

## STATEMENT OF PURPOSE

RS28525 / S1095

This legislation amends Idaho Code § 59-1304 to exempt Public Employee Retirement System of Idaho (PERSI) Board members from accruing PERSI service and provides an honorarium in accordance with Idaho Code § 59-509(p). All boards in the State have had issues finding qualified and willing options for board appointments. One minor obstacle has been the fact that participation in PERSI (mandated for state boards that offer a wage) can affect other personal retirement options for potential board members or applicants. For this reason, in recent years, there have been many boards opting for an honorarium rather than a wage. PERSI has not previously made this move as this could and would have the same impact on potential PERSI board applicants.

Accrual of PERSI service for Board members is de minimis and may impact the ability of the Board member to retire and maintain Board member status. If a Board member wishes to retire and start drawing PERSI, they must start drawing PERSI, they must first become inactive (no longer drawing a wage in a PERSI-eligible position). Members of state boards who draw a wage are considered an active PERSI-eligible employee. Drawing an honorarium does not qualify a Board member for PERSI service and allows a smooth transition into retirement.

### FISCAL NOTE

There is no impact to the General Fund. Annual compensation from dedicated funds would increase between \$3,500 and \$7,000 annually, depending upon the number of Board meetings. Annual cost increases would be offset by eliminating future PERSI benefits earned and paid in retirement.

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).