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Idaho State Legislature

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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: September 2, 2015

SUBJECT: PERSI (Public Employee Retirement System of Idaho) - Judges' Retirement Fund

IDAPA 59.02.01 - Rules for the Judges' Retirement Fund - Temporary and Proposed Rule (Docket No. 59-0201-1501)

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 (JRF). PERSI states that this rule change is in anticipation of seeking a determination letter of qualified status from the IRS for the JRF and to make the language consistent with language in the rules for the PERSI Base Plan. Specifically, this rulemaking accomplishes the following:

- (1) Defines the term differential wage payments and removes definitions for distribution calendar year, includible compensation and life expectancy;
- (2) Provides criteria for required minimum distributions that include default application of federal requirements, lifetime distributions, timing and adjustment of distributions and benefits upon death;
- (3) Provides criteria for maximum limitations on benefits that include a defined benefit dollar limitation, benefits for fewer than ten years of service and benefits prior to age sixty-two and at age sixty-five;
- (4) Provides rollover distributions for after-tax contributions, alternate payees and transfers to non-spouse beneficiaries;
- (5) Provides that the Board shall hold the assets of the JRF in trust for the exclusive purpose of providing benefits to members and beneficiaries and payment of reasonable expenses; and
- (6) Provides criteria for benefits during military service.

PERSI states that negotiated rulemaking was not conducted because it was not feasible due to the Retirement Board's exclusive fiduciary responsibility and because several of the changes are required by federal law. PERSI further states that a temporary rule is needed to ensure that the rules meet federal requirements. There is no fiscal impact associated with this rulemaking.

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

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