PERSI

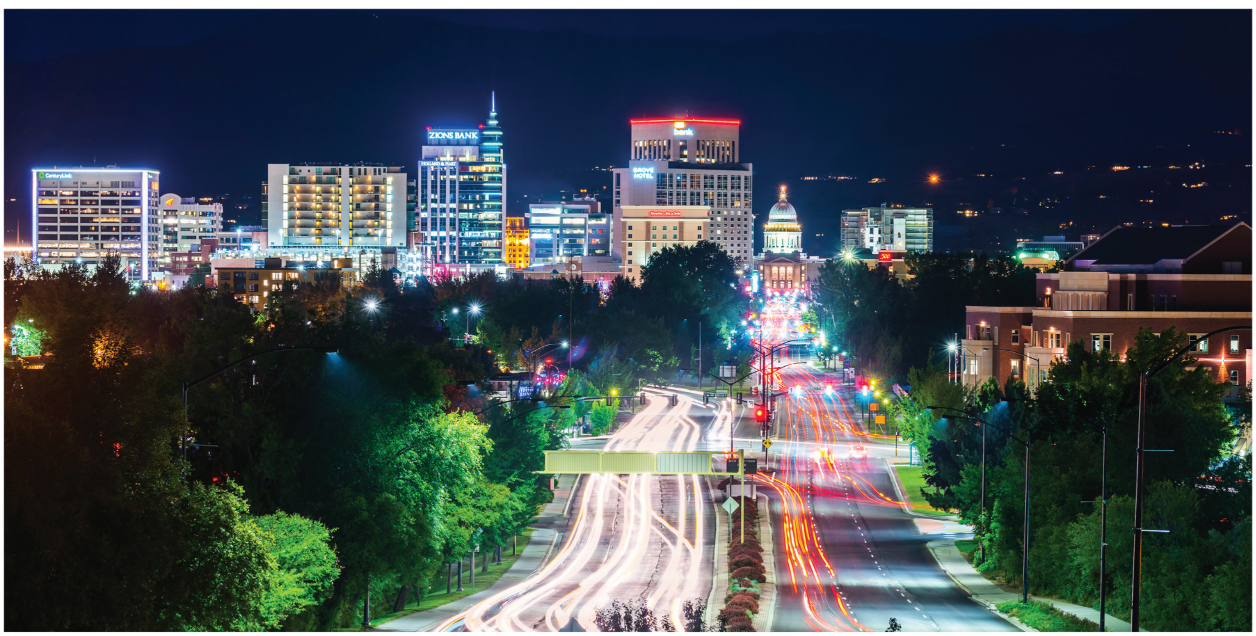
PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

A PENSION AND OPEB TRUST FUND OF THE STATE OF IDAHO

2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF AND FOR

FISCAL YEAR 2023

ENDED JUNE 30, 2023



Public Employee Retirement System of Idaho
A Pension and OPEB Trust Fund of the State of Idaho

PERSI

Public Employee Retirement of Idaho

Annual Comprehensive Financial Report
As of and for Fiscal Year Ended June 30, 2023

This Annual Comprehensive Financial Report was prepared by:

Financial:	Alex Simpson - Financial Executive Officer Kelly Schlangen - Senior Financial Specialist Mike Anderson - Portfolio Accounting Manager Eric Carpenter - Principal Financial Specialist Adel Stacy - Senior Financial Specialist Chris Wester - Senior Financial Specialist
Investments:	Richelle Sugiyama - Chief Investment Officer
Administration:	Jenny Flint - Public Information Officer

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INTRODUCTORY SECTION

PERSI MISSION STATEMENT

PERSI administers, as provided by the Legislature as plan sponsor, retirement related benefits, education, and services to Idaho's public employees.

CORE VALUES

VISION

To be a trusted expert in helping Idaho's public employees build and receive a secure and meaningful retirement benefit.

FIDUCIARY DUTY OF LOYALTY

The primary duty of the Retirement Board and PERSI staff, as fiduciaries, is that of loyalty, or acting with an "eye single" to the interests of the beneficiaries. PERSI is required by law to make all its decisions solely in the interest of the beneficiaries and to avoid, at all costs, serving the interests of any other party not a beneficiary of the system.

INTRODUCTORY SECTION

Brad Little Governor of The State of Idaho

RETIREMENT BOARD

Jeff Cilek — Chairman

Joy Fisher

Celia Gould

Park Price

Darin DeAngeli

PERSI EXECUTIVE ADMINISTRATIVE STAFF

Donald D Drum	Executive Director
Michael L Hampton	Deputy Director
Cheryl George	Deputy Attorney General
Richelle Sugiyama	Chief Investment Officer
Alex Simpson	Financial Executive Officer
Casey Hartwig	Quality Assurance Manager
Lisa Conn	Member Services Manager
Larry Sweat	IT Information Services Manager
Kelly Cross	Program Manager
Diane Kaiser	Defined Contribution Plan Manager

PROFESSIONAL CONSULTANTS

Actuary:	Milliman, Inc, Seattle, WA Cavanaugh Macdonald Consulting, LLC, Kennesaw, GA	
Auditor:	Eide Bailly, LLP, Boise, ID	
Medical:	Managed Medical Review Organization, Novi, MI	
Investment:	AEW Capital Management, LP Boston, MA Ash Williams, Tallahassee, FL Alban Row Investments, LLC, Mt Pleasant, SC Clearwater Analytics, LLC, Boise, ID Consensus Economics, Inc, London, UK Callan, LLC, San Francisco, CA Dwight Churchill, Sunapee, NH Garrett A Walls, New York, NY	Hamilton Lane Advisors, LLC, Philadelphia, PA John R Jenks, Sebastopol, CA John Skjervem, Menlo Park, CA MSCI, Inc, New York, NY Robert Storer, Palm Desert, CA Thomas Lee, Loundonville, NY
Legal:	Foster Garvey, PC, Seattle, WA Klausner, Kaufman, Jensen & Levinson, Plantation, FL Whiteford, Taylor & Preston, LLP, Baltimore, MD	
Other:	BCA Research, Inc, Montreal Bloomberg, LP, New York, New York Capital Economics (NA) Ltd, London CT Corporation, Carol Stream, IL Ernst & Young, LLP, Secaucus, NJ	Empower Retirement, Denver, CO Korn Ferry, Minneapolis, MN MRB Partners, New York, NY Yardeni Research, Inc, Glen Head, NY Murray Devine, Philadelphia, PA
Investment Custodians:	Bank of New York Mellon Asset Servicing, Pittsburgh, PA Principal Asset Management - Real Estate, Des Moines, Iowa	

Active Investment Managers:

Adelante Capital Management, Oakland, CA
Advent International, LP,Boston, MA
Ascribe Capital, LLC, New York, NY
Apollo Management, LP, New York, NY
Blackstone Group, LP, New York, NY
BLS Capital, Copenhagen
Brandes Investment Partners, LP, San Diego, CA
Bridgepoint Capital Ltd, London
Cerberus Capital Management, LP, New York, NY
Clearwater Advisors, LLC, Boise, ID
CVC Capital Partners Advisory Co Ltd, Luxembourg
D B Fitzpatrick & Co, Inc, Boise, ID
Donald Smith & Company, New York, NY
Endeavour Capital Partners, LP, Portland, OR
Epic Ventures, LLC, Salt Lake City, UT
Fiera Capital, Inc, Montreal
First Reserve Corporation, Greenwich, CT
Galen Management, LLC, Stamford, CT
Genesis Investment Managers, LLP, Channel Islands
Hamilton Lane Advisors, LLC, Santa Clara, CA
Hamilton Lane, GP, Baja Cynwyd, PA
Ida-West Operating Services, Inc, Boise, ID
Income Research + Management, Inc, Boston, MA
Kohlberg Kravis Roberts & Co, LP, New York, NY
Kohlberg & Co, Mt Kisco, NY
Leonard Green & Partners, LP, Los Angeles, CA
Lindsay Goldberg, LLC, New York, NY
Longview Partners (Guernsey) Ltd, Channel Islands
Mellon Investments Corporation, San Francisco, CA
Mondrian Investment Partners, London
Mountain Pacific Investment Advisers, Inc, Boise, ID
Nautic Partners, LLC, Providence, RI
Olympic Investors, LLC, Seattle, WA
Peregrine Capital Management, Minneapolis, MN
Providence Equity Partners LLC, Providence, RI
PGIM Inc, New York, NY
Sanford C Bernstein & Co, LLC
Silverlake Partners, Menlo Park, CA
Sorenson Capital Partners IV, Lehi, UT
State Street Global Advisors, Boston, MA
State Street Global Markets, Boston, MA
TPG Capital, LP, San Francisco, CA
The Gores Group, LLC, Beverly Hills, CA
Veritas Capital, LP New York, NY
Walter Scott & Partners Ltd, Edinburgh
Western Asset, Pasadena, CA

Additional information on the above-mentioned investment professionals can be found on pages 92-97 in the Investment Section of this report. Fees and commissions are found on pages 99-100.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employee Retirement System of Idaho

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2023

Presented to

Public Employee Retirement System of Idaho

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Alan H. Winkle
Program Administrator

ORGANIZATIONAL CHART (As of June 30, 2023)

Retirement Board

Donald D Drum Executive Director	**Michael L Hampton** Deputy Director	**Cheryl George** Deputy Attorney General	**Jon Wald** Purchasing Agent	**Eliza Storms** Management Assistant
	Jenny Flint Public Information Officer			
Richelle Sugiyama Chief Investment Officer	**Chris Brechbuhler** Deputy Chief Investment Officer	**Rose Marie Sawicki** Administrative Assistant	**Investment Managers** See Investment Section for a list	
Kelly Cross Program Manager	**Diane Kaiser** Defined Contribution Plan Mgr	**Kathy Adams** Administrative Assistant	**Vacant** Management Assistant	
	Maria Quitugua Member Education Supervisor	**Matthew Groves** Training Specialist	**Raymond Mikus** Training Specialist	**Vacant** Training Specialist
		Vacant Training Specialist	**Vacant** Training Specialist	
Alex Simpson Financial Executive Officer	**Eric Carpenter** Financial Specialist PR	**Vanessa Leach** Financial Technician	**Ellise Fowler** Financial Technician	**Helen Santana** Administrative Assistant II
	Michael Anderson Portfolio Accounting Manager	**Adel Stacy** Financial Specialist SR	**Chris Wester** Financial Specialist SR	**Michelle Black** Financial Technician
	Kelly Schlangen Financial Specialist SR	**Sharon Simon** Financial Support Technician	**Teresa Froehlke** Financial Technician	**Felicia Vines** Financial Technician
Casey Hartwig Quality Assurance Manager	**Alicia Harper** Retirement Specialist	**Brett Harper** Retirement Specialist	**Wayne Millar** Retirement Specialist	**Patricia Martinez** Retirement Specialist
Larry Sweat IT Info Services Manager	**Branden Kennah** IT Manager II	**Pavel Denisov** IT Infrastructure Engineer III	**Brian Mickels** IT Infrastructure Engineer II	**Kris Colt** IT Ops & Support SR Tech
	Stacy Parr IT Software Engineer III	**Mamatha Bellamkonda** IT Software Engineer II	**Timothy Wolfrum** IT Software Engineer I	**Matthew Conlin** IT Software Engineer I
	Vacant Project Manager I			
Lisa Conn Member Services Manager	**Shasta Hinton Mills** Member Services Supervisor	**Rebecca Howard** Technical Records Specialist II	**Alan Hedquist** Technical Records Specialist I	**Pennie Lish** Member Services Rep
	Duane Random Retirement Specialist	**Jessica Scales** Retirement Counselor	**Lisa Oglesby Peterson** Customer Service Rep II	**Tiffany Sheppard** Member Services Rep
	Mary Holleron Retirement Specialist	**Robert Stevahn** Technical Records Specialist I	**Veronica Rosado** Member Service Rep	**Lloyd Moore** Retirement Specialist
	Alicia Harry Retirement Counselor	**Tina Duran** Technical Records Specialist I	**Ashly Korzendorfer** Technical Records Specialist II	**Stephen Mytrysak** Technical Records Specialist II
	Jess Simonds Member Services Supervisor	**Bonnie Chaffin** Technical Records Specialist I	**Shawn Astin** Retirement Specialist	**Vacant** Member Services Rep
	Catherine Atchison Business Analyst	**Andrew Millar** Technical Records Specialist I	**Maira Silva** Technical Records Specialist I	**Vacant** Member Service Rep

PLAN SUMMARY

THE SYSTEM
The Public Employee Retirement System of Idaho (the System) is the administrator of seven fiduciary funds. This includes three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan (PERSI Base Plan) the Firefighters' Retirement Fund (FRF) and the Judges' Retirement Plan (JRF); two defined contribution plans, the Public Employee Retirement Fund Choice Plan 401(k) and 414(k) (PERSI Choice Plans); and two Sick Leave Insurance Reserve Trust Funds – one for state employers and one for school district employers.

The Retirement Board consists of five members, each appointed by the Governor to fulfill a 5-year term. The Board meets monthly to conduct System business, usually on the third Tuesday of each month at 8:30 a.m. at PERSI's headquarters office in downtown Boise.

Administrative expenditures, consisting of the personnel costs, operating expenditures, and capital outlay necessary to operate the System, are limited to those approved and appropriated by the Legislature for that purpose. In Fiscal Year 2023 (FY 2023), these costs totaled $12,730,755 including $1,742,583 depreciation and amortization, which are not cash expenditures and, therefore, not appropriated.

The majority of the System's 72 full time staff work in the headquarters office located at 607 North 8th Street, Boise, Idaho. There are two staff members in the Coeur d'Alene office, and six in the Pocatello office. The Executive Director and Investment Officers are exempt positions appointed by the Retirement Board to serve at its pleasure. The Deputy Director and Public Information Officer are exempt positions serving under the Executive Director. The Deputy Attorney General is assigned to PERSI by the Office of the Attorney General. All other staff members serve under statutes and personnel rules governing classified state service.

The System staff oversees the investment of the trust corpus and new contributions with professional investment managers and funding agents. The Retirement Board maintains fiduciary responsibility for investment policy, asset allocation, and the selection of individual investment managers as discussed in the Investment Section.

SUMMARY OF PLAN PROVISIONS

DEFINED BENEFIT "BASE PLAN" PROVISIONS
Note: The items in parentheses are the provisions applicable to members designated as either PERSI firefighters or as PERSI police safety officer members for retirement purposes.

MEMBER CONTRIBUTION RATE
The employee contribution rate is set by statute at 60% (72%) of the employer rate. As of June 30, 2023, it was 7.16% (9.13%).

EMPLOYER CONTRIBUTION RATE
The employer contribution rate set by the Retirement Board was 11.94% (12.28%) as of June 30, 2023.

SERVICE RETIREMENT
ELIGIBILITY
Five years of service and age 65 (age 60 or between 60 and 65, depending on the ratio of police officer/ firefighter service to total credited service).

AMOUNT OF ALLOWANCE

For each year of credited service, the monthly service retirement allowance as of June 30, 2023, was 2% (2.3%) of the monthly average salary of the member's highest 42 consecutive months.

MINIMUM MONTHLY BENEFIT ALLOWANCE

Until February 28, 2023: for each year of service, the monthly minimum benefit allowance was $29.69 ($35.63) to a maximum of the member's accrued benefit. Effective March 1, 2023 the monthly minimum benefit allowance was $29.99 ($35.99).

DISABILITY TO SERVICE RETIREMENT

The regular retirement allowance for disability changes to service retirement allowance when the member reaches service retirement age. The disabled member completes the normal retirement application, offering the ability to select other retirement options.

OPTIONAL FORMS

Retirees may also choose 50% or 100% contingent annuitant options as well as Social Security "bridge" options. These are actuarial equivalents of the normal form based on the mortality and interest assumptions adopted by the Retirement Board. The allowance is payable for the life of the retiree and designated contingent annuitant.

EARLY RETIREMENT

ELIGIBILITY

Five years of service and age 55 (age 50 or between 50 and 55, depending on the ratio of police officer/firefighter service to total credited service).

AMOUNT OF ALLOWANCE

Unreduced accrued service retirement allowance if age plus service, upon separation from employment, total 90 (80, or between 80 and 90, depending on the ratio of police officer/firefighter service to total credited service); otherwise, the accrued service retirement allowance is reduced 3% for each of the first 5 years by which the early retirement date precedes the date the member would be eligible to receive the unreduced benefit, and by 5.75% for each additional year to a maximum of a second 5 years. The unreduced benefit entitlement may be either at the service retirement eligibility date or the date eligible for the rule of 90(80).

FORMS

Regular retirement allowance; contingent annuitant allowances for the life of the retiree and a designated contingent annuitant; Social Security level income option for the life of the retiree only or for the life of the retiree and designated survivor.

DISABILITY RETIREMENT

ELIGIBILITY

Active members must have 5 years of service, be unable to perform work of any kind, and be expected to remain disabled for life. They are eligible from the first day on the job if the disability is due to occupational causes.

AMOUNT OF ALLOWANCE

Projected service retirement allowance based on the highest 42-consecutive month average salary at the time of disability. The benefit is calculated using the accrued service at the time of disability plus the service which would have accrued through service retirement age had the disability not occurred. If a member has less than 360 months of service as of the date they are eligible for disability retirement, they will be given credit for the months of service they would have earned from the date of disability to the date they would have reached service retirement age (65 for general members/62 for police and firefighters) had they not become disabled (360 months of credited service maximum). In other words, PERSI will give members up to 30 years of credit or to service retirement age, whichever comes first. Monthly allowance is payable after all temporary compensation ceases and is offset by the amount payable as income benefit under worker's compensation law, except when offset by Social Security. Effective July 1, 2009, public safety officers who are injured in the line of duty and determined to be permanently disabled under Idaho Code 59-1302(12), may be eligible to receive a one-time, lump-sum payment of $100,000.

DISABILITY TO SERVICE RETIREMENT

The regular retirement allowance for disability changes to service retirement allowance when the member reaches service retirement age. The disabled member completes the normal retirement application offering them the ability to select other retirement options.

DEATH BENEFITS

AFTER RETIREMENT

Under the normal form of the retirement allowance, a Social Security adjustment option, or a disability retirement, the balance, if any, of the member's accumulated contributions and interest at retirement over all payments received is paid to the beneficiary in a lump sum. In the case of a disability retirement, the beneficiary may waive the lump sum if the retiree is married so that the spouse will receive a lifetime monthly allowance, or the beneficiary may take a lump-sum payment of two times the amount in the member's account at the time of disability retirement minus any amount paid. Under the contingent annuitant options, the designated annuitant receives a lifetime monthly benefit following the member's death. If the survivor dies before the balance of the member's accumulated contributions and interest has been paid, the balance will be paid to the beneficiary in a lump sum. If the member's designated contingent annuitant predeceases him/her, the member's allowance will be recalculated to a single life payment.

BEFORE RETIREMENT

1. Non-vested Members:
    a. Beneficiary receives a lump sum payment of the member's accumulated contributions plus interest.

2. Vested Members:
    a. Beneficiary receives a lump sum payment of two times the member's accumulated contributions plus interest.
    b. If the member is married, and the spouse is the sole beneficiary, the spouse may select a lump sum payment or a lifetime monthly benefit.
    c. If the member is married, but the spouse is not the sole beneficiary, the beneficiary may waive the lump sum, in which case, a lifetime monthly benefit is available to the surviving spouse.

3. A $100,000 death benefit for duty-related deaths for police officers/firefighters became effective July 1, 2003.

SEPARATION BENEFIT

Accumulated member contributions with regular interest is payable upon becoming an inactive member separated from eligible employment. The Regular Interest Rate in effect for Fiscal Year 2023 was 1.00% from January 1 through June 30, 2023 (24.69% from July 1 through December 31, 2022) compounded monthly per annum.

POSTRETIREMENT ADJUSTMENTS

An annual postretirement adjustment based on and limited by a cost-of-living factor reflecting the changes in the Consumer Price Index-Urban (CPI-U) is effective in March each year. If the CPI-U change from August of the previous year to August of the second previous year is 1% or more, a 1% mandatory adjustment is made. The Board may authorize additional discretionary adjustments based on the CPI-U increase (up to a total maximum annual COLA of 6% or the CPI-U rate, whichever is lower) if it determines that the System can do so and still maintain an appropriately funded position as required by Idaho Code Section 59-1355(1). When discretionary COLA adjustments in excess of the 1% are authorized by the Board, they are reported to the Legislature. If the Legislature has not acted on the Board adjustment by the 45th day of the legislative session, the discretionary COLA, if any, becomes effective on March 1 of that year.

The Board is also authorized to award postretirement adjustments for prior years in which the actual amount of adjustment was less than the CPI-U for those years. If the CPI-U change is downward, in no event will any benefit be reduced below its initial amount.

The Board approved the mandatory and discretionary COLA of 1.00%, implemented on March 1, 2023.

PERSI
Public Employee Retirement System of Idaho

HELPING YOU BUILD A SECURE RETIREMENT

Phones
Answer Center 208-334-3365
FAX 208-334-3805

Toll Free
Answer Center 1-800-451-8228
Employer Line 1-866-887-9525

Mailing Address
P.O. Box 83720
Boise ID 83720-0078

Boise
Office Location Address
607 North 8th Street
Boise ID 83702-5518

Pocatello
Office Location Address
1246 Yellowstone Ave., Ste. A5
Pocatello ID 83201

Coeur d' Alene
Office Location Address
2005 Ironwood Pkwy #226
Coeur d' Alene ID 83814-2680

Choice 401(k) Plan
Record Keeper
1-866-437-3774

www.persi.idaho.gov

Equal Opportunity Employer

December 11, 2023

Dear Governor Little, Legislators, and Members of the Retirement System:

We are pleased to present to you the Public Employee Retirement System of Idaho (the System) annual comprehensive financial report, for the fiscal year ended June 30, 2023 (FY2023). This financial report is a historical perspective of benefits, services, and fiscal activities of the System. Included is a summary of our actuarial valuations, an independent auditors' report, an investment summary, and a statistical section.

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The System's MD&A can be found immediately following the independent auditors' report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERSI for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 32nd consecutive year PERSI has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

For the 21st consecutive year, PERSI has been awarded the Public Pension Coordinating Council Standards Award. This award signifies that PERSI complies with the standard benchmarks for public defined benefit systems in the United States. The standards require a high level for the following: comprehensive benefit program, funding adequacy, accepted actuarial and audit practices, investment policy and evaluation, and member communications. This award is given to 50 to 60 public retirement systems each year.

This Letter of Transmittal is intended to serve as an overview of the System and to convey information on the topics that follow.

PLAN HISTORY

The Public Employment Retirement System of Idaho (PERSI) was created by the thirty-seventh Legislature, Regular Session of 1963 with funding effective July 1, 1965. It is a tax qualified, defined benefit system to which both the member and the employer contribute. Participation in the System is mandatory for eligible state and school district employees and available to other public employers and their employees on a contractual basis.

When the Teachers Retirement System of Idaho was abolished, members of that system were integrated into PERSI, and all other eligible school district employees became PERSI members effective July 1, 1967.

Legislative amendments since 1965 have made it possible for municipal police officer retirement funds to merge with the System, and two of the five police officer systems have since merged. The other three are being phased out, and police officers hired since 1969 have become PERSI members.

Legislation in 1979 mandated the Firefighters' Retirement Fund be administered by PERSI effective October 1,1980. Paid firefighters who were members of the original system retained their original benefit entitlement, while paid firefighters hired after October 1,1980, were entitled to PERSI benefits. An actuarial valuation of the firefighter member benefit entitlement is conducted at least every other year, separate from the annual PERSI valuation.

In January 2001, PERSI implemented a "Gain Sharing" program as a way to distribute $155 million in excess investment earnings back to our active members, retirees, and employer members. Retirees received their gain sharing as a "13th check." Employers received their share as a contribution "holiday." Some 53,000 eligible active members received their portion as deposits into newly created defined contribution (DC) accounts. This new plan, named the "PERSI Choice 401(k) Plan," supplemented PERSI's traditional Defined Benefit (DB) "Base" Plan. It allowed employees for the first time to actively participate in saving for their retirement.

At the time of inception, the PERSI Choice 401(k) Plan was somewhat unique in the public sector. PERSI obtained permission from the Internal Revenue Service to expand a grandfathered State 401(k) to our members statewide. While some public employees were familiar with 457 or 403(b) plans, a 401(k) was something new to them. Many of our members had never had the opportunity to make such pre-tax voluntary contributions.

PERSI assumed the administration for the Judges' Retirement Fund (JRF) starting July 1, 2014.

SERVICES PROVIDED

The ability of the System to serve both employee and employer members at the local level through the Boise, Pocatello, and Coeur d'Alene offices remains a key factor for efficient administration. The merging of other retirement systems with PERSI, plus statutory amendments over the years, have produced both multiple and diverse member benefit entitlements and administrative requirements. These can best be analyzed and explained to the members through personal contact with knowledgeable System staff members.

In its 58th year of operation, the System continued a wide range of services to both employee and employer members. Members may visit the PERSI Web site, call, email, or visit one of the three offices for personal information and assistance regarding credited service, account balances, eligibility, benefit options and amounts, and other retirement matters.

Members receive advance notice of service retirement qualification and are provided with estimates of monthly allowances. They also receive information regarding the availability of alternate forms of retirement payments. Retirement applications are processed in a timely fashion, and monthly payments are made promptly. Direct deposit of benefit payments are available to retired members as is withholding for income tax, medical insurance, or other purposes.

System retirees are provided notices whenever their net benefit amount changes. This notice gives retirees a list of their itemized deductions from their gross benefit. Retirees may also access additional account information through the online web portal.

Separation and death benefits are paid in an orderly manner and as rapidly as possible. Employee contributions and earned interest are posted to individual member accounts each month, and an annual statement is provided to each member confirming their average monthly salary, credited service, contributions, and earned interest. In addition, a report of benefits accrued to date is provided along with an estimate of benefits projected ahead to various retirement ages.

PERSI's employer units are responsible for reporting and handling retirement transactions and activities. They are provided regular training and assistance through monthly newsletters, employer training sessions throughout the State, and personal contacts with PERSI staff, as needed.

Upon request, public employers interested in affiliation with the System are counseled and provided with information regarding employee benefits, cost, and procedures associated with joining. Conversely, employers considering withdrawal are provided information and employee benefit projections to enable them to make an informed decision.

Pre-retirement and financial planning workshops, offered on a regular basis throughout the State, cover financial planning, budgeting, investment basics, and Social Security, Medicare, and System benefits.

EMPLOYEE AND EMPLOYER MEMBERSHIP

During Fiscal Year 2023, the number of active PERSI members increased from 74,409 to 76,668. The number of retired members or annuitants receiving monthly allowances increased from 53,190 to 54,680. The number of inactive members who have not been paid a separation benefit increased from 50,203 to 52,074. Of these inactive members, 16,106 have achieved vested eligibility. Total membership in PERSI increased from 177,802 to 183,422 during the fiscal year. There are currently 850 public employers in Idaho who are PERSI members. Participating employers are listed in the Statistical Section of this report.

MANAGEMENT RESPONSIBILITY

The System's management is responsible for the complete and fair presentation of the data and the accompanying disclosures in this report. The financial statements and supplemental schedules included in this report have been prepared in accordance with generally accepted accounting principles for governmental accounting and reporting as pronounced or adopted by the Governmental Accounting Standards Board.

INDEPENDENT AUDIT

The System is audited annually, and for the fiscal year ended June 30, 2023, the audit was conducted by Eide Bailly, LLP, an independent firm of Certified Public Accountants. Refer to the Independent Auditors' Report for their audit opinion.

INTERNAL ACCOUNTING CONTROL

As an agency of the State of Idaho, the System's administrative expenses are subject to the State's budget controls. Management is responsible for maintaining a system of internal accounting controls designed to provide reasonable assurance transactions are executed in accordance with management's general or specific authorization and are recorded as needed to maintain accountability for assets to permit preparation of financial statements. Internal controls have inherent limitations and their costs should not outweigh their benefits. Internal control procedures have been established, and a budget report is prepared for the Board. We believe the internal controls in effect during Fiscal Year 2023 adequately safeguard the assets and provide reasonable assurance regarding the proper recording of financial transactions.

FINANCIAL HIGHLIGHTS

Collection of employer and employee contributions, as well as income and gains from investments, provides the reserves necessary to finance retirement benefits. These income sources totaled $2,944,899,576 for all pension funds during the fiscal year ended June 30, 2023.

ADDITIONS:		
Contributions	$	948,846,196
Transfers/Rollovers		11,169,245
INVESTMENT INCOME:		
Net Appreciation (Depreciation) in Fair Value of Investments		1,632,002,928
Interest, Dividends and Other Investment Income		417,495,119
Less: Investment Expenses		(65,159,076)
Net Investment Income		1,984,338,971
OTHER INCOME		545,164
Total Additions	$	2,944,899,576

The payment of benefits is the primary expense of a retirement system. The payments, together with the expenses to administer the Plan, constitute the total expenses of the System. Expenses for Fiscal Year 2023 are as follows:

DEDUCTIONS:		
Benefits and Refunds	$	1,373,641,183
Administrative Expenses		12,730,755
Total Deductions	$	1,386,371,938

ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS

Future benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future salary. The actuarial present value of future benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Simply put, it is the amount that would have to be invested on the valuation date so the amount invested plus investment earnings will provide sufficient assets to pay total future benefits when due.

The actuarial present value was calculated as part of an actuarial valuation at July 1, 2023. Significant actuarial assumptions used include: a gross investment return rate of present and future assets of 6.35% compounded annually, (6.30% plus 0.05% for expenses); projected salary increases of 3.05% per year compounded annually, attributable to general wage increases; additional projected salary increases attributable to seniority/merit, up to 6.25% per year, depending on service and employee classification, and; 1.00% per year attributable to postretirement benefit increases.

At June 30, 2023, the Unfunded Actuarial Accrued Liability (UAAL) for the PERSI Base Plan, on a current contribution basis, was $4.0 billion with an amortization period of 13.5 years, which is less than the 25 year maximum allowed by statute. The UAAL differs from the Net Pension Liability (NPL) in that the long-term expected rate of return for the UAAL was 6.30%, 6.35% net of 0.05% for expected administrative expenses. This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and NPL for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%.

	PERSI Base Plan 2023	FRF 2023	JRF 2023
Total pension liability	$24,686,512,681	$ 235,032,187	$ 131,999,508
Plan fiduciary net position	20,695,842,118	471,434,942	111,017,104
Employers' net pension liability (asset)	$ 3,990,670,563	$ (236,402,755)	$ 20,982,404
Plan fiduciary net position as a percentage of total pension liability	83.83 %	200.58 %	84.10 %

ECONOMIC CONSIDERATIONS

The System operates within a dynamic economic environment, as do all investment funds. The objective of the Retirement Board is to minimize the effect of these external influences, where possible, by diversifying among a broad range of asset classes and investment management styles, both domestically and internationally. Such diversification, combined with prudent management by experienced investment professionals, increases the probability the earnings objective will be achieved. The investment return for Fiscal Year 2023 was 9.49% gross, 9.17% net of investment expenses, and 9.11% net of all expenses.

Defined benefit pension systems plan for and make decisions based on the long term (20 to 25 year) nature of pension funding and benefits. PERSI is funded on a sound actuarial basis, which protects future benefits for participants. Over the long term, the Plan's investment assets have exceeded their expected returns. Short-term fluctuations in investment performance make good headline news, but are much less important when viewed in the long range context of pension plans. Sound investment strategies that are, in the words of former CIO Bob Maynard, “Simple, Transparent, Focused, and Patient” along with reasonable actuarial assumptions are the key ingredients to a successful, well funded pension plan.

INVESTMENT STRATEGY AND POLICIES

The Retirement Board utilizes and directs agents to provide whatever investment management and custodial functions best achieve the System's investment objectives. The Board establishes asset allocation policy, diversification guidelines, custodial functions including safe-guarding of investments, and investment guidelines and restrictions. Each money manager is generally granted full discretion in making investment decisions within their guidelines. The Board, staff, and consultants monitor and evaluate investment results. The Board, in its administration of this System and management of the investment program, is guided by the fiduciary standards in Section 59-1301 of the Idaho Code and the Idaho Uniform Prudent Investor Act, in Sections 68-501 through 68-514 of the Idaho Code and is empowered in its sole discretion to limit, control, and designate the types, kinds, and amounts of investments.

PERSI’s total fund return was 9.11% net of all expenses for Fiscal Year 2023. The policy benchmark return is 6.30% net of all expenses. PERSI continues to rank in the top quartile over the long term when compared to our peer universe of other state-wide public pension funds across the country.

The investment mix at fair value as of the end of Fiscal Year 2023 was 58% domestic and global equity, 13% international equity, and 28% fixed income. The System's investment outlook is long-term, allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category. The portfolio is broadly diversified with additional diversification achieved through domestic and international investing. See the Management's Discussion and Analysis and Investment Section of this report for more detailed analysis and information.

FUNDING STATUS

The funding objective of PERSI is to accumulate sufficient assets to ensure funds will be available to meet current and future benefit obligations to participants on a timely basis. If the level of funding is high, the ratio of assets to the actuarial accrued liability is also greater, which means better investment income potential. Each year an independent actuary engaged by PERSI calculates the amount of the annual contribution the plans must make to fully meet their obligations to their members. As of July 1, 2023, the PERSI Base Plan had an amortization period of 13.5 years and a funding ratio of 83.7% of the present value of the projected benefits earned by employees. The closed Firefighters' Retirement Fund is fully funded as of the July 1, 2023 valuation. The Judges' Retirement Fund had a funding ratio of 83.7% and amortization period of 12.4 years. When the amortization period exceeds the statutory limit of 25 years, the Board reviews contribution rates. The actuarial method for calculating accrued liability for all three plans is Entry Age Normal with the objective of maintaining employer contributions approximately level as a percent of member payroll. For a more in-depth discussion of PERSI's funding, see Management's Discussion and Analysis and the Actuarial Section of this report.

MAJOR INITIATIVES

Our attention to customer service has always been one of our cornerstones, and PERSI leadership continues to believe personalized customer service is key to all generations of members. We cannot afford to have any generation ignored and/or be uninformed about the benefits of PERSI.

PERSI's educational outreach remains focused on making sure members, employers and lawmakers understand and appreciate the value of the PERSI benefit. Our training staff continues to work directly with employers, engaging members earlier in their careers, and providing expanded workshops explaining the value of the PERSI benefit.

We are committed to providing workshops for members in every county of Idaho in 2023, and meeting that goal. Technology has enhanced our outreach, but will not replace our in-person efforts that have proven to be very successful. We continue to evaluate our methods but only utilize automation if we believe it provides increased value.

We are sincerely grateful to the Idaho Legislature for their wisdom during times of modest market returns. Idaho statute has measures in place that keep required contributions to the fund set at a rate that will sustain the fund during less than stellar market years.

ACKNOWLEDGMENTS

This financial report of the Public Employee Retirement System of Idaho was prepared by staff under the leadership of the Retirement Board. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a method of determining responsible stewardship for the assets contributed by the members and their employers.

This report is being sent to the Governor, State Legislators, and other interested parties.

Respectfully submitted,

Jeff Cilek - Chairman	Donald D Drum - Executive Director	Alex Simpson - Financial Executive Officer

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FINANCIAL
SECTION

INDEPENDENT AUDITOR'S REPORT

To the Retirement Board
Public Employee Retirement System of Idaho
Boise, Idaho

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the pension and other trust funds of the Public Employee Retirement System of Idaho (the System), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the System, as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Public Employee Retirement System of Idaho are intended to present the fiduciary net position and changes in fiduciary net position of only the Public Employee Retirement System of Idaho. They do not purport to, and do not, present fairly the net position of the State of Idaho as of June 30, 2023, or the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 21-29 and 62-82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Public Employee Retirement System of Idaho's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2023 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Eide Bailly LLP

November 7, 20230
Boise, Idaho

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

Management is pleased to provide Management's Discussion and Analysis ("MD&A") of the financial activities of the Public Employee Retirement System of Idaho (the "System" or "PERSI") as of and for the year ended June 30, 2023. The June 30, 2022 amounts are combined and are provided for comparative purposes. This overview and analysis is designed to focus on current known facts and activities and resulting changes.

The System administers seven fiduciary funds. These consist of three defined benefit pension trust funds – the PERSI Base Plan, the Firefighters' Retirement Fund (FRF) and the Judges' Retirement Fund (JRF), two defined contribution pension trust funds – the PERSI Choice Plan 401(k) and 414(k), and two Sick Leave Insurance Reserve Trust Funds – State and Schools.

Financial Highlights

- The change in net position for all pension and other funds administered by the System increased $1.6 billion and decreased $(2.8) billion in Fiscal Year 2023 and Fiscal Year 2022, respectively. The change in the defined benefit plans reflects the total of contributions received and an investment return less benefits paid and administrative expenses. Changes in net position for the fiscal years ending June 30, 2023 and 2022, were as follows:

	2023	2022
PERSI Base Plan	$ 1,345,658,945	$ (2,455,561,542)
FRF	23,814,735	(64,237,569)
JRF	7,081,384	(13,405,720)
PERSI Choice Plan 414(k)	399,709	(10,868,870)
PERSI Choice Plan 401(k)	152,320,556	(120,381,264)
Sick Leave - State	14,319,078	(41,690,554)
Sick Leave - Schools	14,933,231	(65,388,664)
Total increase (decrease) in plan net position	$ 1,558,527,638	$ (2,771,534,183)

Assets for the three defined benefit plans, the PERSI Base Plan, FRF and JRF, are pooled for investment purposes. For the fiscal years ended June 30, 2023 and 2022, the rate of return net of investment expenses on the investment assets are detailed below (these are plan-level returns). For the defined contribution plans, the PERSI Choice Plan 401(k) and 414(k), individual participant returns will vary depending on their specific investment choices. Returns for Choice Plan options can be found on the PERSI website under Investments/Choice Plan.

	2023	2022
PERSI Defined Benefit Plans	9.2%	(9.6)%
Sick Leave Insurance Reserve Fund - State	8.2%	(12.8)%
Sick Leave Insurance Reserve Fund - Schools	8.1%	(12.7)%

- All of the plans experienced investment gains in Fiscal Year 2023 as a result of positive market performance. Net investment income (loss) for all of the funds administered by the System for the fiscal years ending June 30, 2023 and 2022, was $2.0 billion and $(2.4) billion, respectively.

	2023	2022
PERSI Base Plan	$ 1,755,431,286	$ (2,079,387,503)
FRF	39,961,291	(48,067,876)
JRF	9,428,594	(11,164,262)
PERSI Choice Plan 414(k)	5,278,719	(6,292,655)
PERSI Choice Plan 401(k)	126,120,313	(147,298,208)
Sick Leave - State	19,836,889	(36,182,352)
Sick Leave - Schools	28,281,879	(52,577,567)
Total net investment income (loss)	$ 1,984,338,971	$ (2,380,970,423)

- As of June 30, 2023 and 2022, the net pension liability (asset) are as follows:

	PERSI Base Plan 2023	FRF 2023	JRF 2023
Total pension liability	$ 24,686,512,681	$ 235,032,187	$ 131,999,508
Plan fiduciary net position	20,695,842,118	471,434,942	111,017,104
Employers' net pension liability (asset)	$ 3,990,670,563	$ (236,402,755)	$ 20,982,404
Plan fiduciary net position as a percentage of total pension liability (asset)	83.83 %	200.58 %	84.10 %

	PERSI Base Plan 2022	FRF 2022	JRF 2022
Total pension liability	$ 23,288,243,222	$ 242,329,263	$ 125,836,363
Plan fiduciary net position	19,349,485,162	447,620,207	103,935,720
Employers' net pension liability (asset)	$ 3,938,758,060	$ (205,290,944)	$ 21,900,643
Plan fiduciary net position as a percentage of total pension liability (asset)	83.09 %	184.72 %	82.60 %

The System's funding objective is to meet long-term benefit obligations through contributions and investment income and provide a reserve against market fluctuations. The ratio listed above gives an indication of how well this objective has been met at a specific point in time. The higher the ratio, the better the Plan is funded.

SICK LEAVE INSURANCE RESERVE FUND

State Members

	2023	2022
Total OPEB liability	$ 115,683,555	$ 103,036,122
Plan fiduciary net position	258,821,864	244,502,786
Employers' net OPEB liability (asset)	$ (143,138,309)	$ (141,466,664)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	223.7 %	237.0 %

School Members

	2023	2022
Total OPEB liability	$ 298,248,684	$ 279,754,781
Plan fiduciary net position	370,815,077	355,881,846
Employers' net OPEB liability (asset)	$ (72,566,393)	$ (76,127,065)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	124.3 %	127.0 %

Using the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the System's financial statements. The financial section is comprised of four additional components: (1) fund financial statements, (2) notes to financial statements, (3) required supplementary information, and (4) additional supplementary schedules.

Fund Financial Statements — There are two financial statements presented for the fiduciary funds. The statements of fiduciary net position as of June 30, 2023 with comparable 2022 totals indicates the fiduciary net position available to pay future benefits and gives a snapshot at a particular point in time. The statements of changes in fiduciary net position for the years ended June 30, 2023 with comparable 2022 totals provides a view of the current year's activity. It details the additions and deductions to the individual funds and supports the change to the prior year's ending net position on the statements of fiduciary net position. All pension fund statements are presented on a full accrual basis and reflect all trust activities, as incurred.

Notes to Financial Statements — The notes provide additional information essential for a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 34-61 of this report.

Required Supplementary Information — The required supplementary information consists of the Management's Discussion and Analysis, Schedule of Net Pension Liability (Asset), Schedule of Changes in Net Pension Liability (Asset), Schedule of Contributions, Schedule of Investment Returns and related notes concerning the methods and assumptions used in calculations of actuarially determined contributions. In addition, required supplementary information includes Schedule of Changes in Net Other Post Employment Benefit (OPEB) Liability (Asset), Schedule of Net OPEB Liability (Asset), Schedule of Contributions – OPEB, Schedule of Investment Returns – Sick Leave Insurance Reserve Fund as well as related notes concerning the methods and assumptions used in the calculation of the OPEB Liability (Asset).

Additional Supplementary Schedules — The additional schedules (Schedule of Investment Expenses and Schedule of Administrative Expenses) are presented for additional analysis.

Comparative Financial Statements

Defined Benefit Pension Trust Funds — The PERSI Base Plan, the Firefighters' Retirement Fund, and the Judges' Retirement Fund are qualified plans under the Internal Revenue Code and provide retirement, disability and death benefits to the employees of affiliated employers. Benefits are funded by member and employer contributions and by earnings on investments. Assets for these plans are pooled only for investment purposes.

Defined Benefit Pension Trust Funds Net Position

	As of June 30, 2023	As of June 30, 2022	$ Change	% Change
Assets:				
Cash and cash equivalents	$ 11,997,313	$ 20,061,806	$ (8,064,493)	(40.2)%
Investments sold receivable	45,033,390	76,589,145	(31,555,755)	(41.2)
Other receivables	82,150,872	70,360,955	11,789,917	16.8
Investments - at fair value	21,186,406,193	19,791,709,553	1,394,696,640	7.0
Prepaid retiree benefits	98,003,890	94,033,173	3,970,717	4.2
Assets used in plan operations (net)	4,846,769	5,649,811	(803,042)	(14.2)
Due from other plans	35,000	—	35,000	—
Total assets	21,428,473,427	20,058,404,443	1,370,068,984	6.8
Liabilities:				
Investment purchased payable	119,122,833	125,616,070	(6,493,237)	(5.2)
Other liabilities	17,049,997	17,042,840	7,157	—
Total liabilities	136,172,830	142,658,910	(6,486,080)	(4.5)
Net Position:				
Assets used in plan operation (net)	4,846,769	5,649,811	(803,042)	(14.2)
Net position restricted for pensions	21,287,453,828	19,910,095,722	1,377,358,106	6.9
Net Position	$21,292,300,597	$19,915,745,533	$ 1,376,555,064	6.9 %

The fair value of investments increased due to the investment return of 9.17% (net of investment expenses). Liabilities for benefits and refunds payable vary at fiscal year end depending on member request and timing. Change in asset values and timing of payments can affect the balance of liabilities at the statements of fiduciary net position date.

The percent change in investments sold receivable and investments purchased payable fluctuates as the volume of trading activity by the System's professional investment managers' changes. The cash balance change was due to normal fluctuations in operating cash requirements and the timing of transfers to investment managers.

Defined Benefit Pension Trust Funds Changes in Net Position

Investment income (loss) for the Fiscal Year 2023 was $1.8 billion as compared to Fiscal Year 2022 which was $(2.1) billion. The changes in the fund for fiscal years 2023 and 2022; gross returns of 9.49% and (9.33)%, contributions and other additions totaled $859.7 million and $800.9 million, total additions including investment income (loss) and contributions totaled $2.7 billion and $(1.3) billion, respectively.

For Fiscal Year 2023, the investment gain resulted in an increase of $2.7 billion in the additions section. Total deductions were $1.3 billion which paid for the benefits and administrative expenses. In Fiscal Year 2022, total additions of $(1.3) billion were less than the $1.2 billion paid for benefits and administrative expenses by $(2.5) billion.

For Fiscal Year 2023, the increase in benefits and refunds paid was a result of an increase in the number of retirees and the annual Cost of Living Adjustment (COLA) increase for benefits paid to retirees. The COLA adjustment for 2023 was 1.00% based on date of retirement compared to 2022 which was 3.5%. An investment gain resulted in a positive return in Fiscal Year 2023 compared to an investment loss that resulted in a negative return for the Fiscal Year 2022.

	Year Ended June 30, 2023	Year Ended June 30, 2022	$ Change	% Change
Additions:				
Member contributions	$ 336,570,703	$ 316,070,207	$ 20,500,496	6.5 %
Employer contributions	522,613,531	484,438,804	38,174,727	7.9
Investment income (loss)	1,804,821,171	(2,138,619,641)	3,943,440,812	(184.4)
Other additions	534,732	409,446	125,286	30.6
Total additions (losses)	2,664,540,137	(1,337,701,184)	4,002,241,321	(299.2)
Deductions:				
Benefits and refunds paid	1,277,825,826	1,185,356,423	92,469,403	7.8
Administrative expenses	10,159,247	10,147,224	12,023	0.1
Total deductions	1,287,985,073	1,195,503,647	92,481,426	7.7
Changes in net position	$ 1,376,555,064	$ (2,533,204,831)	$ 3,909,759,895	(154.3)%
Ending net position	$ 21,292,300,597	$ 19,915,745,533	$ 1,376,555,064	6.9 %

Defined Contribution Pension Trust Funds

During Fiscal Year 2023, the System administered two defined contribution plans. The PERSI Choice Plans, qualified plans under Internal Revenue Code, consist of a 401(k) plan and a 414(k) plan and provide another retirement benefit option to members of the Defined Benefit Pension Plans.

The 401(k) Plan consists of employee voluntary contributions, rollover contributions, and some employer matching contributions. The 414(k) Plan represents the gain sharing allocation made to eligible PERSI members during Fiscal Year 2001. The assets of these plans are pooled for investment purposes, but the 414(k) Plan cannot be used to pay the benefits of the 401(k) Plan and vice versa.

Defined Contribution Pension Trust Funds Net Position

	As of June 30, 2023	As of June 30, 2022	$ Change	% Change
Assets:				
Cash	$ 2,182,682	$ 2,242,681	$ (59,999)	(2.7)%
Short-term investments	1,251,403	2,029,823	(778,420)	(38.3)
Investments - at fair value	1,475,487,842	1,322,458,003	153,029,839	11.6
Receivables	5,213,734	4,744,021	469,713	9.9
Total assets	1,484,135,661	1,331,474,528	152,661,133	11.5
Liabilities				
Other liabilities	481,450	540,582	(59,132)	(10.9)
Net Position	$ 1,483,654,211	$ 1,330,933,946	$ 152,720,265	11.5 %

Net position increased from Fiscal Year 2022 to Fiscal Year 2023. The change reflects a positive return in the investment market. The change in cash is due to the timing of a transfer of funds at the end of the month. Receivables include contributions that are not yet recorded by the record keeper at year end plus accrued interest and dividends. The change in other liabilities consists of amount due to the base plan, administrative expenses payable and stale dated checks payable.

