

# RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | OCTOBER 2023

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## PUBLIC EMPLOYEES RETIREMENT BOARD

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# NPERS Director Steps into Retirement

To all Nebraska Public Employees,

After 20 years with the Nebraska Public Employee Retirement Systems, six of which I have been the Director, I have decided to retire. The agency has been a great place to have a meaningful career and a good place to truly make a difference in the lives of so many Nebraskans. It has been an honor to serve with and for so many good people. I am leaving behind a very dedicated and professional staff that I know will continue to work toward the important mission of the agency. That mission is to provide a successful retirement and dedicatedly provide the highest quality service necessary to assist members in achieving this goal. Thank you so much for the opportunity to serve.



*Randy Gerke*

- Randy Gerke

# A Message from The State of Nebraska Investment Officer

Nebraska Investment Council June 30, 2023 investment returns were released in September. The pension plans returned 9.9 percent over 12 months. Last year's June 30 returns were a negative 8.6 percent. The State and County Cash Balance Plan runs on a calendar year. This year's six month return from January 1 through June 30 was 8.1 percent, compared to a negative 13.1 percent for the first six months of 2022. What a swing!

I grew up in the Willamette Valley, the end of the Oregon Trail. The Pacific was an hour's drive over the low Coast Range. My dad used to say when we went sea fishing, "Son, if you don't want to throw up when the water gets choppy, keep your eyes on the far horizon." I keep that in mind working for you.

We build the investment portfolios to last, whether they be pensions for public employees or trust funds established at statehood. We build the portfolios to withstand rough seas. The asset allocation must fit the portfolio's long-term purpose. Diversification is key. And firm belief that what we have built and the managers we have hired are the best for Nebraska.

Take some time to better acquaint yourself with our work. Our website is easy to navigate: <https://nic.nebraska.gov/>

## A few suggestions:

- Go to the "[Cash Balance Benefit Plans - State and County](#)". This is the investment policy statement for the State and County retirement plan. It includes the asset allocation for the plan - the mix of stocks, bonds, and other investments.
- Read "[An Overview of Strategies - Defined Benefit & Cash Balance Benefit Plans](#)". This walks you through the firms we have hired to implement the asset allocation.
- Explore <https://nic.nebraska.gov/performance-publications>. Here you will find our Annual Report, Performance Reports, and others.
- Contact us with any questions at [nic.info@nebraska.gov](mailto:nic.info@nebraska.gov)

I'll retire in December after nine years as State Investment Officer. It has been a true privilege to work with a dedicated board of directors and investment team, and for you.

*-Michael W. Walden-Newman*

State Investment Officer  
Public Employees Retirement Board Member

# If I Had Only Known!

Anyone who has ever put together IKEA furniture without the directions knows that it can indeed be done, but at the end of the process you may have a couple of extra pieces in your hand and an item that is slightly less steady or sturdy than it could have been. Reading instructions can be annoying and tedious, however, by studying a good diagram or reading what others before you have followed, sometimes they are really and truly needed to succeed. Retirement can be like that, too.

Learning about retirement is as boring as bland instructions. Talking about money, taxes, savings, health insurance, and estate planning is dry and dull, or it can be, if you don't do it right. Speaking with individuals who are passionate and motivated to help you succeed in retirement can make all the difference.

If you are ready to retire or just contemplating becoming more knowledgeable about your plan and the options available, you should take advantage of all the educational opportunities that we offer. Members of all ages can get more involved with this amazing plan and what it offers..

**Here are the seminar offerings currently open!**

## On the Web

Our newest offerings are web-based alternatives to our in-person seminars – ½ day Webinars. Right now, we have ½ day webinars available from 9:00 am to 12:30 pm. If you wish to register for one of our ½ day webinars, all you have to do is email your name, date of birth, webinar date you wish to attend, and e-mail you would like to use to [NPERS.SEMINARS@NEBRASKA.GOV](mailto:NPERS.SEMINARS@NEBRASKA.GOV) and a link will be e-mailed to you! **Free to attend!**

↓ Webinar Dates	↓ Email the following information to <a href="mailto:NPERS.SEMINARS@NEBRASKA.GOV">NPERS.SEMINARS@NEBRASKA.GOV</a>
October 24	• Name
October 25	• Date of birth
December 4	• Webinar Date
December 5	• Email

## In-person Seminars

For our State and County members, NPERS provides in-person full day seminars at locations across the State of Nebraska. Our [enrollment brochures](#) to register are on the website! Spots are still available! This great day includes plan information, presentations on Social Security, Elder Fraud, Medicare, and Estate Planning. A great day filled with great information -and a few jokes!

