

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 59.02.01 - Rules for the Judges' Retirement Fund - Temporary and Proposed Rule (Docket  
No. 59-0201-1601).

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 01/27/2016. 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 02/24/2016.

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

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*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:** January 7, 2016

**SUBJECT:** PERSI (Public Employee Retirement System of Idaho)

IDAPA 59.02.01 - Rules for the Judges' Retirement Fund - Temporary and Proposed Rule (Docket No. 59-0201-1601)

The Public Employee Retirement System of Idaho (PERSI) submits notice of temporary and proposed rulemaking at IDAPA 59.02.01 - Rules for the Judges' Retirement Fund. This rulemaking increases employer and employee contribution rates for the judges' retirement fund effective July 1, 2017. PERSI states that this rule change is required in order to bring the amortization period to 25 years or less as required by Section 1-2004A, Idaho Code.

PERSI states that negotiated rulemaking was not conducted because it would be inconsistent with the Board's exclusive fiduciary responsibility for plan operations. PERSI further states that the fiscal impact associated with this rulemaking will be in the form of an increase in employer contribution rates that will affect the general fund.

This temporary and proposed rule appears to be within the statutory authority granted to PERSI in Section 1-2012, Idaho Code.

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

# IDAPA 59 - PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

## 59.02.01 - RULES FOR THE JUDGES' RETIREMENT FUND

DOCKET NO. 59-0201-1601

### NOTICE OF RULEMAKING - TEMPORARY AND PROPOSED RULE

**EFFECTIVE DATE:** The effective date of the temporary rule is December 1, 2015.

**AUTHORITY:** In compliance with Sections 67-5221(1) and 67-5226, Idaho Code, notice is hereby given that this agency has adopted a temporary rule, and proposed rulemaking procedures have been initiated. The action is authorized pursuant to Section 1-2012, 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 January 20, 2016.

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 the required finding and concise statement of its supporting reasons for adopting a temporary rule and a nontechnical explanation of the substance and purpose of the proposed rulemaking:

These rules apply to the Judges' Retirement Fund (JRF). The actuarial valuation for the JRF for the period ending June 30, 2015, reflected that the amortization period is above the maximum 25 year amortization period contained in statute. The PERSI Board has acted to adopt the rate increase as it is required to do to bring the amortization period to 25 years or less as required by Idaho Code section 1-2004A. The rate increase becomes effective July 1, 2017.

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

These rate increase is required to bring the amortization period to 25 years or less as required by Section 1-2004A, Idaho Code.

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

**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:

Employer contribution rates will increase by 7.25% of salaries, beginning July 1, 2017. This will affect the general fund to the extent the contributions required of the employer (Supreme Court) are made from general fund dollars.

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not conducted because negotiated rulemaking is not feasible because it would be inconsistent with the Retirement Board's need to bring the amortization rate to 25 years or less and with the 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 temporary and proposed rule, contact Joanna L. Guilfooy, 208-287-9371.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before January 27, 2016.

DATED this 1st day of December, 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 TEMPORARY RULE AND THE PROPOSED TEXT  
OF DOCKET NO. 59-0201-1601  
(Only Those Sections With Amendments Are Shown.)**

**300. EMPLOYER CONTRIBUTION RATE (RULE 300).**

The employer contribution rate shall be fifty-five point twenty-eight percent (55.28%) of salaries until next determined by the Board. Beginning July 1, 2017, the employer contribution rate shall be sixty-two point fifty-three percent (62.53%) of salaries until next determined by the Board. ~~(7-1-14)~~(12-1-15)T

**301. EMPLOYEE CONTRIBUTION RATE (RULE 301).**

The employee contribution rate shall be ten point twenty-three percent (10.23%) of salary until next determined by the Board. Beginning July 1, 2017, the employee contribution rate shall be eleven point fifty-seven percent (11.57%) of salaries until next determined by the Board. ~~(7-1-14)~~(12-1-15)T