Defined Contribution Pension Trust Funds Changes in Net Position

	Year Ended June 30, 2023	Year Ended June 30, 2022	$ Change	% Change
Additions:				
Member contributions	$ 80,103,170	$ 76,423,883	$ 3,679,287	4.8 %
Employer contributions	9,571,246	8,511,252	1,059,994	12.5
Rollovers	11,169,245	16,230,934	(5,061,689)	(31.2)
Investment income (loss)	131,399,032	(153,590,863)	284,989,895	(185.6)
Total additions (losses)	232,242,693	(52,424,794)	284,667,487	(543.0)
Deductions:				
Benefits and refunds paid	77,070,556	76,279,978	790,578	1.0
Administrative expenses	2,451,872	2,545,362	(93,490)	(3.7)
Total deductions	79,522,428	78,825,340	697,088	0.9
Change in net position	$ 152,720,265	$ (131,250,134)	$ 283,970,399	(216.4)%
Ending net position	$ 1,483,654,211	$ 1,330,933,946	$ 152,720,265	11.5 %

The current fiscal year saw a higher investment return than the prior fiscal year. Member contributions increased due to an increase in salary deferrals as well as an increase in the number of members actively contributing. Rollovers represent rollovers from other plans. Changes in employer contributions vary up or down according to individual employers' desire to match employee contributions. The increase in benefits and refunds paid is a result of an increase in the number of retirees receiving benefits.

Other Trust Funds

During Fiscal Year 2023, the System administered two Sick Leave Insurance Reserve Fund trusts. The PERSI Sick Leave Insurance Retirement Fund provides payment of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The Fund's contributions are financed by state agency and school district employers of the System which make up the two separate trusts.

Sick Leave Insurance Reserve Funds Net Position

	As of June 30, 2023	As of June 30, 2022	$ Change	% Change
Assets:				
Cash	$ 27,607	$ 25,362	$ 2,245	8.9 %
Investments - at fair value	628,177,675	598,910,853	29,266,822	4.9
Prepaid insurance premium	1,511,425	1,489,619	21,806	1.5
Due from other funds	—	36,000	(36,000)	100
Total assets	629,716,707	600,461,834	29,254,873	4.9
Liabilities:				
Other liabilities	79,766	77,202	2,564	3.3
Net Position	$ 629,636,941	$ 600,384,632	$ 29,252,309	4.9 %

The net position increased in Fiscal Year 2023 from Fiscal Year 2022 because of positive investment returns.

Sick Leave Insurance Reserve Funds Changes in Net Position

	Year Ended June 30, 2023	Year Ended June 30, 2022	$ Change	% Change
Additions:				
Employer contributions	$ (12,454)	$ (2,291)	$ (10,163)	443.6 %
Investment income (loss)	48,118,768	(88,759,919)	136,878,687	(154.2)
Other additions	10,432	1,779	8,653	486.4
Total additions (losses)	48,116,746	(88,760,431)	136,877,177	(154.2)
Deductions:				
Benefits and refunds paid	18,744,801	18,199,150	545,651	3.0
Administrative expenses	119,636	119,637	(1)	0.0
Total deductions	18,864,437	18,318,787	545,650	3.0
Change in net position	$ 29,252,309	$ (107,079,218)	$ 136,331,527	(127.3)%
Ending net position	$ 629,636,941	$ 600,384,632	$ 29,252,309	4.9 %

In the November 2021 meeting, the PERSI Board extended the rate holiday for employer contributions for Schools and for State to June 30, 2026 and June 30, 2031, respectively. There were no Sick Leave contributions received in fiscal years 2022 and 2023 due to the rate holiday. The changes in net position for Fiscal Year 2023 reflect a net investment return of 8.2% and 8.1% for State and Schools Funds, respectively, resulting in $48 million in investment income, compared to $(89) million loss for Fiscal Year

2022. The increase in other additions was due to increased interest earnings on the cash balance held at the Idaho State Treasurer's Office.

Plan Membership

This table reflects PERSI Base Plan and PERSI Choice Plans membership as of June 30, 2023 and 2022.

Base Plan	2023	2022
Active participants	76,668	74,409
Vested - Base Plan	44,627	44,288
Non-vested - Base Plan	32,041	30,121
Retirees and beneficiaries	54,680	53,190
Terminated and vested	16,106	15,489
Terminated and non-vested	35,968	34,714

Choice Plan	2023	2022
Participants	43,440	43,080
Actively contributing	20,762	20,662
Periodic installment payments	3,537	3,304

Retirees and Beneficiaries (Base Plan)

While the above table reflects changes in active participants, the following table demonstrates the changes in Base Plan retirees and beneficiaries for the Fiscal Years 2023 and 2022.

	2023	2022
Beginning - July 1	53,190	50,891
New Retirements	2,799	3,611
Death of Beneficiary	(1,309)	(1,312)
Ending - June 30	54,680	53,190

Investment Activities

Long-term (20 - 25 year) asset growth is vital to the Defined Benefit Plans' current and continued financial stability. Therefore, trustees have a fiduciary responsibility to act with prudence and discretion when making plan investment decisions. To assist the Board in this area, a comprehensive formal investment policy is updated periodically. As managers are added, specific detailed investment guidelines are developed, adopted, and become part of that manager's agreement.

Portfolio performance is reviewed monthly by the Board and its consultants. Performance is evaluated individually, by money manager style, and collectively by investment type and for the aggregate portfolio. Investment types include both domestic and international equities, domestic and international fixed income, private equity and real estate.

Economic Factors

At July 1, 2023, PERSI's Base Plan had a net pension liability (asset) of $4.0 billion, an increase compared to the July 1, 2022 liability (asset) of $3.9 billion. The investment return net of all expenses for 2023 was 9.11% compared to the assumed return of 6.3%. An increase in the number of retirees along with higher inflation resulted in the increase in the net pension liability. The fund ended the fiscal year to finish at 9.49% gross before expenses investment rate of return. The amortization period of the unfunded liability for Fiscal Year 2023 is 13.5 years which is less than the 25 year maximum allowed by statute.

Since inception, the cumulative funding of the Plan is 60% investment income, 25% employer contributions and 15% member contributions. PERSI is viewed as a well-run and conservatively managed pension plan compared to plans nationally. This reputation stems from sound decisions made by the legislature and the Board.

The Board has and will continue to make appropriate choices regarding investments, contributions, and actuarial assumptions with the goal of maintaining the long-term sustainability of the Plan.

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PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2023 WITH COMPARATIVE FINANCIAL INFORMATION FOR JUNE 30, 2022

	Pension Trust Funds		
	PERSI Base Plan	Firefighters' Retirement Fund	Judges' Retirement Fund
ASSETS			
Cash and cash equivalents	$ 11,605,016	$ 266,231	$ 126,066
Investments - at fair value			
Fixed income investments			
Domestic	5,042,804,362	115,357,371	27,034,018
International	14,258,517	326,173	76,439
Idaho commercial mortgages	739,882,130	16,925,276	3,966,441
Short-term investments	275,154,837	6,294,343	1,475,080
Real estate equities	1,178,306,220	26,954,508	6,316,793
Equity securities			
Domestic	8,987,937,492	205,604,812	48,183,519
International	2,768,956,873	63,341,657	14,844,127
Private equity	1,597,302,885	36,539,324	8,562,996
Mutual, collective, unitized funds	—	—	—
Total investments	20,604,603,316	471,343,464	110,459,413
Receivables			
Investments sold	43,711,609	1,086,991	234,790
Administrative fee			
Contributions	8,236,415	—	513,659
Interest and dividends	71,246,401	1,771,708	382,689
Total receivables	123,194,425	2,858,699	1,131,138
Assets used in plan operations	4,846,769	—	—
Due from other plans	35,000	—	—
Prepaid retiree benefits	98,003,890	—	—
Total assets	20,842,288,416	474,468,394	111,716,617
LIABILITIES			
Accrued liabilities	16,630,040	341,514	78,443
Due to other plans	—	—	—
Investments purchased	115,809,825	2,691,938	621,070
Total liabilities	132,439,865	3,033,452	699,513
NET POSITION			
Net position restricted for OPEB	—	—	—
Net position restricted for pensions	20,709,848,551	471,434,942	111,017,104
Total net position	$ 20,709,848,551	$ 471,434,942	$ 111,017,104

See Notes to Financial Statements

Pension Trust Funds		Other Trust Funds			
PERSI Choice Plan		Sick Leave Insurance Reserve Funds		Totals	
401(k)	414(k)	State	Schools	2023	2022
$ 2,081,839	$ 100,843	$ 5,049	$ 22,558	$ 14,207,602	$ 22,329,849
—	—	122,592,468	177,290,597	5,485,078,816	5,367,805,409
—	—	—	—	14,661,129	13,380,011
—	—	—	—	760,773,847	789,424,287
1,251,403	—	—	—	284,175,663	213,216,976
—	—	—	—	1,211,577,521	1,229,545,401
—	—	108,898,210	153,617,932	9,504,241,965	8,409,211,804
—	—	26,899,278	38,879,190	2,912,921,125	2,779,315,053
—	—	—	—	1,642,405,205	1,590,751,288
1,418,021,114	57,466,728	—	—	1,475,487,842	1,322,458,003
1,419,272,517	57,466,728	258,389,956	369,787,719	23,291,323,113	21,715,108,232
				45,033,390	76,589,145
175,693	8,616	—	—	184,309	192,060
1,115,598	—	—	—	9,865,672	7,991,306
3,767,708	146,119	—	—	77,314,625	66,921,610
5,058,999	154,735	—	—	132,397,996	151,694,121
—	—	—	—	4,846,769	5,649,811
—	—	—	—	35,000	36,000
—	—	478,952	1,032,473	99,515,315	95,522,792
1,426,413,355	57,722,306	258,873,957	370,842,750	23,542,325,795	21,990,340,805
475,494	5,956	17,093	27,673	17,576,213	17,660,624
—	—	35,000	—	35,000	36,000
				119,122,833	125,616,070
475,494	5,956	52,093	27,673	136,734,046	143,312,694
—	—	258,821,864	370,815,077	629,636,941	600,384,632
1,425,937,861	57,716,350	—	—	22,775,954,808	21,246,679,479
$ 1,425,937,861	$ 57,716,350	$ 258,821,864	$ 370,815,077	$ 23,405,591,749	$ 21,847,064,111

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE FINANCIAL INFORMATION FOR JUNE 30, 2022

	Pension Trust Funds		
	PERSI Base Plan	Firefighters' Retirement Fund	Judges' Retirement Fund
ADDITIONS			
Contributions			
Members	$ 335,646,335	$ —	$ 924,368
Employers	513,828,266	3,346,505	5,438,760
Rollovers	—	—	—
Total contributions	849,474,601	3,346,505	6,363,128
Investment income (loss)			
Net appreciation (depreciation) in fair value of investments	1,432,563,513	32,611,409	7,694,338
Interest, dividends and other investment income	382,916,288	8,716,849	2,051,651
Less investment expenses	(60,048,515)	(1,366,967)	(317,395)
Total investment income (loss) - net	1,755,431,286	39,961,291	9,428,594
Other-net	518,724	—	16,008
Total net additions (losses)	2,605,424,611	43,307,796	15,807,730
DEDUCTIONS			
Benefits and refunds paid to members and beneficiaries	1,249,768,496	19,446,545	8,610,785
Administrative expenses	9,997,170	46,516	115,561
Total deductions	1,259,765,666	19,493,061	8,726,346
INCREASE (DECREASE) IN NET POSITION	1,345,658,945	23,814,735	7,081,384
NET POSITION			
Beginning of year	19,364,189,606	447,620,207	103,935,720
End of year	$ 20,709,848,551	$ 471,434,942	$ 111,017,104

See Notes to Financial Statements

Pension Trust Funds		Other Trust Funds			
PERSI Choice Plan		Sick Leave Insurance Reserve Funds		Totals	
401(k)	414(k)	State	Schools	2023	2022
$ 80,103,170	$ —	$ —	$ —	$ 416,673,873	$ 392,494,090
9,571,246	—	(833)	(11,621)	532,172,323	492,947,765
11,169,245	—	—	—	11,169,245	16,230,934
100,843,661	—	(833)	(11,621)	960,015,441	901,672,789
105,602,775	5,179,069	19,937,194	28,414,630	1,632,002,928	(2,691,886,758)
23,697,914	112,417	—	—	417,495,119	380,781,652
(3,180,376)	(12,767)	(100,305)	(132,751)	(65,159,076)	(69,865,317)
126,120,313	5,278,719	19,836,889	28,281,879	1,984,338,971	(2,380,970,423)
—	—	2,408	8,024	545,164	411,225
226,963,974	5,278,719	19,838,464	28,278,282	2,944,899,576	(1,478,886,409)
72,472,242	4,598,314	5,470,465	13,274,336	1,373,641,183	1,279,835,551
2,171,176	280,696	48,921	70,715	12,730,755	12,812,223
74,643,418	4,879,010	5,519,386	13,345,051	1,386,371,938	1,292,647,774
152,320,556	399,709	14,319,078	14,933,231	1,558,527,638	(2,771,534,183)
1,273,617,305	57,316,641	244,502,786	355,881,846	21,847,064,111	24,618,598,294
$ 1,425,937,861	$ 57,716,350	$ 258,821,864	$ 370,815,077	$ 23,405,591,749	$ 21,847,064,111

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1. GENERAL DESCRIPTION OF THE FUNDS

General — The Public Employee Retirement System of Idaho (the "System" or "PERSI") is the administrator of seven plans including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("PERSI Base Plan"), the Firefighters' Retirement Fund (FRF); and the Judges' Retirement Fund (JRF); and two defined contribution plans, the Public Employee Retirement Fund Choice Plans 401(k) and 414(k) ("PERSI Choice Plan"). PERSI also administers two Sick Leave Insurance Reserve Trust Funds, which qualify as other post employment benefits plans (OPEB), one for state employers and one for school district employers.

Reporting Entity — The System is a fiduciary fund of the State of Idaho (the "State") and is included in the State of Idaho Annual Comprehensive Financial Report. The basic financial statements of the System include the financial activities of all of the above funds. A five member retirement board (the "Board"), appointed by the Governor and confirmed by the Idaho Senate, manages the System. State law requires that two members of the Board be active PERSI members with at least ten years of service and three members who are Idaho citizens not members of the System except by reason of having served on the Board. Responsibilities of the Board include selecting the funding agents, establishing funding policy, and setting contribution rates.

Defined Benefit Retirement Plans Administration — The PERSI Base Plan and FRF are both cost - sharing, multiple - employer defined benefit retirement plans that provide benefits based on members' years of service, age, and highest average salary. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries.

Statutes governing the PERSI Base Plan are Title 59, Chapter 13 of the Idaho Code. Statutes governing FRF are Title 72, Chapter 14 of the Idaho Code.

Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

Effective July 1, 2014, by statute, PERSI assumed administration of the Judges' Retirement Fund (JRF). The JRF is a single employer defined benefit plan that provides benefits based on members' years of service, age and annual compensation. Statutes governing the Judges' Retirement Fund are Title 1, Chapter 20 of the Idaho Code.

JRF members, having left office or retired, are eligible for retirement benefits based on age and years of service (a minimum of four years) as specified in statute.

Plans Membership — State agencies, school districts, cities, counties, highway districts, water and sewer districts, and other political subdivisions contribute to the System.

As of June 30, 2023 and 2022, the number of participating employer units in the PERSI Base Plan was:

	2023	2022
Cities	160	160
School districts	190	186
Highway and water districts	142	141
State subdivisions	92	90
Counties	44	44
Other	222	219
Total	850	840

As of June 30, 2023 and 2022, the number of benefit recipients and members in the PERSI Base Plan consisted of the following:

	2023	2022
Members:		
Active	76,668	74,409
Terminated and vested	16,106	15,489
Retirees and beneficiaries	54,680	53,190
Total	147,454	143,088

FRF has 22 participating employer units all consisting of fire departments that also participate in PERSI. As of June 30, 2023, there were 437 retired members or beneficiaries, collecting benefits from FRF. The FRF covers a closed group of firefighters who were hired before October 1, 1980, and who receive benefits in addition to those provided under the Base Plan. The cost of these additional benefits is paid by FRF member and employer contributions and receipts from a fire insurance premium tax.

As of June 30, 2023, JRF had 56 active members and 115 retired members or beneficiaries collecting benefits from JRF.

Benefits Provided - The benefit payments for the PERSI Base Plan, FRF and JRF are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The Retirement Board has the authority to provide higher PERSI Base Plan cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

The cost of living increase for the FRF retirees is based on the increase in the statewide average firefighter's wage for employer units who belong to the FRF plan.

Adjustments to JRF benefits are made by either the PERSI COLA as described above or by a statutory adjustment which is based on active judge's salaries. Whether the PERSI COLA or the statutory adjustment applies depend on the date the judge first assumed office, on or before July 1, 2012 and/or by whether the judge (if it was an option available) made an irrevocable election to use the PERSI COLA.

Contributions - The PERSI Base Plan, FRF and JRF benefits are funded by contributions from members and employers and earnings from investments. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. Member and employer contributions are paid as a percentage of member compensation. PERSI Base Plan, FRF and JRF member contribution rates are determined by the Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due. Contributions are based on actuarial assumptions, the benefit formulas, and employee groups of the System. Costs of administering the fund are financed through the contributions and investment earnings of the System.

Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method for the PERSI Base Plan, FRF and JRF. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age.

The PERSI Base Plan and the JRF Plan amortizes any net pension liability based on a level percentage of payroll. The payroll for employees covered by the PERSI Base Plan and JRF Plan was $4,234,635,471 and $8,697,841, respectively, for the year ended June 30, 2023.

Net pension liability (asset) for FRF is the difference between the pension liability of the FRF benefits not provided by the Base Plan and the FRF assets. There are no active employees in the FRF Plan since June 30, 2021. By statute, one - half of all proceeds from fire insurance premium tax collected throughout the state are automatically assigned to the FRF and are accounted for in employer contributions.

The Base Plan contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2023, the employee rate was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters.

Idaho Statute 59-1394(1)(a) requires 50% of the gross receipts by the State of the tax on fire insurance premiums, as provided by Idaho Statute 41-402 is perpetually appropriated for the purpose of partially funding the benefit requirements of Chapter 14, Title 72 of the Idaho Code (Fireman's Retirement Fund).

The JRF employee contribution rate is 18.50% of the employer contribution rate as set by the Board. As of June 30, 2023, the employee contribution rate was 11.57% and the employer contribution rate was 62.53%. Active employees who have 20 or more years of service are exempt from employee contributions.

Upon termination of employment, PERSI Base Plan participants are entitled to accumulated member contributions plus interest, accrued at 1.00% from January 1, 2023 through June 30, 2023 (24.69% from July 1, 2022 through December 31, 2022) compounded monthly per annum, and are refundable. Withdrawal of such accumulated contributions results in forfeiture of the member's accrued benefit; however, state law does include provisions for reinstatement of forfeited service upon repayment of the accumulated contributions plus interest.

JRF employees with less than four years of service are entitled to a refund of accumulated member contributions plus interest, accrued at 6.50% per annum.

Defined Contribution Retirement Plans - The PERSI Choice Plans are defined contribution retirement plans. The statute governing the PERSI Choice Plans is Idaho Code Title 59, Chapter 13.

The PERSI Choice Plans made up of a qualified 401(k) plan and a 414(k) plan. The assets of the two plans within the PERSI Choice Plans are commingled for investment purposes. Participants can direct their investment mix with some trading frequency restrictions. Participants have fifteen investment options: two balanced funds, four fixed income funds and eight equity funds and one specialty fund. Participants investing in the Total Return Balanced Fund and the PERSI Short-term Investment Portfolio pay investment management fees of .27% and .11%, respectively. Since inception of the plans, participants have paid investment management fees for all other options.

The 401(k) portion of the PERSI Choice Plans is open to all active PERSI members. Employees can make tax-deferred contributions up to 100% of their gross salary less deductions and subject to the Internal Revenue Service (IRS) annual contribution applicable limit for the age of the employee. The 414(k) portion of the PERSI Choice Plans was established for gain sharing allocations from the PERSI Base Plan. The gain sharing amount (if any) is based on funding levels in the Base Plan and is subject to Board approval. Eligibility for gain sharing requires twelve months of active PERSI Base Plan membership as defined in Idaho statutes and PERSI rules.

Participants may allocate their assets in 1% increments among the investment options; however, if no allocation preference is indicated, a default investment election to the PERSI Total Return Fund (TRF) is made. The TRF is a unitized fund comprised of investment accounts of the PERSI Base Plan.

As of June 30, 2023, there were 43,440 participants with balances in the PERSI Choice Plans. Some of these participants are in both the 401(k) Plan and the 414(k) Plan. As of June 30, 2023, there were 9,496 participants with both Choice Plan 401(k) and 414(k) plans. There were 26,645 participants with only Choice Plan 401(k), and 7,299 participants with only Choice Plan 414(k).

Optional Retirement Plan - Certain community colleges and university employees participate in an optional retirement plan (ORP) in accordance with the provisions of Idaho Code 33-107(A) and (B). For university employees who opted out of PERSI in 1993, the employer by statute pays 1.49% of ORP payroll in lieu of a withdrawal liability payment to PERSI with a payoff date of July 1, 2025. The community colleges were paid in full as of June 30, 2011.

Sick Leave Insurance Reserve Trust Funds (OPEB) - PERSI administers the Sick Leave Insurance Reserve Fund cost sharing, multiple-employer defined benefit OPEB plans that provides payment of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The Sick Leave Insurance Retirement Fund is classified as a trust fund. For state and school employers, unused sick leave benefits are subject to the guidance of Governmental Accounting Standard Board (GASB) Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

The Sick Leave Insurance Retirement Fund is made up of two trust funds administered by PERSI, a trust for payment of school district employee benefits and a trust for payment of state employee benefits. The statutes governing the Sick Leave Insurance Retirement Fund are Idaho Code, Sections 67-5333, 33-1216, 59-1365, and 33-1228.

The Sick Leave Insurance Retirement Funds exists for the payment of unused sick leave benefits in the form of insurance premiums for eligible employees who separate from service by reason of retirement.

The System administers these trusts on behalf of the participating employers. Employers' contributions are a measure of pay collected each pay cycle and are held in trust for future benefits. The school districts and the State are responsible for any unfunded OPEB liability, respectively, through contribution rate adjustments.

Membership in the Sick Leave Insurance Funds as of June 30, 2023 valuation.

	State	Schools
Members:		
Active	21,701	35,625
Retirees and beneficiaries	6,502	7,838
Total	28,203	43,463

School District Employees - For school district employees, the unused sick leave amount available for benefit is limited to one-half of their eligible sick leave balance and rate of compensation at retirement.

State Employees - State employees are limited to the number of allowable hours of sick leave they may use as part of the unused sick leave program as follows:

Credited Hours of State Services	Maximum Allowable Sick Leave Hours
0-10,400 (0-5 years)	420
10,401-20,800 (5-10 years)	480
20,801-31,200 (10-15 years)	540
31,201+ (15 years or more)	600

Members may use one-half of sick leave hours accrued up to the allowable maximum multiplied by their rate of compensation at retirement.

In the November 2021 Board Meeting, the PERSI Board extended the rate holiday for employer contributions for Schools and for State to June 30, 2026 and June 30, 2031, respectively. There were no contributions received in the current fiscal year because of the holiday.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The System's basic financial statements are prepared utilizing the accrual basis of accounting. Employee and employer contributions are recognized as additions to net position when due and receivable, pursuant to formal commitments and statutory or contractual requirements, investment income is recognized when earned, and benefit payments and refunds and other expenses are recorded when the benefits are due and payable in accordance with the plans' terms. The pension funds are accounted for on a flow of economic resources measurement focus.

The significant GASB standards affecting the System are:

- GASB Statement No. 34, *Financial Statements – and Management's Discussion and Analysis for State and Local Governments,*
- GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus,*
- GASB Statement No. 38, *Certain Financial Statement Note Disclosures,*
- GASB Statement No. 40, *Deposit and Investment Risk Disclosures,*
- GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section,*
- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets,*
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*,
- GASB Statement No. 67, *Financial Reporting for Pension Plans,*
- GASB Statement No. 68, *Financial Reporting for Pensions as amendment of GASB Statement No. 27,*
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,*
- GASB Statement No. 72, *Fair Value Measurement and Application,*
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,*
- GASB Statement No. 75*, Accounting and Financial Reporting for Postemployment Benefit Other Than Pension Plans,*
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government,*
- GASB Statement No. 82, *Pension Issues,*
- GASB Statement No. 84, *Fiduciary Activities,*
- GASB Statement No. 85, *Omnibus 2017.*

Investments - The System's investments are presented at fair value. Purchases and sales are recorded at the trade date. At month end, there may be certain pending trades that were initiated by managers but not confirmed and, therefore, are not included in the fair value of investments. Investments of the PERSI Base Plan, FRF, JRF and the PERSI TRF (an option of the PERSI Choice Plan) are pooled for investment purposes, as is disclosed in Note 3. The Sick Leave Insurance Funds for State and Schools are not pooled.

The Board utilizes and directs individual fund managers to provide whatever investment management and custodial functions the Board has determined best achieves the System's investment objectives. Each fund manager is generally granted full discretion in making investment decisions, within asset allocation policy, portfolio investment policy, specific investment guidelines and other special restrictions set by contract with the Board. The Board monitors overall investment performance and periodically evaluates the performance of each fund manager. The Board in its administration of the System and management of the investment program is guided by the Idaho Uniform Prudent Investor Act, Sections 68-501 through 68-514 of the Idaho Code and of fiduciary responsibilities in the Idaho Code, Section 59-1301, and is empowered in its sole discretion to limit, control, and designate the types and amounts of investments. The Board has adopted an investment policy including policy related to deposit and investment risks identified in GASB Statement No. 40, *Deposit and Investment Risk Disclosures.*

The fair value of investments is based on published market prices and quotations from major investment brokers, when available. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments of matching duration. The fair value of real estate investments is based on industry practice. For recent acquisitions, cost closely approximates fair value. The fair value of longer term real estate holdings is estimated based on the System's consultant assessments and/or independent appraisals. Short-term investments are reported at fair value, when published market prices and quotations are available, or at cost plus accrued interest, which approximate fair value. The fair values of private equity limited partnership investments by their nature have no readily ascertainable market prices. Similar to real estate, cost closely approximates fair value for recent acquisitions. Thereafter, the fair values of limited partnership funds are based on the valuations as presented by the general partner, approved by the funds' advisory committee, and reviewed by consultants. Generally, the companies within a fund are valued by the general partner, taking into account many factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, and additional rounds of financing, and other relevant factors. Because of the lack of published market prices for these investments, the estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed. Although these differences could be material to the individual company values, private equity represents 7.8% of total investments. PERSI's real estate and commercial mortgage investments are 5.7% and 3.6%, respectively, of total investments.

Investment expenses presented within the statements of changes in plan fiduciary net position do not include fees and costs for private equity investments nor does it include fees and commissions related to public equity transactions. These fees and costs are presented, for information purposes, within the Investment Section of PERSI's Annual Comprehensive Financial Report in the Schedule of Costs for Private Equity Partnerships and the Schedule of Broker Fees and Commissions. These costs are captured within the net asset value for investments as reported in the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position.

The System purchases forward currency contracts for certain international investments and United States of America agency-guaranteed collateralized mortgage obligations for the purpose of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure. The System may incur minor recording costs for forward contracts until the settlement date. Potential future obligations for the forward contracts are not recognized until the contract expiration date.

The following are the Board's adopted asset allocation policies for the Pension Trust Funds (DB Plans, adopted November 2019) and for the Sick Leave Insurance Reserve Funds (Sick Leave, adopted March 2021), as of June 30, 2023:

	2023	
Asset Class	**DB Plans**	**Sick Leave Plans**
Fixed Income	30.0%	39.3%
US/Global Equity	55.0%	10.7%
International Equity	15.0%	50.0%
Cash	0.0%	0.0%
Total	100%	100%

Use of Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates. The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such change could materially affect the amounts reported in the financial statements.

Assets Used in Plan Operations – These assets represent buildings, equipment, and computer software development costs used by the System and are recorded at cost. Depreciation and amortization are calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful life for buildings is 30 - 50 years. The estimated useful life of computer software development costs is 10 - 15 years. Computer and technology equipment has a 3 - 5 year useful life.

Totals – The basic financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's basic financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE 3. DEPOSITS AND INVESTMENTS

A. Deposits

Cash and cash equivalents are deposited with various financial institutions and are carried at cost plus accrued interest. Cash balances represent operating cash accounts held by various banks and on deposit with the State Treasurer. In accordance with Idaho Code Sections 67-1210 and 67-1210A, the State Treasurer invests cash not needed to meet immediate obligations in the pooled Idle Short-term Fund. Deposits are held by its agent in the State Treasurer's name. Pooled balances are available on demand. Cash deposits in other bank accounts are covered by federal depository insurance up to $250,000. The System does not have a policy for custodial credit risk related to cash on deposit at local financial institutions.

Cash and cash equivalents	
Held by the State Treasurer	$ 10,645,608
FDIC insured/collateralized	2,759,972
Uninsured and uncollateralized	802,022
Total	$ 14,207,602

B. Investments

Investments of the pension trust funds are reported at fair value. See Note 2 for more details. The Board maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. This includes policies pertaining to asset allocation and risk described in subsequent sections. Refer to Note 2 for additional asset allocation information. In fulfilling its responsibilities, the Board has contracted with investment managers, a master global custodian, other custodians, and a cash manager. Manager contracts include specific guidelines regarding the PERSI investments under management.

The following investments, risks disclosures and rate of return do not include assets from the Sick Leave Insurance Retirement Funds or other Choice Plan options except TRF. Based on the assets that are being excluded, they do not apply to these disclosures thus it is appropriate to exclude:

Derivatives
Mortgage - Backed Securities
TIPS
Custodial Credit Risk
Concentration of Credit Risk

Investments at fair value as of June 30, 2023, are as follows:

Domestic fixed income	$ 5,185,195,751
Commingled domestic fixed income (Sick Leave Insurance Reserve Funds)	299,883,065
International fixed income	14,661,129
Idaho commercial mortgages	760,773,847
Short-term investments	284,175,663
Real estate	1,211,577,521
Domestic equities	9,241,725,823
Commingled domestic equity (Sick Leave Insurance Reserve Funds)	262,516,142
International equities	2,847,142,657
Commingled international equity (Sick Leave Insurance Reserve Funds)	65,778,468
Private equity	1,642,405,205
Mutual, collective, and unitized funds	1,475,487,842
Total Investments	$23,291,323,113

***Concentrations* -** In line with policy, the System does not have any investments from a single issuer (excluding explicitly guaranteed governments) that represent more than 5% of the System's net position.

Derivatives - Derivatives are financial obligations whose value is derived from underlying debt or equity securities, commodities, or currencies. Any derivative instruments held by PERSI are for investment purposes only and all information is disclosed within the investment footnotes. The derivatives held by PERSI are reported in the US dollar denomination. They are designed, among other things, to help investors protect themselves against the risk of price changes. In accordance with its investment policy, the System, through its external investment managers, holds investments in futures, options, and forward foreign currency contracts. Only a few selected managers are permitted to use derivatives. In every case, the types of derivatives used and limits on their use are defined in manager contracts and are monitored on an ongoing basis.

Futures contracts are contracts for delayed delivery or receipt of securities in which the seller agrees to make delivery and the buyer agrees to take delivery at a specified future date, of a specified instrument, at a specified price. Market risk arises due to market price and interest rate fluctuations that may result in a decrease in the fair value of futures contracts. Futures contracts are traded on organized exchanges and require initial margin in the form of cash or marketable securities. Each day the net change in the futures contract value is settled in cash with the exchanges. Holders of futures contracts look to the exchange for performance under the contract. Accordingly, the credit risk due to the non-performance of counterparties to futures contracts is minimal. At June 30, 2023, the System had futures contracts with a fair value of $(2,745,550), which is included in fixed income investments. Cash equivalents and short-term investments in amounts necessary to settle the futures contracts were held in the portfolio so that no leverage was employed, in accordance with the System's Statement of Investment Policy. As the derivative amounts are not significant, they have been included within the risk disclosure.

As of June 30, 2023, the System had the following net futures contracts exposure:

	Exposure covered by contract
Cash and Cash Equivalents	
Japanese Yen Foreign Currency	$ 8,152,031
Mexican Peso Foreign Currency	3,333,840
Australian Dollar Foreign Currency	2,070,180
British Pound Foreign Currency	1,904,850
Canadian Dollar Foreign Currency	(378,150)
Fed Fund 30d	(15,426,547)
3Mo Secured Overnight Financing Rate Futures (CME)	(27,685,738)
Total Cash and Cash Equivalents	(28,029,534)
Fixed Income	
US 5yr Treasury Note	265,806,688
US Ultra Bond	26,562,656
Euro - Oat	2,381,435
Australian 10yr Bond	2,319,903
UK Long Gilt	2,302,033
Euro - Bund	1,459,103
Euro BOBL	1,262,396
Euro - BUXL 30yr Bond	(913,822)
US 10yr Ultra	(2,131,875)
Japan 10yr Bond	(8,222,229)
US 2yr Treasury Note	(21,147,750)
US Long Bond	(46,320,781)
US 10yr Treasury Note	(94,976,719)
Total Fixed Income	128,381,038
Net Futures Exposure	$ 100,351,504

Option contracts are contractual agreements giving the purchaser the right, but not the obligation, to purchase or sell a financial instrument at a specified price within a specified time. The option's price is usually a small percentage of the underlying asset's value. Options strategies used by the

System are designed to provide exposures to positive market moves and limit exposures to interest rate and currency fluctuations. At June 30, 2023, the Base Plan, TRF, JRF, and FRF had option contracts payable with a fair value of $563,123, which is included in Domestic Fixed Income and $(662,827) which is included in Investments Purchased.

At June 30, 2023, the System had the following net options exposure:

OPTIONS	**Exposure covered by contract**
Fixed Income	
Cash/Cash Equivalents - Purchased Call Options	$ 7,253
Cash/Cash Equivalents - Purchased Put Options	24,806
Fixed Income - Purchased Call Options	26,617
Fixed Income - Purchased Put Options	504,447
Total Fixed Income	563,123
Investments Purchased	
Cash/Cash Equivalents - Written Call Options	—
Cash/Cash Equivalents - Written Put Options	(23,621)
Fixed Income - Written Call Options	(58,381)
Fixed Income - Written Put Options	(580,825)
Total Investments Purchased	(662,827)
Net Option Exposure	$ (99,704)

Forward Foreign Currency Exchange Contracts are carried at fair value by the System. The System has entered into foreign exchange contracts to purchase or sell currency at various dates in the future at a specific price. Some of the System's international and real estate investment managers use forward contracts to hedge the exposure of investments to fluctuations in foreign currency. Forward foreign exchange contracts are negotiated between two counterparties. The System could sell the forward contract at a loss, or if it were to continue to hold the contract, the System may make a termination payment to the counterparty to cancel its obligation under the contract and then buy the currency on the open market. The System could also incur a loss if its counterparties failed to perform pursuant to the terms of their contractual obligations. Controls are established by the System and the investment managers to monitor the creditworthiness of the counterparties. The System's investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. As of June 30, 2023, the System had entered into forward currency contracts to sell foreign currencies with a fair value of $39,890,078 and had entered into forward currency contracts to buy foreign currencies with a fair value of $(40,025,508). Forward currency contracts are receivables or payables reported as investments sold or investments purchased. A net unrealized loss of $(135,430) at June 30, 2023 was recorded, which represent the loss which would occur from executing these forward foreign currency contracts.

Mortgage-Backed Securities - These investments are valued based on the cash flows from interest and principal payments on the underlying mortgages. As a result, they are sensitive to prepayments, which are likely to occur in declining interest rate environments, thereby reducing the value of the securities. Details regarding interest rate risk for these investments are included in the Interest Rate Risk section on page 111.

TIPS - Treasury Inflation Protected Securities (TIPS) are fixed income securities issued by the US Treasury that pay a fixed coupon rate plus an adjustment for subsequent inflation. At June 30, 2023, the System had invested in TIPS with a fair value of $2,156,358,793.

C. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the System. The System's investment policies requires each portfolio manager to maintain a reasonable credit risk level relative to its benchmark and provided expected credit risk exposures in their portfolio guidelines. If the actual credit risk exposure falls outside of these expectations, managers will be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

As of June 30, 2023, the System's fixed income assets that are not government guaranteed represented 45.84% of the fixed income portfolio. The System's fixed income assets are shown with current credit ratings in the table below.

Credit Quality	PERSI/FRF Base Plans		JRF		Total Return Fund		
S&P Rating Level	Domestic	Int'l	Domestic	Int'l	Domestic	Int'l	Total
Short-term							
A-1+	$ 18,352,016	$ —	$ 96,183	$ —	$ 1,020,690	$ —	$ 19,468,889
A-1	78,052,370	—	409,074	—	4,341,059	—	82,802,503
A-2	9,407,084	—	49,303	—	523,196	—	9,979,583
Long-term							
AAA	103,884,257	—	544,459	—	5,777,758	—	110,206,474
AA*	433,816,653	—	2,273,641	—	24,127,696	—	460,217,990
A	504,250,384	—	2,642,785	—	28,045,027	—	534,938,196
BBB	575,176,315	9,880,254	3,014,510	51,783	31,989,733	549,512	620,662,107
BB**	25,640,566	—	134,383	—	1,426,057	—	27,201,006
B*	3,080,384	—	16,144	—	171,323	—	3,267,851
CCC**	4,762,871	—	24,962	—	264,898	—	5,052,731
CC**	475,697	—	2,493	—	26,457	—	504,647
Not rated	142,868,475	4,588,028	748,776	24,046	7,945,954	255,174	156,430,453
Total Credit Risk Fixed	1,899,767,072	14,468,282	9,956,713	75,829	105,659,848	804,686	2,030,732,430
Income Securities							
US Government	3,526,089,810	—	18,480,300	—	196,111,471	—	3,740,681,581
Pooled Investments - (unrated)	30,518,689	—	159,949	—	1,697,366	—	32,376,004
Pooled Investments - SLIRF (unrated)	—	—	—	—	—	—	299,883,065
Idaho Mortgages	756,807,406	—	3,966,441	—	42,091,558	—	802,865,405
Total	$ 6,213,182,977	$ 14,468,282	$ 32,563,403	$ 75,829	$ 345,560,243	$ 804,686	$ 6,906,538,485

*Includes US Government Agencies implicitly guaranteed by US Government: FHLB $40,937,752; FHLMC $90,691,307; FNMA $149,666,525

**Active bond managers are allowed to invest a portion of their portfolios in non-investment grade securities. These positions are monitored on a regular basis.

Each portfolio is managed in accordance with operational guidelines that are specific as to expected portfolio characteristics that usually, but not always, include credit quality and exposure levels. The System's investment policy requires managers to provide PERSI with expected credit risk exposures in their portfolio guidelines. If the actual credit risk exposure falls outside of these expectations, managers will be required to report these occurrences to staff and these disclosures are to be made available to the Board.

D. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution or bank failure, the System would not be able to recover the value of their deposits and investments that are in the possession of an outside party. The System mitigates custodial credit risk by requiring in policy, to the extent possible, that investments be clearly marked as to PERSI ownership and be registered in the System's name. All securities are required to be delivered to a third-party institution mutually agreed upon by the bank and the System.

The System's cash and deposits are swept daily by the System's custodian and cash manager into short-term investment funds. Clearwater Advisors, LLC is the System's cash manager and invests the bulk of the System's cash, approximately 87.09%, in short-term instruments held at the custodian bank. Of the remaining cash and deposits at June 30, 2023 approximately 2.39% or, $7,021,869, was held by various counterparties not in the System's name. The remainder, approximately 10.52%, is invested in custodial bank-maintained collective investment funds.

E. Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The System's operational guidelines for investments in any corporate entity are stated in each individual manager's specific portfolio guideline.

Per the Systems Investment policy, managers will provide expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are required to report these occurrences to Staff and these disclosures are to be made available to the Board. For the portfolio as a whole, Staff will report to the Board at a regular Board Meeting if the exposure to a non-US government guaranteed credit exceeds 5% of the System's invested assets.

F. Interest Rate Risk

Market or interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the effective duration methodology. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve. All of the System's fixed income portfolios are managed in accordance with operational guidelines which include an expected range of interest rate risk in the portfolio. Per the System's investment policy, managers will provide PERSI with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board. The reporting of effective duration found in the tables that follow quantifies the interest rate risk of the System's fixed income assets. Some of the large durations are due to the use of options and forward foreign currency contracts. For line items below reported as "N/A," the duration calculation is not available. A negative duration can occur when floating rate securities trade at a discount.

Effective duration of domestic fixed income assets by security type:

Investment	Effective Duration in Years	Fair Value Allocations PERSI/FRF DB Plans	Judges' Plan	Total Return Fund	Total
Domestic					
Asset - backed Securities	2.91	$ 18,294,135	$ 95,880	$ 1,017,470	$ 19,407,485
Asset - backed Securities	N/A	4,044,138	21,195	224,924	4,290,257
Mortgages	3.51	24,055,267	126,074	1,337,888	25,519,229
Mortgages	N/A	395,863	2,075	22,017	419,955
Commercial Paper	0.19	115,107,350	603,280	6,401,956	122,112,586
Commercial Paper	N/A	(15,220)	(80)	(847)	(16,147)
Corporate Bonds	7.46	1,198,657,132	6,282,183	66,666,031	1,271,605,346
Corporate Bonds	N/A	7,269,542	38,100	404,312	7,711,954
Fixed Income Derivatives	16.88	(2,303,283)	(12,072)	(128,102)	(2,443,457)
Fixed Income Derivatives	N/A	(247,119)	(1,295)	(13,744)	(262,158)
Government Agencies	7.67	112,601,182	590,145	6,262,570	119,453,897
Government Bonds	7.51	1,498,857,197	7,855,537	83,362,338	1,590,075,072
Government Mortgage - backed Securities	5.95	285,871,563	1,498,258	15,899,394	303,269,215
Pooled Investments	—	30,518,689	159,949	1,697,366	32,376,004
Pooled Investments - SLIRF Domestic Fixed Income	N/A	—	—	—	299,883,065
Private Placements	3.98	124,869,461	654,443	6,944,898	132,468,802
Private Placements	N/A	5,744,768	30,108	319,508	6,094,384
TIPS	8.86	2,032,654,906	10,653,181	113,050,706	2,156,358,793
Idaho Mortgages	—	756,807,407	3,966,441	42,091,558	802,865,406
Total		$6,213,182,978	$ 32,563,402	$ 345,560,243	$6,891,189,688

Effective duration of international fixed income assets by security type:

	Effective Duration in Years	Fair Value Allocations PERSI/FRF DB Plans	Judges' Plan	Total Return Fund	Total
International					
Government Bonds	7.19	$ 14,468,282	$ 75,829	$ 804,686	$ 15,348,797
Total		$ 14,468,282	$ 75,829	$ 804,686	$ 15,348,797

G. Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely impact the fair value of an investment. The System’s currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings. The System expects the managers of these holdings to maintain adequately diversified portfolios to limit foreign currency risk. Per the System’s investment policy, the individual manager guidelines will outline the expected current exposures (either specifically or through ranges of security exposures to particular currency areas) of the underlying portfolio and if the actual currency exposure differs from the expected, managers are to be required to report these occurrences to staff and these disclosures are to be made available to the Board. Currency gains and losses will result from exchange rate fluctuations. The System’s exposure to foreign currency risk expressed in US dollars as of June 30, 2023, is highlighted in the table that follows. Negative fair values related to variable-rate debt instruments that are highly sensitive to changes in interest rates.

Currency	Short-term Investments	Equity	Fixed Income	Total USD Equivalent Fair Value
Argentina Peso	$ 1,944	$ —	$ —	$ 1,944
Australian Dollar	4,416,074	77,632,189	(27,098)	82,021,165
Brazil Real	76,536	23,242,851	—	23,319,387
Canadian Dollar	5,532,153	39,589,069	—	45,121,222
Chinese R Yuan Hk	(1,874,149)	—	—	(1,874,149)
Danish Krone	3,428,323	146,408,348	—	149,836,671
Euro Currency Unit	14,810,960	1,159,540,516	(35,552)	1,174,315,924
Hong Kong Dollar	187,659	129,247,036	—	129,434,695
Indian Rupee	584,793	—	—	584,793
Indonesian Rupiah	647,285	—	3,275,711	3,922,996
Israeli Shekel	49,532	2,883,028	—	2,932,560
Japanese Yen	3,420,048	420,162,223	(32,870)	423,549,401
Malaysian Ringgit	15	6,234,611	—	6,234,626
Mexican Peso	(1,725,550)	11,362,980	9,928,767	19,566,197
New Taiwan Dollar	52,694	23,028,912	—	23,081,606
New Zealand Dollar	1,026	1,475,287	—	1,476,313
Norwegian Krone	1,244,187	4,567,000	—	5,811,187
Philippines Peso	—	9	—	9
Polish Zloty	6,799	—	—	6,799
Pound Sterling	(1,780,697)	632,658,396	(36,108)	630,841,591
Russian Ruble	—	—	1,646,233	1,646,233
Singapore Dollar	8,993	38,136,811	—	38,145,804
South Korean Won	1,154,154	43,149,941	—	44,304,095
Swedish Krona	269,372	56,141,174	—	56,410,546
Swiss Franc	6,783,774	218,461,747	—	225,245,521
Thailand Baht	(162)	5,705,967	—	5,705,805
Total value of investments subject to foreign currency risk	$ 37,295,763	$ 3,039,628,095	$ 14,719,083	$ 3,091,642,941

H. Rate of Return

For the years ended June 30, 2023 and 2022, the annual money - weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.24% and (9.61)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 4. FAIR VALUE

GASB Statement No. 72, *Fair Value Measurement and Application*, (Statement 72) specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

Level 1 - Unadjusted quoted prices for identical instruments in active markets, that the reporting entity has the ability to access at the measurement date.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model - derived valuations in which all significant inputs and significant value drivers are directly or indirectly observable. Examples would be matrix pricing, market corroborated pricing and inputs such as yield curves and indices.

Level 3 - Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable and may rely on the reporting entity's own assumptions, but the market participant's assumptions that may be used in pricing the asset or liability.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the Plan defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments. In determining the appropriate levels, the Plan performed a detailed analysis of the assets and liabilities that are subject to Statement 72.

The following table presents fair value measurements as of June 30, 2023:

Instruments by Fair Value Level	Total	Level 1	Level 2	Level 3
Fixed Income Securities:				
US Government	$ 3,741,948,709	$ 3,717,384,285	$ 24,564,424	$ —
Asset backed - Securitized	514,406,434	—	499,264,329	15,142,105
Corporate	1,086,775,765	—	1,086,526,510	249,255
Idaho Mortgages	802,865,405	—	802,865,405	—
Non-US Government	144,259,360	—	142,692,376	1,566,984
Total Fixed Income Securities	**6,290,255,673**	**3,717,384,285**	**2,555,913,044**	**16,958,344**
Equities:				
Domestic	7,450,410,562	7,450,410,562	—	—
Developed Markets	3,328,332,184	3,328,332,184	—	—
Emerging Markets	309,168,163	309,168,163	—	—
Total Equities	**11,087,910,909**	**11,087,910,909**	**—**	**—**
Preferred Securities	6,167,376	5,350,120	817,256	—
Mutual Funds - Defined Contribution Investment Options	935,022,662	934,663,589	359,073	—
Total Investments By Fair Value Level*	**$ 18,319,356,620**	**$ 15,745,308,903**	**$ 2,557,089,373**	**$ 16,958,344**

* The Total Return Fund and Short-Term Investment Portfolio are unitized Defined Contribution investment options included with the Equity and Fixed Income totals above and the Private Equity Partnerships and Private Real Estate totals below.