In-person Seminars
LaVista - October 18th, 19th, 31st
Lincoln - November 1st, 2nd
Grand Island - November 15th
Kearney - November 16th

## 24/7 Urgency

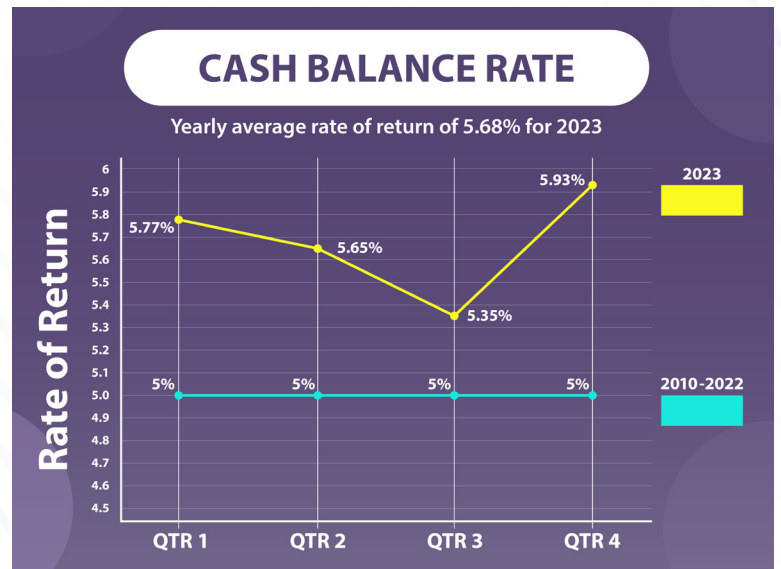
More than anything, the reason we hear from people about why they didn't start thinking about their retirement sooner is.... they just didn't have time. We understand how busy things are. Maybe you don't have time during the day to engage with a 3-4-hour webinar, or take off a whole day to attend an in-person seminar. How about this? You can access the seminar [any time you want on our website](#). Maybe you only have time to watch for five minutes before you put the kids to bed or do laundry. In the long run, it is worth taking those five minutes and investing it in becoming more financially knowledgeable. The same information we give at in-person seminars and at webinars, is right there for you now, for you to access at your leisure 24 hours a day, 7 days a week!

# Cash Balance Rate

For the quarter beginning October 1st, 2023, the rate of return for Cash Balance participants is 5.93%.

The rate of return for the Cash Balance plan is the federal mid-term rate (4.43%) plus 1.5% or a guaranteed rate of 5%, whichever is greater. This year we have seen some of the best rates of return for the cash balance plan. First quarter was 5.77%. The second quarter rate was 5.65%. The third quarter rate was 5.35%. Now, this quarter's rate is 5.93%. This gives the Cash Balance plan a yearly average rate of return of **5.68%**.

The current and historical Cash Balance rates of return are available via the "[Cash Balance Rates of Return & Dividends](#)" link on our website.



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## RETIREMENT NEWS

NEBRASKA STATE & COUNTY EMPLOYEES | OCTOBER 2023

# Talking Tax Turkey!

We are all aware that there are only two things certain in life - death and taxes. However, what you may not know is that understanding taxation, as well as how and when it occurs can greatly benefit you in retirement.

As of January 1st, 2023, we are required to request the IRS W-4P form be completed for annuity benefit payments. In addition, this means we need the W-4N for Nebraska State Tax withholding or to claim NE tax exempt status (if you do not have to pay) and the W-4R for additional withholding on non-periodic payments, such as Required Minimum Distributions, Lump Sum payments, or Rollovers.

Unsure if you need to complete these forms or how to

complete them? NPERS has recently released a video that explains how to complete the tax forms we use and scenarios for their best use. Watch our new video "[Understanding Taxation](#)" for a quick, clear guide on when these forms are needed and a quick reference on how to fill them out.

In addition, each of these forms, when attained from our website or through the mail, comes with a coversheet of instructions specifically designed to help you accomplish your tax goals using these forms in a comprehensive and concise way.

*NPERS' staff are not allowed to provide taxation advisement or guidance, so you may need to take these forms to your tax advisor for review, prior to requesting a distribution or annuity payment.*

<a href="#">Federal Taxation →</a>	<a href="#">W-4P (View Form)</a>	<a href="#">W-4R (View Form)</a>	<a href="#">State Taxation →</a>	<a href="#">W-4N (View Form)</a>
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