

RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

SJP • MARCH 2018

NPERS New Director

We are happy to report Randy Gerke has been confirmed as the new Director of the Nebraska Public Employees Retirement System! After a national search, Randy was unanimously selected by the Public Employees Retirement Board (PERB) at the August 14, 2017, meeting. Randy was subsequently appointed to the position by Governor Ricketts on August 28, 2017, and received final confirmation from the Nebraska Unicameral on January 25, 2018.

Randy began his tenure with us as the NPERS Accounting Manager in 2003. In September 2006, he was appointed as Interim Director during which time he managed the agency while the PERB conducted their search for a new director. Following the selection of Phyllis Chambers as Director in 2006, Randy was promoted

to the Deputy Director position which he has held since January 2007.

Prior to working for NPERS, Randy was the Controller/Human Resources Director at Midland Lutheran College in Fremont, Nebraska. Before his tenure at Midland Lutheran College, he was the Financial Accounting Supervisor at the Fremont Department of Utilities. Randy's education includes a Master of Science in Computer Information Systems, and a Bachelor of Science in Accounting and Information Management.

Randy is a current member of the Government Finance Officers Association. He has served as President of the Association of Governmental Accountants, President of the John C. Fremont Days Board of Directors, a board member of the Community Services Fund



Randy Gerke

of Nebraska, and was named a Fremont Area Chamber Diplomat.

NPERS staff and the PERB would like to congratulate Randy on his nomination and confirmation. His years of service at NPERS and knowledge of retirement issues in Nebraska will make him a great leader for our agency and plan members.

Retirement Board News

At the January 22nd meeting, the Nebraska Public Employees Retirement Board (PERB) elected their Chair and Vice-Chair for 2018. By unanimous vote, the PERB retained Janis Elliott as the Chair and Dennis Leonard as Vice-Chair of the board.

We are sad to report that Elaine Stuhr has elected to retire from the PERB at the end of her current term. Elaine was originally nominated to the Board in 2008 as a public or "at-large" member and re-appointed for a second five-year term

in 2013.

Prior to her nomination to the PERB, in 1994, Elaine was elected to the Unicameral as the representative for District 24. She was reelected in 1998 and 2002. During her tenure, she served on the Education Committee and the Rules Committee, represented Nebraska on the Education Commission of the States, served as Vice Chair of the Natural Resources Committee, and was the Vice Chair and Chair of the Nebraska Retirement Systems Committee.



Elaine Stuhr

We would like to thank Elaine for all her years of service on the Board. Her wealth of knowledge has been a tremendous asset to the PERB.

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NPERS
Nebraska Public Employees
Retirement Systems

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IDENTITY/CREDIT THEFT

There are three major credit reporting firms — Equifax, Experian and TransUnion. These companies compile data on your credit history and sell this information to businesses who use it to determine if you are “credit worthy.” In order to track and compile your credit history, these firms also store personal data including your birth date, addresses, driver’s license number and Social Security number.

In September 2017, Equifax revealed hackers accessed the personal information of approximately 143 million U.S. citizens. Per Equifax, this compromised data included names, social security numbers, credit card numbers and, in some cases, driver’s license numbers. To make matters worse, the September 8th warning from Equifax came several weeks after the July 29th date when the data was stolen.

In February 2018, updated data from Equifax revised those figures, increasing the total number of U.S. citizens affected to 145.5 million. Equifax also noted additional data was exposed, including tax identification numbers, email addresses, and drivers’ license information beyond just the license number.

The severity of the Equifax breach generated significant press, yet it wasn’t the first instance of hackers gaining access to personal and credit information. There have been prior hacks of other major corporations including Target, Home Depot, Neiman Marcus, and Holiday Inn.

If you purchase anything using a credit or debit card, obtain a loan or mortgage, or even have a checking or savings account, your personal data is at risk. Sadly, there is nothing that can be done to prevent criminals from trying to steal this information. So what can you do to minimize the risk and keep your personal and credit information

safe? Essentially this is a two-part and ongoing process which requires you to:

1. Safeguard your existing accounts; and
2. Prevent identify thieves from creating new accounts in your name.

Safeguard Your Existing Accounts

Unsecured public wifi is a potential goldmine for identity thieves. Never access your financial accounts or enter any personal data (including usernames/passwords or credit card information) when connected to these hotspots.