Investments measured at the net asset value	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Private Equity Partnerships:				
Growth Equity	$ 68,003,316	$ 192,314,546	N/A	N/A
Corporate Finance/Buyout	1,422,245,347	888,334,042	N/A	N/A
Distressed Debt	32,408,031	12,939,712	N/A	N/A
Co/Direct Investment	108,176,164	46,276,168	N/A	N/A
Secondaries	77,787,175	127,830,594	N/A	N/A
Venture Capital	24,655,007	22,228,240	N/A	N/A
Private Real Estate:				
Open Ended Commingled Insurance Company separate account	91,150,962	N/A	N/A	N/A
Multifamily Properties (Olympic)	60,884,025	N/A	N/A	N/A
Value Added Apartments	283,882,090	N/A	N/A	N/A
Value Added Offices	14,156,177	N/A	N/A	N/A
Value Added Retail	56,224,820	N/A	N/A	N/A

Continued

Continued

Investments measured at the net asset value	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Office/Industrial Properties	99,825,737	N/A	N/A	N/A
Core Office	140,917,731	N/A	N/A	N/A
Industrial	424,208,395	N/A	N/A	N/A
Development Properties	107,360,889	N/A	N/A	N/A
Collective Funds:				
REIT Index Collective Fund	4,697,768	N/A	Daily	Daily
TIPS Index Collective Fund	5,128,998	N/A	Daily	Daily
US Broad Equity Market Index Collective Fund	134,821	N/A	Daily	Daily
Emerging Equity Market Index Fund	113,910	N/A	Daily	Daily
US Large Cap Equity Market Index Collective Fund	69,437,867	N/A	Daily	Daily
US Bond Market Index Collective Fund	12,053,045	N/A	Daily	Daily
International Equity Index Collective Fund	11,975,819	N/A	Daily	Daily
US Small/Midcap Equity Index Collective Fund	30,072,301	N/A	Daily	Daily
BNYM Mellon DB NSL Emerging Market Stock Index Fund - Non-DC	847,454,144	N/A	Daily	2 days
Unitized Fund:				
Short-Term Investment Portfolio Account	44,625,278	N/A	Daily	Daily
Sick Leave Insurance Reserve Trust Funds:				
Russell 3000 Index Fund	262,516,143	N/A	Daily	Same day
Government Credit Bond Index Fund	299,883,065	N/A	Daily	1 day
MSCI ACWI Ex-US Strategy Fund	65,778,468	N/A	Daily	3 days
Total Investments Measured At The Net Asset Value (NAV)	4,665,757,493			
Total investments measured at fair value and Unfunded Commitments	$ 22,985,114,113	$ 1,289,923,302		

Investment Derivative Instruments By Fair Value	Total	Level 1	Level 2	Level 3
Foreign Exchange Contracts - Receivable	$ 39,890,078	$ —	$ 39,890,078	$ —
Foreign Exchange Contracts - Payable	(40,025,508)	—	(40,025,508)	—
Futures	(2,846,440)	(2,846,440)	—	—
Swap Collateral	(20,000)	—	(20,000)	—
Total Investment Derivative Instruments	$ (3,001,870)	$ (2,846,440)	$ (155,430)	$ —

The Plan uses a Fair Value Hierarchy (FVH) report within the custodial reporting system that is based on asset class and utilizing a proprietary matrix. The custodian uses several third party vendors to establish pricing. When possible, secondary vendor pricing is used to check for accuracy against the primary vendor's price. The pricing vendors provide detailed pricing and reference data outlining their inputs, pricing applications, models, and methodologies. FVH reporting is reviewed and researched if inconsistencies are observed.

Short-Term Securities: These items were removed from leveling table due to the nature of securities. These are cash equivalents and highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value.

Equities: Equities at Level 1 are using quoted prices for identical securities in an active market. Level 3 equities have very limited trading volume and use the last quoted price available on the trade data.

Fixed Income: These securities are primarily in Level 1 and 2. Information such as sector groupings, benchmark curves, like security benchmarking, reported trades, broker/dealer quotes and other reference data are all used to assist with pricing of all types of securities. Specifically, these categories used the following methodologies.

US Government Electronic fixed income trade platform and broker feeds are used and reviewed for consistency and outliers.

Asset Backed/Securitized Uses volatility - driven multi-dimensional spread tables and option adjusted spread and prepayment model.

Corporate and Non-US Government Multi - dimensional relational models are used along with option adjusted spread.

Idaho Mortgages - The fair value of the commercial mortgage portfolio is calculated daily. Expected cash flows for loans are discounted with rates that are based on the US Treasury yield curve. The relevant discount rates include a spread above Treasury yields that accounts for credit and liquidity risk.

Mutual Funds: Valued at the daily closing price as reported by the fund and reported as Level 1. Mutual funds held by the Plan are open - end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Private Equity Partnerships: These are reported at the NAV and includes limited partnerships invested in the following strategies: Growth Equity, Corporate Finance/Buyout, Distressed Debt, Co/Direct Investments, Secondaries, and Venture Capital. Fair value is obtained by using a valuation provided by the General Partner, adjusting for interim cash flows and rolling forward to the measurement date of the Plan. A gatekeeper is used to monitor values, cash flows, and provide due diligence for new investments. The fair values presented may differ from actual amounts realized from these investments.

Real Estate:

Real Estate Investment Trusts (REITs) are publicly traded securities and are included with Equities: Domestic, Level 1, as those securities are traded in an active market.

Private Real Estate are investments owned directly or with other partnership interests and are in several general categories to include Affordable Housing, Multifamily properties, Value added apartments, Office/Industrial Properties, and Development Properties and are listed with investments measured at the NAV. Each property in the Portfolio is externally appraised at a minimum every year. Appraisals are completed by third party MAI certified appraisers. For properties not subject to an external appraisal during a quarter, internal valuations are completed by AEW (the Plan's private real estate consultant) (or Pinnacle and reviewed by AEW), based on updated operational performance at the subject property and any relevant sale comparable. A discounted cash flow analysis is utilized to determine asset value. Prior to finalizing the values, Altus (an independent professional advisory with expertise in appraisals) reviews every valuation quarterly and communicates its questions/findings to AEW before approval. The valuation of the Affordable Housing properties is calculated by a third party valuation and accounting specialist in the affordable housing industry once a year at December 31st. Development properties are initially valued at their accumulated cost amounts until completion, upon which an appraisal is done.

Prudential is an open-ended commingled insurance company separate account comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. Fair value is generally determined through an appraisal process that is conducted by independent appraisers within a reasonable amount of time following acquisition and no less frequently than annual thereafter.

Collective Trust Funds: At the beginning of the fiscal year, there were eight collective trust funds offered as investment options in the Defined Contribution Plan, and one in the Defined Benefit Plan. The collective funds are value based on the NAV of the underlying investments. Collective Trusts are regulated, but not registered investment vehicles.

Commingled Funds: These are the investment vehicles used for the Plan's Sick Leave Insurance Reserve Trust Funds where funds are pooled from numerous plans. They are valued at net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Derivatives:

Foreign Currency Forward Contracts use a market approach with foreign exchange rates. Futures are standardized legal contracts to buy or sell something at a predetermined price at a specified time in the future.

Futures contracts are traded on organized exchanges and require initial margin in the form of cash or marketable securities. Each day, the net change in the futures contract value is settled in cash with the exchanges.

Swap Collaterals are based on a certain value; priced at $1.00. It is collateral at the broker to hold for those derivatives that require collateral.

NOTE 5. NET PENSION LIABILITY (ASSET)

The components of the net pension liability (asset) of the participating employers as of June 30, 2023 and 2022, are as follows:

	PERSI Base Plan 2023	FRF 2023	JRF 2023
Total pension liability	$ 24,686,512,681	$ 235,032,187	$ 131,999,508
Plan fiduciary net position	20,695,842,118	471,434,942	111,017,104
Employers' net pension liability (asset)	$ 3,990,670,563	$ (236,402,755)	$ 20,982,404
Plan fiduciary net position as a percentage of total pension liability	83.83 %	200.58 %	84.10 %

	PERSI Base Plan 2022	FRF 2022	JRF 2022
Total pension liability	$23,288,243,222	$ 242,329,263	$ 125,836,363
Plan fiduciary net position	19,349,485,162	447,620,207	103,935,720
Employers' net pension liability (asset)	$ 3,938,758,060	$ (205,290,944)	$ 21,900,643
Plan fiduciary net position as a percentage of total pension liability	83.09 %	184.72 %	82.60 %

The net pension liability (asset) is calculated using a discount rate of 6.35%, which is the expected rate of return on investments reduced by investment expenses. The unfunded liability as reported in Management's Discussion and Analysis is calculated using 6.30%, which is the expected rate of return on investments reduced by investment and administrative costs. The net pension liability was determined by an actuarial valuation as of July 1, 2023, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Economic assumptions for the Base Plan, FRF, and JRF were studied in the most recent actuarial experience study performed for the period 2015 through 2020. Demographic assumptions, including mortality, for the Base Plan and FRF were studied for the period 2015 through 2020. Demographic assumptions, including mortality, for JRF were studied for the period 2013 through 2018.

Actuarial Assumptions – The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Actuarial Assumptions	**PERSI Base Plan**	**FRF**	**JRF**
Inflation	2.30%	2.30%	2.30%
Salary increases including inflation	3.05%	3.05%**	3.05%*
Investment rate of return - net of investment fees	6.35%	6.35%	6.35%
Cost of Living (COLA) adjustments	1.00%**	***	***

*3.05 percent or 1.00 percent depending on whether the member was hired on or before July 1, 2012 and by whether the judge (if it was an option available) made an irrevocable election to use the PERSI COLA.

**3.05 percent COLA is assumed for the gross benefit paid to members of FRF. A 1.00 percent COLA is assumed for the PERSI benefit offsets used to determine the benefits paid by FRF.

***There is an additional component of assumed salary growth (on top of the 3.05%) that varies for each individual member based on years of service.

Mortality

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries, as well as for the Judicial members. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
	5% of Fire and Police active member deaths are assumed to be duty related. This assumptiom was adoped July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

Judicial Members

Males - Pre-Commencement	General Pub-2010 Above Median tables for male employees
Males - Post-Commencement	General Pub-2010 Above Median tables for male healthy annuitants
Females - Pre-Commencement	General Pub-2010 Above Median tables for female employees
Females - Post-Commencement	General Pub-2010 Above Median tables for female healthy annuitants

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	(0.25)%
TIPS	10.00%	(0.30)%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount rate – The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for administrative expense.

Sensitivity of the net pension liability (asset) to changes in the discount rate – The following presents the net pension liability (asset) of PERSI, FRF and JRF employers calculated using the discount rate of 6.35% as well as what the employers' liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
Employers' net pension liability (asset) - PERSI	$7,177,385,264	$3,990,670,563	$ 1,386,128,855
Employers' net pension liability (asset) - FRF	(216,239,500)	(236,402,755)	(253,975,942)
Employers' net pension liability (asset) - JRF	34,344,362	20,982,404	9,565,607

NOTE 6. NET OPEB ASSET

The components of the net OPEB asset associated with the Sick Leave Insurance Reserve Funds of the participating employers as of June 30, 2023 and 2022, is as follows:

State Members

	2023	2022
Total OPEB liability	$ 115,683,555	$ 103,036,122
Plan fiduciary net position	258,821,864	244,502,786
Employers' net OPEB liability (asset)	$ (143,138,309)	$ (141,466,664)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	223.7%	237.0%

School Members

	2023	2022
Total OPEB liability	$ 298,248,684	$ 279,754,781
Plan fiduciary net position	370,815,077	355,881,846
Employers' net OPEB liability (asset)	$ (72,566,393)	$ (76,127,065)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	124.3%	127.0%

The OPEB asset is calculated using a discount rate of 5.45% which is the expected rate of return on investments reduced by investment expenses. The net OPEB asset was determined by an actuarial valuation as of July 1, 2023. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net OPEB asset are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Board’s adopted asset allocation policy for the Sick Leave Insurance Retirement Funds as of June 30, 2023 was 50% Fixed income, 39.3% US/Global equity, and 10.7% International equity.

Actuarial Assumptions	Sick Leave Insurance Reserve Funds
Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return - net of investment fees	5.45%

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, we rely primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets.

The real rate of return is determined by adding expected inflation of 2.25% to expected long-term geometric returns.

Asset Class	Index	Target Allocation	Expected Real Rate of Return*
Broad US Equity	Russell 3000	39.3%	4.90%
Developed Ex US Equity	MSCI World ex USA	10.7%	4.75%
Fixed Income	Bloomberg Barclays Aggregate	50.0%	0.50%

*Based on Callan's 10-Year Geometric Projected Rate of Return minus the assumed inflation rate.

Discount rate – The discount rate used to measure the total OPEB liability was 5.45%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense without reduction for OPEB plan administrative expense.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate – The following presents the net OPEB liability (asset) calculated using the discount rate of 5.45% as well as what the employers' liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

State & School Members	1% Decrease 4.45%	Discount Rate 5.45%	1% Increase 6.45%
State Members - Net OPEB Liability/(Asset)	$ (132,738,812)	$ (143,138,309)	$ (152,407,412)
School Members - Net OPEB Liability/(Asset)	$ (48,841,379)	$ (72,566,393)	$ (94,265,262)

NOTE 7. ASSETS USED IN PLAN OPERATIONS

Assets used in plan operations at June 30, 2023 and 2022, consist of the following:

	2023	2022
Buildings and improvements	$ 6,122,935	$ 6,060,426
Less accumulated depreciation	(5,687,985)	(5,264,543)
Total buildings and improvements	434,950	795,883
Equipment	877,950	799,398
Less accumulated depreciation	(590,681)	(462,786)
Total equipment	287,269	336,612
Computer software development - Arrivos	12,766,777	11,968,297
Less accumulated amortization	(8,642,227)	(7,450,981)
Total computer software development - Arrivos	4,124,550	4,517,316
Equipment - Arrivos	254,114	254,114
Less accumulated depreciation	(254,114)	(254,114)
Total equipment	—	—
Total assets used in plan operations	$ 4,846,769	$ 5,649,811

Depreciation expense is a component of administrative expense. For the year ended June 30, 2023, depreciation expense on the buildings and improvements was $423,442. The equipment had a total depreciation expense of $127,895 for 2023.

NOTE 8. OTHER POST EMPLOYMENT BENEFITS

The State funds, or partially funds, post employment benefits relating to health, disability, and life insurance. Employees of PERSI participate in the State of Idaho's post employment benefit programs. The State administers the retiree healthcare plan which allows eligible retirees to purchase healthcare insurance coverage for themselves and eligible dependents. The State provides long-term disability income benefits for active employees who become disabled, generally up to a maximum age of 70. The State provides basic life and dependent life coverage for disabled employees, generally up to a maximum age of 70. For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage. Benefits costs are paid by PERSI through a rate charged by the State. The primary government (State of Idaho) is reporting the liability for the retiree healthcare and long-term disability benefits. Specific details of these other post employment benefits are available in the Annual Comprehensive Financial Report of the State of Idaho which may be accessed at www.sco.idaho.gov.

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PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2023

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
FISCAL YEARS ENDING JUNE 30

PERSI Base Plan

	2023	2022	2021	2020	2019
Total pension liability changes for the year					
Service cost[1]	$ 637,491,431	$ 596,927,904	$ 513,205,361	$ 484,964,767	$ 461,646,272
Interest[1][2]	1,480,236,878	1,397,434,963	1,388,578,112	1,321,253,945	1,250,119,942
Effect of plan changes	22,917,868	274,272,094	5,638,304	372,935,449	—
Effect of economic/demographic gains or losses	506,681,792	457,371,784	26,369,372	166,634,457	(105,480,176)
Effect of assumptions changes or inputs	—	—	1,136,086,143	—	—
Benefit payments, including refunds of member contributions	(1,249,058,510)	(1,129,444,374)	(1,092,389,237)	(1,012,529,440)	(975,200,330)
Net change in total pension liabilities	1,398,269,459	1,596,562,371	1,977,488,055	1,333,259,178	631,085,708
Total pension liability - beginning	23,288,243,222	21,691,680,851	19,714,192,796	18,380,933,618	17,749,847,910
Total pension liability - ending	24,686,512,681	23,288,243,222	21,691,680,851	19,714,192,796	18,380,933,618
Plan net position					
Contributions - employer	513,828,265	476,416,795	450,951,588	430,638,154	390,080,902
Contributions - employee	335,646,335	315,161,350	294,084,814	280,790,591	257,060,511
Net investment income (loss)	1,755,938,036	(2,073,323,125)	4,734,923,136	463,879,610	1,301,966,592
Other	—	—	—	—	—
Benefit payments, including refunds of member contributions	(1,249,058,510)	(1,129,444,374)	(1,092,389,237)	(1,012,529,440)	(975,200,330)
Administrative expense	(9,997,170)	(9,984,308)	(8,972,053)	(10,179,831)	(9,276,642)
Net change in plan net position	1,346,356,956	(2,421,173,662)	4,378,598,248	152,599,084	964,631,033
Plan net position - beginning	19,349,485,162	21,770,658,824	17,392,060,576	17,239,461,492	16,274,830,459
Plan net position - ending	20,695,842,118	19,349,485,162	21,770,658,824	17,392,060,576	17,239,461,492
Plan net pension liability (asset) - ending	$3,990,670,563	$3,938,758,060	$ (78,977,973)	$2,322,132,220	$1,141,472,126

(1) Service cost and interest on total pension liability are measured after reflecting the effect of plan changes but before reflecting the assumption changes.
(2) Includes interest on total pension liability, service cost, plan changes, and benefit payments.

See Notes to Required Supplementary Information

2018	2017	2016	2015	2014
$ 437,257,407	$ 406,910,895	$ 397,283,921	$ 384,419,252	$ 376,800,000
1,202,947,872	1,129,286,928	1,088,670,726	1,045,505,462	992,942,358
84,200,000	12,200,000	67,800,000	150,400,000	(1,300,000)
(38,113,799)	273,580,592	(104,512,779)	(105,531,304)	(111,248,209)
104,724,103	—	13,100,000	—	74,600,000
(909,678,264)	(864,785,159)	(824,524,533)	(770,593,410)	(729,094,149)
881,337,319	957,193,256	637,817,335	704,200,000	602,700,000
16,868,510,591	15,911,317,335	15,273,500,000	14,569,300,000	13,966,600,000
17,749,847,910	16,868,510,591	15,911,317,335	15,273,500,000	14,567,300,000
369,139,113	356,367,389	335,610,100	321,240,628	310,986,283
243,950,654	237,032,668	220,866,936	211,468,780	203,890,954
1,283,658,926	1,692,713,855	202,329,942	367,820,877	2,000,619,926
—	—	25,283	16,767	—
(909,678,264)	(864,785,159)	(824,524,533)	(770,593,410)	(729,094,149)
(8,922,335)	(8,810,136)	(6,806,655)	(6,434,462)	(6,787,811)
978,148,094	1,412,518,617	(72,498,927)	123,519,180	1,779,615,203
15,296,682,365	13,884,163,748	13,956,662,675	13,833,143,496	12,053,528,293
16,274,830,459	15,296,682,365	13,884,163,748	13,956,662,675	13,833,143,496
$1,475,017,451	$1,571,828,226	$2,027,153,587	$1,316,837,325	$ 736,156,504

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
FISCAL YEARS ENDING JUNE 30

Firefighters' Retirement Fund

	2023	2022	2021	2020	2019
Total pension liability changes for the year					
Service cost	$ —	$ —	$ —	$ —	$ —
Interest[1]	14,779,983	14,749,137	15,415,347	18,555,434	19,216,525
Effect of plan changes	—	—	—	—	—
Effect of economic/demographic gains or losses	(2,630,514)	4,963,948	(6,986,802)	(4,019,534)	(9,593,204)
Effect of assumptions changes or inputs	—	—	(16,003,571)	—	—
Benefit payments, including refunds of member contributions	(19,446,545)	(19,014,750)	(18,828,213)	(19,073,931)	(18,929,519)
Net change in total pension liabilities	(7,297,076)	698,335	(26,403,239)	(4,538,031)	(9,306,198)
Total pension liability - beginning	242,329,263	241,630,928	268,034,167	272,572,198	281,878,396
Total pension liability - ending	235,032,187	242,329,263	241,630,928	268,034,167	272,572,198
Plan net position					
Contributions - employer[2]	3,346,505	2,901,920	2,549,471	8,660,397	3,926,915
Contributions - employee	—	—	—	4,503	4,540
Net investment income (loss)	39,961,291	(48,067,876)	111,249,774	11,090,094	36,330,366
Benefit payments, including refunds of member contributions	(19,446,545)	(19,014,750)	(18,828,213)	(19,073,931)	(18,929,519)
Administrative expense	(46,516)	(56,863)	(46,585)	(73,557)	(55,031)
Net change in plan net position	23,814,735	(64,237,569)	94,924,447	607,506	21,277,271
Plan net position - beginning	447,620,207	511,857,776	416,933,329	416,325,823	395,048,552
Plan net position - ending	471,434,942	447,620,207	511,857,776	416,933,329	416,325,823
Plan net pension liability (asset) - ending	$ (236,402,755)	$ (205,290,944)	$ (270,226,848)	$ (148,899,162)	$ (143,753,625)

[1] Includes interest on total pension liability, service cost, benefit payments, and plan changes. Measured before reflecting effect of the assumption changes.
[2] Includes Fire Insurance Premium Tax.

See Notes to Required Supplementary Information

2018	2017	2016	2015	2014
$ —	$ —	$ —	$ —	$ —
19,841,800	20,041,184	20,496,009	21,479,861	21,888,712
(615,405)	(68,748)	(557,863)	(2,100,000)	—
(9,182,411)	(3,116,488)	(7,446,350)	(15,100,408)	(5,629,912)
1,386,562	—	—	—	—
(18,934,403)	(19,294,441)	(19,476,228)	(19,874,275)	(19,958,800)
(7,503,857)	(2,438,493)	(6,984,432)	(15,594,822)	(3,700,000)
289,382,253	291,820,746	298,805,178	314,400,000	318,100,000
281,878,396	289,382,253	291,820,746	298,805,178	314,400,000
7,706,226	7,452,987	7,198,597	11,305,473	14,200,323
4,368	4,385	6,329	6,168	9,095
31,124,311	41,488,825	5,083,454	9,357,909	50,966,862
(18,934,403)	(19,294,441)	(19,476,228)	(19,874,275)	(19,958,800)
(29,833)	(43,022)	(58,873)	(153,719)	—
19,870,669	29,608,734	(7,246,721)	641,556	45,217,480
375,177,883	345,569,149	352,815,870	352,174,314	306,956,837
395,048,552	375,177,883	345,569,149	352,815,870	352,174,314
$ (113,170,156)	$ (85,795,630)	$ (53,748,403)	$ (54,010,692)	$ (37,774,314)

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET)
FISCAL YEARS ENDING JUNE 30

Judges' Retirement Fund

	2023	2022	2021	2020	2019
Total pension liability changes for the year					
Transfer in from JRF	$ —	$ —	$ —	$ —	$ —
Service cost[1]	3,817,043	3,834,828	3,489,980	3,343,947	3,177,846
Interest[1][2]	7,963,806	7,728,109	8,127,424	7,930,143	7,502,002
Effect of economic/demographic gains or losses	2,993,081	551,964	(106,337)	(962,452)	2,627,021
Effect of assumptions changes or inputs	—	—	2,489,739	—	—
Benefit payments, including refunds of member contributions	(8,610,785)	(8,166,744)	(7,679,687)	(7,639,712)	(7,168,403)
Net change in total pension liabilities	6,163,145	3,948,157	6,321,119	2,671,926	6,138,466
Total pension liability - beginning	125,836,363	121,888,206	115,567,087	112,895,161	106,756,695
Total pension liability - ending	131,999,508	125,836,363	121,888,206	115,567,087	112,895,161
Plan net position					
Contributions - employer	5,438,760	5,120,089	5,066,720	4,878,534	4,688,762
Contributions - employee	924,368	908,857	875,812	845,925	778,864
Net investment income (loss)	9,444,602	(11,161,869)	25,476,975	2,535,628	6,936,823
Transfer in	—	—	—	—	—
Other	—	—	—	12,960	13,200
Benefit payments, including refunds of member contributions	(8,610,785)	(8,166,744)	(7,679,687)	(7,639,712)	(7,168,403)
Administrative expense	(115,561)	(106,053)	(104,054)	(127,095)	(121,305)
Net change in plan net position	7,081,384	(13,405,720)	23,635,766	506,240	5,127,941
Plan net position - beginning	103,935,720	117,341,440	93,705,674	93,199,434	88,071,493
Plan net position - ending	111,017,104	103,935,720	117,341,440	93,705,674	93,199,434
Plan net pension liability - ending	$ 20,982,404	$ 21,900,643	$ 4,546,766	$ 21,861,413	$ 19,695,727

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(1) Service cost and interest are measured after reflecting the effect of plan changes but before reflecting the effect of assumption changes.
(2) Includes interest on total pension liability, service cost, plan changes, assumption changes, and benefit payments.

See Notes to Required Supplementary Information

2018	2017	2016	2015
$ —	$ —	$ —	$ 92,302,982
2,962,939	3,179,411	3,110,818	3,251,679
7,329,407	7,055,599	6,888,876	6,589,779
(400,640)	265,945	(1,647,589)	284,788
—	—	—	—
(6,691,558)	(6,173,415)	(5,974,937)	(5,577,389)
3,200,148	4,327,540	2,377,168	96,851,839
103,556,547	99,229,007	96,851,839	—
106,756,695	103,556,547	99,229,007	96,851,839
4,278,996	3,946,599	3,370,587	3,595,417
714,804	630,392	623,754	629,077
6,938,171	9,157,849	1,092,130	2,049,895
—	—	—	75,864,300
—	—	2,571	2,063
(6,691,558)	(6,173,415)	(5,974,937)	(5,577,389)
(104,949)	(74,035)	(133,096)	(95,733)
5,135,464	7,487,390	(1,018,991)	76,467,630
82,936,029	75,448,639	76,467,630	—
88,071,493	82,936,029	75,448,639	76,467,630
$ 18,685,202	$ 20,620,518	$ 23,780,368	$ 20,384,209

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF NET IN PENSION LIABILITY (ASSET)
FISCAL YEARS ENDING JUNE 30

PERSI Base Plan	2023	2022	2021	2020	2019
Total Pension Liability	$24,686,512,681	$23,288,243,222	$21,691,680,851	$19,714,192,796	$18,380,933,618
Plan net position	20,695,842,118	19,349,485,162	21,770,658,824	17,392,060,576	17,239,461,492
Net pension liability (asset)	$3,990,670,563	$3,938,758,060	$ (78,977,973)	$2,322,132,220	$1,141,472,126
Plan net position as a percentage of total pension liability (asset)	83.83 %	83.09 %	100.36 %	88.22 %	93.79 %
Covered payroll	$4,234,635,471	$3,926,540,125	$3,716,726,113	$3,546,033,069	$3,382,051,785
Net pension liability (asset) as a percentage of covered payroll	94.24 %	100.31 %	(2.12)%	65.49 %	33.75 %

Firefighters' Retirement Fund	2023	2022	2021	2020	2019
Total Pension Liability	$ 235,032,187	$ 242,329,263	$ 241,630,928	$ 268,034,167	$ 272,572,198
Plan net position	471,434,942	447,620,207	511,857,776	416,933,329	416,325,823
Net pension liability (asset)	$(236,402,755)	$(205,290,944)	$(270,226,848)	$(148,899,162)	$(143,753,625)
Plan net position as a percentage of total pension liability (asset)	200.58 %	184.72 %	211.83 %	155.55 %	152.74 %
Covered payroll	$ 84,485,207	$ 78,865,896	$ 85,896,222	$ 78,657,631	$ 78,284,032
Net pension liability (asset) as a percentage of covered payroll	(279.82)%	(260.30)%	(314.60)%	(189.30)%	(183.63)%

Judges' Retirement Fund	2023	2022	2021	2020	2019
Total Pension Liability	$ 131,999,508	$ 125,836,363	$ 121,888,206	$ 115,567,087	$ 112,895,161
Plan net position	111,017,104	103,935,720	117,341,440	93,705,674	93,199,434
Net pension liability (asset)	$ 20,982,404	$ 21,900,643	$ 4,546,766	$ 21,861,413	$ (19,695,727)
Plan net position as a percentage of total pension liability (asset)	84.10 %	82.6 %	96.27 %	81.08 %	82.55 %
Covered payroll	$ 8,697,841	$ 8,188,212	$ 8,102,863	$ 7,801,909	$ 6,731,755
Net pension liability (asset) as a percentage covered of payroll	241.24 %	267.47 %	56.11 %	280.21 %	292.58 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

2018	2017	2016	2015	2014
$17,749,847,910	$16,868,510,591	$15,911,317,335	$15,273,500,000	$14,569,300,000
16,274,830,459	15,296,682,365	13,884,163,748	13,956,662,675	13,833,143,496
$1,475,017,451	$1,571,828,226	$2,027,153,587	$1,316,837,325	$ 736,156,504
91.69 %	90.68 %	87.26 %	91.38 %	94.95 %
$3,200,396,203	$3,089,555,264	$2,895,430,105	$2,791,109,393	$2,702,945,352
46.09 %	50.88 %	70.01%	47.18%	27.24%

2018	2017	2016	2015	2014
$ 281,878,396	$ 289,382,253	$ 291,820,746	$ 298,805,178	$ 314,400,000
395,048,552	375,177,883	345,569,149	352,815,870	352,174,314
$(113,170,156)	$ (85,795,630)	$ (53,748,403)	$ (54,010,692)	$ (37,774,314)
140.15 %	129.65 %	118.42 %	118.08 %	112.01 %
$ 74,848,287	$ 70,568,501	$ 68,017,833	$ 63,780,545	$ 63,017,405
(151.20)%	(121.58)%	(79.02)%	(84.68)%	(59.94)%

2018	2017	2016	2015	2014
$ 106,756,695	$ 103,556,547	$ 99,229,007	$ 96,851,839	$ —
88,071,493	82,936,029	75,448,639	76,467,630	—
$ 18,685,202	$ 20,620,518	$ 23,780,368	$ 20,384,209	$ —
82.5 %	80.09 %	76.03 %	78.95 %	— %
$ 6,178,081	$ 6,162,190	$ 6,097,302	$ 6,149,339	$ —
302.44 %	334.63 %	390.01 %	331.49 %	— %

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF CONTRIBUTIONS
FISCAL YEARS 2014-2023

PERSI Base Plan

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	$ 325,041,599	$ 310,986,283	$ 14,055,316	$2,702,945,352	11.51%
2015	327,101,958	335,610,100	(8,508,142)	2,791,109,393	12.02
2016	297,262,331	334,034,293	(36,771,962)	2,895,430,105	11.54
2017	337,212,145	356,367,389	(19,155,244)	3,089,555,264	11.53
2018	388,341,490	369,139,113	19,202,377	3,200,396,203	11.53
2019	382,640,388	390,080,902	(7,440,514)	3,382,051,785	11.53
2020	392,340,997	430,638,154	(38,297,157)	3,546,033,069	12.14
2021	394,829,024	450,951,588	(56,122,564)	3,716,726,113	12.13
2022	463,066,559	476,416,795	(13,350,236)	3,926,540,125	12.13
2023	436,757,899	513,828,265	(77,070,366)	4,234,635,471	12.13

Firefighters' Retirement Fund

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution[1]	Contribution Deficiency (Excess)	Covered Payroll[2]	Contribution as a % of Covered Payroll
2014	$ 1,119,619	$ 14,200,323	$ (13,080,704)	$ 63,017,405	22.53%
2015	—	11,305,473	(11,305,473)	63,780,545	17.73
2016	—	7,198,597	(7,198,597)	68,017,833	10.58
2017	—	7,452,987	(7,452,987)	70,568,501	10.56
2018	—	7,706,226	(7,706,226)	74,848,287	10.30
2019	—	8,247,827	(8,247,827)	78,284,032	10.54
2020	—	8,660,397	(8,660,397)	78,657,631	11.01
2021	—	2,549,471	(2,549,471)	85,896,222	2.97
2022	—	2,901,920	(2,901,920)	78,865,896	3.68
2023	—	3,346,505	(3,346,505)	84,485,207	3.96

(1) Contribution shown in this column includes the Fire Insurance Premium Tax. Starting in fiscal year 2021, there were no employer contributions other than the Fire Insurance Premium Tax.
(2) Covered Payroll for the Firefighters' Retirement Fund is the total annual payroll of all firefighters in the participating fire departments, including firefighters who are not eligible to participate.

See Notes to Required Supplementary Information

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF CONTRIBUTIONS
FISCAL YEARS 2015-2023

	Judges' Retirement Fund				
Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	$ 3,492,825	$ 3,595,417	$ (102,592)	$ 6,149,339	58.47%
2016	3,463,268	3,370,587	92,681	6,097,302	55.28
2017	3,604,265	3,946,599	(342,334)	6,162,190	64.05
2018	3,273,147	4,278,996	(1,005,849)	6,178,081	69.26
2019	3,307,311	4,688,762	(1,381,451)	6,731,755	69.65
2020	3,897,054	4,878,534	(981,480)	7,801,909	62.53
2021	4,032,795	5,066,720	(1,033,925)	8,102,863	62.53
2022	3,367,812	5,120,089	(1,752,277)	8,188,212	62.53
2023	4,906,452	5,438,760	(532,308)	8,697,841	62.53

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF INVESTMENT RETURNS
YEAR ENDED JUNE 30, 2023

Investment Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money weighted rate of return, net of investment expenses	9.24 %	(9.61)%	27.61 %	2.79 %	8.00 %	8.51 %	12.38 %	1.51 %	2.74 %	16.89 %

See Notes to Required Supplementary Information

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PUBLIC EMPLOYEE RETIREMENT SICK LEAVE INSURANCE RESERVE FUNDS

SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET)
YEAR ENDED JUNE 30, 2023

Sick Leave Insurance Reserve Fund - State

	2023	2022	2021	2020
Total OPEB liability changes for the year				
Service cost[1]	$ 4,562,774	$ 4,679,986	$ 4,715,656	$ 3,939,068
Interest[1][2]	5,717,047	5,789,278	5,650,851	7,105,202
Effect of plan changes	—	—	—	—
Effect of economic/demographic gains or losses	3,149,777	3,360,108	(2,555,609)	(2,161,468)
Effect of assumptions changes or inputs	4,688,300	(9,572,405)	8,214,660	(10,060,579)
Benefit payments, including refunds of member contributions	(5,470,465)	(5,459,867)	(5,083,113)	(4,739,183)
Net change in total OPEB liabilities	12,647,433	(1,202,900)	10,942,445	(5,916,960)
Net OPEB liability - beginning	103,036,122	104,239,022	93,296,577	99,213,537
Total OPEB liability - ending (a)	$ 115,683,555	$ 103,036,122	$ 104,239,022	$ 93,296,577
Plan net position				
Contributions - employer	$ (833)	$ (182)	$ (682)	$ 4,494,217
Net investment income (loss)	19,839,297	(36,181,966)	56,875,563	9,556,026
Other	—	—	—	—
Benefit payments, including refunds of member contributions	(5,470,465)	(5,459,867)	(5,083,113)	(4,739,183)
Administrative expense	(48,921)	(48,539)	(47,914)	(47,225)
Net change in plan net position	14,319,078	(41,690,554)	51,743,854	9,263,835
Plan net position - beginning	244,502,786	286,193,340	234,449,486	225,185,651
Plan net position - ending (b)	$ 258,821,864	$ 244,502,786	$ 286,193,340	$ 234,449,486
Net OPEB liability/(asset), ending = (a) - (b)	$ (143,138,309)	$ (141,466,664)	$ (181,954,318)	$ (141,152,909)

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

[1] Service cost and interest cost are measured after reflecting the changes of benefit terms but before reflecting the changes of assumptions.
[2] Includes interest on total OPEB liability, service cost, changes of benefit terms, and benefit payments.

See Notes to Required Supplementary Information

2019	2018	2017
$ 4,326,780	$ 4,170,390	$ 4,043,479
6,592,557	6,207,620	6,223,171
—	(5,771,416)	—
1,415,058	—	—
—	186,986	—
(4,611,044)	(4,671,380)	(5,010,974)
7,723,351	122,200	5,255,676
91,490,186	91,367,986	86,112,310
$ 99,213,537	$ 91,490,186	$ 91,367,986
$ 7,497,670	$ 7,161,239	$ 7,136,693
16,085,961	17,316,960	12,294,424
—	—	—
(4,611,044)	(4,671,380)	(5,010,974)
(47,183)	(44,182)	(41,148)
18,925,404	19,762,637	14,378,995
206,260,247	186,497,610	172,118,615
$ 225,185,651	$ 206,260,247	$ 186,497,610
$ (25,972,114)	$ (114,770,061)	$ (95,129,624)

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE INSURANCE RESERVE FUNDS

SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET)
YEAR ENDED JUNE 30, 2023

Sick Leave Insurance Reserve Fund - Schools

	2023	2022	2021	2020
Total OPEB liability changes for the year				
Service cost[1]	$ 11,992,603	$ 11,701,233	$ 10,733,979	$ 8,694,499
Interest[1][2]	15,543,305	15,339,907	13,972,195	17,727,484
Effect of plan changes	—	—	—	—
Effect of economic/demographic gains or losses	(1,051,078)	1,425,881	11,913,355	5,125,806
Effect of assumptions changes or inputs	5,283,409	(12,023,043)	18,963,947	(35,485,232)
Benefit payments, including refunds of member contributions	(13,274,336)	(12,739,283)	(12,412,041)	(11,886,179)
Net change in total OPEB liabilities	18,493,903	3,704,695	43,171,435	(15,823,622)
Net OPEB liability - beginning	279,754,781	276,050,086	232,878,651	248,702,273
Total OPEB liability - ending (a)	$ 298,248,684	$ 279,754,781	$ 276,050,086	$ 232,878,651
Plan net position				
Contributions - employer	$ (11,621)	$ (2,109)	$ (3,637)	$ 8,967,109
Net investment income (loss)	28,289,903	(52,576,174)	77,748,673	14,518,013
Other	—	—	—	—
Benefit payments, including refunds of member contributions	(13,274,336)	(12,739,283)	(12,412,041)	(11,886,179)
Administrative expense	(70,715)	(71,098)	(71,722)	(72,369)
Net change in plan net position	14,933,231	(65,388,664)	65,261,273	11,526,574
Plan net position - beginning	355,881,846	421,270,510	356,009,237	344,482,664
Plan net position - ending (b)	$ 370,815,077	$ 355,881,846	$ 421,270,510	$ 356,009,238
Net OPEB liability/(asset), ending = (a) - (b)	$ (72,566,393)	$ (76,127,065)	$ (145,220,424)	$ (123,130,586)

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

[1] Service cost and interest cost are measured after reflecting the changes of benefit terms but before reflecting the changes of assumptions.
[2] Includes interest on total OPEB liability, service cost, changes of benefit terms, and benefit payments.

See Notes to Required Supplementary Information

2019	2018	2017
$ 9,108,050	$ 8,778,843	$ 7,692,471
16,607,049	15,779,480	14,272,064
—	—	—
2,499,644	10,851,176	—
—	486,017	—
(11,930,829)	(12,186,675)	(13,155,040)
16,283,914	23,708,841	8,809,495
232,418,359	208,709,518	200
$ 248,702,273	$ 232,418,359	$ 8,809,695
$ 16,432,554	$ 15,599,238	$ 14,763,323
24,690,082	26,546,106	18,873,664
—	—	—
(11,930,829)	(12,186,675)	(13,155,040)
(72,453)	(67,805)	(63,192)
29,119,354	29,890,864	20,418,755
315,363,310	285,472,446	265,053,691
$ 344,482,664	$ 315,363,310	$ 285,472,446
$ (95,780,391)	$ (82,944,951)	$ (76,762,928)

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE INSURANCE RESERVE FUNDS

SCHEDULE OF NET OPEB LIABILITY (ASSET)
YEAR ENDED JUNE 30, 2023

State Members

	2023	2022	2021	2020
Total OPEB liability	$ 115,683,555	$ 103,036,122	$ 104,239,022	$ 93,296,577
Plan fiduciary net position	258,821,864	244,502,786	286,193,340	234,449,486
Employers' net OPEB liability (asset)	$(143,138,309)	$(141,466,664)	$(181,954,318)	$(141,152,909)
Plan fiduciary net position as a percentage of total plan liability (asset)	223.7 %	237.0 %	275.0 %	251.0 %
Covered payroll (in millions)	$ 1,401.9	$ 1,180.6	$ 1,111.6	$ 1,382.8
Net OPEB as a percentage of covered payroll	(10.2)%	(12.0)%	(16.4)%	(10.2)%

School Members

	2023	2022	2021	2020
Total OPEB liability	$ 298,248,684	$ 279,754,781	$ 276,050,086	$ 232,878,651
Plan fiduciary net position	370,815,077	355,881,846	421,270,510	356,009,237
Employers' net OPEB liability (asset)	$ (72,566,393)	$ (76,127,065)	$(145,220,424)	$(123,130,586)
Plan fiduciary net position as a percentage of total plan liability (asset)	124.3 %	127.0 %	153.0 %	153.0 %
Covered payroll (in millions)	$ 1,730.6	$ 1,603.5	$ 1,497.2	$ 1,507.1
Net OPEB as a percentage of covered payroll	(4.2)%	(4.7)%	(9.7)%	(8.2)%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

2019	2018	2017
$ 99,213,537	$ 91,490,186	$ 91,367,986
225,185,651	206,260,247	186,497,610
$(125,972,114)	$(114,770,061)	$(95,129,624)
227.0 %	225.4 %	201.1 %
$ 1,153.5	$ 1,101.7	$ 1,098.0
(10.9)%	(10.4)%	(8.7)%

2019	2018	2017
$248,702,273	$232,418,359	$208,709,518
344,482,664	315,363,310	285,472,446
$(95,780,391)	$(82,944,951)	$(76,762,928)
138.5 %	135.7 %	136.8 %
$ 1,380.9	$ 1,310.9	$ 1,240.6
(6.9)%	(6.3)%	(6.2)%

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE INSURANCE RESERVE FUNDS

SCHEDULE OF CONTRIBUTIONS - OPEB
YEAR ENDED JUNE 30, 2023

	Sick Leave Insurance Reserve Fund - State				
Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2017	$ 4,282,016	$ 7,136,693	$ (2,854,677)	$1,097,952,769	0.65%
2018	4,186,570	7,161,239	(2,974,669)	1,101,729,077	0.65
2019	4,383,253	7,497,670	(3,114,417)	1,153,487,692	0.65
2020	4,978,210	4,494,217	483,993	1,382,836,000	0.33
2021	3,557,248	(682)	3,557,930	1,111,640,064	—
2022	4,840,519	(182)	4,840,701	1,180,614,285	—
2023	5,327,068	(833)	5,327,901	1,401,860,082	—

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

	Sick Leave Insurance Reserve Fund - Schools				
Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2017	$ 8,064,000	$ 14,763,323	$ (6,699,323)	$1,240,615,378	1.19%
2018	8,913,850	15,599,238	(6,685,388)	1,310,860,336	1.19
2019	9,390,031	16,432,554	(7,042,523)	1,380,886,891	1.19
2020	9,645,294	8,967,109	678,185	1,507,077,143	0.60
2021	9,132,736	(3,637)	9,136,373	1,497,169,775	—
2022	12,186,762	(2,109)	12,188,871	1,603,521,347	—
2023	12,633,068	(11,621)	12,644,689	1,730,557,270	—

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE INSURANCE RESERVE FUNDS

SCHEDULE OF INVESTMENT RETURNS - SICK LEAVE INSURANCE RETIREMENT FUND
YEAR ENDED JUNE 30, 2023

Annual money weighted rate of return, net of investment expenses	2023	2022	2021	2020	2019	2018	2017
State	8.2 %	(12.8)%	23.2 %	4.2 %	7.8 %	9.4 %	13.3 %
Schools	8.1 %	(12.7)%	23.2 %	4.2 %	7.8 %	9.4 %	13.3 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Note: Sick Leave Insurance Retirement Funds began being tracked as two separate funds in 2022.

See Notes to Required Supplementary Information

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND, JUDGES' RETIREMENT FUND, AND SICK LEAVE INSURANCE RESERVE FUNDS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the employers' contributions are calculated as of June 30, 2023 for PERSI, as of June 30, 2023 for FRF and as of June 30, 2023 for JRF. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

	PERSI Base Plan	FRF	JRF
Valuation date	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of projected payroll open	Level dollar amount - open	Level percentage of projected payroll open
Remaining amortization period	13.5 years	N/A	12.4 years
Asset valuation method	Fair Market Value	3-yr smoothing	Fair Market Value
Actuarial assumptions:			
Investment rate of return *	6.35%	6.35%	6.35%
Projected salary increases including inflation	3.05%	3.05%	3.05%
Postretirement benefit increase	1.00%	1.00%	1.00% or 3.05%
Implied price inflation rate	2.30%	2.30%	2.30%
Discount Rate - Actuarial Accrued Liability	6.35%	6.35%	6.35%

*net of investment expenses

The valuation date for the Sick Leave Insurance Reserve Funds is as of June 30, 2023.

Actuarial Assumptions	*Sick Leave Insurance Reserve Funds*
Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return *	5.45%

*net of investment expenses

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

ADDITIONAL SUPPLEMENTARY SCHEDULES
JUNE 30, 2023

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

SCHEDULE OF INVESTMENT EXPENSES YEAR ENDED JUNE 30, 2023

INVESTMENT AND RELATED SERVICES:	
Adelante Capital Management	$ 2,654,941
AEW Capital Management, LP	13,228,262
BCA Research, Inc	12,167
Bernstein, Sanford C	4,268,563
Bloomberg, LP	73,338
BLS Capital	5,434,693
BNY Mellon Trust	2,514,763
Brandes Investment Partners, LP	2,114,765
Business Entity Data BV	91
Capital Economics (N A) Ltd	13,320
Clearwater Advisors, LLC	764,013
Clearwater Analytics, LLC	397,027
Consensus Economics, Inc	694
D B Fitzpatrick & Co, Inc	3,764,926
Donald Smith & Company	2,978,658
Fiera Capital, Inc	4,214,162
Genesis Investment Management, LLP	1,832,102
Hamilton Lane Advisors, LLC	30,000
Income Research + Management Inc	432,332
Longview Partners (Guernsey) Ltd	3,491,334
Macro Research Board (MRB)	5,000
Mellon Investments Corporation	1,323,051
Mondrian Investment Partners	1,699,589
Mountain Pacific Investment Advisors, Inc	2,613,764
Peregrine Capital Management	3,189,978
Prudential Property Investment Separate Account	426,773
State Street Global Advisors	1,150,583
Walter Scott & Partners Ltd	3,742,030
Western Asset	574,383
With Intelligence, LLC	7,893
Yardeni Research, Inc	7,500
TOTAL INVESTMENT AND RELATED SERVICES	62,960,695

continued

CONSULTING AND OTHER SERVICES:	
Alban Row Investments, LLC	83,344
BAS Ventures, Inc	2,100
Callan LLC	493,177
Cavanaugh Macdonald Consulting, LLC	166,667
Eide Bailly LLP	115,172
Empower Retirement	203,295
Foster Garvey PC	453,878
Hamilton Lane Advisors, LLC	156,944
Jenks, John R	78,496
Klausner, Kaufman, Jensen & Levinson	24,225
Korn Ferry	1,866
Lee, Thomas	6,294
Milliman, Inc	260,208
Skjervem, John D	4,357
Storer, Robert	6,639
Walls, Garret A	38,230
Whiteford, Taylor, & Presto	23,780
Williams, Ashbel	79,709
TOTAL CONSULTING AND OTHER SERVICES	2,198,381
TOTAL	$ 65,159,076

concluded

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

SCHEDULE OF ADMINISTRATIVE EXPENSES YEAR ENDED JUNE 30, 2023

PORTFOLIO - RELATED EXPENSES:	
Personnel expenses	$ 582,893
Operating expenses	118,115
	701,008
OTHER ADMINISTRATIVE EXPENSES:	
Personnel expenses	4,743,862
Operating expenses	2,856,234
Building depreciation expense	423,442
Equipment depreciation expense	127,895
Software amortization expense	1,191,245
	9,342,678
SICK LEAVE FUNDS EXPENSES - Administrative expenses	119,636
JUDGES' FUND EXPENSES - Administrative expenses	115,561
DEFINED CONTRIBUTION FUND - Administrative expenses	2,451,872
TOTAL	$ 12,730,755

CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Retirement Board
Public Employee Retirement System of Idaho
Boise, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the pension and other trust funds of the Public Employee Retirement System of Idaho (the System or PERSI), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Public Employee Retirement System of Idaho's basic financial statements, and have issued our report thereon dated November 7, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PERSI's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Boise, Idaho
November 7, 2023

INVESTMENT
SECTION

INVESTMENT SECTION

OVERVIEW OF FISCAL YEAR 2023

NOTE: The investment section of the Annual Report was compiled using information from the our consultant, Callan Associates, LLC, System's custodial bank, Bank of New York Mellon, and internally generated data. Unless otherwise noted, investment returns are based on investment fair values and made on a time weighted return methodology, gross of investment fees and consistent with Global Investment Performance Standards.

