Period	N/A Years

➤ **Amortization period is constantly fluctuating.**

QUESTIONS & ANSWERS



THANK YOU!

www.persi.idaho.gov
