

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 372

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE PUBLIC EMPLOYEE RETIREMENT SYSTEM; AMENDING SECTION
2 59-1311, IDAHO CODE, TO PROVIDE FOR ACTUARIAL ADVISORY SERVICES AND TO
3 MAKE TECHNICAL CORRECTIONS.
4

5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 59-1311, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 59-1311. PUBLIC EMPLOYEE RETIREMENT FUND CREATED -- ADMINISTRATION --
9 PAYMENT OF BENEFITS -- PERPETUAL APPROPRIATION. (1) There is hereby estab-
10 lished in the state treasury a special fund, the "Public Employee Retirement
11 Fund," which shall be separate and apart from all public moneys or funds of
12 this state, and shall be administered under the direction of the board exclu-
13 sively for the purposes of this chapter. The state treasurer shall maintain
14 within the fund a clearing account, a portfolio investment expense account
15 and an administration account.

16 (2) All contributions received from employers by the board on their ac-
17 count and on account of members shall be deposited with a funding agent des-
18 ignated by the board. All such funds are hereby perpetually appropriated to
19 the board, and shall not be included in the department's administration ac-
20 count budget and shall be invested or used to pay for investment-related ex-
21 penses.

22 (3) As needed to pay current obligations, the board shall transfer
23 funds from the funding agent to the state treasurer's office for deposit
24 into the administration account. All funds deposited in the administration
25 account shall be available to the board for the payment of administrative
26 expenses only to the extent so appropriated by the legislature.

27 (4) As required by the board, the funding agent shall transfer funds to
28 the state treasurer's office for deposit into the portfolio investment ex-
29 pense account for payment of investment expenses. The funds deposited in the
30 portfolio investment expense account shall be used for payment of invest-
31 ments and investment-related and actuarial-related expenses. Such expenses
32 shall include but not be limited to:

33 (a) Reporting services;

34 (b) Investment and actuarial advisory services;

35 (c) Funding agent fees and money management fees; and

36 (d) Investment and actuarial staff expenses including hiring of in-
37 vestment and actuarial management personnel. Investment and actuarial
38 management personnel are defined as staff positions that are classified
39 at pay grades N through V by the division of human resources.

40 Investment and actuarial management personnel shall be exempt from the pro-
41 visions of chapter 53, title 67, Idaho Code, and section 67-3519, Idaho Code,
42 and shall be hired by and serve at the pleasure of the board. All expenses

1 of the portfolio investment expense account shall be reported on a quarterly
2 basis to the legislature and to the division of financial management in the
3 office of the governor.

4 (5) As required by the board, the funding agent shall transfer funds to
5 the state treasurer's office for deposit into the clearing account. All ben-
6 efits for members shall be payable directly from the clearing account or by
7 the funding agent as they come due. If the amount of such benefits payable
8 at any time exceeds the amount in the clearing account, the payment of all or
9 part of such benefits may be postponed until the clearing account becomes ad-
10 equate to meet all such payments, or the board may require a refund from the
11 funding agent sufficient to meet all such payments.

12 (6) Moneys representing member entitlements ~~which~~ that remain un-
13 claimed after reasonable attempts to effect payment shall remain in the
14 retirement fund available for payment to the member or other established
15 rightful payee.