Callan

Callan LLC
120 North LaSalle Street
Suite 2400
Chicago, IL 60602

Main 312.346.3536
Fax 312.346.1356

www.callan.com

Dear Board Members:

This letter reviews the investment performance of the assets under the purview of the Public Employee Retirement System of Idaho (PERSI) Board for the fiscal year ended June 30, 2023.

PERSI employs an investment philosophy described as "simple, transparent, focused, and patient approach following conventional investment principles". The objective of this approach is to outperform a long-term reference benchmark of 55% U.S. equity, 15% non-U.S. equity, and 30% U.S. bonds.

2023 Fiscal Year Market Overview

A recession in the U.S. does not appear imminent, despite the most aggressive rate hikes since the 1980s over the past 15 months. The labor market remains strong, expectations for 2Q23 GDP growth are positive, consumer spending has exceeded expectations, and even housing has shown signs of life. Further good news comes from inflation, which has moderated, though largely due to falling energy prices. We have also successfully weathered a couple of storms this year; regional bank worries have abated after the collapse of Signature Bank, Silicon Valley Bank, and First Republic, and the debt ceiling saga is behind us.

On the good news front: 1Q23 GDP was a robust 2% (up sharply from the most recent estimate of 1.3%). Consumer spending rose 4.2% in 1Q, the strongest growth seen in nearly two years. In June, the Conference Board reported a sharp 7% monthly jump in its Consumer Confidence Index, bringing the index to its highest level since January 2022. New home sales surged more than 12% in May (+20% year-over-year (YOY)) with gains broad-based geographically, according to data from the Census Bureau. Housing prices have risen in 2023 and are now just 2.4% off the June peak, according to the S&P Case-Shiller National Home Price Index. The labor market remained resilient. The Bureau of Labor Statistics reported April job openings, according to the Job Openings and Labor Turnover Survey (JOLTS), remained at just over 10 million with about 6 million unemployed. Unemployment remained low at 3.7% in May and average hourly earnings ($33.44) were up 4.3% over the past year, a bit higher than core inflation.

But is this all too good to be true? The Fed has not abandoned its rate hike path and goal of 2% inflation and has suggested that further hikes are coming. Higher interest rates have a lagged effect, but the impact can already be seen in some areas. In April, nearly 50% of U.S. banks reported tightening lending standards for loans to small businesses. Rising payments for credit card debt, auto loans, commercial mortgage payments, and corporate debt all have the potential to put the brakes on economic growth. While the default rate for corporations has not ticked up materially, a June report from S&P Global was a bit ominous: "…the tally of companies that have gone bankrupt so far in 2023 is higher than the first four months of any year since 2010." Commercial real estate woes, especially office and retail, are also on the radar of the more pessimistic crowd. The resumption of student loan payments in August could also temper growth later this year. Americans owe roughly $1.8 trillion in federal and private student loan debt.

And there is mixed news: Headline CPI was up 4.0% over the past 12 months (as of May), the lowest since March 2021, with Core up 5.3% (down from a 6.6% cycle high in September). Headline CPI has benefited from falling energy prices (-12% YOY) while Core has not moderated as much and has the Fed's attention. Within Core, shelter costs (+8% YOY) have been particularly sticky and comprise around 40% of the measure. The Fed's favored inflation metric, the Personal Consumption Expenditures Index, showed progress with a +3.8% gain in May (YOY), down from 5.4% in January. As with CPI, the Core measure remains more stubborn and was up 4.6% in May (YOY), down only slightly from January's 4.7%.

U.S. equity markets finished the Fiscal Year 2023 in the positive territory after a tumultuous 2022. The Russell 3000 Index, a measure of broad U.S. equity, was down 4.46% at the start of the fiscal year before rising 7.18% in 4Q22, 7.18% in 1Q23, and 8.39% in 2Q23 as investor sentiment improved. Domestic stocks soared over the exuberance for any company associated with AI. Overseas markets also rebounded throughout the fiscal year aided by currency appreciation vs. the U.S. dollar. The MSCI ACWI ex-U.S. IMI (Net) Index, a broad benchmark reflecting developed and emerging markets, but excluding U.S. equities, climbed 2.38% for the quarter and 12.47% for the fiscal year. The MSCI All Country World Index (Net), a broad measure of the total global equity market (including the U.S.), increased 6.18% in the most recent quarter and 16.53% for the fiscal year.

The Fed took a pause at its June meeting, leaving the Fed Funds target at 5.00% – 5.25%. The Fed's median prediction is 4.6% for the end of 2024, but the distribution reflects a wide range of views that range from 3.6% to 5.9%. The Bloomberg U.S. Aggregate Bond Index, a widely used gauge of the investment grade domestic U.S. bond market, fell modestly for the quarter (0.84%) and for the fiscal year (0.94%) as interest rates rose. The 10-year U.S. Treasury yield was 3.81% as of fiscal year end, up from 3.48% as of 3/31. The yield curve was sharply inverted at quarter end with the 2-year U.S Treasury yielding 4.87%.

Private real estate, as measured by the NCREIF Property Index, was negative for the first time since fiscal year 2010. In Fiscal Year 2023, the NCREIF Property Index returned (6.60%) hurt by office property. Publicly traded real estate, as measured by the FTSE NAREIT All Equity Index, outperformed private markets on the downside, returning (4.39%) for the fiscal year 2023.

For the fiscal year ended June 30, 2023, the Total Fund had a time-weighted total return (gross of fee) of 9.58% outperforming median return for Callan's Public Fund Sponsor database of 9.27%. The long-term target return of 12.92% was a difficult bogey as it surpassed 90+ percent of peers. The 2023 fiscal year saw positive Total Fund returns for PERSI. However, these returns were lower than the long-term target due to a more diversified strategic policy. This policy included allocations to private equity, private real estate, and global equity, all of which underperformed the U.S. equity market during that fiscal year. The relative strength of the U.S. equity market is shown in the longer 5 and 10-year relative returns. The 5-year annualized return of 7.22% outperformed the strategic policy of 6.73% but underperformed long term target of 7.43%. The 10-year annualized return of 7.89% outperformed the strategic policy of 7.22% and underperformed the long-term target of 8.22%.

Since September 30, 1992, the Fund has returned 8.20%, outperforming the long-term target of 8.05% and ranking in the top 30th percentile of the Callan Public Fund Peer Group. PERSI also manages the assets for the Unused Sick Leave Benefit programs. This portfolio is invested in passively managed strategies, with 50% in public equity and 50% in fixed income. The fiscal year return was 8.31% compared to its target of 8.42%. Over the 5 year period, the fund earned 5.53% compared to the target's 5.62% and over 10 years the fund earned 7.35% versus the target's 7.27%

Callan LLC (Callan) serves as PERSI's independent general investment consultant and evaluates PERSI's performance in relation to market benchmarks, appropriate manager peer groups and other public pension systems. The performance calculations are made using a methodology broadly similar to the Global Investment Performance Standards. Callan calculates time-weighted performance statistics based primarily on underlying custodial data provided by the Board's custodian, Bank of New York Mellon (BNYM). The performance calculations were made using a time-weighted return methodology based upon market values reported by these sources.

Sincerely,

Ann O'Bradovich

Ann O'Bradovich
Senior Vice President

Investment Summary for the Year Ended June 30, 2023

Types of Investment	Fair Value		Percent of Total Fair Value	
Short-Term Investments		$ 284,175,663		1.2 %
Fixed Income				
Domestic	$5,185,195,751		22.3 %	
International	14,661,129		0.1	
Commercial Mortgages	760,773,847		3.2	
Total Fixed Income		5,960,630,727		25.6
Equity				
Domestic	9,241,725,823		39.7	
International	2,847,142,657		12.2	
Total Equity		12,088,868,480		51.9
Private Equity		1,642,405,205		7.1
Real Estate		1,211,577,521		5.2
Total Base Plan Investments		21,187,657,596		91.0
Other Funds:				
Sick Leave Insurance Reserve Funds		628,177,675		2.7
Choice Plan 414(k)		57,466,728		0.2
Choice Plan 401(k)		1,418,021,114		6.1
Total Investments in All Funds		$23,291,323,113		100 %

Schedule of Investments by Account (including interest and dividends receivable) as of June 30, 2023

Base Plan, Firefighters' Retirement Fund, and Judges' Plan	
Adelante Capital Management	$ 539,009,274
Advent International, LP	148,981,183
Apollo Management, LP	59,614,841
Ascribe Capital LLC	30,228,384
Baring Asset Management - Global Equity	79,940
Bernstein - Emerging Markets	329
Bernstein - Global Equity	510,487,963
Blackstone Capital Partners, LP	174,123,409
BLS Capital	912,818,715
Brandes Investment Partners	608,664,280
Bridgepoint Cap Ltd	83,101,421
Capital Guardian	99,019
Cerberus Investment Partners	480,603
Chisholm Management, LP	1,084,701
Clearwater Advisors, LLC - TBAs	200,816,771
CVC European Equity	119,665,746
DB Fitzpatrick & Co - Fixed Income	141,220,790
DB Fitzpatrick & Co - Idaho Mortgages	763,527,441
Donald Smith & Co	797,854,718
Endeavour Capital	56,766,853
Epic Venture Fund	23,185,669
Fiera Capital	856,194,455
First Reserve Fund XI	1,233,308
Galen Associates, LP	3,773,946
Genesis Asset Managers	232,645
Gores Capital Partners, LLP	79,742
Green Equity Investors IV, LP	14,005,446
Hamilton Lane Co-Investment Fund, LP	99,401,545
Hamilton Lane Secondary Fund, LP	73,709,053
Ida-West	3,103,303
IR + M	207,062,307
KKR 2006 Fund, LP	82,135,707
Kohlberg & Co.	107,819,453
Koll Partners, LLP	1,125,205,300
Lindsay Goldberg & Bessemer	41,609,872
Longview Partners	698,234,696
Mellon Investments Corp - Emerging Market Index	803,050,186
Mellon Investments Corp - International Stock Index	744,447,662
Mellon Investments Corp - Mid Cap Completion	144,584,289
Mellon Investments Corp - R2000 Small Cap	87,168,908
Mellon Investments Corp - REIT Index	248,878,484

continued

Mellon Investments Corp - S&P 500 Large Cap	1,341,300,993	
Mellon Transition Management Services	106,067	
Mondrian Investment Partners	549,327,518	
Mountain Pacific Investment Advisors	873,737,224	
Peregrine Capital Management	937,613,576	
PERSI Cash in Short-Term Investment Pool	89,558,923	
Platinum Equity Partners	4,273,860	
Providence Equity Partners, LLP	33,554,243	
Prudential Investments	86,372,221	
Silverlake Partners	88,004,966	
Sorenson Capital	26,425,021	
State Street Global Advisors - Fixed Income	2,374,670,401	
State Street Global Advisors - TIPS	2,044,479,261	
State Street Global Markets	781,374,381	
T3 Partners, LP	212,132,357	
Veritas Capital Partners, LP	153,910,456	
Walter Scott LTD	804,836,330	
Western Asset Management	270,297,302	
Zesiger Capital Group	90	
Total Base Plan and Firefighters' Retirement Fund		$ 21,185,717,547
<u>Choice Plan</u>		
Calvert SI Balance Fund	7,680,627	
Dodge and Cox Income Fund	16,655,394	
Mellon Investment Corp Emerging Market Equity Index Fund	300	
Mellon Investment Corp NA Equity Index Fund	11,975,819	
Mellon Investment Corp US Bond Market Index Fund	12,053,045	
Mellon Investment Corp US Large Cap Equity Index Fund	69,437,867	
Mellon Investment Corp US REIT Index Fund	4,697,768	
Mellon Investment Corp US Small/Mid Cap Equity Index Fund	30,072,301	
Mellon Investment Corp US Treasury Inflation-Protected Securities (TIPS) Index Fund	5,128,998	
PERSI Choice Plan Contribution Holding Account	1,251,403	
PERSI Choice Plan Loan Fund	10,788,418	
PERSI Short Term Investment Portfolio	44,625,279	
Rowe Price Small Cap Fund	33,698,175	
Total Return Fund	1,172,148,414	
Vanguard Growth & Income Fund	60,439,264	
Total Choice Plan		1,480,653,072

continued

Sick Leave Insurance Reserve Funds		
State Street Global Advisors - Domestic Equity	262,516,143	
State Street Global Advisors - International Equity	65,778,468	
State Street Global Advisors - Fixed Income	299,883,065	
Total Sick Leave Insurance Reserve Funds		$ 628,177,676
Total Fair Value, Including Investment Receivables and Payables		23,294,548,296
Add: Investments Purchased Payable		119,122,833
Less: Investments Sold Receivable		(45,033,391)
Less: Interest and Dividends Receivable		(77,314,625)
Total Fair Value, Net of Investment Receivables and Payables		$ 23,291,323,113

concluded

Investment Results for the Year Ended June 30, 2023

Managers	TOTAL FAIR VALUE (MILLIONS)	% OF TOTAL FUND	Investment Performance for Periods Ending FISCAL	1 YR	3 YRS *	5 YRS *	10YRS *
U.S. Publicly Traded Equity							
Mellon Investments Corporation - Mid Cap	$ 152.6	0.6 %	17.5	17.5	9.4	8.4	10.6
Mellon Investments Corporation - R2000 Small Cap	92.0	0.4	12.8	12.8	11.0	4.4	8.4
Mellon Investments Corporation - S&P 500 LC	1,415.5	6.4	19.7	19.7	14.7	12.3	12.9
Mountain Pacific	922.2	4.1	15.2	15.2	12.2	10.0	12.2
Donald Smith & Co	842.0	3.8	49.7	49.7	30.6	12.7	11.2
Peregrine	989.5	4.4	33.5	33.5	1.2	11.2	15.9
Total US Publicly Traded Equity	$ 4,413.7	19.7 %	0.2	20.5	12.1	10.3	11.7
Benchmark - Russell 3000			19.0	19.0	13.9	11.4	12.3
Private Equity							
Ida-West	$ 3.3	— %	—	—	—	5.3	5.4
Galen III	4.0	—	(63.9)	(63.9)	(29.2)	(13.4)	(6.0)
Providence EQ Partners	35.4	0.2	15.6	15.6	37.0	21.4	17.8
Chisolm Partners	1.1	—	(3.9)	(3.9)	26.0	9.7	5.3
T3 Partners II LP	223.9	1.0	1.8	1.8	28.5	15.2	15.4
Apollo Mgmt LP	62.9	0.3	3.8	3.8	25.9	11.1	10.8
Green Equity IV LP	14.8	0.1	2.0	2.0	31.5	22.3	19.9
Gores Capital AD LLC	0.1	—	14.3	14.3	52.4	6.5	3.9
Kohlberg & Co	113.8	0.5	18.4	18.4	27.7	22.9	18.7
Hamilton Secondary	77.8	0.3	1.9	1.9	21.8	15.1	13.1
CVC European Equity	126.3	0.6	13.9	13.9	23.8	23.2	20.5
Hamilton Lane Co-Investment Fund	104.9	0.4	2.6	2.6	27.0	13.3	12.2
Bridgepoint Europe III	87.7	0.4	12.4	12.4	24.3	16.7	11.7
Newbridge Asia LP	—	—	9.7	9.7	38.1	24.1	10.9
Blackstone Capital Partners	183.8	0.8	7.5	7.5	29.3	12.4	13.0
Lindsey, Goldberg, Bessemer	43.9	0.2	3.3	3.3	50.6	27.7	19.4
KKR 2006	86.6	0.4	(11.8)	(11.8)	22.9	16.5	16.2
First Reserve Fund XI	1.3	—	0.6	0.6	(24.4)	(26.8)	(25.2)
Cerberus Inst Partners	0.5	—	578.2	578.2	157.7	70.0	44.7
Epic Venture Fund	24.5	0.1	(2.2)	(2.2)	25.5	21.8	16.4
Advent International	157.2	0.7	(10.6)	(10.6)	27.9	14.9	16.7
Ascribe Capital LLC	31.9	0.1	(2.4)	(2.4)	(8.4)	(22.1)	(7.3)
Veritas Capital Partners	162.4	0.7	(8.5)	(8.5)	32.3	34.8	25.9
Endeavour Capital Partners	59.9	0.3	18.5	18.5	40.3	29.2	
Silver Lake Partners	92.9	0.4	(10.3)	(10.3)	17.2		
Platinum Equity Cap Partners**	4.5	—	—				
Sorenson Capital Partners IV	27.9	0.1	(20.8)				
Zesiger Capital Group	—	—	0.0	0.0	0.0	0.0	0.0
Total Private Equity	$ 1,733.3	7.6 %	0.2	0.2	25.9	16.5	13.5

continued

Investment Results for the Year Ended June 30, 2023

Managers	TOTAL FAIR VALUE (MILLIONS)	% OF TOTAL FUND	Investment Performance for Periods Ending FISCAL	1 YR	3 YRS *	5 YRS *	10YRS *
Real Estate							
Koll Partners	$ 1,187.5	5.2	0.3	0.3	12.0	11.3	10.9
Adelante - Public R/E[(1)]	568.8	2.5	0.7	0.7	8.6	6.3	8.5
Mellon Investments Corporation - Reit Index	262.6	1.2	(0.6)	(0.6)	9.2	3.3	5.6
Prudential	91.2	0.4 %	(2.3)	(2.3)	8.2	7.6	9.5
Total Real Estate	$ 2,110.1	9.3	0.1	0.1	10.2	8.4	9.8
Benchmark - NCREIF			(1.6)	(1.6)	7.2	6.7	8.3
Total U.S. Equity	**$ 8,257.1**	**36.6 %**	12.6	12.6	14.3	11.5	12.1
Benchmark - Russell 3000			19.0	19.0	13.9	11.4	12.3
Global Equity							
Baring Asset Management[(1)]	$ —	—	4.4	4.4	(7.3)	(3.7)	11.1
Brandes Invst Partners	642.3	2.9	18.6	18.6	17.5	7.4	8.0
Capital Guardian[(1)]	0.1	—	4.4	4.4	(6.1)	(9.3)	4.3
Bernstein Global	538.7	2.4	16.1	16.1	12.3	3.8	6.8
Longview Partners	736.9	3.3	22.1	22.1	16.2	9.6	11.5
BLS Capital	963.3	4.2	24.0	24.0	16.8	12.6	—
Fiera Capital	903.6	3.9	20.7	20.7	14.5	13.3	—
Walter Scott	849.4	3.8	23.7	23.7	12.1	11.6	—
Total Global Equity	**$ 4,634.3**	**20.5 %**	21.3	21.3	14.9	10.1	10.5
Total U.S./Global Equity	**$ 12,891.4**	**57.1 %**	15.4	15.4	14.5	11.0	11.6
Benchmark - Russell 3000			19.0	19.0	13.9	11.4	12.3
International Equity							
Genesis Investments	$ 0.2	0.0 %	0.0	0.0	0.0	0.0	0.0
BNY Asset Management NA Intl Stk Indx	785.6	3.6 %	19.1	19.1	9.3	4.8	5.8
Mondrian	579.7	2.6 %	13.7	13.7	11.0	4.0	5.4
Bernstein Emerging	—	0.0 %	0.0	0.0	0.0	0.0	0.0
BNY Asset Management NA Emerging Stk Indx	847.5	3.8 %	1.6	1.6	2.2	1.2	3.1
Transition**	824.7	3.7 %	0.0	0.0	0.0	0.0	0.0
Total International Equity	3,037.7	**13.7 %**	8.8	8.8	6.0	2.7	4.3
EAFE Index Net			18.8	18.8	8.9	4.4	5.4
Total Equity	**15,929.1**	**70.7 %**	14.2	14.2	12.7	9.3	10.1
Benchmark - Russell 3000			19.0	19.0	13.9	11.4	12.3
Fixed Income							
DBF & Co - Fixed	$ 149.0	0.7	(1.3)	(1.3)	(3.5)	0.1	1.1
DBF & Co - Idaho Mtgs	805.8	3.6	(0.1)	(0.1)	(2.6)	2.7	3.1
State St Adv - FX	2,506.1	11.2	(0.6)	(0.6)	(4.1)	1.1	1.7
SSGA - Tips	2,157.6	9.7	(1.4)	(1.4)	(0.4)	2.5	2.1
Clearwater - TBA	211.9	0.9 %	(0.4)	(0.4)	(3.6)	1.0	1.8
Western Asset	285.2	1.3 %	(1.1)	(1.1)	(4.5)	0.5	2.4

continued

Investment Results for the Year Ended June 30, 2023

Managers	TOTAL FAIR VALUE (MILLIONS)	% OF TOTAL FUND	Investment Performance for Periods Ending FISCAL	1 YR	3 YRS *	5 YRS *	10YRS *
IR+M	218.5	1.0	—	—	(3.5)	1.7	—
Total Fixed Income	**$ 6,334.1**	**$ 0.3**	(0.9)	(0.9)	(2.6)	1.8	2.0
Benchmark - Bloomberg Barclays Aggregate Bonds			(0.9)	(0.9)	(4.0)	0.8	1.5
Other							
Benchmark - Bloomberg Barclays Aggregate Bonds	$ 94.5	0.4 %	2.9	2.9	1.7	2.6	3.0
MTMS Transition(1)	0.1	0.0 %	(12.9)	(12.9)	12.4	13.5	0.0
Unallocated Cash	**94.6**	**0.4 %**					
Combined Total	**$ 22,357.8**	**99.5 %**	9.6%	9.6	8.3	7.2	7.9
Benchmark - 55% Russell 3000			12.9%	12.9	7.8	7.4	8.2
30% BC Aggregate Bonds							
15% MSCI EAFE Index							

Add: Other PERSI DC Choice Plan Investments(2)	308.7
Sick Leave Fixed Income Investments	299.8
Sick Leave Equity Securities	328.2
Investments Purchased	119.1
Less: Interest and Dividends Receivable	(77.3)
Investments Sold	(45.0)
Total Pension Fund Investments	
Net of Receivables	$ 23,291.3

*Rates of Return are annualized
**Account open less than two years
(1) Large inflows/outflows/dividends receivable in this account results in widely variable results
(2) Total Return Fund/Judges' Retirement Fund included in investment results

Note: Performance is gross of fees
Prepared using a time weighted rate of return per BNY Mellon Global Risk Solutions, a division of BNY Mellon Asset Servicing

Schedule of Investment Income for the Last Six Years

Year	Interest	Dividends	Gains & Losses*	Total
2016	$ 106,500,811	$ 224,510,654	$ (65,219,864)	$ 265,791,601
2017	119,967,098	220,630,874	1,538,645,824	1,879,243,796
2018	127,684,540	235,997,226	1,081,844,372	1,445,526,137
2019	111,090,516	237,472,565	1,120,573,418	1,469,136,499
2020	134,838,157	207,369,517	219,682,503	561,890,177
2021	132,632,714	211,570,694	4,913,946,295	5,258,149,703
2022	120,824,577	215,500,635	1,879,992,910	2,216,318,122
2023	140,753,235	239,215,548	1,621,177,440	2,001,146,223

*Includes realized and unrealized gains and losses and other investment income.

Largest Stock Holdings (by Fair Value) June 30, 2023

	Shares	Stock	Fair Value
1	689,009	Microsoft Corp	$ 234,635,125
2	1,361,602	Alphabet Inc	162,983,759
3	397,185	Mastercard Inc	156,212,861
4	818,947	Novo Nordisk A/S	131,922,362
5	1,047,818	Prologis Inc	128,493,921
6	365,462	Moody's Corp	127,078,447
7	930,123	Amazon.Com Inc	121,250,834
8	509,689	Visa Inc	121,040,944
9	128,117	LVMH Moet Hennessy Louis Vuitt	120,626,383
10	562,826	Apple Inc	109,171,359

A complete list of portfolio holdings is available upon request.

Largest Bond Holdings (by Fair Value) June 30, 2023

	Par	Bonds	Description	Fair Value
1	77,897,524	US Treasury Inflation Index Security	0.625% 01/15/2026 DD 01/15/16	$ 71,312,904
2	74,582,907	US Treasury Inflation Index Security	0.250% 01/15/2025 DD 01/15/15	69,870,062
3	68,787,109	US Treasury Inflation Index Security	0.125% 07/15/2024 DD 07/15/14	66,504,613
4	74,263,511	US Treasury Inflation Index Security	0.125% 01/15/2030 DD 01/15/20	64,774,252
5	67,140,134	US Treasury Inflation Index Security	0.375% 07/15/2025 DD 07/15/15	64,460,443
6	65,676,787	US Treasury Inflation Index Security	1.125% 01/15/2033 DD 01/15/23	63,724,184
7	66,538,776	US Treasury Inflation Index Security	0.625%007/15/2032 DD 07/15/22	62,829,763
8	74,148,230	US Treasury Inflation Index Security	0.125%001/15/2032 DD 01/15/22	62,450,993
9	78,139,871	US Treasury Inflation Index Security	0.125%007/15/2031 DD 07/15/21	62,382,223
10	74,633,098	US Treasury Inflation Index Security	0.125%001/15/2031 DD 01/15/21	61,080,362

A complete list of portfolio holdings is available upon request.

Schedule of Fees and Commissions for the Year Ended June 30, 2023

Broker Name	Base Commission	Total Shares Traded	Commission per Share
UBS Securities LLC, Stamford	$ 218,627	1,699,777	$ 0.12862
State Street Global Markets LLC, Boston	160,584	119,061	0.01000
Piper Jaffray & Co, Jersey City	119,061	98,624	0.03510
ISI Group Inc, New York	98,624	89,621	0.04480
Goldman Sachs & Co, New York	89,621	71,376	0.02097
B Riley And Co LLC, New York	71,376	71,133	0.02261
Abel Noser, New York	71,133	69,232	0.03532
Merrill Lynch Pierce Fenner Smith Inc New York	69,232	65,458	0.03421
Bernstein Sanford C & Co, New York	65,458	59,613	0.02054
Citigroup Global Markets Inc, New York	59,613	59,261	0.03399
Citibank, New York	59,261	50,298	0.00243
UBS Europe SE, Frankfurt am Main	50,298	47,040	0.02394
National Financial Services Corp, New York	47,040	1,137,460	0.00897
Other Brokers Under $45,000	1,137,460	222,448,815	0.00511
Total Broker Commissions	$ 2,317,387	293,992,890	$ 0.00788

A complete list of broker commissions is available from PERSI upon request. PERSI does not require that investment managers use specific brokers.

Schedule of Fees and Commissions for the Year Ended June 30, 2023

Private Equity Costs By Account

Advent International GPE, LP	$ 2,660,753
Apollo Investment Fund, LP	142,217
Ascribe Capital LLC	485,599
Blackstone Capital Partners, LP	1,804,914
CVC European Equity Partners, LP	802,383
Endeavour Capital Fund, LP	763,489
Epic Ventures Fund LLC	1,056,144
Hamilton Lane Co-Investment Fund, LP	650,072
Hamilton Lane Secondary Funds, LP	405,000
KKR, LP	1,311,575
Kohlberg Investors, LP	606,155
Lindsay Goldberg, LP	897,660
Nautic (Navis) Partners LP[1]	(27,867)
Platinum Equity Capital Partners, LP	989,846
Providence Equity Partners LP	179,516
Silver Lake Partners, LP	978,051
Sorenson Capital Partners LP	1,328,177
Total	**$ 15,033,684**

[1]Upon liquidation of the fund, certain transaction and other fees received that have not been fully utilized are required to reduce management fee, as Return of Excess Fee Offset

Schedule of Fees and Commissions for the Year Ended June 30, 2023

Investment Fees	Average Assets Under Management	Fees	Basis Points
Investment Manager Fees			
Equity Managers	$ 11,943,060,527	$ 39,587,629	33
Fixed Income Managers	6,214,531,964	6,370,781	10
Real Estate Managers	1,343,204,141	13,655,034	102
Total Average Assets	$ 19,500,796,632		
Total Investment Manager Fees		59,613,445	31
Other Investment Service Fees			
Custodian/Record Keeping Fees		2,597,254	
Investment Consultant Fees		1,468,098	
Legal Fees		668,549	
Actuary/Audit Service Fees		375,380	
Total Investment Service Fees		5,109,281	3
Total Defined Benefit Plans/Defined Contribution Plans' Fees		$ 64,722,726	34
Total Defined Contribution Plans' Fees		$ 203,295	
Total Other Trust Funds' Fees		233,055	
Total Fees		**$ 65,159,076**	

Note: Broker Fees and Private Equity Costs are included on a separate schedule

STATEMENT OF INVESTMENT POLICY AND GUIDELINES

I. Introduction

The Retirement Board (“Board”) of the Public Employee Retirement System of Idaho (“PERSI”, “System”) hereby establishes its Statement of Investment Policy for the investment of the trust funds (“Trust”) in accord with Idaho Code Chapter 13, Title 59.

The Board will review this Investment Policy Statement following actuarial experience studies (that review the economic and market return assumptions for the fund), which occur at least once every four (4) years, and/or whenever any material change in investment circumstances arise.

II. Statutory Requirements

The investment of the Trust will be in accord with all applicable laws of the state of Idaho.

A. Sole Interest of Beneficiaries

Investments will be solely in the interest of the members and their beneficiaries and for the exclusive purpose of providing benefits to the members and their beneficiaries and defraying reasonable expenses of administration.

B. Prudent Investments

Investments will be made with the judgment and care under the circumstances then prevailing, which people of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable outcome as well as the probable safety of their capital. Investments will be diversified so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

C. Fiduciary Duties

The Board and its agents, including staff, consultants, and investment managers, will discharge their duties with respect to the Trust assets solely in the interest of the members and their beneficiaries, and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

III. Investment Goals

A. General Objective

1. Purpose

The purpose of the investment of Trust assets is to provide funds to meet the obligations of PERSI while incurring the appropriate amount of risk consistent with attaining that goal. The Board will invest the assets of the Trust and will reduce risk through diversification of the assets of the Trust.

2. Considerations

In determining the investment returns needed by the System, the acceptable risk levels, and the allowable investments, the Board will consider:

- the purpose of the plan,
- the projected return of the portfolio as it relates to the funding objectives of the plan,
- the effect of particular investments on the total portfolio,
- the diversification of the portfolio, and
- the liquidity needs and the current return relative to the anticipated cash flow requirements.

B. Specific PERSI return and risk objectives

1. Investment Returns

a. Actuarial Assumptions

In projecting obligations and the returns needed to meet those obligations, the Board will consider studies performed by the System's actuaries.

The expected rate of return will consist of an expected real return and an expected inflation assumption, and will consider relevant factors, including the expected growth of the benefits over the life of the plan including assumptions for salary growth rates (and mortality), inflation, a 1% annual Cost of Living Adjustment (COLA) and the costs of managing the Trust.

The actuary uses an investment return assumption in balancing projected obligations, projected contributions, and projected returns on assets. Assuming all of the actuarial assumptions are accurate, the required return will suffice to: (1) assure the payment of statutorily required benefits, including a 1% COLA; and (2) maintain the reduction of the level of the unfunded liability (if any) on the scheduled amortization (one year at a time). The required return will not be sufficient to fund either discretionary COLAs, retroactive COLAs, accelerate the amortization of the unfunded liability, build a stabilization reserve, or allow for gain-sharing distributions.

2. Investment Risk and Asset Allocation

a. Diversification Among Asset Classes

In controlling the risk level that is appropriate for the Trust, assets will be diversified among various asset classes. The specific asset classes to be used will be set in conjunction with the asset allocation.

b. Review of Asset Classes and Asset Allocation

The long term allocation, will focus on the goal that the expected long term returns of the System will meet expected long term obligations with the appropriate level of risk sufficient to meet those objectives. Unless circumstances materially change, the long term allocation will be reviewed at least once every five (5) years to determine the appropriate asset classes for the investment of Trust assets and conduct asset allocation studies to help determine the long term strategic allocations among desired asset classes so as to meet long term return objectives with the appropriate level of risk.

c. Content of Asset Allocations

The asset allocation will set out:

- the asset classes to be used,
- the long term "normal" percentage of assets to be invested in each asset class,
- the ranges that will be considered allowable deviations from the normal allocation,
- the investment risk and return expectations for each asset class,
- the numerical investment return and risk expected to be realized, and
- the relation of the expected investment return to the real return and the actuarially assumed investment return.

d. Strategic Allocation

In addition to the long term asset allocation, the Board may adopt strategic allocations. "Strategic allocations" allow investment in asset types that have not been singled out as "asset classes" in the asset allocation process, to overweight particular sectors within an asset class, or to employ particular strategies in the investment of Trust assets. The purposes of the strategic allocations are to either increase the return above the expected return and/or to reduce risk.

IV. Investment Structure

A. Overall Structure

In making specific investment policy decisions, the Board will have as an overall goal a flexible, simplified structure with clear roles and accountability.

1. Board Responsible

The Board is responsible for all investment activities. In exercising this responsibility, the Board will hire investment staff and agents and may delegate various investment functions to them. Where the Board does not delegate investment powers or duties, the Board will either satisfy itself that it is familiar with such matters, or will retain persons who are familiar with such matters to consult or assist the Board in the exercise of those responsibilities. Where the Board delegates a responsibility, it will be delegated to a person who is familiar with such matters, and the Board will monitor and review the actions of those to whom responsibilities are delegated.

2. General Roles and Responsibilities of Board and Agents

The Board will favor a structure that accommodates a citizen Board and a small investment staff. The Board and investment staff will concentrate their activities on:

- making strategic decisions, primarily concerning asset allocation and strategic policies;
- adjusting the mix between passive and active managers depending on, among other considerations, near term concerns regarding the US and other capital markets;
- delegating and monitoring all other activities, including hiring and monitoring investment managers; and
- maintaining a reporting system that provides a clear picture of the status of the fund on a reasonably concurrent basis to both the Board and PERSI's constituencies.

The Board will delegate the implementation of its investment policy to investment staff and external investment managers and other investment agents. This responsibility includes those investment decisions with shorter term consequences such as the selection of securities, regions, asset types, or asset classes.

B. Direct (Non-delegated) Responsibilities of the Board

The Board is responsible for:

- Approving investment policy,
- Determining the investment structure of the Trust,
- Determining the asset classes to be utilized,
- Setting the asset allocation,
- Determining or authorizing strategic policies;
- Hiring agents to implement the asset allocation;
- Hiring agents to implement strategic policies;
- Monitoring the compliance of those agents with the investment policies and allocations; and
- Monitoring the activities of agents through periodic reports from its staff or consultants.

C. Agents: Investment Staff, Actuaries, Consultants, and Advisors to the Board

1. Chief Investment Officer

a. Duties of Chief Investment Officer

The Board will hire a Chief Investment Officer as it considers appropriate who will be generally responsible for the oversight of the investment of Trust assets, and, as part of that overall responsibility, will:

1. supervise, monitor, and evaluate the performance of the investment managers and other investment agents hired by the Board to assure compliance with investment policy and individual guidelines;
2. recommend to the Board adjustments to the investment policy, including reviewing and modifying the asset allocation as conditions warrant;
3. research current market conditions, evaluate new products, and seek out new approaches to improve portfolio return, reduce risk, and reduce costs and fees;
4. work with the consultants, custodians, investment managers, and other agents in the performance of the assigned duties;
5. assist the Board with education and other efforts to promote good decision making;
6. Hire and manage investment staff/personnel and outside investment advisors to staff;
7. Except in special circumstances will not buy/sell/transact in specific securities; and
8. Coordinate with the Executive Director staff to implement investment actions/decisions and reporting needs.

b. Allocation of New Net Contributions

The Chief Investment Officer shall allocate new net contributions to or withdraw net distributions from the system among investment managers in accordance with the strategic and tactical ranges established in the asset allocation. The Chief Investment Officer shall report to the Board regularly on the allocation of new net contributions or the withdrawal of net distributions.

c. Tactical Asset Allocation and Rebalancing

The Chief Investment Officer may shift assets among managers (including between passive and active managers) as long as the asset allocation is maintained within the stated strategic ranges. When possible, net cash flows will be used to efficiently accommodate rebalancing and/or tactical asset shifts.

d. Minimum Qualifications of Chief Investment Officer

The Chief Investment Officer shall at least: (a) have a graduate degree in finance, law, or business administration or (b) be a Chartered Financial Analyst; or (c) have three or more years of experience in the investment of trust assets.

2. Actuaries

The Board will hire an actuary. The actuary will provide studies that will assist in: (1) determining the long term obligations faced by the System through annual actuarial valuations and (2) setting the return objectives or assumptions that will be sufficient to meet those obligations. The actuary will provide reviews of the actuarial valuation process at least once every four (4) years, including updating the projections and assumptions in light of the experience of the System. These studies will be considered in setting the long term return objectives.

3. Investment Consultants

The Board will hire a qualified independent consultant, whose relationship does not impose a conflict of interest with the Board or staff, to provide investment performance measurement at least quarterly with the report available to the Board within two months of the quarter end. The report will at least compare actual investment returns of the System - in total, by each asset class, and for each managed portfolio - with both the investment objectives of the System and with a composite benchmark and peer group. Independent investment consultants may be hired to assist the Board in the management of its investment responsibilities, including, but not limited to: (1) performing asset allocation studies, and reviewing and recommending modifications of the asset allocation as conditions warrant; (2) assisting in monitoring the investment managers to assure they are in compliance with the investment policy and their individual guidelines; (3) performing manager evaluations and searches as may be necessary; and (4) assisting in the development and adjustment of investment policy. Except for consultants retained solely for purposes of performance measurement, consultants will be fiduciaries of the Trust.

D. Agents: Custodian and Investment Managers with Delegated Responsibilities

1. Custodian

a. Responsibilities

Custodians and other agents will be fiduciaries of the Trust and will assume full responsibility for the safekeeping and accounting of all assets held on behalf of the Trust. Among other duties, as may be agreed to, the custodian will be responsible for: (a) the receipt, delivery, and safekeeping of securities; (b) the transfer, exchange, or redelivery of securities; (c) the claiming, receipt, and deposit of all dividend, interest, and other corporate actions due the Trust; (d) the daily sweep of all uninvested funds into a cash management account or accounts; and, (e) the provision of reports to PERSI upon agreed time intervals that will include all purchases and sales of securities, all dividend declarations on securities held by the Trust, a list of securities held by the Trust, a valuation of those securities, and a cash statement of all transactions for the account of the Trust. Unless the Board provides otherwise, the custodian will also be responsible for monitoring class action litigation, filing and collecting claims on PERSI's behalf, and reporting to PERSI on such activities.

b. Authorization of Collective Investment Trusts

Assets of the Trust may be invested in any Collective Investment Trust (CIT), which at the time of the investment provides for the pooling of the assets of plans described in Section 401(a) of the Internal Revenue Code of 1986, as amended, and which is exempt from Federal income tax. Assets of the Trust may be commingled with assets of other trusts if invested in any collective investment trust authorized by this policy. The provisions of the CIT trust agreement, as amended by the CIT trustee thereof from time to time, of each collective investment trust in which PERSI Trust assets are invested are by this reference incorporated as a part of the CIT trust comprising the PERSI Trust. The provisions of the collective investment trust will govern any investment of PERSI Trust assets in that CIT trust.

2. Investment Managers

The Board will hire investment managers who will be fiduciaries of the Trust and who will be responsible for the investment of Trust assets in specific securities or assets within or among the asset classes.

a. Minimum Qualifications

Investment managers shall be registered with the Securities and Exchange Commission (unless they are banks, insurance companies, or other category exempted from such registration requirements), have been in the business of investment management at least two years (or the main personnel of the investment management firm have worked together in the business of investment management for at least two years), and usually have other United States pension fund assets under management.

b. Guidelines

Investment Managers shall manage assets in accordance with guidelines established by contract and as may be added to or modified from time to time. The guidelines will contain minimum diversification requirements that must be followed by that manager. These guidelines will also set out the investment return expected to be achieved by that manager, and shall be linked to a benchmark that represents the passive index fund that would be used to replace the manager's assignment.

c. Responsibilities and Discretion

Subject to the restrictions set out in this policy or as may be set out in individual contracts or guidelines, an investment manager shall have full discretionary power to direct the investment, exchange, and liquidation of the assets entrusted to that manager. The manager shall place orders to buy and sell securities and, by notice to the custodian, cause the custodian to deliver and receive securities on behalf of the Trust.

d. Voting of Proxies

The Board, unless otherwise stated, will delegate the voting of proxies to the investment managers or custodian. Proxy voting is considered to be a component of the investment decision process, therefore, the investment managers are responsible for voting all proxies in a manner consistent with the best economic interest of the System, for the exclusive benefit of the System, prudent and otherwise consistent with Idaho Code section 59-1301(2), the Idaho Uniform Prudent Investor Act (Title 68, Chapter 5, Idaho Code), and applicable Federal law.

e. Transactions and Brokerage

All securities transactions shall be executed by reputable broker/dealers or banks, and shall be on a best price and best execution basis.

3. Use of Passive and Active Managers

a. Purpose and Use of Active Management

The Board recognizes that passive (index fund) investing has lower costs than active investing, with regard to both management fees and transaction costs. Further, the Board also recognizes that there is uncertainty concerning whether active investing can generally outperform passive investing, particularly in the large, liquid, and efficient portions of the capital markets. Also, the Board has great confidence that a passive investment of assets in an efficient asset allocation will likely meet long term (20 year) obligations.

The Board is concerned that over 1 to 5 year periods the ability to fund COLAs and to keep contribution rates stable are in considerable jeopardy from two sources: (1) expected “normal” market fluctuations are such that annual returns will likely not meet hurdle rates approximately 40% of the time, with actual negative returns to be expected once every six years; and (2) that most of the Trust assets under the asset allocation will be invested in US capital markets, and are thus vulnerable to poor US returns.

One purpose of active management of Trust assets is to address these two concerns. Active managers will be hired for the purpose of providing greater stability of returns, and better returns, than would be achievable under purely passive management over rolling 3 to 5 year periods. Active managers will be responsible for timing of markets and the tactical allocation of assets among and within the capital markets (including between the US and international markets). Some asset classes, such as private investments do not have passive alternatives available.

In addition to providing extra returns, active managers will also be employed to smooth returns, provide higher long term returns, provide protection in adverse markets, and to add exposure and additional diversification to the portfolio than that achievable solely through investment in passive indices representing the strategic asset allocation and strategic policies.

b. Structure

In using outside managers, a structure using a reasonable number of managers with broad mandates and benchmarks will be employed.

Passive managers will be favored for the core, liquid, efficient markets (such as S&P 500 stocks and US Government/Credit bonds).

Active managers will be favored for relatively inefficient markets.

Global managers will be used to provide flexibility in reacting to near term concerns that may arise concerning any particular region or market, particularly the US capital markets, and to provide an appropriate balance between efficient long term asset allocations (which favor US assets) and near term allocations (which have a greater preference for international assets) to meet the real (inflation adjusted) return needs of the System.

Assets under the management of global equity managers will be considered US equity assets for purposes of asset allocation. Consequently, actual allocations to international equities in the overall portfolio from time to time, may be above that in the stated asset allocation due to the activities of the global equity managers.

c. Balance Between Passive and Active Management

The balance between active and passive management will be managed by the Chief Investment Officer with the following considerations in mind: concentration of active investment efforts where there is the most potential for excess returns, implementation of views concerning the state of the US, international capital markets, and reduction of fees and other costs.

d. Monitoring Standards for Investment Managers

External managers are expected to maintain key personnel, a consistent style, and investment capability to successfully implement their mandate. Past performance is not a predictor of future performance, thus it is just one factor to consider in the overall evaluation of a manger.

Passive managers are expected to provide the returns of the assigned benchmark, thus they will be evaluated based on their ability to generate performance that closely tracks their benchmark index.
Active managers will be evaluated based on their ability to generate.

Other relevant information may be considered in determining whether to retain or terminate managers.

V. Asset Class Policies

A. US Equities

1. Objective

The overall objective of the US equity or Broad Domestic Equity asset class is to obtain, over time, a return after fees that equals or exceeds the returns of the Russell 3000 Index, both absolutely and on a risk adjusted basis. For assets under the management of global equity managers, the objective for near term periods will be to achieve a return after fees that is equal to or exceeds the returns of the MSCI World Index or MSCI All Country World Index (MSCI ACWI Index), both absolutely and on a risk adjusted basis.

2. Allowable Investments

Managers may invest in stocks that do not pay dividends. Managers may invest in equity securities outside of the Russell 3000 Index, and global equity managers may invest in equity securities outside of the MSCI World Index. Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio.

3. Manager Styles

Managers for the US equity asset class may include index funds, style managers (such as value, growth, and capitalization), “core” managers, and global managers.

4. Benchmarks

The Russell 3000 index will be the benchmark for the passive index funds, core managers, and global managers. For near term periods (approximately 5 years or less), the MSCI World or MSCI ACWI indexes are the benchmarks for global equity managers. Other style or capitalization indices maintained by a qualified organization may be used as the benchmark for style managers.

B. International Equities

1. Objective

The overall objective of the International Equity Asset Class is to obtain, over time, a return after fees that equals or exceeds the returns of the MSCI Europe, Australasia, and Far East (MSCI EAFE) Index (unhedged), or the MSCI ACWI ex US Index, both absolutely and on a risk adjusted basis.

2. Allowable Investments

Managers may invest in stocks that do not pay dividends. Managers may invest in American Depository Receipts or American Depository Shares. Managers may invest in equity securities of companies or in countries that are not included in the indices. Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio. Managers may, at their discretion, hedge the currency exposure of all or part of their portfolios. Managers may not overhedge their portfolio, although proxy hedging for purposes of liquidity and cost savings is allowed.

3. Manager Styles

Managers for the International Equity asset class may include index funds, general international managers, and regional or specialized managers (such as emerging markets). The Board may from time to time hire a currency overlay manager to hedge the currency exposure in those portfolios where managers do not actively or normally consider hedging their exposure.

4. Benchmarks

The MSCI EAFE Index (unhedged), will be the benchmark for the developed markets passive index fund. Active international developed markets managers may use as their benchmark either the MSCI EAFE index or the MSCI ACWI ex US index (unhedged). The MSCI Emerging Markets (MSCI EMF) index will be the benchmark for the emerging markets managers, both active and passive. Regional or specialized indices (unhedged) maintained by a qualified organization may be used as the benchmark for other active managers.

C. Fixed Income

1. Objectives

The overall objective of the Fixed Income asset class is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Aggregate Bond Index (Aggregate Bond Index) both absolutely and on a risk adjusted basis.

The Fixed Income Asset Class shall consist of investments in mortgages and in both dollar and non-dollar fixed income securities. Mortgages shall consist of investments in mortgage backed securities, and direct ownership of commercial mortgages through the Idaho Commercial Mortgage Program.

The objective of the non-mortgage fixed income securities other than real return portfolios is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Government/Credit Bond Index (Government/Credit Bond Index) on a risk adjusted basis. The overall objective of the mortgage securities is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Mortgage Index (Mortgage Index) on a risk adjusted basis. The overall objective of the real return fixed income is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays TIPS Index on a risk adjusted basis.

2. Allowable Investments

Managers may invest in debt securities that do not pay interest. Active managers may invest in securities in companies or countries that are not included in the indices.

Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio. Fixed income managers may, at their discretion and to the extent allowed by their contracts and guidelines, use currency forward or futures markets as may be considered appropriate to implement fixed income strategies.

3. Manager Styles

Managers in the Fixed Income asset class may include index funds, domestic bond managers, specialized managers, and global managers.

4. Benchmarks

The Government/Credit Bond Index or Aggregate Bond Index will be the benchmark for all non-mortgage fixed income managers except real return fixed income managers.

The Bloomberg Barclays TIPS index will be the benchmark for real return fixed income managers. The Mortgage Index will be the benchmark for all mortgage managers. The Barclays Capital Aggregate Index will be the benchmark for the asset class.

D. Real Estate

1. Objectives

Equity real estate investments will be considered part of the US Equity asset class. The overall objective of equity real estate investments is to attain a 5% real rate of return overall, over a long term holding period, as long as this objective is consistent with maintaining the safety of principal. The 5% real rate of return includes both income and appreciation, is net of investment management fees, and is net of inflation as measured annually by the Consumer Price Index. Over a short-term basis, the objective is to earn a nominal minimum income yield of 5% on each individual investment, or inflation plus 3%, whichever is greater.

2. Allowable Investments

Allowable equity real estate investments include open-end and closed-end commingled real estate funds, direct real estate investments, publicly traded real estate investment trusts (REITs), passive REIT index funds, and other public real estate companies, private real estate companies and real estate operating venture entities. Allowable investments must be originated and managed by real estate advisors with substantial experience originating and managing similar investments with other institutional investors. The real estate asset sector is not intended to include solely debt investments; in particular, straight mortgage interests are considered part of the fixed income asset class. The real estate asset sector may include equity-oriented debt investments, including mezzanine loans, that conform with the return targets of the sector.

3. Need for Income Component of Return

Upon closing, each real estate investment must have as a goal the expectation of an annual income return and overall holding period return measured primarily by realized return rather than expected capital appreciation. Thus, a significant portion of real estate investments made should be in existing income producing properties with measurable return expectations rather than purely development properties. However, existing properties with potential for physical enhancement, including development or redevelopment, are acceptable investments.

4. Protection of the Trust

Investment vehicles should be chosen that will protect the Trust, including provision for investments that do not contain debt or liability with recourse beyond the Trust commitment to the related business entity, provision for inspection and evaluation of environmental hazards prior to the purchase of any specific property, and the provision of insurance coverage to protect against environmental and natural hazards.

5. Reporting

A comprehensive reporting system for individual investments, entities and funds will be maintained so that primary operational and economic characteristics are continually defined, and underperforming investments can be identified and remediated. Active asset and portfolio management is required for the management of all non-publicly traded real estate investments. Investment managers shall be required to present periodic operational reports within approved formats, including statements of fair market value, audited financial statements and annual business plans.

6. Benchmarks

The MSCI US REIT, Dow Jones Select REIT, NAREIT all Equity, or Wilshire REIT index will be the benchmark for the passive REIT index fund. The National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index or the Open End Core Equity (NFI-ODCE) Value Weight net will be the benchmarks for the open-end and closed-end funds and private real estate. The asset class in total will be benchmarked against the Russell 3000 index.

7. Asset Allocation

For purposes of asset allocation, real estate investments will be treated as part of the US equity asset class.

E. Alternative Investments

1. Definition and Board Approval

The Board may from time to time authorize the investment of Trust assets in entities or structures that do not fit the asset descriptions listed above. Examples of such investments are venture capital partnerships, private equity, leveraged buy-out funds, private debt, and direct ownership of individual assets such as oil and gas partnerships. These investments shall only be entered into upon the recommendation of a qualified consultant after due diligence and with approval by the Board or a subcommittee appointed by the Board to review the recommendation. Subsequent investments with a previously approved alternative investment manager do not require additional specific approvals by the Board or subcommittee.

2. Objectives and Benchmarks

If the alternative investment is an equity investment, the objective for the investment will be to exceed, over time and after fees, the return achieved by the Russell 3000 Index. If the alternative investment is a debt investment, then the objective will be to exceed, over time and after fees, the returns achieved by the Government/Credit Bond Index plus 3%. It is recognized that these investments may experience greater volatility than the comparable publicly traded securities and indices.

3. Asset Allocation

For purposes of asset allocation, alternative equity investments will be treated as part of the US equity asset class, and alternative debt investments will be treated as part of the fixed income asset class.

VI. Asset Allocation

The tables in Appendix I summarize the asset allocation of the Trust, including the expected net return and risk of each asset class, the normal asset allocation and allowable ranges, and the expected risk and net return of the Trust as compared to the actuarial assumptions [see section III.B.1.(a)].

VII. Deposit and Investment Risk Policy - GASB 40

A. Purpose

The Governmental Accounting Standards Board (GASB) has identified that state and local governments have deposits and investments which are exposed to risks that may result in losses. GASB Statement number 40 (GASB 40) is intended to inform users of the financial statements about the risks that could affect the ability of a government entity to meet its obligations. GASB 40 has identified general deposit and investment risks as credit risk, including concentration of credit risk and custodial credit risk, interest rate risk, and foreign currency risk and requires disclosures of these risks and of policies related to these risks. This portion of the Investment Policy addresses the monitoring and reporting of those risks.

In general, the risks identified in GASB 40, while present, are diminished when the entire portfolio is viewed as whole. For example, interest rate risk experienced by fixed income instruments often react in the exact opposite direction as that experienced by equities. Thus, interest rate exposure as set out in GASB 40 will not reflect the cross-influences of impacts across the broad range of investments that make up the PERSI portfolio. And, in fact, the general underlying measures used in GASB 40 across most of the risks identified (credit, concentration, and interest rate risk in particular) were tools that were developed primarily for portfolios dominated by fixed income investments, and are often only poorly transferred, if at all, to portfolios, like PERSI's, that are dominated by equity interests.

Consequently, it is the policy of PERSI that the risks addressed in GASB 40 are to be monitored and addressed primarily through the guidelines agreed to by those managers, and by regular disclosures in reports by managers of levels of risks that may exceed expected limits for those portfolios.

B. Specific Areas of Risk

1. Credit Risk

Summary: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to PERSI.

Policy: Managers will provide PERSI with expected credit risk exposures in their portfolio guidelines. If the actual credit risk exposure falls outside of these expectations, managers will be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

2. Custodial Credit Risk

Summary: Custodial credit risk is the risk that in the event of a financial institution or bank failure, the System would not be able to recover the value of their deposits and investments that are in the possession of an outside party.

Policy: PERSI minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to PERSI ownership and further to the extent possible, be held in the System's name.

3. Concentration of Credit Risk

Summary: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue.

Policy: Managers will provide PERSI with expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board. For the portfolio as a whole, staff will report to the Board at a regular Board meeting if the exposure to a non-US government guaranteed credit instrument exceeds 5% of the total PERSI portfolio.

4. Interest Rate Risk

Summary: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk to PERSI's fixed income portfolio is monitored using the effective duration methodology.

Effective duration measures the volatility of the price of a bond given a change in interest rates, taking into account the optionality on the underlying bond.

Policy: Managers will provide PERSI with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

5. Foreign Currency Risk

Summary: Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. PERSI's currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings.

Policy: International investments (equity and fixed income) will have a component of currency risk associated with it. Currency risk and hedging exposures are dependent on the underlying international exposure, which fluctuates over time. The individual manager guidelines will outline the expected currency exposures (either specifically or through ranges of security exposures to particular currency areas) of the underlying portfolio and if the actual currency exposure differs from the expected, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

APPENDIX I

Long Term and Strategic Asset Allocations

Asset Class	Expected Return*	Expected Risk	Normal	Ranges
Equities			**70%**	**66% - 77%**
Broad Domestic Equity	8.3%	18.3%	55%	50% - 65%
International	8.5%	19.7%	15%	10% - 20%
Fixed Income	**3.1%**	**3.8%**	**30%**	**23% - 33%**
Cash	**2.3%**	**0.9%**	**0%**	**0% - 5%**

(Expected returns are net of fees and expenses)

Total Fund	Expected Return*	Expected Inflation	Expected Real Return	Expected Risk
Actuary	7.00%	3.00%	4.00%	n/a
Portfolio	6.39%	2.25%	4.14%	14.16%

** Expected arithmetic return*

Data provided by Callan & Milliman - 2018

Asset Class	Long Term Allocation Target	Strategic Allocation Target	Ranges	Benchmarks
Equities	**70%**	**70%**	**66% - 77%**	**R3000**
Broad Domestic Equity	55%	21%	50% - 65%	R3000
Global		18%		ACWI/World
Real Estate		8%		NAREIT/NFI-ODCE
Private Equity		8%		R3000
International Developed	15%	6%	10% - 20%	EAFE
International EM		9%		EM
Fixed Income	**30%**	**30%**	**23% - 33%**	**Aggregate**
U.S. Fixed		20%		Aggregate
U.S. TIPS		10%		U.S. TIPS
Cash			**0% - 5%**	
Total Fund	**100%**	**100%**		**Composite ***

** Composite returns are the target weighted returns of the asset class benchmarks*

ACTUARIAL
SECTION

Milliman

950 W. Bannock Street
Suite 510
Boise, ID 83702
USA

Tel +1 208 342 3485
Fax +1 208 342 5667

milliman.com

October 11, 2023

Public Employee Retirement System of Idaho
State of Idaho
P.O. Box 83720
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations for the Public Employee Retirement System of Idaho (PERSI) since the System's inception. It is anticipated that future actuarial valuations will be performed every year with the next valuation to be as of July 1, 2024. Various benefit increases have occurred since the System was established in 1965. The most recent significant benefit changes were effective July 1, 2000.

Contribution Rates

The financing objective of the System is to establish contribution rates that will tend to remain level as percentages of payroll. From 1993 to 2023, the total contribution rate has been between 15.78% and 19.47%; year by year detail including employer and member rates is shown in the table on the following page.

At July 1, 2002, the combined overall contribution rate was 15.78%. Our July 1, 2002 valuation found that the contribution rates were not sufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date, as required by Section 59-1322, Idaho Code. Therefore, in November 2002, the Board approved three 1% contribution rate increases to take effect on July 1, 2004, July 1, 2005, and July 1, 2006. Effective July 1, 2003, the contribution rate for Fire and Police employers was also increased by 0.1% to offset the cost of the $100,000 duty related death benefit. The July 1, 2004 contribution rate increase took effect as scheduled. Due to investment gains, the other two increases were deferred and ultimately in October 2007 the Board cancelled the scheduled contribution rate increases.

The July 1, 2009 valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in December 2009, the Board approved three contribution rate increases to take effect: 1.5% on July 1, 2011, 1.5% on July 1, 2012, and 2.28% on July 1, 2013. In December 2010, these scheduled rate increases were each delayed one year. In December 2011, these scheduled rate increases were again each delayed one year. On July 1, 2013, the first contribution rate increase went into effect as scheduled. In October 2013, the remaining two scheduled rate increases were each delayed one year; in September 2014 these increases were cancelled altogether.

The July 1, 2016 valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in October 2016, the Board approved a 1.0% contribution rate increase to take effect on July 1, 2018. In October 2017, the Board delayed this rate increase until July 1, 2019. On July 1, 2019, this rate increase went into effect.

Effective July 1, 2021, the contribution rate for Fire and Police members was increased by 0.32% to offset the cost of the new benefits for safety officers who become catastrophically disabled while in the line of duty.

The July 1, 2022, valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in October 2022, the Board approved three contribution rate increases to take effect: 1.25% on July 1, 2024, 2.50% on July 1, 2025, and 3.75% on July 1, 2026.

Effective July 1, 2023, the contribution rates were adjusted. The goal of this adjustment was to separate the teacher contribution rate from that charged for general members and to make the contribution rate for each class more in line with the cost of benefits for that class; all while limiting the change in the weighted total contribution rate. Details of this change are shown in the table below.

The historical changes in contribution rates since 1993 are shown in the table below. this table does not reflect contribution rates that are scheduled to take effect after the valuation date; see Table 11 of July 1, 2023, actuarial valuation report for a summary of the scheduled contribution rate increases. Note that weighted total values may change even if rates by group do not change.

		Weighted Total		Fire & Police		General		Teachers	
Year of Change	Total Rate	Member Rate	Employer Rate	Member Rate	Employer Rate	Member Rate	Employer Rate	Member Rate	Employer Rate
1993	17.16%	6.51%	10.65%	7.82%	10.87%	6.38%	10.63%	6.38%	10.63%
1994	18.75	7.12	11.63	8.53	11.85	6.97	11.61	6.97	11.61
1998	17.78	6.75	11.03	8.10	11.25	6.60	11.01	6.60	11.01
2000	15.78	5.98	9.80	7.21	10.01	5.86	9.77	5.86	9.77
2003	15.82	6.01	9.81	7.21	10.11	5.86	9.77	5.86	9.77
2004	16.84	6.41	10.43	7.65	10.73	6.23	10.39	6.23	10.39
2008	16.88	6.44	10.44	7.65	10.73	6.23	10.39	6.23	10.39
2009	16.89	6.45	10.44	7.69	10.73	6.23	10.39	6.23	10.39
2013	18.39	7.03	11.36	8.36	11.66	6.79	11.32	6.79	11.32
2019	19.42	7.43	11.99	8.81	12.28	7.16	11.94	7.16	11.94
2021	19.46	7.47	11.99	9.13	12.28	7.16	11.94	7.16	11.94
2023	19.47	7.49	11.98	9.83	13.26	6.71	11.18	7.62	12.69

Our July 1, 2023 actuarial valuation found that the System's current rates are sufficient to pay the System's normal cost rate of 16.89%. As of July 1, 2023, there is an unfunded actuarial liability of $4,019.1 million. The contribution rates as currently scheduled are projected to take 13.5 years to pay off the $4,019.1 million Unfunded Actuarial Accrued Liability (UAAL), which is more than the 25-year maximum permitted in Idaho Code.

Funding Status

Based on the July 1, 2023 actuarial valuation, the unfunded actuarial accrued liability was decreased by $539.3 million due to an asset loss recognized as of July 1, 2023. Specifically, the System's assets earned a net return after expenses of 9.11%, which is 2.81% above the actuarial assumption of 6.30%. All other actuarial experience gains and losses increased the UAAL by $426.1 million. Thus, the total experience gain for the year was $113.2 million.

The UAAL also increased by $22.9 million due to the new return to work benefit granted to fire and police members via Senate Bill 1054. The changes made to our valuation reflect this new law are stated in Exhibit 1 of this report.

In addition, the UAAL decreased by $100.2 million due to the scheduled contribution rate increases approved by the Board in October 2022. The UAAL also increased by $132.4 million because expected contributions plus assumed investment returns were less than the normal cost and the interest on the UAAL.

All of these items resulted in a decrease in UAAL of $58.1 million and a change in funding status from an 82.6% funding ratio on July 1, 2022, to 83.7% on July 1, 2023. The funding ratio is the ratio of the market value of the assets over the value of the actuarial accrued liability.

Comparison to GASB Statement No. 67 Liabilities

The long term expected rate of return on investments is 6.35%, net of investment expenses. This figure includes 0.05% for expected administrative expenses. For purposes of determining the System's funding status and UAAL, we use a discount rate that is net of all expenses (6.30%). All figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%. Results and further details on these items can be found in our GASB 67 Report.

Assumptions

Our July 1, 2023, actuarial valuation report presented summaries of the actuarial assumptions and methods used in the valuation. The last major experience study, completed in August 2021, covered the period July 1, 2015 through June 30, 2020. We anticipate the next major experience study, to be completed in 2025, will cover the period July 1, 2020 through June 30, 2024.

Other Information

PERSI is a cost-sharing multiple-employer defined benefit plan. Minimum funding requirements are set by Idaho Statue. The funding policy is established and maintained by the PERSI Board. They have chosen to define their Actuarially Determined Contribution as the contribution rate necessary to fully fund the system over a period of 25 years based on the valuation results two years prior to this measurement date. Starting with the July 1, 2023, valuation this has changed. Due to the two year lag, this change will first be shown in financial reporting for fiscal year July 1, 2024, to June 30, 2025. We believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

Certification

Actuarial computations presented in this report are for the purposes of financial reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

This report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Appendix A of our 2023 Valuation Report.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Milliman's work is prepared solely for the use and benefit of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

(a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

(b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retiree and Beneficiary Valuation Data
Exhibit 4	Schedule of Funding Progress
Exhibit 5	Solvency Test
Exhibit 6	Analysis of Actuarial Gains or Losses
Exhibit 7	Schedule of Contributions from the Employer and All Other
Exhibit 8	Schedule of Contributions from the Employer Expressed as a
Exhibit 9	Provisions of Governing Law

We would like to express our appreciation to Don Drum, Executive Director of the System, and to members of PERSI's staff, who gave substantial assistance in supplying the data on which this report is based.

Sincerely,

Robert L Schmidt, FSA., EA, MAAA
Principal and Consulting Actuary

Bret D Linton, FSA, EA, MAAA
Principal and Consulting Actuary

Ryan J Cook, FSA, EA, CERA, MAAA
Consulting Actuary

RLS/BDL/RJC/dla

EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2022

The actuarial assumptions for financial reporting are the same as those used in our funding valuation.

1. Investment Return (Adopted July 1, 2021)

The annual rate of investment return on the assets of the System, net of investment expenses, is assumed to be 6.35%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.30%.

2. Actuarial Value of Assets (Adopted July 1, 1994)

All assets are valued at fair value as of the valuation date.

3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the System's actual experience.

4. Mortality (Adopted July 1, 2021)

Contributing Members, Service Retirement Members, and Beneficiaries

- **Teachers**

  Males Pub-2010 Teacher Tables, increased 12%.

  Females Pub-2010 Teacher Tables, increased 21%.

- **Fire & Police**

  Males Pub-2010 Safety Tables, increased 21%.

  Females Pub-2010 Safety Tables, increased 26%.

  5% of Fire and Police active member deaths are assumed to be duty related**.** This assumption was adopted July 1, 2021.

- **General *Employees and All Beneficiaries***

  Males Pub-2010 General Tables, increased 11%.

  Females Pub-2010 General Tables, increased 21%.

- ***Disabled Members***

  Males Pub-2010 Disabled Tables, increased 38%.

  Females Pub-2010 Disabled Tables, increased 36%.

- ***Mortality Improvement***

  All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by Social Security Administration from 1957 through 2017.

5. Service Retirement (Adopted July 1, 2021)

Annual rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

	Fire & Police		General Employees			
			Male		Female	
Age	First Year Eligible	There after	First Year Eligible	There after	First Year Eligible	There after
55	29%	24%	20%	N/A	19%	N/A
60	14	25	21	14%	29	16%
65	34	37	31	43	36	43
70	*	*	14	21	18	25

	Teachers			
	Male		Female	
Age	First Year Eligible	Thereafter	First Year Eligible	Thereafter
55	32%	N/A	33%	N/A
60	36	33%	32	27%
65	36	41	44	49
70	*	*	*	*

* For all ages older than the age indicated, retirement is assumed to occur immediately.

6. **Early Retirement (Adopted July 1, 2021)**

Annual rates of retirement assumed to occur among persons eligible for a reduced early retirement benefit are illustrated in the following table:

		General Employees		Teachers	
Age	Fire & Police	Male	Female	Male	Female
50	4%	*	*	*	*
55	6%	2%	3%	2%	3%
60	N/A	5	6	9	10

* Members cannot yet be eligible for early retirement at the age indicated, withdrawal is assumed to occur (see Section 7).

7. Other Terminations of Employment (Adopted July 1, 2021)

Assumed annual rates of termination are illustrated below. Rates are based only on years of service.

Years of Service	Fire and Police	General Employees		Teachers	
		Male	Female	Male	Female
5	6.8%	9.2%	10.4%	5.8%	6.7%
10	3.9	4.7	6.5	3.2	3.6
15	2.7	4.0	4.2	2.1	2.1
20	1.5	2.3	3.0	1.2	1.3
25	1.3	1.8	2.4	0.9	0.9
30	1.3	1.8	2.4	0.9	0.9

8. Disability Retirement (Adopted July 1, 2021)

Annual rates assumed for disability retirement are illustrated in the following table:

		General Employees		Teachers	
Age	Fire & Police	Male	Female	Male	Female
25	.01%	.01%	.01%	.01%	.03%
35	.05	.05	.03	.03	.03
45	.12	.09	.10	.06	.10
55	.40	.32	.26	.19	.30

25% of Fire and Police active member disabilities are assumed to be duty related**.** Of these, half are assumed to be catastrophic disabilities. This assumption was adopted July 1, 2021.

9. Future Salaries (Adopted July 1, 2021)

In general, the total annual rates at which salaries are assumed to increase include 3.05% per annum for increase in the general wage level of the membership plus increases due to promotions and longevity. The general wage level increases are due to inflation and increases in productivity. The total ultimate rates assumed are illustrated below.

Years of Service	Fire and Police	General Employees		General Employees	
		Male	Female	Male	Female
5	6.68%	5.63%	6.18%	7.23%	6.99%
10	5.05	4.73	4.96	6.44	6.68
15	3.90	3.88	4.39	4.63	5.08
20	3.89	3.82	3.85	3.76	3.70

10. Vesting (Adopted July 1, 2021)

The following table illustrates the assumed probability that vested terminating members will elect to receive deferred benefits instead of withdrawing accumulated contributions.

Age	Fire and Police	General Employees Male	General Employees Female	Teachers Male	Teachers Female
25	60%	68%	71%	90%	78%
35	60	76	76	80	86
45	76	78	79	85	88
55	N/A	N/A	N/A	N/A	N/A

11. Deferred Inactive Member Retirement (Adopted July 1, 2021)

Vested inactive members not currently receiving benefits are assumed to commence their benefits at the later of the member's current age or age 62 (age 55 for fire and police members).

For non-vested inactive members not currently receiving benefits, the present value of benefits is equal to the accumulated member contributions.

12. Form of Payment (Adopted July 1, 2021)

Upon commencement of early, service, or disability retirement members are assumed to elect annuity payment forms at the following rates:

- 29% will elect a 100% Contingent Annuitant Allowance
- 14% will elect a 50% Contingent Annuitant Allowance
- 57% will elect a single life annuity

If death occurs in active or disability retirement status, 15% are assumed to have an eligible surviving spouse that elects an annuity (the spouse is assumed to be two years younger than the male members and two years older than the female members). The remaining 85% are assumed to receive the lump sum payment option (either because they have no eligible spouse or the spouse elected a lump sum).

13. Growth in Membership (Adopted July 1, 2021)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.05% average annual expansion in the payroll of covered members.

14. Interest on Employee Contributions (Adopted July 1, 2016, and re-examined in 2021)

The credited interest rate on employee contributions is assumed to be 8.50%.

15. Postretirement Benefit Increases (Cost of Living Adjustments)

A nondiscretionary postretirement increase of 1% per year is assumed for the valuation. See Exhibit 3 for total discretionary and nondiscretionary increases granted by the Board for the past ten years

16. Impact of Fire and Police Return to Work

Idaho senate bill 1054, signed into law March 20, 2023, provides fire and police members of PERSI, who are at least age 50, the opportunity to return to work (RTW) after retiring and continue receiving retirement benefits through June 30, 2027. During the RTW period, the employer and employee must make contributions and benefit accruals are frozen. We have incorporated this new plan provision into our 2023 valuation including the following assumption changes:

- We have assumed that the new law will increase retirement rates for fire and police members as follows:
    - For fiscal year beginning 2023, all retirement rates for ages 50 - 59 for members eligible for unreduced benefits are increased by a factor of 4.0 (but no greater than 100%).
    - For fiscal years beginning 2024 - 2026, retirement rates for ages 50 - 59 in the first year a member becomes eligible for unreduced retirement are increased by a factor of 4.0 (but no greater than 100%).
    - For fiscal years beginning 2024 - 2026, retirement rates for ages 50 - 59 for the second and later years a member is eligible for unreduced retirement are increased by a factor of 2.0 (but no greater than 100%).
    - These factors are based on the assumption that as soon as active safety members become eligible for unreduced retirement and RTW, they will utilize it at very high rates. We assume a drop-off in the rates if they don't take it the first year they meet these criteria. It's also based on the assumption that the younger eligible members are those most likely to use RTW, so we limited the increased retirement rates to members under age 60.
- In addition, we have assumed that members will continue with RTW until the earlier of July 1, 2027, or age 60, at which point they will cease working to continue receiving their retirement benefits.

17. Actuarial Cost Method

The individual entry age actuarial cost method is used, as was adopted by the Board on August 20, 2013. This method is well suited for PERSI's contribution structure of contributing a percentage of pay over employees working lifetimes. The normal cost rates used in this valuation were calculated based on all current active members as of July 1, 2023, for each sex and type of employee in the valuation. The normal costs and projected fiscal year 2023 salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate. We anticipate the normal cost rate will be adopted in November, 2023, in conjunction with the July 1, 2023 actuarial valuation.

The Unfunded Actuarial Accrued Liability (UAAL) created by this method, including gains and losses, is amortized as a level percentage of the System's projected payroll.

Commencing July 1, 2007, 1.49% of the payroll of higher education faculty covered by the Optional Retirement Program (ORP) is payable to PERSI until July 1, 2025. Commencing July 1, 1997, 3.83% of the payroll of community college and post-secondary vocational educational institutions covered by the ORP was payable to PERSI until July 1, 2011. The difference between the future ORP contributions and the actuarial accrued liability computed under the actuarial cost method is the portion of the actuarial accrued liability used to determine the UAAL, or funding reserve, for PERSI.

18. Experience Studies

The last experience study was completed in 2021 for the period July 1, 2015 through June 30, 2020 and reviewed economic assumptions, mortality and all demographic assumptions. We anticipate these assumptions will be studied in 2025 for the period from July 1, 2020 through June 30, 2024. Assumptions were adopted as noted.

19. Recent Changes

The 2023 valuation results reflect the Boards decision in October 2022 to increase contribution rates, effective July 1, 2024, July 1, 2025, and July 1, 2026. The results also reflect the new return to work benefit granted to fire and police members via Senate Bill 1054.

EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

		Annual Salaries*		
Valuation Date July 1	Number	Annual Valuation Payroll	Average Annual Pay	% Increase in Average Annual Pay
2014	66,223	$ 2,676,344,000	$ 40,414	0.5%
2015	67,008	2,756,913,000	41,143	1.8
2016	68,517	2,833,369,000	41,353	0.5
2017	70,073	3,040,649,000	43,393	4.9
2018	71,112	3,188,316,000	44,835	3.3
2019	72,502	3,356,492,000	46,295	3.3
2020	73,657	3,520,698,000	47,799	3.2
2021	73,563	3,654,378,000	49,677	3.9
2022	74,409	3,890,350,000	52,283	5.2
2023	76,668	4,237,274,000	55,268	5.7

* Actuarial valuation payroll is computed as the sum of the annualized rate of pay received in the fiscal year ending on the valuation date by all those who were active members as of the valuation date, and differs from the actual payroll shown in the financial section of the annual report.

Public Employee Retirement System of Idaho

EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA [1]

Valuation Date July 1	Number			COLA Percentage Increases Granted Previous March 1
	Total	Added	Removed	
2014	40,776	2,852	1,023	1.0%
2015	42,657	2,889	1,008	1.70% + 2.30% Partial Restoration
2016	44,181	2,634	1,110	0.20% + 0.80% Partial Restoration
2017	45,468	2,746	1,459	1.1
2018	46,907	2,657	1,218	1.9
2019	48,120	2,572	1,359	1.0
2020	49,573	2,784	1,331	0.70% + 4.76% Full Restoration
2021	50,891	2,885	1,567	1.0
2022	53,190	3,752	1,453	3.5
2023	54,680	2,883	1,393	1.0

Valuation Date July 1	Annual Benefits				
	Total Rolls End of Year	Added to Rolls [2]	Removed from Rolls	Average	% Increase in Average
2014	$ 694,946,000	$ 54,963,000	$ 11,483,000	$ 17,043	1.9%
2015	754,201,000	70,985,000	11,730,000	17,681	3.7
2016	793,277,000	52,788,000	13,712,000	17,955	1.5
2017	836,201,000	60,924,000	18,000,000	18,391	2.4
2018	884,827,000	64,770,000	16,144,000	18,863	2.6
2019	922,112,000	59,048,000	21,763,000	19,163	1.6
2020	99,794,000	99,199,000	21,517,000	20,168	5.2
2021	1,043,515,000	69,478,000	25,757,000	20,505	1.7
2022	1,140,827,000	120,054,000	22,742,000	21,448	4.6
2023	1,191,960,000	73,195,000	22,062,000	21,799	1.6

(1) Information regarding the number of retirees and beneficiaries added to, and removed from, the rolls was not used in the actuarial valuations.

(2) Includes postretirement increases.

Public Employee Retirement System of Idaho

EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS
(ALL DOLLAR AMOUNTS IN MILLIONS)

Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL) [1]	Present Value of Future ORP Contributions	Unfunded Actuarial Accrued Liabilities (UAAL) [2]	Funded Ratio [3]	Covered Payroll [4]	UAAL as a Percentage of Covered Payroll
2014	$ 13,833.1	$ 14,928.1	$ 42.7	$ 1,052.3	92.9%	$2,702.9	38.9 %
2015	13,956.7	15,488.2	41.3	1,490.2	90.4	2,791.1	53.4
2016	13,884.2	16,128.3	38.0	2,206.1	86.3	2,909.3	75.8
2017	15,296.7	17,101.0	37.7	1,766.6	89.6	3,089.6	57.2
2018	16,274.8	17,889.0	34.1	1,580.1	91.2	3,200.4	49.4
2019	17,239.5	18,661.7	31.0	1,391.2	92.5	3,382.1	41.1
2020	17,392.1	19,852.3	27.0	2,433.2	87.7	3,546.0	68.6
2021	21,770.7	21,840.7	21.0	49.0	99.8	3,716.7	1.3
2022	19,349.5	23,433.1	16.4	4,077.2	82.6	3,927.0	103.8
2023	20,695.8	24,726.9	12.0	4,019.1	83.7	4,234.2	94.9

(1) Actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.

(2) Actuarial accrued liabilities less actuarial value of assets and present value of future ORP contributions. Amounts reported in this table do not include the value of any discretionary COLA or Gain Sharing allocations granted after the valuation date. If negative, amount is referred to as a funding reserve.

(3) Funded Ratio is the ratio of the actuarial value of assets over the actuarial accrued liabilities less the present value of future ORP contributions.

(4) Covered Payroll includes compensation paid to all active employees on which contributions are calculated. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is compensation of only those members who were active on the actuarial valuation date.

EXHIBIT 5: SOLVENCY TEST
(ALL DOLLAR AMOUNTS IN MILLIONS)

		Actuarial Accrued Liabilities For			Portion of Actuarial Accrued Liabilities Covered by Assets		
Actuarial Valuation Date July 1	Actuarial Value of Assets	Active Member Contributions (A)	Retirees and Beneficiaries (B)	Active Members (Employer Financed Portion) (C)	(A)	(B)	(C)
2014	$13,833.1	$ 3,268.7	$ 8,125.8	$ 3,533.6	100%	100%	69.0%
2015	13,956.7	3,468.5	8,565.6	3,454.1	100	100	55.7
2016	13,884.2	3,652.6	9,097.0	3,378.7	100	100	33.6
2017	15,296.7	3,554.1	9,609.7	3,937.2	100	100	54.2
2018	16,274.8	3,611.4	10,121.1	4,156.5	100	100	61.2
2019	17,239.5	3,817.2	10,559.3	4,285.2	100	100	66.8
2020	17,392.1	3,962.7	11,413.9	4,475.7	100	100	45.0
2021	21,770.7	3,985.1	12,385.0	5,470.6	100	100	98.7
2022	19,349.5	4,225.0	13,555.9	5,632.2	100	100	27.3
2023	20,695.8	4,709.5	14,189.5	5,827.9	100	100	30.8

Public Employee Retirement System of Idaho

EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES
(ALL DOLLAR AMOUNTS IN MILLIONS)

	Gain (Loss) for Period		
	2022-2023	**2021-2022**	**2020-2021**
Investment Income			
Investment income was greater (less) than expected	$ 539.3	$ (3,435.4)	$ 3,641.1
Pay Increases			
Pay increases were less (greater) than expected	(206.9)	(151.8)	(20.2)
Membership Growth			
New members increased liabilities by less (more) than their contributions increased assets	(1.3)	5.4	1.7
Other Retired Member Experience			
Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes	(10.7)	(205.6) (2)	57.7
Cost of Living Adjustment (COLA)			
Different Automatic COLA than expected	N/A	N/A	N/A
Other Active and Inactive Member Experience			
Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes	(207.2)	(55.1)	(9.8)
Total Gain (Loss) During the Period From Actuarial Experience	113.2	(3,842.5)	3,670.5
Contribution Income			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the Unfunded Actuarial Accrued Liability	(132.4)	89.7	(121.7)
Non-Recurring Items			
Changes in actuarial assumptions caused a gain (loss)	None	None	(1,159.0)
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss) (2)	(22.9)	(275.4)	(5.6)
Change in Future Contribution Rates(3)	100.2	None	None
Composite Gain (Loss) During the Period	$ 58.1	$ (4,028.2)	$ 2,384.2

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

(1) 2021-2022 loss included re-addition of some retired members that were previously omitted from the retired member data supplied by PERSI.

(2) For 2022-23, this reflects the Return to Work provision. For 2021-22, this reflects the 2.50% discretionary COLA, effective March 1, 2022.

(3) In October 2022, the Board adopted a 1.25% contribution rate increase effective July 1, 2024, an additional 2.50% increase effective July 1, 2025, and an additional 3.75% rate increase effective July 1, 2026.

Public Employee Retirement System of Idaho

EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (ALL DOLLAR AMOUNTS IN MILLIONS)

Fiscal Year Ending	Covered Employee Payroll [1]	Actual PERSI Employer Contributions Dollar Amount [2]	Actual ORP Contributions Dollar Amount	Total Actual Employer Contributions	Actuarially Determined Contribution (ADC) [3]	Percentage of ADC Dollars Contributed
2014	$2,702.9	$307.1	$3.9	$311.0	$325.0	96%
2015	2,791.1	317.0	4.2	321.2	327.1	98
2016	2,909.3	331.1	4.5	335.6	298.7	112
2017	3,089.6	351.6	4.8	356.4	337.2	106
2018	3,200.4	364.2	4.9	369.1	388.3	95
2019	3,382.1	384.9	5.2	390.1	382.6	102
2020	3,546.0	425.2	5.4	430.6	392.3	110
2021	3,716.7	445.7	5.3	451.0	394.8	114
2022	3,927.0	470.8	5.6	476.4	463.1[4]	103
2023	4,234.2	507.7	6.1	513.8	436.8[4]	118

(1) Computed as the dollar amount of the actual PERSI employer contribution made divided by the actual PERSI contribution rate expressed as a percentage of payroll.

(2) Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes. Dollar amounts shown exclude additional receipts due to merger of retirement systems.

(3) For PERSI employers, the ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus a 25-year amortization of any Unfunded Actuarial Accrued Liability less member contributions. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year following the valuation date. For Optional Retirement Plan (ORP) employers, the ADC is equal to 1.49% of salaries of university members in the ORP until 2025 and 3.83% of salaries of community college members in the ORP until 2011.

(4) The ADC for the PERSI fiscal year ending June 30, 2023 is based on 10.17% of covered payroll as computed in the 2021 valuation.

Public Employee Retirement System of Idaho

EXHIBIT 8: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A PERCENTAGE OF PAYROLL

Fiscal Year Ending	Actual PERSI Employer Contribution % [(1)]	Actuarially Determined Contribution (ADC) % [(2)]	Percentage of ADC Contributed
2014	11.36%	11.880%	96%
2015	11.36	11.570	98
2016	11.38	10.110	113
2017	11.38	10.760	106
2018	11.38	11.980	95
2019	11.38	11.160	102
2020	11.99	10.910	110
2021	11.99	10.480	114
2022	11.99	11.650 [(3)]	103
2023	11.99	10.170[(3)]	118

(1) The actual PERSI employer contributions are expressed as a percentage of payroll. Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board’s Funding Policy. Thus, the actual employer contributions set by both statute and the Board’s Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes. Percentages shown exclude additional receipts due to merger of retirement systems.

(2) For PERSI employers, the ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus a 25-year amortization of any Unfunded Actuarial Accrued Liability less member contributions. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year following the valuation date. For Optional Retirement Plan (ORP) employers, the ADC is equal to 1.49% of salaries of university members in the ORP until 2025 and 3.83% of salaries of community college members in the ORP until 2011. With the 2023 valuation, the ADC definition has changed; however due to the lag, the change won't show up in financial reporting until the fiscal year ending June 30, 2025.

(3) The ADC for the PERSI fiscal year ending June 30, 2023 is based on 10.17% of covered payroll as computed in the 2021 valuation.

EXHIBIT 9: PROVISIONS OF GOVERNING LAW

All actuarial calculations are based on our understanding of the statutes governing the Public Employee Retirement System of Idaho, as contained in Sections 59-1301 through 59-1399, inclusive, of the Idaho Code, with amendments effective through July 1, 2023. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Idaho Code. This summary does not attempt to cover all the detailed provisions of the law. Only those benefits in effect through July 1, 2023 are considered in this valuation. The items in parentheses are the provisions applicable to firefighters and police officers.

Effective Date

The effective date of the Retirement System was July 1, 1965.

Member Contribution Rate

The member contribution rate effective July 1, 2023 is 6.71% of salary for general members, 7.62% of salary for teachers, and 9.83% of salary for firefighters and police officers.

The member contribution rate is fixed at 60% (72%) of the employer contribution rate. For firefighters and police officers, the 72% adjustment is applied after reducing the employer rate by 0.10% for the 2003 addition of a $100,000 death benefit for fire and police members who die in the line of duty. After the 72% is applied, the resulting rate is increased by 0.36% for the line of duty disability benefit. Member contributions have been “picked up” on a pre-tax basis by the employer since June 30, 1983 (Sections 59-1331 and 59-1332).

Employer Contribution Rate

The employer contribution rate is set by the Retirement Board (Section 59-1322). The current rates are 11.18% of salary for general members, 12.69% of salary for teachers, and 13.26% for firefighters and police officers.

Service Retirement Allowance

Eligibility
Age 65 (60) with five years of service including six months of membership service (Section 59-1341).

Amount of Allowance
For each year of credited service, the annual service retirement allowance is 2.0% (2.3%) of the highest 42-month average salary (Section 59-1342).

Service Retirement Allowance (continued)

Minimum Benefit
$60 ($72) annual allowance for each year of service. The dollar amounts increase after 1974 according to the rate of cost of living increases in retirement allowances (Section 59-1342).

Maximum Benefit
In no case may a member's regular retirement benefit exceed the highest three-year average salary of the member (Section 59-1342).

Normal Form
Straight life retirement allowance plus any death benefit (Section 59-1351).

Optional Form
Members can elect a 100% or 50% Contingent Annuitant Allowance. They may also choose to have their benefit be adjusted such that they receive a reduced amount prior to social security normal retirement age and greater amount after such age, such that the difference in the two amounts is approximately equal to the social security benefit to be payable at such age. The optional forms are calculated to be actuarial equivalent to the normal form under the options available, according to the mortality and interest basis adopted by the Board (Section 59-1351).

Early Retirement Allowance

Eligibility
Age 55 (50) with five years of service, including six months of membership service (contributing members only) (Section 59-1345).

Amount of Allowance
Full accrued service retirement allowance if age plus service equals 90 (80); otherwise, the accrued service retirement allowance, reduced by 3% for each of the first five years by which the early retirement date precedes the date the member would be eligible to receive the full accrued benefit, and by 5.75% for each additional year (Section 59-1346).

Vested Retirement Allowance

Eligibility
Former contributing members with five years of membership service are entitled to receive benefits after attaining age 55 (50) (Section 59-1345).

Amount of Allowance
Same as early retirement allowance (Section 59-1345).

Disability Retirement Allowance

Eligibility
Five years of membership service. For a police officer or a firefighter hired after July 1, 1993, who is disabled from an occupational cause, there is no service requirement (Section 59-1352).

Amount of Allowance
Projected service retirement allowance based on accrued service plus service projected to age 65 (60) (latter limited to excess of 30 years over accrued service) less any amount payable under workers' compensation law (Section 59-1353).

Normal Form
Temporary annuity to age 65 (60) plus any death benefit. Service retirement allowance becomes payable at age 65 (60) (Section 59-1354).

Safety Member Lump Sum Duty Disability Benefit
Fire and Police members who are disabled in the line of duty are eligible for a $100,000 lump sum benefit, in addition to the annuity benefits discussed above (Section 59-1352A).

Those whose disability is deemed to be "Catastrophic" are instead eligible for a $500,000 lump sum benefit. In addition, they get an annuity of the greater of the amount described above or $75,000. The $75,000 is adjusted every four years per changes in average public safety officer benefits. If the member receives this alternative $75,000 annuity, their benefit will increase per the indexing described in the prior sentence instead of the regular PERSI cost of living adjustments. In addition, the members annuity is paid out as a 100% Contingent Annuitant Allowance without the usual reduction (Section 59-1352B).

Death Benefits

After Retirement
Under the normal form of the retirement allowance, the excess, if any, of the member's accumulated contributions with interest at retirement over all payments received. Otherwise, payable according to the option elected (Section 59-1361).

Before Retirement
A. If a member with at least five years of service, a lump sum payment is made equal to twice the accumulated contributions with interest.

OR

B. If the member had an eligible spouse at the time of their death, the spouse may elect to forego the lump sum and instead receive an immediate lifetime annuity. The annuity is calculated as the amount the member would have received if they had retired immediately prior to their death and elected the 100% Contingent Annuitant Allowance payment form. If the member was not yet eligible fore retirement, then the annuity amount is reduced such to make it actuarially equivalent to an annuity deferred to the earliest eligible retirement age of the member (calculated as if they had separated from service immediately prior to their death) (Section 59-1361). Fire and police members are entitled to an additional $100,000 payment if death occurs in the line of duty. (Section 59-1361 A).

Withdrawal Benefits

Accumulated contributions with interest (Section 59-1358). The interest rate is determined by the Board (Section 59-1301(26)).

Postretirement Increases

Postretirement benefit increases are based on changes in the Consumer Price Index. The measurement period for changes in the CPI-U is August to August. The COLA changes are implemented effective on the March 1 following the measurement period.

If the CPI-U increases by at least 1%, the COLA is at least 1%. If the CPI-U increases by more than 1%, an additional postretirement increase of up to 5% each year (but not more than the increase in the CPI-U) may be authorized by the Board, subject to the approval of the Legislature.

If the CPI-U increases by less than 1% or decreases, the COLA is automatic, based on the change in the CPI. If a negative COLA is applicable, the negative COLA cannot decrease benefits by more than 6%. Additionally, a negative COLA cannot decrease a member's benefit below the amount of the benefit at the initial benefit date.

If a COLA is implemented that is less than the increase in the CPI-U, members' benefits will not retain their full inflation adjusted purchasing power. In such cases, the Board may implement a Restoration of Purchasing Power (ROPP) COLA at a later date to bring those members closer to 100% of inflation adjusted purchasing power. As with a discretionary COLA, a ROPP is subject to approval of the Legislature. (Section 59-1355).

Gain Sharing

Beginning in 2000, under Section 59-1309, Idaho Code, the Board may allocate all or a portion of "extraordinary gains" to active and retired members and employers as Gain Sharing.

Extraordinary gains are defined as the excess, if any, at the close of the fiscal year of the Assets over Actuarial Accrued Liabilities plus an amount necessary to absorb a one standard deviation market event without increasing contribution rates, as determined by the Board. Under the Board's current investment policy, assets in excess of a 113% funded ratio are considered extraordinary gains. The Board has the authority to rescind the Gain Sharing up to the date of distribution.

Return to Work

Under Section 59-1356, Idaho Code, if a retired member is reemployed by a PERSI employer, their retirement benefits cease, contributions (both employer and member) restart, and the member begins accruing a new benefit. Section 59-1356 lays out the following exceptions to this rule.

If a retired member becomes re-employed, at least 6 months after retirement, as a result of being elected to public office (other than an office held prior to retirement) the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member or employer, and the member will not accrue additional benefits.

If a teacher who retired (without a promise of reemployment) after age 60 or a public safety officer is reemployed as a teacher at least 90 days after their retirement and was receiving an unreduced service retirement benefit, the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member (the employer still makes contributions), and the member will not accrue additional benefits.

If a member who retired (without a promise of reemployment) after age 55 and before January 1, 2022, is reemployed at least 90 days after their retirement, the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member (the employer still makes contributions), and the member will not accrue additional benefits. This exception expires on July 1, 2026.

Effective July 1, 2023, if a police officer or firefighter who retired (without a promise of reemployment) after age 50, is reemployed at least 30 days after their retirement, the member may elect to continue receiving retirement benefits. In which case, contributions restart (both employer and member) at the fire and police rate (even if re employed as a teacher or general member), but the member will not accrue additional benefits. This exception expires on July 1, 2027.

Milliman

950 W. Bannock Street,
Suite 510
Boise, ID 83702
Tel +1 208 342.3485
Fax +1 208 342.5667
www.milliman.com

October 11, 2023

Public Employee Retirement System of Idaho State of Idaho
P.O. Box 83720
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations of the Idaho Firefighters' Retirement Fund (FRF) from 1981 through 1988 and biennial valuations from July 1, 1990 to July 1, 2000. Starting with the July 1, 2001 valuation, actuarial valuations occurred annually through the July 1, 2007 valuation. From July 1, 2007 through July 1, 2013 the valuations were again biennial. Beginning with the July 1, 2014 valuation they have been performed annually once again. The most recent actuarial valuation was for July 1, 2023; the next is scheduled for July 1, 2024.

Contribution Rates

FRF covers a closed group of firefighters who were hired before October 1, 1980 and who receive benefits in excess of those provided under the Public Employee Retirement System of Idaho (PERSI). The cost of these excess benefits is paid by member contributions, employer contributions, and receipts from a Fire Insurance Premium Tax (FIPT). Employer contributions comprise two elements: 8.65% of the salaries of covered members and an additional rate applied to the salaries of all firefighters of the employer. The additional rate is designed to meet the costs of the Fund not covered by other resources. Idaho Code Section 59-1394 requires the cost of the excess benefits to be retired by the schedule of contributions over a given period of time not to exceed 50 years.

FRF benefits were offset by PERSI benefits effective October 1, 1980. Effective July 1, 1990, all members hired after June 30, 1978 are to receive the same FRF benefits as members hired earlier.

Effective October 1, 1994, the PERSI benefits and contributions were increased. The FRF additional contribution rate to fund the excess benefits was decreased to 15.40% and the total employer contributions for FRF members remained fixed at 35.90% for Class A & B firefighters and 27.25% for Class D firefighters.

The Retirement Board lowered the PERSI contribution rates starting October 31, 1997 and made the reduction permanent as of April 25, 2000. The FRF excess contribution rate was increased to 17.24% since the total employer contributions for FRF members remained fixed at the 35.90% / 27.25% rates.

The Retirement Board raised the PERSI contribution rates, with the first increase effective July 1, 2004, and additional increases effective July 1, 2005 and July 1, 2006 an additional 0.1% contribution was added to provide for a $100,000 death benefit for duty related deaths. The FRF excess contribution rate was maintained at 17.24%. The July 1, 2004 rate increase took effect as scheduled, but the other two rate increases were delayed by the Board to July 1, 2006 and July 1, 2007.

After the July 1, 2006 PERSI and FRF valuation reports were completed, the PERSI Board delayed the effective date of the scheduled contribution rate increases to July 1, 2008 and July 1, 2009. In October 2007, the Board cancelled the remaining scheduled contribution rate increases.

After the July 1, 2009 PERSI and FRF valuation reports were completed, the PERSI Board approved three new contribution rate increases scheduled for July 1, 2011, July 1, 2012, and July 1, 2013. These were adopted in December 2009 due to a significant drop in funded status because of investment losses in the year ending June 30, 2009.

Due to the 12.01% investment return in the year ending June 30, 2010, in December 2010, the PERSI Board delayed the scheduled contribution rate increases for July 1, 2011, July 1, 2012, and July 1, 2013, to July 1, 2012, July 1, 2013, and July 1, 2014, respectively.

Due to the 20.25% investment return in the year ending June 30, 2011, in December 2011, the Board delayed the scheduled contribution rate increases for July 1, 2012, July 1, 2013, and July 1, 2014, to July 1, 2013, July 1, 2014, and July 1, 2015, respectively.

On July 1, 2013, the first of three scheduled contribution rate increases went into effect. This raised the member contribution for Class D Firefighters from 7.69% to 8.36%. It also increased the PERSI Rate employer contribution from 10.73% to 11.66% for all firefighter groups.

In December 2013, the Board delayed the scheduled contribution rate increases for July 1, 2014 and July 1, 2015 to July 1, 2015 and July 1, 2016, respectively.

In September 2014 the scheduled contribution rate increases scheduled for July 1, 2015 and July 1, 2016 were cancelled.

On January 1, 2015, the additional employer contribution rate was decreased from 17.24% to 5.00%.

After the July 1, 2016 PERSI and FRF valuation reports were completed, the PERSI Board approved a contribution rate increase scheduled for July 1, 2018. This was adopted in October 2016 due to a drop in funded status because of low investment returns in the fiscal years 2015 and 2016. In 2017, the rate increase was delayed one year: from July 1, 2018 to July 1, 2019.

On July 1, 2019, the member contribution for Class D Firefighters increased from 8.36% to 8.81%. The PERSI Rate employer contribution increased from 11.66% to 12.28% for all firefighter groups.

On July 1, 2020, the additional employer contribution rate was decreased from 5.00% to 0.00%.

As of July 1, 2021, there are no longer any active firefighters covered by the plan. With the additional employer contribution rate of 0%, there are no longer any contributions coming into the plan (other than receipts from the FIPT).

Funding Status

Based on the July 1, 2023 actuarial valuation, there is currently no Unfunded Actuarial Accrued Liability (UAAL) to amortize. This is consistent with the results from the July 1, 2022 valuation. The Fund’s original funding goal is to amortize the liabilities by June 30, 2018 (40 years from July 1, 1978). The current amortization period of zero is less than the statutory maximum of 50 years.

The UAAL was decreased by $4 million due to an asset loss partially recognized as of July 1, 2023. Specifically, the Fund's assets earned an annual average net return after expenses of 9.08% for the 2022-23 fiscal year which was less than the actuarial assumption of 6.30%.

All experience gains and losses (including the asset loss) over the one-year period since the prior valuation resulted in the UAAL being decreased by $7 million. The UAAL decreased by $1.8 million assumed due to deferred asset gains/losses from prior years which was recognized during the 2022-23 fiscal year. The UAAL decreased by $16.0 million becaused assumed contributions plus assumed investment returns were more than the normal cost and the interest on the UAAL.

The funding status increased from a 194.2% funding ratio on July 1, 2022, to 207.6% on July 1, 2023. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability.

Comparison to GASB Statement No. 67 Liabilities

The long-term expected rate of return on investments is 6.35%, net of investment expenses. This figure includes 0.05% for expected administrative expenses. For purposes of determining the Fund's funding status and UAAL, we use a discount rate that is net of all expenses (6.30%). The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%.

For the July 1, 2023 valuation, 3-year smoothing is used to calculate the actuarial value of plan assets. This is in contrast to the Fiduciary Net Position (FNP) used for purposes of GASB reporting. According to GASB Statement 67, the FNP must be based on the plan's fair value of assets at the valuation date. Therefore, FNP has been determined without any asset smoothing.

Results and further details on these items can be found in our GASB 67 Report.

Assumptions

Our July 1, 2023, actuarial valuation report presented summaries of the actuarial assumptions and methods used in the valuation. The FRF assumptions generally reflect the assumptions used for the PERSI Fire and Police members.

We anticipate the next major PERSI experience study, to be completed in 2025, will cover the period July 1, 2020 through June 30, 2024.

Other Information

The FRF system is a cost-sharing multiple-employer defined benefit plan. Minimum funding requirements are set by Idaho Statute. the funding policy is established and maintained by the PERSI Board. They have chosen to define their Actuarially Determined Contribution as $0. Because the plan has no members accruing additional benefits and has no funding shortfall, we believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for FRF's contribution structure of contributing a percentage of pay over employees' working lifetimes.

Certification

Actuarial computations presented in this report are for the purposes of financial reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias. Milliman has developed certain models to estimate the values included in this report. The intent of the models was to estimate pension liabilities and costs. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant Actuarial Standards of Practice (ASOPs).

This report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost method, and the Board has adopted them as indicated in Appendix A of our 2022 Valuation Report.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Milliman's work is prepared solely for the internal business use of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a release, subject to the following exception(s):

(a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

(b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this letter is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements Actuarial Opinion in the United States of the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retiree and Beneficiary Valuation Data
Exhibit 4	Schedule of Funding Progress
Exhibit 5	Solvency Test
Exhibit 6	Analysis of Actuarial Gains or Losses
Exhibit 7	Schedule of Contributions from the Employer and All Other Contributing Entities
Exhibit 8	Contribution Rates as a Percent of Payroll
Exhibit 9	Provisions of Governing Law

Sincerely,

Robert L Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

Bret D Linton, FSA, EA, MAAA
Principal and Consulting Actuary

Ryan J Cook, FSA. EA, CERA, MAAA
Consulting Actuary

RLS:BDL:RJC:dla

Idaho Firefighters' Retirement Fund

EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2023

1. Investment Return (Adopted July 1, 2021)

The annual rate of investment return on the assets, net of investment expenses, for the Fund is assumed to be 6.35%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.30%.

2. Actuarial Value of Assets (Adopted September 2014)

For the July 1, 2014 valuation, all assets are valued at market as of the valuation date. Use of 3-year smoothing to calculate the actuarial value of plan assets is being implemented prospectively: the July 1, 2015 valuation used a 2-year smoothing; subsequent valuations have used a 3-year smoothing.

3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the PERSI Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the PERSI total fund's actual experience.

4. Service Retirement, Disability Retirement, and Termination (Adopted July 1, 2016)

Starting with the July 1, 2021 valuation, there are no longer any actively employed members of FRF, so these assumptions are no longer applicable.

5. Mortality (Adopted July 1, 2014)

- ***Healthy Members***

  Males Pub-2010 Safety Tables, increased 21%.

  Females Pub-2010 Safety Tables, increased 26%.

- ***Beneficiaries***

  Males Pub-2010 General Tables, increased 11%.

  Females Pub-2010 General Tables, increased 21%.

- ***Disabled Members***

  Males Pub-2010 Disabled Tables, increased 38%.

  Females Pub-2010 Disabled Tables, increased 36%.

- ***Mortality Improvement***

  All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60-year geometric average of the mortality improvement rates reported by the Social Security Administration from 1957 through 2017.

6. Future Salaries

Starting with the July 1, 2021 valuation, there are no longer any actively employed members of FRF, so this assumption is no longer applicable.

7. Replacement of Terminated Members

The FRF is a closed group. No new members are permitted. The total number of firefighters in PERSI (including those hired October 1, 1980 and later) is assumed to remain unchanged from year to year.

8. Postretirement Benefit Increases (Cost of Living Adjustments) (Adopted July 1, 2021)

FRF benefits are based on paid salary and are assumed to increase at the same rate as the average paid firefighter's salary, or 3.05% per year. For members whose FRF benefits are offset by their PERSI benefits, the PERSI benefits are assumed to have post-retirement benefit increases of 1.00% per year. The assumptions regarding PERSI future post-retirement benefit increases is part of the funding policy for the FRF.

9. Probability of Marriage

It is assumed that there is an 85% probability that the member has an eligible spouse. The spouse's age is assumed to be two years younger than the member's.

10. Fire Insurance Premiums (Adopted July 1, 2004)

The fire insurance premiums received for the plan year ending June 30, 2023, amounted to $3,346,505 or approximately 4.0% of all firefighters' covered compensation during the same period. Future fire insurance premiums are expected to provide contributions as a decreasing percentage of compensation, due to the assumption that the firefighters' covered compensation (including Class D members) will increase at the rate of 3.05% per year, but future fire insurance premiums are assumed to increase at a rate of only 2.30% per year. The rate for the increase for covered compensation was adopted July 1, 2021. The rate for the increase of fire insurance premiums was adopted July 1, 2021.

Note that the FIPT contribution listed above is only half of the premiums collected. Starting with the plan year ending June 30, 2021, only half the fire insurance premiums are being contributed to the plan due to the additional employer contribution rate being reduced to 0.00%.

11. Actuarial Cost Method (Adopted July 1, 1998)

Costs are determined based on the entry age normal cost method. The actuarial present value of future benefits not provided by PERSI less the present value of future normal costs equals the actuarial accrued liability. The UAAL is equal to the actuarial accrued liability less the actuarial value of the assets. The UAAL is amortized as a level dollar amount over a fixed amortization period. The current amortization period is zero since the UAAL at July 1, 2023 is negative.

The Actuarially Determined Contribution (ADC) is then the total of the normal cost allocated to the current plan year plus the amortization payment on the UAAL. Since both the normal cost and the UAAL are $0, the ADC is $0.

12. Experience Studies

The last experience study for PERSI was completed in 2021 for the period July 1, 2015, through June 30, 2020, and reviewed economic assumptions and mortality. We anticipate these assumptions will be studied again in 2025 for the period from July 1, 2020, through June 30, 2024. The FRF assumptions generally reflect the assumptions used for the PERSI Fire and Police members.

13. Recent Changes

There have been no changes to the valuation assumptions since the prior valuation.

Idaho Firefighters' Retirement Fund

EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date July 1	Number	Annual Salaries Total	Annual Salaries Average	Annual Salaries Annual Increase in Average
2014	2	(1)	(1)	(1)
2015	2	(1)	(1)	(1)
2016	2	(1)	(1)	(1)
2017	1	(1)	(1)	(1)
2018	1	(1)	(1)	(1)
2019	1	(1)	(1)	(1)
2020	1	(1)	(1)	(1)
2021	—	—	N/A	N/A
2022	—	—	N/A	N/A
2023	—	—	N/A	N/A

(1) Salary information is not shown for years in which there are fewer than 5 active members.

Idaho Firefighters' Retirement Fund

EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA [1]

Valuation Date July 1	Number			COLA Increases Granted Previous January 1
	Total	Added	Removed	
2014	545	3	9	2.48
2015	535	1	11	(0.34)
2016	524	3	14	1.73
2017	517	2	9	2.85
2018	507	1	11	1.88
2019	486	5	26	3.13
2020	472	11	25	3.92
2021	461	6	17	1.28
2022	448	14	27	5.44
2023	437	11	22	2.52

Valuation Date July 1	Annual Benefits				
	Total [2]	Added [3]	Removed	Average	Annual Increase in Average
2014	$ 26,856,909	$ 784,008	$ 426,134	$49,279	2.5%
2015	26,319,030	(33,958)	503,921	49,194	(0.2)
2016	26,285,792	576,922	610,160	50,164	2.0
2017	26,687,801	815,356	413,347	51,621	2.9
2018	26,650,120	515,311	552,992	52,564	1.8
2019	26,400,434	964,724	1,214,411	54,322	3.3
2020	26,795,398	1,699,606	1,304,642	56,770	4.5
2021	26,500,438	757,260	1,052,220	57,485	1.3
2022	27,334,865	2,273,149	1,438,722	61,015	6.1
2023	27,317,790	1,352,370	1,369,445	62,512	2.5

(1) Information regarding the number of retirees and beneficiaries added to, and removed from, the rolls was not used in the actuarial valuations.

(2) Combined annual benefits from FRF and PERSI. The FRF benefits comprised $19,422,114 of the 2023 total.

(3) Includes postretirement increases (or decreases, if applicable) for all retirees and beneficiaries.

Idaho Firefighters' Retirement Fund

EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS
(All Dollar Amounts in Millions)

Actuarial Valuation Date July 1	Actuarial Value of Assets (1)	Actuarial Accrued Liabilities (AAL) (2)	Unfunded Actuarial Accrued Liabilities (UAAL) (3)	Funded Ratio	Covered Payroll (4)	UAAL as a Percentage of Covered Payroll
2014	$352.2	$315.6	$(36.6)	111.6%	$63.0	(58.1)%
2015	360.4	301.9	(58.5)	119.4	63.8	(91.7)
2016	363.4	294.7	(68.7)	123.3	68.0	(101.0)
2017	369.8	292.2	(77.6)	126.6	70.6	(109.9)
2018	385.7	283.2	(102.5)	136.2	74.8	(137.0)
2019	411.5	273.9	(137.6)	150.2	78.3	(175.7)
2020	427.2	269.3	(157.9)	158.6	78.7	(200.6)
2021	460.8	242.7	(218.1)	189.9	85.9	(253.9)
2022	472.4	243.3	(229.1)	194.2	78.9	(290.4)
2023	489.9	236.0	(253.9)	207.6	84.5	(300.5)

(1) For the July 1, 2014 valuation and all preceding valuations, assets are valued at market as of the valuation date. Use of 3-year smoothing to calculate the actuarial value of plan assets has been implemented prospectively: the July 1, 2015 valuation used a 2-year smoothing; subsequent valuations use a 3-year smoothing.

(2) The excess of the actuarial present value of future excess benefits less the present value of future normal cost contributions under the entry age cost method.

(3) Actuarial accrued liabilities less actuarial value of assets.

(4) Covered Payroll includes compensation paid to all active firefighters for whom contributions to FRF could be charged. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is an annualized compensation of only those members hired prior to October 1, 1980, who were active on the actuarial valuation date.

Idaho Firefighters' Retirement Fund

EXHIBIT 5: SOLVENCY TEST
(All Dollar Amounts in Millions)

		Actuarial Liabilities[1] for					
		(A)	(B)	(C)	Portion of Actuarial Liabilities Covered by Assets		
Actuarial Valuation Date July 1	Actuarial Value of Assets [2]	Active Member Contributions	Retirees and Beneficiaries	Active Members (Employer Financed Portion)	(A)	(B)	(C)
2014	$352.2	$—	$314.9	$0.7	100%	100%	100%
2015	360.4	—	301.3	0.6	100	100	100
2016	363.4	—	294.0	0.7	100	100	100
2017	369.8	—	291.7	0.5	100	100	100
2018	385.7	—	282.7	0.5	100	100	100
2019	411.5	—	273.4	0.5	100	100	100
2020	427.2	—	268.8	0.5	100	100	100
2021	460.8	—	242.7	—	100	100	100
2022	472.4	—	243.3	—	100	100	100
2023	489.9	—	236.0	—	100	100	100

(1) Computed based on funding policy methods and assumptions.

(2) For the July 1, 2014 valuation and all preceding valuations, assets are valued at market as of the valuation date. Use of 3-year smoothing to calculate the actuarial value of plan assets has been implemented prospectively: the July 1, 2015 valuation used a 2-year smoothing; subsequent valuations use a 3-year smoothing.

Idaho Firefighters' Retirement Fund

EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES
(All Dollar Amounts in Millions)

	Gain (Loss) for Period		
	2022-2023	**2021-2022**	**2020-2021**
Investment Income			
Investment income was greater (less) than expected[1]	4.0 [1]	(26.6) [1]	28.5 [1]
Fire Insurance Premium Tax (FIPT)			
FIPT contribution was greater (less) than expected	0.4	0.3	0.1
Membership Growth			
No new members since plan was closed in 1980	None	None	None
Cost of Living Adjustments (COLAs)			
Different COLAs than expected	1.6	(5.4)	5.5
Other Retired Member Experience			
Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes	1.0	0.5	1.4
Other Active and Inactive Member Experience			
Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes	None [2]	None [2]	0.0
Total Gain (Loss) During the Period From Actuarial Experience	7.0	(31.2)	35.5
Contribution Income			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the Unfunded Actuarial Accrued Liability	16.0	19.6	12.9
Deferred Recognition of Investment Income			
Due to asset smoothing, one third of the investment gain (loss) from each of the two prior years are recognized in the	1.8	22.6	(4.4)
Non-Recurring Items			
Changes in actuarial assumptions caused a gain (loss)	None	None	16.2
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss)	None	None	None
Changes to Contribution Rate Increase Schedule	None	None	None
Composite Gain (Loss) During the Period	$ 24.8	$ 11.0	$ 60.2

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

[1] The investment gains/(losses) were $12.2, ($79.9), and $85.4 million for fiscal years 2023, 2022, and 2021, respectively; however, only a portion of these were recognized each year due to the 3-year smoothing.

[2] As of the July 1, 2021, Actuarial Valuation there are no active or inactive members remaining in the plan.

Idaho Firefighters' Retirement Fund

EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (Actual Dollar Amounts)

Fiscal Year Ending	Covered Employee Payroll (1)	Statutory Employer Contributions (2)	Additional Employer Contributions (2)	Insurance Premium Payment from the State	Total Employer Contributions	Actuarially Determined Contribution (ADC) (3)	Percentage of ADC Contributed
2014	$63,017,405	$25,032	$10,864,197	$3,311,094	$14,200,323	$1,119,619	1,268.3%
2015	63,780,545	17,259	7,720,025	3,568,189	11,305,473	—	N/A
2016	68,017,833	17,723	3,400,892	3,779,982	7,198,597	—	N/A
2017	70,568,501	12,273	3,638,264	3,802,450	7,452,987	—	N/A
2018	74,848,287	12,226	3,731,159	3,962,841	7,706,226	—	N/A
2019	78,284,032	12,715	3,914,200	4,320,912	8,247,827	—	N/A
2020	78,657,631	12,608	3,932,881	4,714,908	8,660,397	—	N/A
2021	85,896,222	—	—	2,549,471	2,549,471	—	N/A
2022	78,865,896	—	—	2,901,920	2,901,920	—	N/A
2023	84,485,207	—	—	3,346,505	3,346,505	—	N/A

(1) Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the contribution rate, expressed as a percentage of payroll. Provided by PERSI in 2021. In 2022, computed as the sum of the annualized pay rate of all Class D members active as of the end of the fiscal year. Provided by PERSI in 2023.

(2) Employer contributions are made as a percentage of actual payroll rather than as a dollar amount. The Statutory Employer FRF contributions in excess of PERSI required contributions are payable only on Class A & B active member payroll. The Additional Employer FRF contributions are payable on Class A & B and Class D active member payrolls.

(3) Starting July 1, 1996, the ADC, formerly known as the Annual Required Contribution (ARC), is computed as a dollar amount based on the entry age cost method and future payroll contributions from Class A & B members only. The ADC is computed for GASB reporting purposes only. The actual employer contributions as a percentage of payroll varied from those determined by the actuarial valuation based on the funding policy as shown in Table C-6 of the actuarial valuation report. The actual dollar amount of the employer contributions will differ from the dollar amount of the ADC.

Idaho Firefighters' Retirement Fund

EXHIBIT 8: CONTRIBUTION RATES AS A PERCENT OF PAY

	State Contributions	Employer Contributions				Total Employer Contributions For Members	
Year [1]	Fire Insurance Premium Tax [2]	PERSI Rate	Statutory FRF Rate	Additional Rate	Social Security	Hired Before 10/1/80 [3]	Hired After 9/30/80 [4]
Effective Date:	July 1	October 1	January 1	October 1	January 1	October 1	October 1
2014	5.20%	11.66%	8.65%	17.24 [5]	7.65%	37.55%	36.55%
2015	5.60	11.66	8.65	5.00	7.65	25.31	24.31
2016	5.60	11.66	8.65	5.00	7.65	25.31	24.31
2017	5.20	11.66	8.65	5.00	7.65	25.31	24.31
2018	5.30	11.66	8.65	5.00	7.65	25.31	24.31
2019	5.50	12.28	8.65	5.00	7.65	25.93	24.93
2020	3.00	12.28	8.65	0.00 [6]	7.65	20.93	19.93
2021	2.97	12.28	8.65	0.00	7.65	20.93	19.93
2022	3.68	12.28	8.65	0.00	7.65	20.93	19.93
2023	3.96	13.26	8.65	0.00	7.65	21.91	20.91

(1) Rates become effective on dates shown in given year.

(2) Actual FIPT premiums received divided by the covered payroll for the given year.

(3) PERSI rate plus Statutory FRF rate plus additional rate.

(4) PERSI rate plus additional rate plus Social Security (note that the 7.65% Social Security + Medicare tax is paid to the federal government for these members, not contributed to PERSI).

(5) Effective January 1, 2015, the Additional Employer Contribution Rate decreased from 17.24% to 5.00%.

(6) The Employer additional rate changed to 0.00% on July 1, 2020.

Idaho Firefighters' Retirement Fund

EXHIBIT 9: PROVISIONS OF GOVERNING LAW

This exhibit outlines our understanding of the laws governing the Idaho Firefighters' Retirement Fund (FRF), compared with the provisions that apply to firefighters of the Public Employee Retirement System of Idaho (PERSI), as contained in Sections 59-1301 through 59-1399 for PERSI and Sections 72-1401 through 72-1472 for FRF, inclusive of the Idaho Code through July 1, 2020. Each currently active firefighter hired before October 1, 1980, is entitled to receive the larger of (a) a benefit based on the FRF provisions, considering all of his service as a firefighter, and (b) a PERSI benefit, based on membership service beginning October 1, 1980, plus prior service rendered before July 1, 1965. Firefighters hired October 1, 1980 and later (Class D members) are not entitled to FRF benefits.

In 1990, the law was changed to provide benefits to all members of FRF equally. Prior to the change, members hired after July 1, 1978, and before October 1, 1980, (Class C members) received a lower level of benefits. Class A members are members hired prior to July 1, 1976, who chose Option 1, where contributions are calculated on the basis of statewide average paid firefighter's salary. Benefits are based on the statewide average salary in effect at the date of retirement. Class B members are all Option 2 members hired prior to July 1, 1978, where contributions are calculated on the basis of the individual's annual average salary, but benefits are based on actual pay.

Retirement Provisions Affecting Firefighters In Idaho

July 1, 2023

	Public Employee Retirement System	Firefighters' Retirement Fund
Member Contribution Rate	9.13% of salary.	11.45% of salary.[1]
Service Retirement Allowance		
Eligibility	Age 60 with five years of service, including six months of membership service.	20 years of service.[2]
Amount of annual Allowance	2.30% of the highest 3.5-year average salary for the each year of credited service.	40% of final five-year average salary [1] plus 5.00% of average salary for each year of service in excess of 20 years.
Maximum Benefit	100% highest three-year average salary.	65% of final five-year average salary. [1]
Minimum Benefit	For retirement during or prior to 1974, $72 annual allowance for each year of service, increasing in subsequent years at the rate of cost-of-living increases in retirement allowances.	None.
Normal Form	Payable for member's lifetime, with death benefit determined by option selected at retirement.	Payable for firefighter's lifetime, with 100% of benefit continued to eligible surviving spouse or children.
Optional Form	Actuarial equivalent of the normal form under the options available according to the mortality and interest basis adopted by the Board.	None.

[1] For firefighters employed prior to July 1, 1976, who chose Option 1, contributions are calculated on the basis of the statewide average paid firefighter's salary. Benefits are based on the statewide average salary in effect at the date of retirement.

For firefighters employed prior to July 1, 1976, who chose Option 2, contributions are based on the individual members' salaries for the prior year. Benefits are based on actual pay.

[2] Completed years of service. No partial years of service are recognized.

	Public Employee Retirement System	Firefighters' Retirement Fund
Non-Duty Disability Retirement Allowance		
Eligibility	Five years of membership service.	Five years of service. [2]
Amount of Annual Allowance	Projected service retirement allowance based on accrued service plus service projected to age 60 (projected service is limited to excess of 30 years over accrued service), less any amount payable under workers' compensation law.	2.00% of final five-year average salary[1] times years of service[2], or same as service retirement benefit if eligible.
Normal Form	Temporary annuity to age 60 plus any death benefit.	Payable for firefighter's lifetime, with 100% of benefit continued to eligible surviving spouse or children.
Duty Disability Retirement Allowance		
Eligibility	If hired after July 1, 1993, no service requirement, otherwise same as non-duty disability retirement.	No age or service requirements.
Amount of Annual Allowance	Same as non-duty disability retirement for those disabled prior to July 1, 2021.	65% of final five-year average salary.
Normal Form	Same as non-duty disability retirement for those disabled prior to July 1, 2021.	Same as non-duty disability retirement.
Special Disability Benefit		
Eligibility	Firefighters hired after October 1, 1980 and prior to July 1, 1993, with less than 10 years of service.	None.
Benefit	Same as FRF disability benefit.	None.

(1) For firefighters employed prior to July 1, 1976, who chose Option 1, contributions are calculated on the basis of the statewide average paid firefighter's salary. Benefits are based on the statewide average salary in effect at the date of retirement.

For firefighters employed prior to July 1, 1976, who chose Option 2, contributions are based on the individual members' salaries for the prior year. Benefits are based on actual pay.

(2) Completed years of service. No partial years of service are recognized.

	Public Employee Retirement System	Firefighters' Retirement Fund
Death Benefits Before Retirement		
Eligibility	Five years of service for surviving spouse's benefit.	Non-duty death: Five years of service.[2] Duty death: No service requirement. Benefits are payable to surviving spouse or, if no eligible surviving spouse, to unmarried children under 18.
Amount of Annual Allowance	1. Accumulated contribution with interest, or 2. The surviving spouse of a member with five years of service who dies while: i. contributing; ii. noncontributing, but eligible for benefits; or iii. retired for disability receives an automatic joint and survivor option applied to the actuarial equivalent of the member's accrued service retirement allowance.	100% of the benefit the firefighter would have received as a duty or non-duty disability allowance, depending on cause of his death.
Death Benefits After Retirement		
Eligibility	Designated beneficiary or estate.	Surviving spouse or, if no eligible surviving spouse, unmarried children under 18.
Amount of Benefit	Under the normal form of the retirement allowance, the excess, if any, of the member's accumulated contributions with interest at retirement over all payments received. Otherwise payable according to the option elected.	100% of firefighter's retirement allowance.

[2] Completed years of service. No partial years of service are recognized.

	Public Employee Retirement System	Firefighters' Retirement Fund
Early Retirement Allowance		
Eligibility	Age 50 with five years of service including six months of membership service (contributing members only).	None.
Amount of Allowance	Full accrued service retirement allowance if age plus service equals 80; otherwise, the accrued service retirement allowance reduced by 3.00% for each of the first five years by which the early retirement date precedes the date the member would be eligible to receive his full accrued benefit, and by 5.75% for each additional year.	None.
Vested Retirement Allowance		
Eligibility	Former contribution members with five years of membership service are entitled to receive benefits after attaining age 50.	Firefighters who terminate after five years of service(2) are entitled to receive benefits beginning at age 60.
Amount of Allowance	Same as early retirement allowance.	2.00% of final five-year average salary times years of service(2).
Withdrawal Benefit	Accumulated contributions with interest.	Accumulated contributions with interest.
Post-Retirement Increases		
Amount of Adjustment	Increases are based on a cost-of-living factor reflecting the changes in the Consumer Price Index, subject to a maximum total increase or decrease of 6% in any year. If the Consumer Price Index increases by at least 1% from August to August, a 1.00% annual postretirement increase is effective the following March. An additional postretirement increase of up to 5.00% each year may be authorized by the Board. If the CPI-U increases by less than 1% or decreases, the COLA is automatically equal to the change in the CPI-U. A decrease cannot be more than 6%. Member benefits cannot decrease below the amount at the initial benefit date.	Benefits increase or decrease by the same percentage by which the average paid firefighter's salary increases or decreases. The change for the year is effective each January.

(2) Completed years of service. No partial years of service are recognized

Milliman

950 W. Bannock Street,
Suite 510
Boise, ID 83702
Tel +1 208 342.3485
Fax +1 208 342.5667
www.milliman.com

October 11, 2023

Public Employee Retirement System of Idaho State of Idaho
P.O. Box 83720
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations of the Judges' Retirement Fund of the State of Idaho (JRF) beginning with the June 30, 2010 actuarial valuation. Until June 30, 2014, the JRF was an independent Fund. Beginning with the July 1, 2014 actuarial valuation, the Fund has been administered by the Public Employee Retirement System of Idaho (PERSI). It is anticipated that future actuarial valuations will be performed every year with the next valuation to be as of July 1, 2024.

Contribution Rates

The financing objective of the Fund is to establish contribution rates that will tend to remain level as percentages of payroll. The current total contribution rate is 74.10%: 62.53% employer contribution rate and 11.57% employee contribution rate. Based on the July 1, 2023 valuation assumptions and valuation results, this contribution rate will be sufficient to amortize the Unfunded Actuarial Accrued Liability (UAAL) over the required 25-year period ending July 1, 2048.

Funding Status

Based on the July 1, 2023 actuarial valuation, the UAAL was decreased by $2.9 million due to an asset loss recognized as of July 1, 2023. Specifically, the Fund's assets earned a net return after accounting for all expenses of 9.07%, which is 2.77% above the actuarial assumption of 6.30%. All other experience gains and losses increased the UAAL by $2.5 million. Thus, the total experience gain for the year was $0.4 million.

Also, the UAAL decreased by $0.5 million because actual contributions plus assumed investment returns were more than the normal cost and the interest on the UAAL.

The current contribution rates are adequate to amortize the Normal Cost and UAAL balance over the required 25-year period.

The funding status increased from a 82.2% funding ratio on July 1, 2022, to 83.7% on July 1, 2023. The funding ratio is the ratio of the market value of the assets over the value of the actuarial accrued liability.

Comparison to GASB Statement No. 67 Liabilities

The long term expected rate of return on investments is 6.35%, net of investment expenses. This figure includes 0.05% for expected administrative expenses. For purposes of determining the Fund's funding status and UAAL, we use a discount rate that is net of all expenses (6.30%). The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%. Results and further details on these items can be found in our GASB 67 and 68 Report.

Other Information

JRF is a single-employer defined benefit plan. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. They have chosen to define their Actuarially Determined Contribution as the contribution rate necessary to fully fund the system over a period of 25 years based on the valuation results one year prior to this measurement date. Starting with the July 1, 2023, valuation this has changed. Due to the one year lag, this change will first be shown in the financial reportion for the fiscal year July 1, 2023, to June 30, 2024. We believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for JRF's contribution structure of contributing a percentage of pay over employees' working lifetimes.

Assumptions

Our July 1, 2023, actuarial valuation report presented summaries of the actuarial assumptions and methods used in the valuation. A demographic experience study was performed in 2019 which updated the retirement, disability, and mortality rates as well as the election rate for retirement under Paragraph (b) of section 1-2001(2), Idaho code. See our letter dated August 2, 2019 for more details. Economic assumptions generally reflect the assumptions used for the PERSI valuation.

The 2019 experience study covered the period July 1, 2013 through June 30, 2018.

Certification

Actuarial computations presented in this report are for the purposes of financial reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

This report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Appendix A of our 2023 Valuation Report.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Milliman's work is prepared solely for the use and benefit of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

(a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

(b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States of the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retiree and Beneficiary Valuation Data
Exhibit 4	Schedule of Funding Progress
Exhibit 5	Solvency Test
Exhibit 6	Analysis of Actuarial Gains or Losses
Exhibit 7	Schedule of Contributions from the Employer
Exhibit 8	Schedule of Contributions from the Employer Expressed as a Percentage of Covered Payroll
Exhibit 9	Provisions of Governing Law

Sincerely,

Bret D Linton, FSA, EA, MAAA
Principal and Consulting Actuary

Robert L Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

Ryan J Cook, FSA, EA, CERA, MAAA
Consulting Actuary

BDL:RLS:RJC:kw

Judges' Retirement Fund of the State of Idaho

EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2022

1. Investment Return (Adopted July 1, 2021)

The annual rate of investment return on the assets, net of investment expenses, for the Fund is assumed to be 6.35%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.30%.

2. Actuarial Value of Assets

All assets are valued at market as of the valuation date.

3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the PERSI Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the PERSI total fund's actual experience.

4. Service Retirement (Adopted July 1, 2019)

Annual rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

Age	Rate of Retirement(1)
55	8%
60	9
65	40
70	71
71	100

(1) Eligibility occurs after 20 years of service, attained age 55 with 15 years of service, attained age 60 with 10 years of service, or attained age 65 with 4 years of service.

5. Mortality (Adopted July 1, 2019)

Contributing Members, Service and Disability Retirement Members, and Beneficiaries

Males	Pre-Commencement	General Pub-2010 Above Median tables for male employees
	Post-Commencement	General Pub-2010 Above Median tables for male healthy annuitants
Females	Pre-Commencement	General Pub-2010 Above Median tables for female employees
	Post-Commencement	General Pub-2010 Above Median tables for female healthy annuitants

All mortality tables are adjusted with generational mortality adjustments using projection scale MP-2018.

6. Disability Retirement

None.

7. Other Terminations of Employment

There are no other employment termination assumptions that are valued.

8. Future Salaries (Adopted July 1, 2021)

The rate of annual salary increase assumed for the purpose of the valuation is 3.05%.

9. Growth in Membership (Adopted July 1, 2021)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.05% average annual expansion in the payroll of covered members.

10. Interest on Employee Contributions

The credited interest rate on employee contributions is assumed to be 6.50%.

11. Postretirement Benefit Increases (Cost of Living Adjustments) (Adopted July 1, 2021)

Any member who assumed office prior to July 1, 2012 is assumed to have a postretirement increase of 3.05% per year. However, for members who made an irrevocable election prior to August 1, 2012 to have their postretirement benefit increases based on Idaho Code Section 59-1355, a postretirement increase of 1.00% per year is assumed instead.

Any member who assumed office on or after July 1, 2012, is assumed to have a postretirement increase of 1.00% per year.

12. Probability of Marriage

The marriage assumption for all members is 100%. Males are assumed to be 2 years older than their spouses.

13. Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL, if positive, is amortized as a level percentage of the projected salaries of present and future members of the Fund during various amortization periods. In effect, this means that UAAL amortization payments are assumed to grow at the same rate as the General Wage increase assumption (currently 3.05%).

The normal cost rates used in this valuation were calculated based on all current active members as of July 1, 2022 for each sex and type of employee in that valuation. The actuarial present values of projected benefits and of projected salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate.

14. Experience Studies

A demographic experience study was performed in 2019 which updated the retirement, disability, and mortality rates as well as the election rate for retirement under Paragraph (b) of section 1-2001(2), Idaho code. See our letter dated August 2, 2019, for details. The JRF economic assumptions generally reflect the assumptions used for the PERSI valuation.

15. Recent Changes

There have been no changes to the valuation assumptions since the prior valuation.

Judges' Retirement Fund of the State of Idaho

EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date July 1	Number	Annual Salaries: Total [1]	Average	Annual Increase in Average
2015	52	$6,543,000	$125,827	N/A
2016	53	6,886,500	129,934	3.3%
2017	50	6,690,000	133,800	3.0
2018	53	7,257,000	136,928	2.3
2019	53	7,448,600	140,540	2.6
2020	55	7,870,000	143,091	1.8
2021	55	7,994,000	145,345	1.6
2022	55	8,060,000	146,545	0.8
2023	56	8,575,000	153,125	4.5

(1) Annualized average salaries for covered members for the 12-month period commencing on the valuation date.

Judges' Retirement Fund of the State of Idaho

EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA

Valuation Date July 1	Number			COLA Increases Granted Previous Year	
	Total	Added	Removed	JRF	PERSI
2015	92	8	2	0%	1.7%
2016	94	2	—	3.70[1]	0.2
2017	101	8	1	6.59[1]	1.1
2018	102	5	4	3.20[1]	1.9
2019	107	7	2	2.81[1]	1.0
2020	105	1	3	1.87[1]	1.7
2021	106	3	2	1.83[1]	1.0
2022	113	10	3	0.00[1]	3.5
2023	115	3	1	4.72[1]	1.0

Valuation Date July 1	Annual Benefits				
	Total	Added[2]	Removed	Average	Annual Increases in Average
2015	$5,873,186	$545,609	$121,376	$63,839	N/A
2016	6,124,128	250,942	—	65,150	2.1%
2017	6,740,340	690,100	73,888	66,736	2.4
2018	7,004,642	507,626	243,324	68,673	2.9
2019	7,572,230	654,828	87,240	70,769	3.1
2020	7,672,234	270,278	170,275	73,069	3.3
2021	7,955,424	373,835	90,645	75,051	2.7
2022	8,479,073	805,641	281,992	75,036	—
2023	8,958,250	508,026	28,849	77,898	3.8

[1] JRF COLA's are based on salary increase of position previously held by the retiree. Pay raises vary by position. The raises effective July 1, 2016 ranged from 0.00% to 3.70%. The raises effective July 1, 2017 ranged from 2.49% to 6.59%. The raises effective July 1, 2018 ranged from 2.63% to 3.20%. The raises effective July 1, 2019 ranged from 2.46% to 2.81%. The raises effective July 1, 2020 ranged from 1.64% to 1.87%. The raises effective July 1, 2021 ranged from 1.62% to 1.83%. There were no raises in salaries from July 1, 2021 to July 1, 2022. The raises effective July 1, 2023, ranged from 2.94% to 4.72%.

[2] Includes postretirement increases for all retirees and beneficiaries.

Judges' Retirement Fund of the State of Idaho

EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS
(All Dollar Amounts in Millions)

Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)[1]	Unfunded Actuarial Accrued Liabilities (UAAL)[2]	Funded Ratio	Covered Payroll[3]	UAAL as a Percentage of Covered Payroll
2015	$76.5	$97.8	$21.3	78.2%	$6.1	349.2%
2016	75.4	100.2	24.8	75.3	6.1	406.6
2017	82.9	104.5	21.6	79.3	6.2	348.4
2018	88.1	107.3	19.2	82.1	6.2	309.7
2019	93.2	113.4	20.2	82.2	6.7	301.5
2020	93.7	116.1	22.4	80.7	7.8	287.2
2021	117.3	122.5	5.2	95.8	8.1	64.2
2022	103.9	126.4	22.5	82.2	8.2	274.4
2023	111	132.6	21.6	83.7	8.7	248.3

(1) Actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.

(2) Actuarial accrued liabilities less actuarial value of assets.

(3) Covered Payroll includes compensation paid to all active judges for whom contributions were made to JRF. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is an annualized compensation for the upcoming fiscal year for those members who were active on the actuarial valuation date.

Judges' Retirement Fund of the State of Idaho

EXHIBIT 5: SOLVENCY TEST
(All Dollar Amounts in Millions)

		Actuarial Liabilities for			Portion of Actuarial Liabilities Covered by Assets		
		(A)	(B)	(C)			
Actuarial Valuation Date July 1	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employee) Financed Portion)	(A)	(B)	(C)
2015	$76.5	$3.1	$70.5	$24.2	100%	100%	12.0%
2016	75.4	3.6	72.3	24.3	100	99	—
2017	82.9	3	78.5	23	100	100	6.1
2018	88.1	3.7	81.7	21.9	100	100	12.3
2019	93.2	3.8	91.2	18.4	100	98.0	—
2020	93.7	4.5	90.7	20.9	100	98.3	—
2021	117.3	5.2	94.7	22.6	100	100	77.0
2022	103.9	4.9	100.3	21.2	100	98.7	—
2023	111	5.4	103	24.2	100	100	10.7

Judges' Retirement Fund of the State of Idaho

EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES
(All Dollar Amounts in Millions)

	Gain (Loss) for Period		
	2022-2023	2021-2022	2020-2021
Investment Income			
Investment income was greater (less) than expected	$ 2.9	$ (18.7)	$ 19.5
Pay Increases[1]			
Pay increases were less (greater) than expected	(1.0)	1.9	1.2
Membership Growth			
New members increased liabilities by less (more) than their contributions increased assets	0.01	0.4	N/A[2]
Cost of Living Adjustments (COLAs)			
Different COLAs than expected	N/A	(0.8)	N/A
Other Retired Member Experience			
Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes	(1.4)	(0.2)	N/A[2]
Other Active and Inactive Member Experience			
Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes	(0.2)	(1.7)	(1.5)
Total Gain (Loss) During the Period From Actuarial Experience	0.4	(19.1)	19.2
Contribution Income			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL	0.5	1.8	0.6
Non-Recurring Items			
Changes in actuarial assumptions caused a gain (loss)	None	None	(2.5)
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss)	None	None	None
Change in Future Contribution Rate increases	None	None	None
Composite Gain (Loss) During the Period	$ 0.9	$ (17.3)	$ 17.3

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

(1) This includes the effect of retired members' COLAs that are dictated by salary changes.
(2) This component of Gain (Loss) was not measured prior to fiscal year 2022.

Judges' Retirement Fund of the State of Idaho

EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
(Actual Dollar Amounts)

Fiscal Year Ending	Covered Employee Payroll[1]	Total Actual Employer Contributions[2]	Actuarially Determined Contribution (ADC)[3]	Percentage of ADC Dollars Contributed
2015	$ 6,149,339	$ 3,595,417	$ 3,492,825	103%
2016	6,097,302	3,370,587	3,463,268	97
2017	6,162,190	3,946,599	3,604,265	109
2018	6,178,081	4,278,996	3,273,147	131
2019	6,731,755	4,688,762	3,307,311	142
2020	7,801,909	4,878,534	3,897,054	125
2021	8,102,963	5,066,720	4,032,795	126
2022	8,188,212	5,120,089	3,367,812	152
2023	8,697,841	5,438,760	4,906,452	111

(1) Computed as the dollar amount of the actual employee contribution made divided by the contribution rate, expressed as a percentage of payroll.

(2) Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC) employer contribution rate for GASB disclosure purposes.

(3) The ADC is computed as a dollar amount based on the entry age cost method and future payroll contributions from members. The ADC is computed for GASB reporting purposes only. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the ADC.

Judges' Retirement Fund of the State of Idaho

EXHIBIT 8: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A PERCENTAGE OF COVERED PAYROLL

Fiscal Year Ending	Actual JRF Employer Contribution %[1]	Annual Determined Contribution (ADC) %[2]	Percentage of ADC Contributed
2015	58.47%	56.80%	103%
2016	55.28	56.80	97
2017	64.05	58.49	109
2018	69.26	52.98	131
2019	69.65	49.13	142
2020	62.53	49.95	125
2021	62.53	49.77	126
2022	62.53	41.13	152
2023	62.53	56.41	111

(1) Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by statute and the Board's Funding Policy may differ from the computed ADC employer contribution rate for GASB disclosure purposes.

(2) The ADC is computed based on the entry age cost method and future payroll contributions from members. The ADC is computed for GASB reporting purposes only. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the ADC.

Judges' Retirement Fund of the State of Idaho

EXHIBIT 9: PROVISIONS OF GOVERNING LAW

All actuarial calculations are based on our understanding of the statutes governing the Judges' Retirement Fund of the State of Idaho, as contained in Sections 1-2001 through 1-2012, inclusive, of the Idaho Code, with amendments effective through July 1, 2023. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Idaho Code. This summary does not attempt to cover all the detailed provisions of the law. Members seeking specific plan provisions should consult their member handbook. Only those benefits in effect through July 1, 2023 are considered in this valuation.

Effective Year

The effective date of the Retirement Fund was 1947.

Member Contribution Rate

The member contribution rate effective July 1, 2023 is 11.57% of salary. Members contribute to the plan during the first 20 years of service (Section 1-2004B).

Employer Contribution Rate

The employer contribution rate effective July 1, 2023, 62.53% of salary is contributed by the State, during the first 20 years of service (Section 1-2004A).

Service Retirement Allowance

Eligibility
Age 65 with four years of service, 60 with 10 years of service, 55 with 15 years of service, or any age with 20 years of service
(Section 1-2001).

Amount of Allowance
The annual service retirement allowance is 5.0% multiplied by the number of years served as either justice or judge or both, for the first 10 years of credited service plus 2.5% multiplied by the remaining number of years of credited service as either justice or judge or both, but in any event the total shall not be greater than 75%.

For members who assumed office before July 1, 2012, the retirement allowance is multiplied by the current annual compensation of the highest office in which they served.

For members who assumed office on or after July 1, 2012, the initial retirement allowance is multiplied by the annual compensation at the time of retirement of the highest office in which he or she served (Section 1-2001).

Service Retirement Allowance (continued)

Normal Form
For members who first assumed office before July 1, 2012, monthly payments for life under a fully subsidized 50% Joint and Survivor annuity.

For members who first assumed office on or after July 1, 2012, monthly payments for life under a fully subsidized 30% Joint and Survivor annuity (Section 1-2001, 1-2001b, and 1-2009).

Vested Retirement Allowance

Eligibility
Vested former contributing members are entitled to receive benefits upon reaching the eligibility age requirements in Section 1-2001.

Amount of Allowance
Accrued service retirement allowance (Section 1-2001).

Disability Retirement Allowance

Eligibility
Four years of membership service. (Section 1-2001).

Amount of Allowance
Accrued service retirement allowance. (Section 1-2001).

Normal Form
Same as service retirement.

Death Benefits

After Retirement or Termination
For members who first assumed office before July 1, 2012, 50% of the judge's retirement benefit is continued to the surviving spouse.

For members who first assumed office on or after July 1, 2012, 30% of the judge's retirement benefit is continued to the surviving spouse.

Upon termination or retirement, a member may elect to have 100% of his or her accrued retirement benefit continued to his or her surviving spouse upon his or her death. Such election results in a reduction of his or her monthly benefit to the actuarial equivalent of their assumed normal retirement benefit, which is a 50% surviving spouse benefit if first assumed office before July 1, 2012, or a 30% surviving spouse benefit if first assumed office on or after July 1, 2012 (Sections 1-2001b and 1-2009).

Before Retirement or Termination
An amount equal to the benefit the judge would have received had he or she elected a 100% Joint and Survivor benefit before his or her death (Section 1-2009).

Withdrawal Benefits

Accumulated contributions with credited interest at 6.5% per annum, compounded annually (Section 1-2001).

Postretirement Increases

For members who first assumed office before July 1, 2012, postretirement benefit increases are in proportion to increases in the salary of the highest office in which the member served (Section 1-2001).

Members who assumed office before July 1, 2012, had until August 1, 2012 to make an irrevocable election to have their postretirement benefit increases based on the consumer Price Index as described in Idaho Code Section 59-1355. Those that made this election will instead receive the benefit increases described below.

For members who first assumed office on or after July 1, 2012, and those who made the election described in the prior paragraph, postretirement benefit increases are based on changes in the Consumer Price Index. The measurement period for changes in the CPI-U is August to August. The COLA changes are implemented effective on the July 1 following the measurement period.

If the CPI-U increases by at least 1%, the COLA is at least 1%. If the CPI-U increases by more than 1%, an additional postretirement increase of up to 5% each year (but not more than the increase in the CPI-U) may be authorized by the Board, subject to the approval of the Legislature.

If the CPI-U increases by less than 1% or decreases, the COLA is automatic, based on the change in the CPI. If a negative COLA is applicable, the negative COLA cannot decrease benefits by more than 6%. Additionally, a negative COLA cannot decrease a member's benefit below the amount of the benefit at the initial benefit date.

If a COLA is implemented that is less than the increase in the CPI-U, members' benefits will not retain their full inflation-adjusted purchasing power. In such cases the Board may implement a Restoration of Purchasing Power (ROPP) COLA at a later date to bring those members closer to 100% of inflation adjusted purchasing power. As with a discretionary COLA, a ROPP is subject to approval of the Legislature (Section 59-12355).

Pop-Up Benefit

Section 1-2001b, paragraph (2), provides a judge with a pop-up benefit if the named contingent annuitant predeceases the judge. This benefit equals what they wold have received had they not elected the 100% Joint and Survivor form of payment.

Retirement Under Paragraph (b)

Section 1-2001(2), paragraph (b), provides any person now serving as justice of the supreme court, a judge of the court of appeals, or a district judge of a district court an additional 2.5% multiplied by 5 years senior judge service, but in any event the total shall not be greater than 75% of the current annual compensation of the highest office held while in active service. The five years of senior judge service is required for this benefit. This benefit is not available with the age 55 and 15 years of service retirement for those judges who first took office after July 1, 2012.

Milliman

950 W. Bannock Street
Suite 510
Boise, ID 83702
USA

Tel +1 208 342 3485
Fax +1 208 342 5667

milliman.com

October 11, 2023

Public Employee Retirement System of Idaho State of Idaho
P.O. Box 83720
Boise, ID 83720

Dear Members of the Board:

Milliman has performed actuarial valuations for the Sick Leave of Idaho Retirement Funds (the Funds). The most recent valuation was performed as of July 1, 2023. It is anticipated that future actuarial valuations will be performed every other year with the next valuation to be as of July 1, 2024. The benefits provided by the fund are provided under Idaho Code Section 67-5333 for State employees and Section 33-1228 for School employees and administered by the Public Employee Retirement System of Idaho (PERSI).

Contribution Rates

The financing objective of the Funds is to establish contribution rates that will tend to remain level as percentages of payroll. From 1993 to 2023, the total contribution rate has been between 0.00% and 1.26%; year by year detail including employer and member rates is shown in the table on the following page.

At July 1, 1988, the contribution rates were 0.40% and 0.325% for State employers and School employers, respectively. Our July 1, 1988 valuation found that the contribution rates were not sufficient to amortize the unfunded actuarial accrued liability. Therefore, the Board approved contribution rate increases to take effect over the next few years. Effective July 1, 1993, the contribution rate for State employers was set at 0.65%. Contribution rates for School employers were also increased over this time period, settling at 1.15% as of July 1, 1996. Effective July 1, 2006, the contribution rate for School employers was increased again. The rates vary by school location between 1.16% and 1.26% according to the number of days of paid sick leave accruing during the contract year in accordance with Rule 552 of the Idaho Administrative Code. Effective January 1, 2020, the contribution rate for State employers and for School employers were both set at 0.00%. The contribution rates are schedules to increase to the normal cost rate on July 1, 2031, for State employers and on July 1, 2026, for School employers.

The historical changes in contribution rates since 1992 are shown in the table below.

Actual Rates			Calculated Employer Rates State					
			State			Schools		
Effective Date[1]	State	Schools	Normal Cost	Unfunded Actuarial Accrued Liability	Total	Normal Cost	Unfunded Actuarial Accrued Liability	Total
1992	0.80 %	1.00%	0.30%	0.31%	0.61%	0.52%	0.57%	1.09%
1993	0.65	1.10	0.30	0.31	0.61	0.52	0.57	1.09
1994	0.65	1.10	0.30	0.31	0.61	0.52	0.57	1.09
1995	0.65	1.10	0.32	0.27	0.59	0.59	0.55	1.14
1996	0.65	1.15 [2]	0.32	0.27	0.59	0.59	0.55	1.14
1997	0.65	1.15	0.35	0.16	0.51	0.63	0.44	1.07
1999	0.65	1.15	0.42 [3]	0.10	0.52	0.60	0.22	0.82
2001	0.65	1.15	0.45 [3]	0.20	0.65	0.62	0.29	0.91
2004	0.65	1.15	0.40	0.23	0.63	0.73	0.68	1.41
2006	0.65	1.16/1.26 [4]	0.40	0.13	0.53	0.67	0.41	1.08
2008	0.65	1.16/1.26 [4]	0.39	0.16	0.55	0.66	0.48	1.14
2010	0.65	1.16/1.26 [4]	0.37	0.16	0.53	0.62	0.51	1.13
2012	0.65	1.16/1.26 [4]	0.37	N/A	0.37	0.63	0.13	0.76
2015	0.65	1.16/1.26 [4]	0.35	N/A	0.35	0.62	N/A	0.62
2016	0.65	1.16/1.26 [4]	0.39	N/A	0.39	0.65	N/A	0.65
2017	0.65	1.16/1.26 [4]	0.38	N/A	0.38	0.68	N/A	0.68
2019	0.65	1.16/1.26 [4]	0.36	N/A	0.36	0.64	N/A	0.64
2020	0.00[5]	0/0[4&5]	0.32	N/A	0.32	0.61	N/A	0.61
2021	0.00[5]	0/0[4&5]	0.41	N/A	0.41	0.76	N/A	0.76
2022	0.00[5]	0/0[4&5]	0.38	N/A	0.38	0.73	N/A	0.73
2023	0.00[5]	0/0[4&5]	0.40	N/A	0.40	0.74	N/A	0.74

(1) Contribution rates are effective July 1 of the indicated year for the State program, September 1 of the indicated year for the Schools program.

(2) Rates are effective October 1 of indicated year.

(3) Reflects changes in benefit provisions.

(4) Contribution rates for School participants vary by school location according to the number of days of paid sick leave accruing during the contract year in accordance with Rule 552 of the Idaho Administrative Code.

(5) Per the Board decisions in 2019, 2020 and 2021, there are not contributions charged of employers from January 1, 2020 through June 30, 2023.

Funding Status

The most recent valuation was performed as of July 1, 2023. Based on this valuation, there is currently no unfunded actuarial accrued liability to amortize. This is consistent with the July 1, 2022, actuarial valuation. As of July 1, 2023, there is a funding excess (assets exceed actuarial accrued liability) of $142.6 million for State employers and $71.4 million for School employers.

The unfunded actuarial accrued liability was decreased by $6.7 million for State employers and $9.4 million for School employers due to an asset gain recognized as of July 1, 2023. Specifically, the

Systems' assets earned a net return after expenses of 8.19% and 8.08%, which is 2.79% and 2.68% above the actuarial assumption of 5.40% (State and Schools Systems, respectively). All other actuarial experience gains and losses increased the UAAL by $3.1 million for State employers and decreased the UAAL by $1.0 million for School employers. Thus, the total experience gain/loss for the year was a gain of $3.6 million for State employers and a gain of $10.4 million for School employers.

In addition, a change in our assumption for member data that is missing the amount of unused sick leave days/hours increased the UAAL by $4.7 million for State employers and $5.3 million for School employers.

Also, the UAAL for State employers decreased by $2.7 million because expected contributions plus assumed investment returns were more than the normal cost and the interest on the UAAL. The UAAL for School employers increased by $8.8 million because expected contributions plus assumed investment returns were less than the normal cost and the interest on the UAAL.

All of these items resulted in a change in funding status for State employers from a 236.2% funding ratio on July 1, 2022 to 222.7% on July 1, 2023. All of these items resulted in a change in funding status for School employers from a 126.7% funding ratio on July 1, 2022, to 123.8% on July 1, 2023. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability.

Comparison to GASB Statement No. 74 Liabilities

The long term expected rate of return on investments is 5.45%, net of investment expenses. This figure includes 0.05% for expected administrative expenses. For purposes of determining the System's funding status and UAAL, we use a discount rate that is net of all expenses (5.40%). All figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total OPEB Liability (TOL) and Net OPEB Liability (NOL) for purposes of GASB reporting. According to GASB Statement 74, the discount rate used to calculate TOL and NOL must be net of investment expenses but not administrative expenses. Therefore, TOL and NOL have been determined using a discount rate of 5.45%. Results and further details on these items can be found in our GASB 74/75 Report.

Other Information

The Sick Leave systems are cost-sharing multiple-employer defined benefit plans. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. They have chosen to define their Actuarially Determined Contribution as the normal cost rate based on the valuation results from the year prior to this measurement date. Because the plans have no funding shortfall, we believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for Sick Leave's contribution structure of contributing a percentage of pay over employees' working lifetimes.

Assumptions

Our July 1, 2023, actuarial valuation report presented summaries of the actuarial assumptions and methods used in the valuation. The last major experience study for PERSI, completed in July and August 2021, covered the period July 1, 2015 through June 30, 2020. We anticipate the next major experience study, to be completed in 2025, will cover the period July 1, 2020 through June 30, 2024. In 2020, a demographic experience study was performed on the Sick Leave plan, resulting in some assumptions diverging from those used for PERSI.

Certification

Actuarial computations presented in this report are for purposes of financial reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

This report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Appendix A of our 2023 Valuation Report.

In preparing this report and using our models, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, statutory provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with data used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

Milliman's work is prepared solely for the internal business use of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a release, subject to the following exceptions:

(a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

(b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models employing standard actuarial techniques. The intent of the models was to value OPEB liabilities. We have reviewed the models, including their inputs, calculations, and outputs, for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs). The models, including all input, calculations, and output may not be appropriate for any other purpose.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States of the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retiree and Beneficiary Valuation Data
Exhibit 4	Schedule of Funding Progress
Exhibit 5	Solvency Test
Exhibit 6	Analysis of Actuarial Gains or Losses
Exhibit 7	Schedule of Contributions from the Employer All Other Contributing Entities
Exhibit 8	Schedule of Contributions from the Employer Expressed as a Percentage of Payroll
Exhibit 9	Provisions of Governing Law

We would like to express our appreciation to Don Drum, Executive Director of the System, and to members of their staff, who gave substantial assistance in supplying the data on which this report is based.

Sincerely,

Robert L Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

Bret D Linton, FSA, EA, MAAA
Principal and Consulting Actuary

Ryan J Cook, FSA. EA, CERA, MAAA
Consulting Actuary

RLS:BDL:RJC:kw

Sick Leave of Idaho Retirement Funds
Public Employee Retirement System of Idaho

EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2023

1. Investment Return (Adopted July 1, 2021)

The annual rate of investment return on the assets of the System, net of investment expenses, is assumed to be 5.45%. this is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 5.40%.

2. Actuarial Value of Assets (Adopted July 1, 1994)

All assets are valued at market as of the valuation date.

3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the System's actual experience.

4. Mortality (Adopted July 1, 2021)

Contributing Members, Service Retirement Members, and Beneficiaries

- **Teachers**

  Males Pub-2010 Teacher Tables, increased 12%.

  Females Pub-2010 Teacher Tables, increased 21%.

- **Fire & Police**

  Males Pub-2010 Safety Tables, increased 21%.

  Females Pub-2010 Safety Tables, increased 26%.

- **General *Employees and All Beneficiaries***

  Males Pub-2010 General Tables, increased 11%.

  Females Pub-2010 General Tables, increased 21%.

- ***Disabled Members***

  Males Pub-2010 Disabled Tables, increased 38%.

  Females Pub-2010 Disabled Tables, increased 36%.

- ***Mortality Improvement***
  All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by the Social Security Administration from 1957 through 2017.

continued

5. Service Retirement (Adopted July 1, 2021)

Annual rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

	General Employees - Schools			
	Male		Female	
Age	First Year Eligible	Thereafter	First Year Eligible	Thereafter
55	25%	N/A	24%	N/A
60	20	16%	26	13%
65	33	31	36	42
70	15	17	13	23

	General Employees - State			
	Male		Female	
Age	First Year Eligible	Thereafter	First Year Eligible	Thereafter
55	23%	N/A	20%	N/A
60	24	13%	24	16%
65	30	41	35	43
70	12	23	15	28

	Teachers			
	Male		Female	
Age	First Year Eligible	Thereafter	First Year Eligible	Thereafter
55	32%	N/A	33%	N/A
60	36	33%	32	27%
65	36	41	44	49
70	*	*	*	*

	Fire and Police	
Age	First Year Eligible	Thereafter
55	23%	N/A
60	14	23
65	28	33
70	*	*

* For all ages older than the age indicated, retirement is assumed to occur immediately.

continued

6. Early Retirement (Adopted July 1, 2021)

Annual rates of retirement assumed to occur among persons eligible for a reduced early retirement benefit are illustrated in the following table:

	General Employees - Schools		General Employees - State		Teachers		
Age	Male	Female	Male	Female	Male	Female	Fire and Police
50	*	*	*	*	*	*	3%
55	2%	2%	3%	3%	2%	3%	5
60	5	6	6	6	9	10	N/A

* Members cannot yet be eligible for early retirement at the age indicated, withdrawal is assumed to occur (see Section 7).

7. Other Terminations of Employment (Adopted July 1, 2021)

Assumed annual rates of termination are illustrated below. Rates are based only on years of service.

	General Employees - Schools		General Employees - State		Teachers		
Years of Service	Male	Female	Male	Female	Male	Female	Fire and Police
5	9.0%	10.8%	9.0%	10.8%	5.8%	6.7%	7.9%
10	5.6	6.8	5.4	6.6	3.2	3.6	4.7
15	3.7	4.2	3.7	4.1	2.1	2.1	3.1
20	2.7	3.3	2.6	3.0	1.2	1.3	1.7
25	1.6	1.9	1.3	2.2	0.9	0.9	0.7
30	1.6	1.9	1.3	2.2	0.9	0.9	0.7

8. Disability Retirement (Adopted July 1, 2021)

Annual rates assumed for disability retirement are illustrated in the following table:

	General Employees		Teachers		
Age	Male	Female	Male	Female	Fire and Police
25	.01%	.01%	.01%	.03%	.01%
35	.05	.03	.03	.03	.05
45	.09	.10	.06	.10	.12
55	.32	.26	.19	.30	.40

continued

9. Future Salaries (Adopted July 1, 2021)

In general, the total annual rates at which salaries are assumed to increase include 3.05% per annum for increase in the general wage level of the membership plus increases due to promotions and longevity. The general wage level increases are due to inflation and increases in productivity. The total ultimate rates assumed are illustrated below.

Years of service	General Employees		Teachers		
	Male	Female	Male	Female	Fire and Police
5	5.63%	6.18%	7.23%	6.99%	6.68%
10	4.73	4.96	6.44	6.68	5.05
15	3.88	4.39	4.63	5.08	3.90
20	3.82	3.85	3.76	3.70	3.89

10. Assumed Rates of Accrual for Sick Leave Hours and Days

The unused sick leave hours and days accumulation assumptions were set based on a study of actual member sick leave hours and days, as of July 1, 2020. The study showed a significant difference between different income levels (for the State program only) and different sexes. The member's current salary was compared against $60,000 for State members. If the salary was larger than the indexed amount, his or her current sick leave hours were projected forward based on the higher accrual rate.

Group	Annual Accrual Rate
State males earning less than $60,000 per year	49.7 hours
State females earning less than $60,000 per year	34.9 hours
State males earning more than $60,000 per year	61.0 hours
State females earning more than $60,000 per year	51.0 hours

Group	Annual Accrual Rate
School males	6.66 days
School females	5.00 days

11. Forfeitures of Sick Leave Balance

3.25% / 2.00% (State / Schools) of sick leave benefits (as of the later of retirement or the valuation date) are assumed to be forfeited due to death before benefits are fully spent. Active and inactive liabilities are reduced by this percentage.

12. Payout Percentage

20% / 25% (State/Schools) of remaining retiree balances are assumed to be paid out each year.

13. Growth in Membership (Adopted July 1, 2021)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.05% average annual expansion in the payroll of covered members.

continued

14. Actuarial Cost Method

The individual entry age actuarial cost method is used. This cost method was adopted as of July 1, 2013 by the Board in order to be consistent with the cost method required by GASB Statements 74 and 75.

The normal cost rates used in the July 1, 2023, valuation were calculated based on all current active members as of July 1, 2023, for each sex and type of employee in the valuation. The normal costs and projected fiscal year 2024 salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate. We anticipate the normal cost rate was adopted will be adopted in November 2023, in conjunction with the July 1, 2023 actuarial valuation.

The Unfunded Actuarial Accrued Liability (UAAL) created by this method, including gains and losses, is amortized as a level percentage of the System’s projected payroll.

15. Experience Studies

In 2020 a Sick Leave demographic experience study was completed studying retirement and termination rates for general and fire & police members, accrual of unused sick leave hours/days, payout period, and for forfeitures. The remaining assumptions were studied in the PERSI experience study completed in 2021 for the period July 1, 2015, through June 30, 2020. We anticipate that assumptions will be studied again in 2025 for the period from July 1, 2020, through June 30, 2024. The payout percentage assumption is studied each year as part of the annual valuation.

16. Recent Changes

We have updated our assumption for member data that is missing the amount of unused sick leave days/hours as of the valuation date. In prior valuations we have treated these members as having no unused sick leave. We've updated that to assume their unused sick leave is based on their service and the applicable accumulation rate from Section 10, above.

Sick Leave of Idaho Retirement Funds
Public Employee Retirement System of Idaho

EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

	State Coverage - ORP		State Coverage - Other		Schools Coverage		Total	
Valuation Date July 1	Members	Annual Salaries In Thousands	Members	Annual Salaries In Thousands	Members	Annual Salaries In Thousands	Members	Annual Salaries In Thousands
2010	[1]	$263,868	18,100	$722,064	30,290	$1,134,279	48,389	$2,120,211
2012	[1]	276,912	17,856	729,030	28,843	1,051,824	46,698	2,057,766
2015	[1]	310,128	18,159	775,085	29,879	1,121,478	48,037	2,206,691
2016	3,978	242,292	18,291	779,043	30,464	1,150,959	52,733	2,172,294
2017	3,859	257,426	16,863	803,788	31,558	1,238,143	52,280	2,299,357
2019	4,127	281,937	16,932	839,989	33,114	1,380,543	54,173	2,502,469
2020	4,207	298,387	17,171	877,914	33,744	1,456,859	55,122	2,633,160
2021	4,156	291,476	16,906	875,915	33,982	1,550,208	55,044	2,717,599
2022	4,266	308,820	16,653	926,561	34,775	1,663,265	55,694	2,898,646
2023	4,422	337,438	17,279	1,022,241	25,625	1,746,770	57,326	3,106,449

[1] Detailed individual data for ORP members was not provided before the 2016 valuation.

Sick Leave of Idaho Retirement Funds
Public Employee Retirement System of Idaho

EXHIBIT 3: SCHEDULE OF RETIREE VALUATION DATA

	State Coverage		Schools Coverage		Total	
Valuation Date July 1	Retired Members	Remaining Entitlement Balance in Thousands	Retired Members	Remaining Entitlement Balance in Thousands	Retired Members	Remaining Entitlement Balance in Thousands
2010	2,937	$13,308	4,045	$32,428	6,982	$45,736
2012	3,384	15,061	4,775	38,652	8,159	53,713
2015	4,027	16,946	5,724	43,602	9,751	60,548
2016	4,145	17,014	5,910	44,031	10,055	61,045
2017	4,301	17,635	5,946	43,418	10,247	61,053
2019	5,232	25,226	6,229	44,721	11,461	69,947
2020	5,534	27,474	6,523	47,821	12,057	75,295
2021	5,835	30,390	6,850	51,886	12,685	82,276
2022	6,415	35,383	7,401	57,916	13,816	93,299
2023	6,502	37,390	7,838	63,370	14,340	100,760

Sick Leave of Idaho Retirement Fund
Public Employee Retirement System of Idaho

EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS
(ALL DOLLAR AMOUNTS IN MILLIONS)

State Sick Leave Program

Valuation Date July 1	Actuarial Accrued Liability	Plan Assets	Unfunded Actuarial Liability	Funding Percentage	Covered Payroll	UAAL as a Percent of Cov. Payroll
2010	$97.1	$82.8	$14.3	85%	$890.9	2%
2012	100.1	108.3	(8.2)	108	891.3	(1)
2015	91.3	157.7	(66.4)	173	976.6	(7)
2016	86.5	162.9	(76.4)	188	1,046.8	(7)
2017	85.9	186.5	(100.6)	217	1,098.0	(9)
2019	99.3	225.2	(125.9)	227	1,153.5	(11)
2020	93.7	234.4	(140.7)	250	1,382.8	(10)
2021	104.6	286.2	(181.6)	274	1,111.6	(16)
2022	103.5	244.5	(141.0)	236	1,180.6	(12)
2023	116.2	258.8	(142.6)	223	1,401.9	(10)

Schools Sick Leave Program

Valuation Date July 1	Actuarial Accrued Liability	Plan Assets	Unfunded Actuarial Liability	Funding Percentage	Covered Payroll	UAAL as a Percent of Cov. Payroll
2010	$193.7	$137.8	$55.9	71%	$1,164.3	5%
2012	194.1	175.2	18.9	90	1,081.2	2
2015	194.6	246.6	(52.0)	127	1,136.3	(5)
2016	200.8	250.9	(50.1)	125	1,174.7	(4)
2017	220.5	285.5	(65.0)	129	1,240.6	(5)
2019	249.3	344.5	(95.2)	138	1,380.9	(7)
2020	233.7	356.0	(122.3)	152	1,507.1	(8)
2021	277.0	421.3	(144.3)	152	1,497.2	(10)
2022	280.8	355.9	(75.1)	127	1,603.5	(5)
2023	299.4	370.8	(71.4)	124	1,730.6	(4)

Notes:

Actuarial accrued liability is the actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.

Funded Ratio is the ratio of the actuarial value of assets over the actuarial accrued liabilities.

Covered Payroll includes compensation paid to all active employees on which contributions are calculated. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2 which is compensation of only those members who were active on the actuarial valuation date.

Sick Leave of Idaho Retirement Funds
Public Employee Retirement System of Idaho

EXHIBIT 5: SOLVENCY TEST
(ALL DOLLAR AMOUNTS IN MILLIONS)

State Sick Leave Program

		Actuarial Accrued Liabilities for					
Valuation Date July 1	Plan Assets	Active Member Contributions (A)	Retirees and Beneficiaries (B)	Active Members (Employer Financed) (C)	Portion Covered by Assets (A)	Portion Covered by Assets (B)	Portion Covered by Assets (C)
2010	$82.8	$—	$13.3	$83.8	100%	100%	83%
2012	108.3	—	15.1	85.0	100	100	100
2015	157.7	—	16.9	74.4	100	100	100
2016	162.9	—	17.0	69.5	100	100	100
2017	186.5	—	17.6	68.3	100	100	100
2019	225.2	—	25.2	74.1	100	100	100
2020	234.4	—	23.4	70.3	100	100	100
2021	286.2	—	26.6	78.0	100	100	100
2022	244.5	—	27.8	75.7	100	100	100
2023	258.8	—	29.3	86.9	100	100	100

Schools Sick Leave Program

		Actuarial Accrued Liabilities for					
Valuation Date July 1	Plan Assets	Active Member Contributions (A)	Retirees and Beneficiaries (B)	Active Members (Employer Financed) (C)	Portion Covered by Assets (A)	Portion Covered by Assets (B)	Portion Covered by Assets (C)
2010	$137.8	$—	$32.4	$161.3	100%	100%	65%
2012	175.2	—	38.7	155.4	100	100	88
2015	246.6	—	43.6	151.0	100	100	100
2016	250.9	—	44.0	156.8	100	100	100
2017	285.5	—	43.4	177.1	100	100	100
2019	344.5	—	44.7	204.6	100	100	100
2020	356.0	—	41.2	192.5	100	100	100
2021	421.3	—	46.0	231.0	100	100	100
2022	355.9	—	48.0	232.8	100	100	100
2023	370.8	—	52.6	246.8	100	100	100

Sick Leave of Idaho Retirement Funds
Public Employee Retirement System of Idaho

EXHIBIT 6a: STATE EMPLOYERS ANALYSIS OF ACTUARIAL GAINS OR LOSSES
(ALL DOLLAR AMOUNTS IN MILLIONS)

	Gain (Loss) for Period		
	2022-2023	2021-2022	2020-2021
Investment Income			
Investment income was greater (less) than expected	$ 6.7	$ (51.5)	$ 44.4
Pay Increases			
Pay increases were less (greater) than expected	(2.5)	(2.6)	N/A[1]
Membership Growth			
New members increased liabilities by more (less) than their contributions increased assets (includes new hires, rehires, and transfer from non-sick leave eligible employers to sick leave eligible employers)	(2.0)	(1.5)	N/A[1]
Cost of Living Adjustments (COLAs)			
This plan is not directly affected by the PERSI COLAs	N/A	N/A	N/A
Other Retired Member Experience			
Retirees used their benefits slower (faster) than expected and miscellaneous retiree gains (and losses) resulting from other causes	(0.9)	(2.2)	N/A[1]
Other Active and Inactive Member Experience			
Members using more (less) sick leave than expected and miscellaneous gains (and losses) resulting from other causes	2.3	3.2	2.8[1]
Total Gain (Loss) During the Period From Actuarial Experience	3.6	(54.6)	47.2
Contribution Income			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL	2.7	4.6	1.9
Non-Recurring Items			
Changes in actuarial assumptions caused a gain (loss)	(4.7)	9.4	(8.2)
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss)	None	None	None
Change in Future Contribution Rates	None	None	None
Composite Gain (Loss) During the Period			
Total Gain (Loss) During the Period	$ 1.6	$ (40.6)	$ 40.9

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the unfunded actuarial accrued liability.

[1] Prior to 2020-2021, actuarial experience gain (losses) was only broken out into investment income and member experience. All member experience gains (losses) for this period are shown under the Other Active and Inactive Member Experience row.

EXHIBIT 6b: SCHOOL EMPLOYERS
ANALYSIS OF ACTUARIAL GAINS OR LOSSES
(ALL DOLLAR AMOUNTS IN MILLIONS)

	Gain (Loss) for Period		
	2022-2023	**2021-2022**	**2020-2021**
Investment Income			
Investment income was greater (less) than expected	$ 9.4	$ (75.1)	$ 58.9
Pay Increases			
Pay increases were less (greater) than expected	0.2	(3.2)	N/A[1]
Membership Growth			
New members increased liabilities by more (less) than their contributions increased assets (includes new hires, rehires, and transfer from non-sick leave eligible employers to sick leave eligible employers)	(4.0)	(2.8)	N/A[1]
Cost of Living Adjustments (COLAs)			
This plan is not directly affected by the PERSI COLAs	N/A	N/A	N/A
Other Retired Member Experience			
Retirees used their benefits slower (faster) than expected and miscellaneous retiree gains (and losses) resulting from other causes	4.2	2.3	N/A[1]
Other Active and Inactive Member Experience			
miscellaneous gains (and losses) resulting from other causes	0.6	3.0	(11.6) [1]
Total Gain (Loss) During the Period From Actuarial Experience	10.4	(75.8)	47.3
Contribution Income			
Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL	(8.8)	(5.1)	(6.3)
Non-Recurring Items			
Changes in actuarial assumptions caused a gain (loss)	(5.3)	11.7	(19.0)
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss)	None	None	None
Change in Future Contribution Rates	None	None	None
Composite Gain (Loss) During the Period			
Total Gain (Loss) During the Period	$ (3.7)	$ (69.2)	$ 22.0

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

(1) Prior to 2020-2021, actuarial experience gain (losses) was only broken out into investment income and member experience. All member experience gains (losses) for this period are shown under the Other Active and Inactive Member Experience row.

Sick Leave of Idaho Retirement Funds
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EXHIBIT 7a: STATE EMPLOYERS

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (ALL DOLLAR AMOUNTS IN MILLIONS)

Fiscal Year Ending	Covered Employee Payroll (1)	Actual Employer Contributions Dollar Amount (2)	Actuarially Determined Contribution (ADC)(3)	Percentage of ADC Dollars Contributed
2014	$936.7	$6.1	$3.5	176%
2015	976.6	6.3	3.6	176
2016	1,046.8	6.8	3.7	186
2017	1,098.0	7.1	4.3	167
2018	1,101.7	7.2	4.2	171
2019	1,153.5	7.5	4.4	170
2020	1,382.8	4.5	5.0	90
2021	1,111.6	—	3.6	—
2022	1,180.6	—	4.8	—
2023	1,401.9	—	5.3	—

(1) Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the Actual contribution rate expressed as a percentage of payroll. Provided by PERSI starting in 2021.

(2) Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

(3) The ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus an amortization of any Unfunded Actuarial Accrued Liability over the remaining lifetime of the covered members. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year containing the valuation date.

Sick Leave of Idaho Retirement Funds
Public Employee Retirement System of Idaho

EXHIBIT 7b: SCHOOL EMPLOYERS

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (ALL DOLLAR AMOUNTS IN MILLIONS)

Fiscal Year Ending	Covered Employee Payroll (1)	Actual PERSI Employer Contributions Dollar Amount (2)	Actuarially Determined Contribution (ADC)(3)	Percentage of ADC Dollars Contributed
2014	$1,114.7	$13.3	$8.5	157%
2015	1,136.3	13.5	8.6	157
2016	1,174.7	14.0	7.3	192
2017	1,240.6	14.8	8.1	183
2018	1,310.9	15.6	8.9	175
2019	1,380.9	16.4	9.4	174
2020	1,507.1	9.0	9.6	94
2021	1,497.2	—	9.1	—
2022	1,603.5	—	12.2	—
2023	1,730.6	—	12.6	—

(1) Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the Actual contribution rate expressed as a percentage of payroll. Provided by PERSI starting in 2021.

(2) Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

(3) The ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus an amortization of any Unfunded Actuarial Accrued Liability over the remaining lifetime of the covered members. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year containing the valuation date.

**EXHIBIT 8a: STATE EMPLOYERS
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A PERCENTAGE OF PAYROLL**

Fiscal Year Ending	Actual PERSI Employer Contribution % (1)	Actuarially Determined Contribution (ADC) %(2)	Percentage of ADC Contributed
2014	0.65%	0.37%	176%
2015	0.65	0.37	176
2016	0.65	0.37	176
2017	0.65	0.35	186
2018	0.65	0.39	167
2019	0.65	0.38	171
2020	0.33	0.36	92
2021	—	0.32	—
2022	—	0.41	—
2023	—	0.38	—

(1) Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

(2) The ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus an amortization of any Unfunded Actuarial Accrued Liability over the remaining lifetime of the covered members. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year containing the valuation date.

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EXHIBIT 8b: SCHOOL EMPLOYERS
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A PERCENTAGE OF PAYROLL

Fiscal Year Ending	Actual PERSI Employer Contribution %[1]	Actuarially Determined Contribution (ADC) % [2]	Percentage of ADC Contributed
2014	1.19%	0.76%	157%
2015	1.19	0.76	157
2016	1.19	0.76	157
2017	1.19	0.62	192
2018	1.19	0.65	183
2019	1.19	0.68	175
2020	0.60	0.64	94
2021	—	0.61	—
2022	—	0.76	—
2023	—	0.73	—

(1) Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

(2) The ADC, formerly known as the Annual Required Contribution (ARC), is equal to the normal cost rate plus an amortization of any Unfunded Actuarial Accrued Liability over the remaining lifetime of the covered members. The ADC determined as of the valuation date is applicable for employer fiscal years commencing July 1 of the calendar year containing the valuation date.

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Public Employee Retirement System of Idaho

EXHIBIT 9: PROVISIONS OF GOVERNING LAW

All actuarial calculations are based on our understanding of the statutes governing the use of unused sick leave benefits administered by the Public Employee Retirement System of Idaho, as contained in Section 67-5333 for State employees and Section 33-1228 for School employees of the Idaho Code. The benefit and contribution provisions of this law are summarized briefly below. The items in parentheses are the provisions applicable to school employees.

Effective Date

The effective date of the Retirement System was July 1, 1976.

Benefits

Upon separation from State (public schools) employment for retirement reasons, a member's unused sick leave earned subsequent to July 1, 1976, is determined and reported to PERSI. The monetary value of one-half of the unused sick leave is transferred from the sick leave account to the member's retirement account (the entitlement balance). The monetary value of the unused sick leave is based upon the rate of pay of the employee at the time of retirement.

Effective July 1, 2001, the maximum amount transferred shall be limited for State covered members only, based on the number of hours of credited State service as follows:

Years of State Service	Maximum Unused Sick Leave
Less than 5*	420 Hours
5-10	480
10-15	540
16 or more	600

** All members who are eligible for retirement benefits have at least 5 years of service.*

The transferred monies to the member's retirement account are used for the payment of group health, accident, and life insurance premiums under programs maintained by the State (school district). Upon a retired covered member's death, any remaining entitlement balance reverts to the sick leave account.

Contributions

Each State government (public school) employer contributes a percentage of covered members' salaries to the sick leave account maintained by the System. The System's board determines the contribution rate.

STATISTICAL
SECTION

The objectives of the Statistical Section are to provide additional historical perspective, context, and relevant details to assist readers in using the information in the financial statements, notes to the financial statements, and the required supplementary information in order to understand and assess the System's economic condition. In support of these objectives, the System has implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section.*

The System is the administrator of seven fiduciary funds including three defined benefit retirement plans - the Public Employee Retirement Fund Base Plan (PERSI Base Plan) the Firefighters' Retirement Fund (FRF) and the Judges' Retirement Plan (JRF); two defined contribution plans - the Public Employee Retirement Fund Choice Plans 401(k) and 414(k) (PERSI Choice Plan); and two Sick Leave Insurance Reserve Trust Funds – one for state employers and one for school district employers. The data in Tables 1 through 4 of this section was provided by the System's actuary and Choice Plan record keeper. The data in the remaining tables was provided by the System's own records.

During Fiscal Year 2023, the number of active PERSI members increased from 74,409 to 76,668 The number of retired members or annuitants receiving monthly allowances increased from 53,190 to 54,680. The number of inactive members who have not been paid a separation benefit increased from 50,203 to 52,074. Of these inactive members, 16,106 have achieved vested eligibility. Total membership in PERSI increased from 177,802 to 183,422 during the fiscal year. Table 1 of this section illustrates the diversity of our employee membership, and Table 2 shows how the membership distribution of active, retired, and inactive members has changed over the years.

As of June 30, 2023 there were 850 public employers in Idaho who were PERSI members. Tables 8 and 9 of this section illustrate the diversity of our employer participation.

Table 1
Distribution of Membership by Group

	Active Members			Inactive Members			Retirees	
	Vested	Non-vested	Total	Vested	Non-vested	Total		Total
Cities	4,858	3,449	8,307	2,055	2,871	4,926	5,168	18,401
Female	1,501	1,215	2,716	778	1,172	1,950	1,856	6,522
Male	3,357	2,234	5,591	1,277	1,699	2,976	3,312	11,879
Counties	5,431	4,038	9,469	1,680	3,410	5,090	4,955	19,514
Female	2,642	1,930	4,572	936	1,836	2,772	2,567	9,911
Male	2,789	2,108	4,897	744	1,574	2,318	2,388	9,603
Schools	20,727	14,802	35,529	6,469	16,280	22,749	24,189	82,467
Female	15,580	11,714	27,294	5,099	12,891	17,990	17,861	63,145
Male	5,147	3,088	8,235	1,370	3,389	4,759	6,328	19,322
State	10,180	7,363	17,543	4,668	10,824	15,492	15,966	49,001
Female	5,272	3,930	9,202	2,660	6,116	8,776	8,493	26,471
Male	4,908	3,433	8,341	2,008	4,708	6,716	7,473	22,530
Others	3,431	2,389	5,820	1,234	2,583	3,817	4,402	14,039
Female	1,011	921	1,932	606	1,401	2,007	1,861	5,800
Male	2,420	1,468	3,888	628	1,182	1,810	2,541	8,239
Grand Total	44,627	32,041	76,668	16,106	35,968	52,074	54,680	183,422
Female	26,006	19,710	45,716	10,079	23,416	33,495	32,638	111,849
Male	18,621	12,331	30,952	6,027	12,552	18,579	22,042	71,573

Table 2
Changes in Membership - PERSI Base Plan

	Active Members			Retired Members		Inactive Members
Fiscal Year Ended	Number	Average Age	Average Years of Service	Number	Average Age	Number
2014	66,223	46.6	10.5	40,776	71.7	28,273
2015	67,008	46.5	10.4	42,657	71.6	29,827
2016	68,517	46.8	10.1	44,181	71.8	31,862
2017	70,073	46.6	9.9	45,468	72.2	34,151
2018	71,112	46.0	9.9	46,907	72.4	37,588
2019	72,502	45.9	9.8	48,120	72.7	39,867
2020	73,657	45.8	9.7	49,573	72.9	41,945
2021	73,563	45.7	9.7	50,891	73.2	45,718
2022	74,409	45.5	9.5	53,190	73.2	50,203
2023	76,668	45.3	9.3	54,680	73.4	52,074

Table 3a
Retired Members by Type of Benefit - PERSI Base Plan

		Type of Retirement			Option Selected	
Amount of Monthly Benefit	Total Number of Retirees	Normal	Disability	Beneficiary	Joint & Survivor [1]	Straight Life [2]
$0 - 250	4,709	4,140	4	565	1,315	3,394
251 - 500	6,655	6,080	26	549	1,778	4,877
501 - 750	5,682	5,134	88	460	1,608	4,074
751 - 1,000	4,632	4,129	121	382	1,391	3,241
1,001 - 1,250	3,925	3,482	111	332	1,254	2,671
1,251 - 1,500	3,384	2,963	125	296	1,120	2,264
1,501 - 1,750	2,905	2,521	152	232	991	1,914
1,751 - 2,000	2,683	2,363	124	196	951	1,732
Over 2,000	20,105	18,765	644	696	7,997	12,108
Totals	54,680	49,577	1,395	3,708	18,405	36,275

(1) Joint & Survivor (also known as Contingent Annuitant)
(2) Single Life Options include Straight Life, Cash Refund, Social Security and all other FOPs

Table 3b
Retired Members by Type of Benefit - Firefighters' Retirement Fund

Amount of Monthly Benefit	Total Number of Retirees	Type of Retirement			Option Selected	
		Normal	Disability	Beneficiary	Joint & Survivor (1)	Straight Life (2)
$0 - 250	4	2	—	2	2	2
251 - 500	6	1	—	5	1	5
501 - 750	7	2	—	5	2	5
751 - 1,000	5	2	—	3	2	3
1,001 - 1,250	7	5	—	2	5	2
1,251 - 1,500	13	9	—	4	9	4
1,501 - 1,750	11	8	1	2	9	2
1,751 - 2,000	7	3	1	3	4	3
Over 2,000	377	226	24	127	250	127
Totals	437	258	26	153	284	153

All FRF retirees and disableds are valued with two benefits and two options.

1) The benefit payable by the FRF plan is valued using a Straight Life option.
2) The total benefit is valued using a Spouse Reversionary option (spouse benefit payable upon the death of the retiree or disabled).

All FRF beneficiaries are valued using a Straight Life option.

(1) Joint & Survivor (also known as Contingent Annuitant)

(2) Single Life Options include Straight Life, Cash Refund, Social Security and all other FOPs.
Monthly benefit refers to the benefit payable by the FRF plan (total benefit less PERSI benefit).

Table 3c

Retired Members by Type of Benefit - Judges' Retirement Fund

		Type of Retirement				Option Selected	
Amount of Monthly Benefit	Total Number of Retirees	Normal	Disability Under Normal Retirement Age	Disability Over Normal Retirement Age	Beneficiary	Joint & Survivor [1]	Straight Life [2]
$0 - 2,000	2	—	—	—	2	—	2
2,001 - 2,500	4	1	—	—	3	1	3
2,501 -3,000	6	3	—	—	3	3	3
3,001 - 3,500	3	1	—	—	2	1	2
3,501 - 4,000	6	3	—	—	3	2	4
4,001 - 4,500	12	4	—	—	8	4	8
4,501 - 5,000	7	5	—	—	2	3	4
5,001 - 5,500	6	4	—	—	2	3	3
Over 5,500	69	66	—	—	3	56	13
Totals	115	87	—	—	28	73	42

(1) Joint & Survivor (also known as Contingent Annuitant)
(2) Single Life

Table 3d

Retired Members by Type of Benefit - PERSI Choice Plan

Amount of Monthly Benefit	Total Number of Retirees	Both 414(k) and 401(k)	414(k) Only	401(k) Only
$0 - 250	86	49	10	27
251 - 500	100	66	1	33
501 - 750	52	36	1	15
751 - 1,000	43	26	—	17
1,001 - 1,250	27	19	—	8
1,251 - 1,500	22	14	—	8
1,501 - 1,750	4	3	—	1
1,751 - 2,000	18	15	—	3
Over 2,000	26	22	—	4
Totals	378	250	12	116

Table 4a

Average Benefit Payments – PERSI Base Plan

Retirement Effective Dates	Years Credited Service							
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	Beneficiaries
Period 7/1/2013 to 6/30/2014								
Average monthly benefit	$ 258	$ 430	$ 808	$ 1,235	$ 1,836	$ 2,605	$ 3,765	$ 1,308
Average final average salary	$ 1,454	$ 2,571	$ 2,755	$ 3,338	$ 3,902	$ 4,345	$ 4,976	N/A
Number of retired members	60	488	428	383	374	376	489	149
Period 7/1/2014 to 6/30/2015								
Average monthly benefit	$ 120	$ 400	$ 833	$ 1,200	$ 1,792	$ 2,721	$ 3,709	$ 1,166
Average final average salary	$ 1,609	$ 2,349	$ 3,064	$ 3,243	$ 3,765	$ 4,515	$ 4,979	N/A
Number of retired members	51	537	423	419	335	389	530	178
Period 7/1/2015 to 6/30/2016								
Average monthly benefit	$ 119	$ 428	$ 835	$ 1,287	$ 1,841	$ 2,715	$ 3,743	$ 1,435
Average final average salary	$ 1,087	$ 2,477	$ 3,077	$ 3,541	$ 3,920	$ 4,527	$ 4,980	N/A
Number of retired members	54	439	383	347	379	398	480	155
Period 7/1/2016 to 6/30/2017								
Average monthly benefit	$ 199	$ 447	$ 833	$ 1,300	$ 1,837	$ 2,686	$ 3,880	$ 1,492
Average final average salary	$ 906	$ 2,526	$ 3,192	$ 3,467	$ 3,822	$ 4,771	$ 5,228	N/A
Number of retired members	22	412	410	354	320	423	532	85
Period 7/1/2017 to 6/30/2018								
Average monthly benefit	$ 119	$ 445	$ 857	$ 1,317	$ 2,024	$ 2,721	$ 3,692	$ 1,349
Average final average salary	$ 813	$ 2,880	$ 3,283	$ 3,441	$ 4,009	$ 4,445	$ 5,061	N/A
Number of retired members	39	426	384	370	339	449	464	66
Period 7/1/2018 to 6/30/2019								
Average monthly benefit	$ 140	$ 429	$ 867	$ 1,325	$ 2,000	$ 2,879	$ 3,728	$ 1,371
Average final average salary	$ —	$ 3,967	$ 2,901	$ 3,403	$ 3,264	$ 3,902	$ 3,202	N/A
Number of retired members	24	411	416	390	343	434	481	55
Period 7/1/2019 to 6/30/2020								
Average monthly benefit	$ 99	$ 438	$ 801	$ 1,333	$ 1,901	$ 2,834	$ 3,811	$ 1,490
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	34	462	402	408	355	425	485	38
Period 7/1/2020 to 6/30/2021								
Average monthly benefit	$ 170	$ 450	$ 859	$ 1,369	$ 2,012	$ 2,802	$ 3,855	$ 1,585
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	19	538	441	410	422	451	566	36
Period 7/1/2021 to 6/30/2022								
Average monthly benefit	$ 134	$ 446	$ 854	$ 1,442	$ 2,026	$ 3,014	$ 3,867	$ 902
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	15	516	477	466	398	448	587	39
Period 7/1/2022 to 6/30/2023								
Average monthly benefit	$ 295	$ 485	$ 900	$ 1,418	$ 2,025	$ 3,073	$ 3,682	$ 1,270
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of retired members	16	475	392	423	424	413	500	14

Table 4b

Average Benefit Payments – Firefighters' Retirement Fund

Retirement Effective Dates	Other	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	Beneficiaries
		Years Credited Service						
Period 7/1/2013 to 6/30/2014								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,996
Number of retired members	—	—	—	—	—	—	1	8
Period 7/1/2014 to 6/30/2015								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,529
Number of retired members	—	—	—	—	—	—	—	6
Period 7/1/2015 to 6/30/2016								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 4,734
Number of retired members	—	—	—	—	—	—	—	4
Period 7/1/2016 to 6/30/2017								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2017 to 6/30/2018								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2018 to 6/30/2019								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2019 to 6/30/2020								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2020 to 6/30/2021								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2021 to 6/30/2022								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	—	—	—	—	—	—
Period 7/1/2022 to 6/30/2023								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	—	—	—	—	—	—

Table 4c

Average Benefit Payments - Judges' Retirement Plan

Retirement Effective Dates	Years Credited Service							
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	Beneficiaries
Period 7/1/2013 to 6/30/2014								
Average monthly benefit	$ —	$ —	$ 9,108	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	3	—	—	—	—	—
Period 7/1/2014 to 6/30/2015								
Average monthly benefit	$ 2,129	$ 4,984	$ 6,270	$ —	$ 9,634	$ —	$ —	$ —
Number of retired members	1	1	1	—	2	—	—	—
Period 7/1/2015 to 6/30/2016								
Average monthly benefit	$ —	$ —	$ 9,282	$ 8,614	$ 9,829	$ —	$ —	$ —
Number of retired members	—	—	1	1	1	—	—	—
Period 7/1/2016 to 6/30/2017								
Average monthly benefit	$ —	$ 5,820	$ 6,530	$ —	$ —	$ 3,722	$ —	$ —
Number of retired members	—	2	2	—	—	2	—	—
Period 7/1/2017 to 6/30/2018								
Average monthly benefit	$ 2,637	$ —	$ 8,240	$ —	$ 9,298	$ —	$ —	$ 5,480
Number of retired members		—	1	—	1	—	—	1
Period 7/1/2018 to 6/30/2019								
Average monthly benefit	$ —	$ —	$ 6,270	$ 8,557	$ 9,944	$ 6,073	$ —	$ 2,998
Number of retired members	—	—	3	1	1	1	—	1
Period 7/1/2019 to 6/30/2020								
Average monthly benefit	$ —	$ —	$ 7,428	$ —	$ —	$ —	$ —	$ —
Number of retired members	—	—	1	—	—	—	—	—
Period 7/1/2020 to 6/30/2021								
Average monthly benefit	$ —	$ —	$ —	$ —	$ —	$10,509	$ 9,597	$ —
Number of retired members	—	—	—	—	—	1	1	—
Period 7/1/2021 to 6/30/2022								
Average monthly benefit	$ —	$ 4,831	$ 8,701	$ 5,660	$ 9,305	$ —	$ —	$ 4,394
Number of retired members	—	3	2	2	1	—	—	2
Period 7/1/2022 to 6/30/2023								
Average monthly benefit	$ —	$ 4,886	$ 7,435	$ —	$ —	$ —	$ —	$ 6,470
Number of retired members	—	2	1	—	—	—	—	1

Table 4d

Average Benefit Payments – PERSI Choice Plan

Retirement Effective Dates	Years of Service						
	0 - 4*	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+
Period 7/1/13 to 6/30/14							
Average monthly benefit	$ 120	$ 890	$ 534	$ 1,124	$ 560	$ 656	$ 560
Number of retired members	1	10	15	23	13	17	41
Period 7/1/14 to 6/30/15							
Average monthly benefit	$ 588	$ 1,665	$ 844	$ 1,341	$ 747	$ 927	$ 738
Number of retired members	2	14	25	26	13	22	43
Period 7/1/15 to 6/30/16							
Average monthly benefit	$ 318	$ 945	$ 606	$ 585	$ 577	$ 563	$ 499
Number of retired members	5	18	37	26	29	29	48
Period 7/1/16 to 6/30/17							
Average monthly benefit	$ 694	$ 844	$ 737	$ 670	$ 494	$ 776	$ 588
Number of retired members	21	26	44	41	30	46	60
Period 7/1/17 to 6/30/18							
Average monthly benefit	$ 679	$ 898	$ 534	$ 415	$ 476	$ 488	$ 485
Number of retired members	40	30	47	41	32	44	57
Period 7/1/18 to 6/30/19							
Average monthly benefit	$ 483	$ 786	$ 599	$ 611	$ 701	$ 549	$ 604
Number of retired members	18	38	58	49	38	47	47
Period 7/1/19 to 6/30/2020							
Average monthly benefit	$ 710	$ 1,180	$ 1,070	$ 859	$ 923	$ 827	$ 965
Number of retired members	16	33	48	40	32	35	69
Period 7/1/20 to 6/30/2021							
Average monthly benefit	$ 623	$ 485	$ 855	$ 637	$ 855	$ 881	$ 603
Number of retired members	17	14	31	30	58	53	124
Period 7/1/21 to 6/30/2022							
Average monthly benefit	$ 689	$ 843	$ 823	$ 719	$ 1,185	$ 770	$ 856
Number of retired members	29	35	50	38	45	41	50
Period 7/1/22 to 6/30/2023							
Average monthly benefit	$ 800	$ 772	$ 712	$ 712	$ 1,142	$ 716	$ 784
Number of retired members	41	55	65	56	60	54	66

*Average final average salary data not applicable for this defined contribution plan. The average monthly benefit is determined by the retiree and can vary significantly based on the number of months the retiree chooses to receive payments

Table 5
Schedule of Benefit Expenses by Type

Fiscal Year	Age & Service Benefits		Disabilities			Refunds		
			Retirants (1)					
	Retirants	Survivors (2)	Pre-NRA	Post-NRA	Survivors	Death	Separation	Total
PERSI BASE PLAN and FRF								
2018	813,358,969	34,939,807	17,837,813	16,089,613	6,054,511	13,543,029	26,823,893	928,647,635
2019	858,803,241	37,082,031	16,982,825	17,682,996	6,464,109	13,883,047	27,262,885	978,161,134
2020	911,695,768	39,998,407	16,762,235	18,617,617	6,671,327	16,047,284	31,557,305	1,041,349,943
2021	978,603,505	43,806,801	16,578,013	19,404,775	7,074,676	17,901,551	27,244,051	1,110,613,372
2022	1,036,967,265	48,094,515	16,267,973	19,913,178	7,577,026	26,508,125	30,342,849	1,185,670,930
2023	1,103,330,005	52,364,420	15,372,542	20,831,022	8,158,937	19,996,439	41,023,998	1,261,077,363
JUDGES' RETIREMENT PLAN								
2018	5,703,094	988,464						
2019	6,117,401	1,051,002						
2020	6,554,175	1,085,537						
2021	6,670,388	1,009,299						
2022	7,049,399	1,117,345						
2023	7,408,955	1,208,572						
PERSI CHOICE PLAN								
2018	41,919,856							
2019	51,884,409							
2020	50,050,809							
2021	58,602,751							
2022	76,279,978							
2023	77,070,556							
SICK LEAVE INSURANCE RESERVE TRUST FUNDS								
2018	16,858,055							
2019	16,885,258							
2020	16,625,362							
2021	17,495,154							
2022	18,199,150							
2023	18,744,801							

(1) The split between duty and non-duty disabilities is not available.

(2) Benefit amounts are not available. All survivors are included with the Age & Service Benefits survivors.

NRA = Normal Retirement Age. PERSI members with disability benefits convert to age & service retirees at NRA (60 for Fire & Police, 65 for other members).

Schedule is intended to show information for 6 years.

Table 6
History of Cost-of-Living Adjustments

Year	CPI Rate	PERSI COLA Rate	Maximum COLA	Difference	
2000	2.3	2.3	2.3	0	
2001	3.4	3.4	3.4	0	
2002	2.7	2.7	2.7	0	
2003	1.8	1	1.8	0.8	(1)
2004	2.2	2.2	2.2	0	
2005	2.7	2.7	2.7	0	(1)
2006	3.6	3.6	3.6	0	
2007	3.8	3.8	3.8	0	
2008	2	2	2	0	
2009	5.4	1	5.4	4.4	(2) (3)
2010	(1.48)	1	(1.48)	0	(2)
2011	1.15	1	1.15	0.15	(3) (4)
2012	3.77	1	3.77	2.77	(4)
2013	1.69	1	1.69	0.69	
2014	1.59	1	1.59	0.59	
2015	1.7	1.7	1.7	0	(4)
2016	0.2	0.2	0.2	0	
2017	1.1	1.1	1.1	0	
2018	1.9	1.9	1.9	0	
2019	1.7	1.0	1.0	0.7	
2020	1.3	1.7% (4.8% retroactive)	1.0	0.3	
2021	5.3	1.0	1.0	0	
2022	8.3	3.5	3.5	0	
2023	3.7	1.0	1.0	0	

(1) For years 1980 through 1986, based on the prior year annual change in CPI-U, August to August, adjustments were effective January 1. Beginning in 1987, adjustments were effective March 1.
(2) Retro-active COLAs were awarded effective March 1, 1999 to re-establish purchasing power for the years 1986, 1988, 1989.
(1) A retro-active COLA was awarded effective March 1, 2005 to re-establish purchasing power for 2003.
(2) A retro-active COLA of 2.48% was awarded effective March 1, 2010 to re-store partial purchasing power for 2009 for a net COLA of 1%.
(3) A retro-active COLA of up to 2.3% was awarded effective March 1, 2015 to re-establish purchasing power for the years 2009, 2011, 2012.
(4) A retro-active COLA of up to .8% was awarded effective March 1, 2016 to re-establish purchasing power for the year 2011.

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Table 7a

Changes in Net Position - Base Plan
(last 10 fiscal years)

	2023	2022	2021
Additions:			
Employee Contributions	$ 335,646,335	$ 315,161,350	$ 294,084,814
Employer Contributions	513,828,265	476,416,795	450,951,588
Investment Income [1]	322,867,773	285,174,801	293,398,721
Gains and Losses	1,432,563,513	(2,364,562,304)	4,448,933,304
Other Income	518,724	407,053	383,548
Total additions to plan net position	**2,605,424,610**	**(1,287,402,305)**	**5,487,751,975**
Deductions			
Benefit Payments	1,215,182,360	1,132,362,367	1,069,602,510
Refunds	34,586,136	25,812,562	22,816,679
Administrative Expenses	9,997,170	9,984,308	8,972,053
Total deductions to plan net position	**1,259,765,666**	**1,168,159,237**	**1,101,391,242**
Change in net position	**$ 1,345,658,944**	**$ (2,455,561,542)**	**$ 4,386,360,733**

[1] Investment income is reported net of investment expense.

2020	2019	2018	2017	2016	2015	2014
$ 280,790,591	$ 257,060,511	$ 243,950,654	$ 237,032,668	$ 220,866,936	$ 211,468,780	$ 203,890,954
430,638,154	390,080,902	369,139,113	356,367,389	335,610,100	321,240,628	310,986,283
289,766,084	293,129,527	309,314,922	284,543,243	277,666,987	273,500,316	279,876,227
173,079,424	1,009,441,400	976,147,101	1,411,348,507	(72,888,917)	97,579,801	1,719,909,543
421,066	329,710	38,380	29,366	25,283	16,767	12,690
1,174,695,319	**1,950,042,050**	**1,898,590,170**	**2,289,321,173**	**761,280,389**	**903,806,292**	**2,514,675,697**
987,304,234	963,881,907	885,355,285	835,774,004	792,705,222	742,712,826	694,765,148
25,253,837	22,854,217	24,357,947	29,497,711	32,307,543	28,354,914	34,828,507
10,179,831	9,276,642	8,922,335	8,810,136	6,806,655	6,434,462	6,787,811
1,022,737,902	**984,509,516**	**918,635,567**	**874,081,851**	**831,819,420**	**777,502,202**	**736,381,466**
$ 151,957,417	**$ 965,532,534**	**$ 979,954,603**	**$1,415,239,322**	**$ (70,539,031)**	**$ 126,304,090**	**$ 1,778,294,231**

Table 7b
Changes in Net Position - FRF Plan
(last 10 fiscal years)

	2023	2022	2021
Additions:			
Employee Contributions	$ —	$ —	$ —
Employer Contributions	3,346,505	2,901,920	2,549,471
Investment Income [1]	7,349,882	6,592,204	6,882,804
Gains and Losses	32,611,409	(54,660,080)	104,366,970
Other Income	—	—	—
Total additions to plan net position	**43,307,796**	**(45,165,956)**	**113,799,245**
Deductions			
Benefit Payments	19,446,545	19,014,750	18,828,213
Refunds	—	—	—
Administrative Expenses	46,516	56,863	46,585
Total deductions to plan net position	**19,493,061**	**19,071,613**	**18,874,798**
Change in net position	**$ 23,814,735**	**$ (64,237,569)**	**$ 94,924,447**

[1] Investment income is reported net of investment expense.

2020	2019	2018	2017	2016	2015	2014
$ 4,503	$ 4,540	$ 4,368	$ 4,385	$ 6,329	$ 6,168	$ 9,095
8,660,397	8,247,827	7,706,226	7,452,987	7,198,597	11,305,473	14,200,323
6,942,993	7,203,382	7,489,302	6,961,648	6,892,864	6,896,831	8,078,269
4,147,101	24,806,072	23,635,009	34,527,177	(1,809,410)	2,461,078	49,642,989
—	—	—	—	—	—	—
—	—	—	—	—	—	—
19,754,994	**40,261,821**	**38,834,905**	**48,946,197**	**12,288,380**	**20,669,550**	**71,930,676**
19,073,931	18,929,519	18,934,403	19,294,441	19,476,228	19,874,275	19,958,800
—	—	—	—	—	—	—
73,557	55,031	29,833	43,022	58,873	153,719	—
—	—	—	—	—	—	—
19,147,488	**18,984,550**	**18,964,236**	**19,337,463**	**19,535,101**	**20,027,994**	**19,958,800**
$ 607,506	**$ 21,277,270**	**$ 19,870,669**	**$ 29,608,734**	**$ (7,246,721)**	**$ 641,556**	**$ 51,971,876**

Table 7c

Changes in Net Position - Choice Plan 401(k)
(last 10 fiscal years)

	2023	2022	2021
Additions:			
Employee Contributions	$ 80,103,170	$ 76,423,883	$ 68,307,119
Employer Contributions	9,571,246	8,511,252	7,728,018
Investment Income [1]	20,517,538	17,674,756	17,334,673
Gains and Losses	105,602,775	(164,972,964)	284,009,584
Rollovers	11,169,245	16,230,934	17,153,438
Other Income	—	—	—
Total additions to plan net position	**226,963,974**	**(46,132,139)**	**39,532,832**
Deductions			
Benefit Payments	72,472,242	72,056,313	55,439,687
Refunds	—	—	—
Administrative Expenses	2,171,176	2,192,812	2,029,774
Transfers/Rollovers Out	—	—	—
Total deductions to plan net position	**74,643,418**	**74,249,125**	**57,469,461**
Change in net position	**$ 152,320,556**	**$ (120,381,264)**	**$ 337,063,371**

[1] Investment income is reported net of investment expense.

2020	2019	2018	2017	2016	2015	2014
$ 63,949,419	$ 59,426,695	$ 52,141,131	$ 48,333,290	$ 45,299,030	$ 42,874,459	$ 39,062,685
7,027,305	6,517,244	5,993,209	5,475,485	4,778,923	5,166,873	14,230,058
16,407,170	15,820,380	15,624,002	13,786,327	12,385,370	9,589,538	11,462,165
12,034,995	54,408,333	53,200,084	64,650,113	(3,529,621)	9,030,653	69,529,511
21,341,826	13,948,722	14,179,305	14,836,646	11,868,500	14,575,338	10,706,301
—	—	—	—	—	—	—
120,760,715	**150,121,373**	**141,137,731**	**147,081,861**	**70,802,202**	**81,236,861**	**144,990,720**
47,345,691	43,319,799	38,708,774	34,029,074	35,985,817	12,729,966	8,936,739
—	—	—	—	—	—	—
1,845,868	1,570,385	125,334	115,788	1,069,543	—	—
—	—	—	—	—	23,364,173	18,901,443
49,191,559	**44,890,184**	**38,708,774**	**34,029,074**	**35,985,817**	**36,094,139**	**27,838,182**
$ 71,569,156	**$ 105,231,189**	**$ 102,428,957**	**$ 113,052,787**	**$ 34,816,385**	**$ 45,142,722**	**$ 117,152,538**

Table 7d

Changes in Net Position - Choice Plan 414(k)
(last 10 fiscal years)

	2023	2022	2021
Additions:			
Employee Contributions	$ —	$ —	$ —
Investment Income [1]	99,650	183,241	105,134
Gains and Losses	5,179,069	(6,475,896)	15,208,511
Other Income	—	—	—
Total additions to plan net position	**5,278,719**	**(6,292,655)**	**15,313,645**
Deductions			
Benefit Payments	4,598,314	4,223,665	3,163,064
Refunds	—	—	—
Administrative Expenses	280,696	352,550	345,101
Transfers/Rollovers Out	—	—	—
Total deductions to plan net position	**4,879,010**	**4,576,215**	**3,508,165**
Change in net position	**$ 399,709**	**$ (10,868,870)**	**$ 11,805,480**

[1] Investment income is reported net of investment expense.

	2020	2019	2018	2017	2016	2015	2014
	$ —	$ —	$ —	$ —	$ —	$ —	$ —
	78,391	117,688	93,272	(101,457)	227,137	901,407	1,293,253
	1,508,108	4,308,210	3,627,429	5,758,352	639,034	776,244	8,177,394
	—	—	—	—	—	—	—
	1,586,499	**4,425,898**	**3,720,701**	**5,656,895**	**866,171**	**1,677,651**	**9,470,647**
	3,330,570	3,838,437	3,211,082	3,329,355	5,378,148	2,932,845	2,210,950
	—	—	—	—	—	—	—
	335,552	344,469	10,196	10,491	523,170	—	—
	—	—	—	—	—	2,049,671	1,661,723
	3,666,122	**4,182,906**	**3,221,278**	**3,339,846**	**5,901,318**	**4,982,516**	**3,872,673**
	$ (2,079,624)	**$ 242,992**	**$ 499,423**	**$ 2,317,049**	**$ (5,035,147)**	**$ (3,304,865)**	**$ 5,597,974**

Table 7e

Changes in Net Position – Sick Leave Insurance Reserve Fund – State
(last 10 fiscal years)

	2023	2022	2021
Additions:			
Employer Contributions	$ (833)	$ (182)	$ (682)
Net appreciation (depreciation) [1]	19,836,889	(36,182,352)	56,874,632
Other Income	2,408	386	931
Total additions to plan net position	**19,838,464**	**(36,182,148)**	**56,874,881**
Deductions			
Benefit Payments	5,470,465	5,459,867	5,083,113
Administrative Expenses	48,921	48,539	47,914
Total deductions to plan net position	**5,519,386**	**5,508,406**	**5,131,027**
Change in net position	**$ 14,319,078**	**$ (41,690,554)**	**$ 51,743,854**

Table 7f

Changes in Net Position – Sick Leave Insurance Reserve Fund – Schools
(last 10 fiscal years)

	2023	2022	2021
Additions:			
Employer Contributions	$ (11,621)	$ (2,109)	$ (3,637)
Net appreciation (depreciation) [1]	28,281,879	(52,577,567)	77,747,231
Other Income	8,024	1,393	1,442
Total additions to plan net position	**28,278,282**	**(52,578,283)**	**77,745,036**
Deductions			
Benefit Payments	13,274,336	12,739,283	12,412,041
Administrative Expenses	70,715	71,098	71,722
Total deductions to plan net position	**13,345,051**	**12,810,381**	**12,483,763**
Change in net position	**$ 14,933,231**	**$ (65,388,664)**	**$ 65,261,273**

[1] Reported net of investment expense.

2020	2019	2018	2017	2016	2015	2014
$ 4,494,217	$ 7,497,670	$ 7,161,239	$ 7,136,693	$ 6,804,354	$ 6,347,903	$ 6,088,489
9,554,069	16,084,184	17,315,690	21,515,574	3,356,390	5,722,685	23,097,449
1,957	1,777	1,270	30	889	600	1,079
14,050,243	**23,583,631**	**24,478,199**	**28,652,297**	**10,161,633**	**12,071,188**	**29,187,017**
4,739,183	4,611,044	4,671,380	5,010,974	4,980,235	4,510,989	4,366,900
47,225	47,183	44,182	41,148	40,752	40,375	40,181
4,786,408	**4,658,227**	**4,715,562**	**5,052,122**	**5,020,987**	**4,551,364**	**4,407,081**
$ 9,263,835	**$ 18,925,404**	**$ 19,762,637**	**$ 23,600,175**	**$ 5,140,646**	**$ 7,519,824**	**$ 24,779,936**

2020	2019	2018	2017	2016	2015	2014
$ 8,967,109	$ 16,432,554	$ 15,599,238	$ 14,763,323	$ 13,978,967	$ 13,521,617	$ 13,264,646
14,515,013	24,687,356	26,544,159	32,991,024	3,919,755	9,043,823	36,880,546
3,000	2,725	1,948	2,187	360	164	327
23,485,121	**41,122,635**	**42,145,345**	**47,756,534**	**17,899,082**	**22,565,604**	**50,145,519**
11,886,179	11,930,829	12,186,675	13,155,040	13,458,676	13,342,020	13,006,742
72,369	72,453	67,806	63,192	63,588	63,965	64,159
11,958,548	**12,003,282**	**12,254,481**	**13,218,232**	**13,522,264**	**13,405,985**	**13,070,901**
$ 11,526,573	**$ 29,119,354**	**$ 29,890,864**	**$ 34,538,302**	**$ 4,376,818**	**$ 9,159,619**	**$ 37,074,618**

Table 7g

Changes in Net Position – JRF Plan

	2023	2022	2021	2020
Additions:				
Employee Contributions	$ 924,368	$ 908,857	$ 875,812	$ 845,925
Employer Contributions	5,438,760	5,120,089	5,066,720	4,878,534
Investment Income [1]	1,734,256	1,541,393	1,579,766	1,560,565
Net appreciation (depreciation)	7,694,338	(12,705,655)	23,894,290	975,063
Other Income	16,008	2,393	2,918	12,960
Total additions to plan net position	**15,807,730**	**(5,132,923)**	**31,419,507**	**8,273,046**
Deductions				
Benefit Payments	8,610,785	8,166,744	7,679,687	7,639,712
Administrative Expenses	115,561	106,053	104,054	127,095
Total deductions to plan net position	**8,726,346**	**8,272,797**	**7,783,741**	**7,766,807**
Special Item - Transfer in of Judges' Retirement	—	—	—	—
Change in net position	**$ 7,081,384**	**$ (13,405,720)**	**$ 23,635,766**	**$ 506,239**

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

[1] Reported net of investment expense.

2019	2018	2017	2016	2015
$ 778,864	$ 714,804	$ 630,392	$ 623,754	$ 629,077
4,688,762	4,278,996	3,946,599	3,370,587	3,595,417
1,579,702	1,668,307	1,540,236	1,505,550	1,523,041
5,357,121	5,261,917	7,612,667	(413,420)	526,854
13,200	7,947	4,946	2,571	2,063
12,417,649	**11,931,971**	**13,734,840**	**5,089,042**	**6,276,452**
7,168,403	6,691,558	6,173,415	5,974,937	5,577,389
121,305	104,949	74,035	133,096	95,733
7,289,708	**6,796,507**	**6,247,450**	**6,108,033**	**5,673,122**
—	—	—	—	**75,864,300**
$ 5,127,941	**$ 5,135,464**	**$ 7,487,390**	**$ (1,018,991)**	**$ 76,467,630**

Table 8

Principal Participating Employers

2023

Participating Employers	Covered Employees	Rank	Percentage of Total System
State of Idaho	17,543	1	23%
West Ada County School District	3,954	2	5
Boise Ind School District	3,005	3	4
Ada County	2,059	4	3
City of Boise	1,578	5	2
Bonneville School District	1,447	6	2
Pocatello School District	1,349	7	2
Nampa School District	1,307	8	2
Coeur d`Alene School District	1,199	9	2
Idaho Falls School District	1,140	10	1
All other	42,087		55
Total (850 employers)	**76,668**		**100%**

2014

Participating Employers	Covered Employees	Rank	Percentage of Total System
State of Idaho	17,198	1	26%
West Ada County School District	3,432	2	5
Boise Ind School District	2,987	3	5
Ada County	1,614	4	2
City of Boise	1,259	5	2
Nampa School District	1,256	6	2
Pocatello School District	1,162	7	2
Bonneville School District	1,002	8	2
Coeur d`Alene School District	979	9	1
Idaho Falls School District	897	10	1
All other	34,437		52
Total (755 employers)	**66,223**		**100%**

Table 9
Public Entities Participating in PERSI

State Agencies

Administration Dept
Agriculture Dept
Attorney General
Barley Commission
Bean Commission
Beef Council
Board of Education
Boise State Univ
Brand Inspector
Commission For The Blind
Commission On Hispanic Affairs
Commerce Dept
Commission On Aging
Commission On The Arts
Commission for Pardons and Paroles
Controller`s Office
Correction Department
Correctional Industries
Dairy Council
Department of Environmental Quality
Division of Financial Mgt
Division of Veteran Services
Division of Occupational & Professional License
Division of Human Resources
Endowment Fund Investment Board
Finance Dept
Fish & Game Department
Forest Products Commission
Governor`s Office
Health & Welfare Department
Health District 1
Health District 2
Health District 3
Health District 4
Health District 5
Health District 6
Health District 7
Historical Society
House of Representatives
Idaho Workforce Development Council
Idaho Public Television
Idaho Career & Technical Education
Idaho Grape Growers & Wine Producers Commission
Idaho Oilseed Commission
Idaho Rangeland Resources Commission
Idaho State Police
Idaho State Univ
Independent Living Council
Industrial Commission
Information Technology Services
Insurance Department
Insurance Fund
Judicial Branch
Juvenile Corrections
Labor Department
Lands Department
Lava Hot Springs Foundation
Legislative Services
Lewis-Clark State College
Library
Lieutenant Governor
Liquor Dispensary
Lottery
Military Division
Office of Administrative Hearings
Office of Drug Policy
Office of Energy Resources
Office of Performance Evaluations
Office of Species Conservation
Parks & Recreation
Potato Commission
Public Charter School Commission
Public Defense Commission
Public Employee Retirement System
Public Utility Commission
Racing Commission
STEM Action Center
Secretary of State
Senate
Soil Conservation Commission
State Appellate Public Defender
State Bar
Superintendent of Public Instruction
Tax Appeals Board
Tax Commission
Transportation Department
Treasurer
University of Idaho
Vocational Rehab
Water Resources Department
Wheat Commission

Counties

Ada County
Adams County
Bannock County
Bear Lake County
Benewah County
Bingham County
Blaine County
Boise County
Bonner County
Bonneville County
Boundary County
Butte County
Camas County
Canyon County
Caribou County
Cassia County

Clark County
Clearwater County
Custer County
Elmore County
Franklin County
Fremont County
Gem County
Gooding County
Idaho County
Jefferson County
Jerome County
Kootenai County
Latah County
Lemhi County
Lewis County
Lincoln County
Madison County
Minidoka County
Nez Perce County
Oneida County
Owyhee County
Payette County
Power County
Shoshone County
Teton County
Twin Falls County
Valley County
Washington County

Cities

City of Aberdeen
City of Albion
City of American Falls
City of Ammon
City of Arco
City of Ashton
City of Athol
City of Bancroft
City of Basalt
City of Bellevue
City of Blackfoot
City of Bliss
City of Bloomington
City of Boise
City of Bonners Ferry
City of Bovill
City of Buhl
City of Burley
City of Caldwell
City of Cambridge
City of Carey
City of Cascade
City of Castleford
City of Challis
City of Chubbuck
City of Clark Fork
City of Coeur d`Alene
City of Cottonwood
City of Council
City of Craigmont
City of Culdesac
City of Dalton Gardens
City of Deary
City of Declo
City of Donnelly
City of Dover
City of Downey
City of Driggs
City of Dubois
City of Eagle
City of Emmett
City of Fairfield
City of Filer
City of Firth
City of Franklin
City of Fruitland
City of Garden City
City of Genesee
City of Georgetown
City of Glenns Ferry
City of Gooding
City of Grace
City of Grangeville
City of Greenleaf
City of Hagerman
City of Hailey
City of Harrison
City of Hayden
City of Hayden Lake
City of Hazelton
City of Heyburn
City of Homedale
City of Hope
City of Horseshoe Bend
City of Idaho City
City of Idaho Falls
City of Inkom
City of Iona
City of Island Park
City of Jerome
City of Juliaetta
City of Kamiah
City of Kellogg
City of Kendrick
City of Ketchum
City of Kimberly
City of Kooskia
City of Kootenai
City of Kuna
City of Lapwai
City of Lava Hot Springs
City of Lewiston
City of Mackay
City of Malad
City of Malta
City of Marsing
City of McCall
City of McCammon
City of Melba
City of Menan
City of Meridian
City of Middleton
City of Montpelier
City of Moscow
City of Moyie Springs
City of Mountain Home
City of Mud Lake
City of Mullan
City of Nampa
City of New Meadows
City of New Plymouth
City of Newdale

City of Nezperce
City of Notus
City of Oakley
City of Oldtown
City of Orofino
City of Osburn
City of Paris
City of Parker
City of Parma
City of Paul
City of Payette
City of Peck
City of Pierce
City of Pinehurst
City of Plummer
City of Pocatello
City of Ponderay
City of Post Falls
City of Potlatch
City of Preston
City of Priest River
City of Rathdrum
City of Rexburg
City of Richfield
City of Rigby
City of Riggins
City of Ririe
City of Roberts
City of Rupert
City of Salmon
City of Sandpoint
City of Shelley
City of Shoshone
City of Smelterville
City of Soda Springs
City of Spirit Lake
City of St Anthony
City of St Charles
City of St Maries
City of Stanley
City of Star
City of Sugar City
City of Sun Valley
City of Tensed
City of Teton
City of Tetonia
City of Troy
City of Twin Falls
City of Ucon
City of Victor
City of Wallace
City of Weippe
City of Weiser
City of Wendell
City of Weston
City of Wilder
City of Winchester
City of Worley

Water and Sewer Districts

A&B Irrigation District
Aberdeen-Springfield Canal Co
Ada County Drainage Dist #2
American Falls Reservoir District #1
American Falls Reservoir District #2
Avondale Irrigation District
Big Lost River Irrigation
Big Wood Canal Company
Black Canyon Irrigation District
Boise Project Board of Control
Boise-Kuna Irrigation District
Burley Irrigation District
Cabinet Mountains Water District
Caldwell Irrigation Lateral District
Canyon Hill Irrigation District
Cataldo Water District
Central Shoshone County Water District
Dalton Gardens Irrigation District
E Greenacres Irrigation District
East Shoshone County Water District
Emmett Irrigation District
Falls Irrigation District
Fish Haven Area Recreational Sewer District
Fremont-Madison Irrigation
Grandview Mutual Canal Company
Granite Reeder Water & Sewer
Hayden Lake Recreational Water & Sewer District
Hayden Lake Irrigation District
Henry's Fork Ground Water District
Hoodoo Water and Sewer District
Idaho Irrigation District
Kalispel Bay Water & Sewer District
King Hill Irrigation District
Kingston Water District
Kootenai-Ponderay Sewer District
Lake Irrigation District
Lewiston Orchard Irrigation District
Little Wood River Irrigation District
Milner Low Lift Irrigation District
Minidoka Irrigation District
Mtn Home Irrigation District
Nampa-Meridian Irrigation
New Sweden Irrigation District
New York Irrigation District
North Kootenai Water District
North Lake Recreational Sewer & Water District
North Snake Ground Water District
Opaline Irrigation District
Orofino Cr-Whiskey Cr Water & Sewer District
Outlet Bay Water & Sewer District
Owyhee Project South Board of Control
Payette Lakes Water & Sewer District
Peoples Canal and Irrigation Company
Pinehurst Water District

Pioneer Irrigation District
Portneuf River Water Users District #29
Progressive Irrigation District
Riverside Independent Water & Sewer
Riverside Irrigation District
Riverside Irrigation District LTD
Roseberry Irrigation District
Ross Point Water District
Settlers Irrigation District
Snake River Valley Irrigation District
Southside Water & Sewer District
Star Sewer & Water District
Sun Valley Water & Sewer
Twin Falls Canal Company
W Bonner Water & Sewer District
Water District #1
Water District #11
Water District #31
Water District #32-C
Water District #34
Water District #37
Water District #37N
Water District #63
Water District #65
Water District #67
Weiser Irrigation District
Wilder Irrigation District

Highway Districts

Ada County Highway District
Atlanta Highway District
Bliss Highway District
Buhl Highway District
Burley Highway District
Canyon Highway District #4
Central Highway District
Clarkia Better Roads Highway District
Clearwater Highway District
Cottonwood Highway District
Deer Creek Highway District
Dietrich Highway District #5
Doumecq Highway District
Downey Swan Lake Highway District
East Side Highway District
Evergreen Highway District
Fenn Highway District
Ferdinand Highway District
Filer Highway District
Gem Highway District
Glenns Ferry Highway District
Golden Gate Highway District
Gooding Highway District
Grangeville Highway District
Greencreek Highway District
Hagerman Highway District
Highway District #1 (Fruitland)
Hillsdale Highway District
Homedale Highway District
Independent Highway District
Jerome Highway District
Kamiah Highway District
Keuterville Highway District
Kidder-Harris Highway District
Kimama Highway District
Lakes Highway District
Lost River Highway District
Minidoka County Highway District
Mountain Home Highway District
Murtaugh Highway District
N Latah County Highway District
Nampa Highway District
North Highway District
Notus-Parma Highway District
Oakley Highway District
Plummer-Gateway Highway District
Post Falls Highway District
Prairie Highway District Board
Raft River Highway District
Richfield Highway District #3
S Latah County Highway District #2
Shoshone Highway District #2
Three Creek Highway District
Twin Falls Highway District
Union Independent Highway District
Weiser Valley Highway District
Wendell Highway District #6
West Point Highway District
White Bird Highway District
Winona Highway District
Worley Highway District

Community Colleges and Public School Districts

Aberdeen School District
Alturas International Academy
Alturas Preparatory Academy Inc
American Falls School District
American Heritage Charter School
Anser of Idaho Inc
Arbon School District
Avery School District
Basin School District
Bear Lake School District
Bingham Academy
Blackfoot Charter Community Learning Center
Blackfoot School District
Blaine County School District
Bliss School District
Boise Independent School District
Bonneville School District
Boundary County School District
Bruneau-Grandview School District
Buhl School District
Butte Co School District
Caldwell School District
Camas County School District
Cambridge School District
Canyon-Owyhee SD (COSSA)

Cardinal Academy Inc
Cascade School District
Cassia County School District
Castleford School District
Challis Jt School District
Chief Tahgee Elementary Academy
Clark County School District
Clearwater/Orofino Jt School District
Coeur d`Alene Charter Academy
Coeur d`Alene School District
College of Eastern Idaho
College of Southern Idaho
College of Western Idaho
Compass Public Charter School
Cottonwood School District
Council Valley School District
Culdesac Jt School District
Dietrich School District
Doral Academy of Idaho
Elevate Academy Nampa LLC
Elevate Academy North LLC
Elevate Academy Inc
Emmett School District
Falconridge Charter School
Fern-Waters Public Charter School
Filer School District
Firth School District
Forge International School
Fruitland School District
Future Public School Inc
Garden Valley School District
Gem Prep: Meridian LLC
Gem Prep: Meridian North LLC
Gem Prep: Meridian South LLC
Gem Prep: Nampa LLC
Gem Prep: Online, LLC
Gem Prep: Pocatello LLC
Gem Prep: Twin Falls LLC
Genesee School District
Glenns Ferry Jt School District
Gooding Jt School District
Grace School District
Hagerman Jt School District
Hansen School District
Hayden Canyon Charter
Heritage Academy
Heritage Community Charter School
Highland Jt School District
Homedale School District
Horseshoe Bend School District
I Succeed Virtual High School
Idaho Bureau of Education Svc for the Deaf and Blind
Idaho High School Activity Assn
Idaho Arts Charter School
Idaho College and Career Readiness Academy
Idaho Falls School District
Idaho Science & Technology Charter School
Idaho Virtual Academy
Idaho Virtual Education Partners Inc
Inspire Virtual Charter School
Island Park Charter School
Jerome School District
Kamiah Jt School District
Kellogg School District
Kendrick School District
Kimberly School District
Kootenai Bridge Academy
Kootenai Classical Academy Inc
Kootenai School District
Kootenai Technical Education Campus
Kuna Jt School District
Lake Pend Oreille School District
Lakeland School District
Lapwai School District
Legacy Public Charter School
Lewiston Independent School District
Liberty Charter School Inc
Mackay School District
Madison School District
Marsh Valley Jt School District
Marsing School District
McCall Donnelly School District
Meadows Valley School District
Melba School District
Meridian Charter High School Inc
Meridian Medical Arts Charter School
Meridian School District
Middleton School District
Midvale School District
Minidoka County School District
Monticello Montessori Charter School
Mosaics Public School
Moscow Charter School
Moscow School District
Mountain Community School
Mountain Home School District
Mountain View School District
Mullan School District
Murtaugh School District
Nampa School District
New Plymouth School District
NezPerce Jt School District
North Gem School District
North Idaho College
North Star Charter School
North Valley Academy Charter School
Notus School District
Oneida School District
Palouse Prairie Education Organization
Parma School District
Pathways in Education - Nampa Inc
Payette River Regional Technical Academy

Payette School District
Peace Valley Charter
Pinecrest Academy of Idaho
Pinecrest Academy of Lewiston
Pleasant Valley School District
Plummer-Worley Jt School District
Pocatello Community Charter School
Pocatello School District
Post Falls School District
Potlatch School District
Prairie School District
Preston School District
Project Impact STEM Academy
Promise Academy
RISE Charter School Inc
Richard McKenna Charter High School
Richfield School District
Rigby School District
Ririe School District
Rockland School District
Rolling Hills Charter School
STEM Charter Academy
Sage International School of Boise
Salmon River Jt School District
Salmon School District
Sandpoint Charter School
Shelley Jt School District
Shoshone School District
Snake River School District
Soda Springs School District
South Lemhi School District
St Anthony School District (FremontCoSD)
St Maries School District
Sugar-Salem School District
Swan Valley School District
Syringa Mountain School
Taylors Crossing Public Charter School
Teton School District
The Academy Inc
The Village Charter School
Thomas Jefferson Charter School
Three Creek School District
Treasure Valley Classical Academy Inc
Troy School District
Twin Falls School District
Upper Carmen Charter School
Valley School District
Vallivue School District
Victory Charter School
Vision Charter School
Wallace School District
Weiser School District
Wendell School District
West Bonner County School District
West Jefferson School District
West Side School District
White Pine Charter School
Whitepine Jt School District
Wilder School District
Xavier Charter School

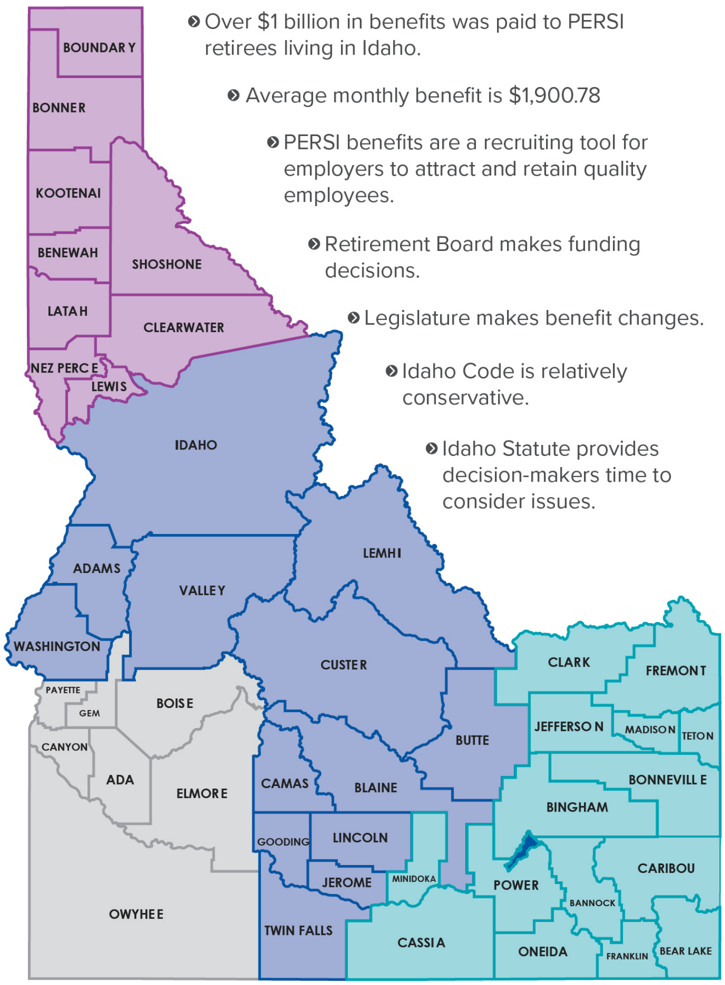
Other

Aberdeen District Library
Ada County Free Library
American Falls Housing Authority
American Falls Free Library
Ammon Cemetery District
Association of Idaho Cities
Bannock Planning Organization
Bear Lake County Library
Bear Lake County Fire District
Bear Lake Regional Commission
Bingham County Senior Citizen Center
Blackfoot Fire Department
Blaine County Recreation District
Blaine Soil Conservation District
Boise Basin Library District
Boise City/Ada County Housing Authority
Boise Fire Department
Boise River Flood Control District #10
Bonner Soil & Water Conservation District
Bonneville County Fire District #1
Boundary County Free Library
Buhl Fire District
Buhl Housing Authority
Burley Fire Department
Burley Library
Caldwell Fire Department
Caldwell Housing Authority
Canyon County Mosquito Abatement District
Canyon County Ambulance District
Capital City Development Corporation
Caribou Soil Conservation District
Cascade Medical Center
Cascade Rural Fire & EMS
Central Fire District
Central Orchards Sewer District
Clearwater-Potlatch Timber Protection Assn
Coeur d`Alene Fire Department
Commission Planning Association of SW Idaho
Consolidated Free Library District
Coolin Sewer District
Cottonwood Rural Fire Dept
Council Valley Free Library District
Deary Rural Fire District
Donnelly Rural FPD

Dry Creek Cemetery District
Eagle Fire Protection District
Eagle Sewer District
East Bonner County Library District
Eastern Elmore County Recreation District
Eastern Idaho Fair Recreation District
Eastern Idaho Regional Waste Water Authority
East Side Fire District
Edwards Mosquito Abatement District
Ellisport Bay Sewer District
Filer Cemetery Maintenance District
Filer Rural Fire Protection District
Foster Grandparents of South East Idaho
Franklin County Library District
Franklin County Fire District
Fremont County District Library
Garden Valley Fire Protection District
Gem County Mosquito Abatement District
Gem County Recreation
Gem County Fire Protection District 1
Gooding Cemetery Maintanence District
Gooding Fire District
Gooding Public Library District
Gooding Soil Conservation District
Grangeville Cemetery Maintenance District
Greater Middleton Parks & Recreation District
Greater Swan Valley Fire Protection District
Groveland Cemetery Maintenance District
Hagerman Cemetery District
Hagerman Fire Protection District
Hauser Lake Fire Protection District
Hayden Area Regional Sewer Board
Hillcrest Cemetery Maintenance District
Homedale Rural Fire Protection District
Housing Alliance & Community Partnerships (HACP)
Idaho Association of Counties
Idaho Association of School Administrators
IDAWY Solid Waste District
Idaho County Risk Mgmt Program
Idaho Crop Improvement Association
Idaho Falls Fire Department
Idaho Digital Learning Academy
Idaho Education Association
Idaho Heritage Trust
Idaho School Boards Association
Idaho School District Council
ID Independent Intergovernmental Authority
Iona Bonneville Sewer District
Jefferson Free Library District
Jerome Cemetery Maintenance District
Jerome Fire Department
Jerome Recreation District
Ketchum Fire Department
Kingston-Cataldo Sewer District
Kootenai County Emergency Medical Services
Kootenai County Fire & Rescue F
Kootenai County Fire & Rescue P
Kootenai Metropolitan Planning Organization
Kuna Cemetery Maintenance District
Kuna Fire District
Kuna Library District
Kuna Rural Fire District
Latah County Library District
Lemhi County Fire Protection District
Lemhi County Library District
Lemhi Soil & Water Conservation District
Lewiston Fire Department
Lewiston-Nez Perce County Airport Authority
Lincoln County Cemetery District
Lincoln County Emergency Services
Lincoln County Housing Authority
Local Highway Technical Assistance Council
Madison County Library District
M-A-R Cemetery District
Marsing-Homedale Cemetery District
Marsing Rural Fire District
McCall Fire Protection District
Meadows Valley Rural Fire District
Meadows Valley Public Library District
Meridian Cemetery Maintenance District
Meridian Library District
Metro Community Services Inc
Mica Kidd Island Fire Protection District
Middleton Rural Fire District

Minidoka County Fire Protection District
Minidoka Soil & Water Conservation District
Moscow Cemetery District
Moscow Fire Department
Moscow Rural Fire District
N Ada Co Fire/Rescue District
N Bingham County Library District
N Fremont Cemetery District
Nampa Fire Protection District
Nampa Housing Authority
Nez Perce County Fair Board
No Lakes Fire Protection District
North Bannock Fire District
North Idaho Fair
Northside Fire District
Oneida County Library
Oregon Trail Recreation District
Orofino Cemetery District
Paradise Valley Fire District
Paul Cemetery District
Payette County Gopher Extermination District
Payette County Recreation District
Payette Fire Department
Plummer Gateway Fire Protection District
Pocatello Fire Department
Pocatello-Chubbuck Auditorium District
Port of Lewiston
Portneuf Library District
Post Falls Urban Renewal Agency
Prairie-River Library District
Priest Lake Public Library
Rexburg Cemetery District
Rexburg-Madison Fire
Rock Creek Fire Protection District
S Bannock Library District
S Idaho Solid Waste District
S Idaho Timber Protection Association
Sagle Fire District
Salmon Library District
Salmon River Canal Company Ltd
Sandpoint Fire Department
Schweitzer Fire District
Selkirks-Pend Oreille Transit Authority
Shelley Cemetery District
Shelley-Firth Ambulance District
Shelley-Firth Fire Protection District
Shoshone City & Rural Fire Protection District
Shoshone County Fire Department #1
Shoshone County Fire Department #2
Shoshone County FD#2
So Central Regional E911
South Bingham Soil Conservation District
South Boundary Fire Protection District
South Fork Coeur d Alene River Sewer District
South Fremont Fire Protection District
Southern Valley County Recreation District
Spirit Lake Fire Protection District
St Maries Fire Protection District
Stanley Community Library District
Star Cemetery Maintenance District
Star Joint Fire Protection District
Teton County Fire Protection District
Timberlake Fire Protection District
Twin Falls County Pest Abatement District
Twin Falls County Fair
Twin Falls Fire Department
Twin Falls Housing Authority
Valley of Tetons Library Board
Valley Recreation District of Hazelton
Valley Regional Transit
Valley Soil & Water Conservation District
W Boise Sewer District
Weiser Ambulance District
Weiser Area Rural Fire District
Weiser Memorial Hospital
Wendell Rural Fire Department
West Bonner Library District
West End Cemetery District
West End Fire Protection District
Westside Fire District
Whitney Fire Protection District
Whitney FPD
Wilder Cemetery District
Wilderness Ranch Fire Protection District
Wilder Rural Fire Protection District
Wood River Fire & Rescue
Wood River Soil & Water Conservation District
Worley Fire Protection District
W Pend Oreille Fire District

PERSI BENEFITS PAID IN FISCAL YEAR 2023 TO RETIREES LIVING IN IDAHO



- Over $1 billion in benefits was paid to PERSI retirees living in Idaho.
- Average monthly benefit is $1,900.78
- PERSI benefits are a recruiting tool for employers to attract and retain quality employees.
- Retirement Board makes funding decisions.
- Legislature makes benefit changes.
- Idaho Code is relatively conservative.
- Idaho Statute provides decision-makers time to consider issues.

COUNTIES	2023 in millions	NUMBER OF RETIREES	AVERAGE MONTHLY BENEFIT
Boundary	5.39	346	$1,298.86
Bonner	20.73	1,075	$1,606.62
Kootenai	77.85	3,517	$1,844.62
Benewah	6.00	328	$1,524.95
Shoshone	9.12	526	$1,444.43
Latah	37.86	1,538	$2,051.59
Clearwater	9.50	484	$1,635.00
Nez Perce	34.47	1,448	$1,983.78
Lewis	4.20	217	$1,611.77
Idaho	9.74	566	$1,434.14
Adams	4.04	213	$1,581.10
Washington	8.65	455	$1,583.41
Valley	13.72	545	$2,098.20
Lemhi	6.25	356	$1,461.91
Custer	3.09	174	$1,479.73
Butte	1.56	102	$1,277.34
Camas	1.27	60	$1,770.27
Blaine	13.52	490	$2,299.46
Gooding	9.77	526	$1,547.17
Lincoln	3.31	165	$1,672.68
Jerome	9.55	489	$1,627.06
Twin Falls	46.55	2,101	$1,846.47
Payette	11.38	563	$1,684.62
Gem	12.62	6.32	$1,664.43
Boise	6.08	289	$1,753.65
Canyon	104.32	4,824	$1,802.09
Ada	332.47	12,670	$2,186.74
Elmore	14.44	712	$1,689.88
Owyhee	4.76	292	$1,358.83
Minidoka	11.38	622	$1,525.15
Cassia	14.20	721	$1,641.28
Oneida	3.15	163	$1,608.27
Power	5.21	256	$1,695.26
Franklin	5.37	324	$1,382.36
Bear Lake	4.37	271	$1,343.72
Bannock	75.22	2,985	$2,099.97
Caribou	4.38	251	$1,455.51
Bingham	28.85	1,387	$1,733.46
Bonneville	63.86	2,608	$2,040.62
Teton	3.02	158	$1,590.80
Madison	12.98	608	$1,778.72
Jefferson	14.83	739	$1,672.10
Fremont	10.21	514	$1,655.35
Clark	0.75	39	$1,597.84
TOTALS FOR IDAHO	1.079	47,349	$1,900.78

CONTACT US AT

Public Employee Retirement System of Idaho
607 North 8th Street | Boise, Idaho 83702
208.334.3365 or 1.800.451.8228
www.persi.idaho.gov

Several publications and reports are distributed to members and employers to keep them informed about the status of their membership accounts and PERSI in general, including:

- Annual Comprehensive Financial Report
- Member Handbook
- Annual Membership Account Statement
- Remittance Advice
- Newsletters
- Brochures
- Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. (Form 1099R)
- Pre-Retirement Education Materials
- Reports to Legislature
- Memorandums to Employers

To receive any of these materials, contact PERSI (numbers below). Additional PERSI information can be found on PERSI's website at www.persi.idaho.gov.

PERSI Office Locations:

Boise

Office Location:	Mailing Address:
607 North 8th Street	P.O. Box 83720
Boise, ID 83702	Boise, ID 83720-0078

Coeur d'Alene

Office Location & Mailing Address:
1250 W. Ironwood Dr.
Suite 316
Coeur d'Alene, ID 83814

Pocatello

Office Location:
305 N. 3rd Avenue
Suite B
Pocatello, ID 83201

Telephone:

PERSI Answer Center (208) 334-3365 Toll-free 1-800-451-8228

Employer Service Center (208) 287-9525 Toll-free 1-866-887-9525

PERSI Choice 401(k) Plan Toll-free 1-866-437-3774

PERSI

Public Employee Retirement System of Idaho

The costs associated with this publication are available from the Public Employee Retirement System of Idaho in accordance with Section 60-202, Idaho Statute.