Don’t use your debit card when making purchases online. The Fair Credit Billing Act (FCBA) provides better guarantees for credit cards than online payment services or debit cards. Under the FCBA, your liability for unauthorized use of your credit card tops out at \$50. However, if you report the loss before your credit card is used, the FCBA says you are not responsible for any charges you didn’t authorize. If your credit card number is stolen, but not the card, you are not liable for unauthorized use.

For debit cards, if you report a loss or theft before someone uses it, you are not responsible for any unauthorized transactions. If someone uses your card before you report it lost or stolen, your liability depends on how quickly you report it. If you report the loss or theft within 48 hours of discovery, your liability is limited to \$50. After 48 hours, the limit increases to \$500 and after 60 days there is no limit.

In addition, the protections afforded to credit cards under the federal Fair Credit Billing Act do not apply to purchases made with debit cards. These regulations contain protections for (but not limited to) fraudulent charges and items damaged during

delivery or failed delivery.

Use strong passwords and unique user ID’s. Avoid using your email address or Social Security number as the user ID for financial accounts. Use a unique user ID and safeguard it the same you as would a password. Studies have indicated many individuals think they have strong passwords when they have not. Simply replacing an “i” with “!” is not a strong password. Identity thieves can employ computer programs which allow millions of attempts to crack your password in a short period of time.

Password Tips:

The strongest passwords will include a minimum of 12 characters. Use both upper and lower case letters, and numbers and symbols. Don’t place the capital letters only at the beginning or the numbers/symbols just at the end.

Avoid using passwords/usernames that include pet names, places you’ve lived, favorite bands/musicians/sports teams/hobbies, birth/wedding/graduation dates, or song lyrics. Don’t use common phrases like “gobigred” or patterns like “1,2,3.”

Monitor your bank and credit accounts on a regular basis. If you haven’t already done so, set up

online access and review these accounts on a weekly basis for unauthorized purchases. Some companies will allow you to set up text or phone alerts for specific charges – enable these protections. Report all suspicious activity as soon as it is detected.

NEVER give any personal information to individuals who call you on the phone. After the Equifax breach, scam artists posing as Equifax employees began calling people “to verify your account information” in an attempt to gather confidential data. These calls can also come from identify thieves posing as IRS, Medicare, or Social Security representatives.

Be alert for “phishing” emails or websites that mimic legitimate banks or businesses in order to steal your personal data. Never include personal or confidential information when you reply to any email. Avoid clicking on links in emails to access online accounts. When online, only enter personal information on websites with a secure address (look for the “s” at the end of https).

Watch out for “card/keypad skimmers” when making purchases with your credit or debit cards. These devices are placed over or inside card readers and are used by thieves to steal your card number and PIN. Skimmers are often placed on gas pumps



Card Skimmer

but they can also be attached to other card readers such as ATM's or check-out lanes.

When making purchases, check the machine for signs of tampering. Look for parts that are loose, don't align correctly, or have mismatched colors. See if the keyboard is securely attached and just one piece. Does anything move when you push/pull it?

Use ATMs that are in well-lit and high traffic locations – generally ATM's inside bank lobbies are safer options because of the security cameras. Cover the keypad when you enter your PIN. If the ATM (or card reader) has the option to use a chip reader, use it instead of inserting the card into the magnetic strip reader. It's harder for thieves to access personal data off the chip.

Finally, keep the phone number of your credit card issuer stored in your phone so you can immediately contact them in the event a card is lost or stolen.

Preventing Fraudulent Accounts

In order to create fake accounts, identity thieves must gain access to your personal and confidential information. As demonstrated by the Equifax breach, there is little you can do to prevent the theft of this data from professional hackers, but there are steps you can take to make it difficult to access your private information and prevent thieves from creating fraudulent accounts.

Review your credit report

You are eligible to receive a free report every year from each of the three crediting reporting firms (Equifax, Experian, and TransUnion). You can alternate between each firm and request a free report as often every four months. Doing this allows you review the data they have collected and spot any unauthorized accounts that may have been created by identity thieves.



Keypad Skimmer

These reports can be requested directly from each firm, or accessed online at annualcreditreport.com.

Fraud Alerts & Credit Freezes

There are two additional low-cost or free methods you can employ to try and prevent identity thieves from creating fake accounts; fraud alerts and credit freezes.

A fraud alert requires businesses to verify your identity when they receive a request to issue a new line of credit. If you initiate a fraud alert, you may receive a phone call or a request for a copy of your driver's license to verify your identity before a new account is opened.

An initial fraud alert can be placed on your file for 90 days. For longer time frames, you must submit a copy of a theft report filed with a law enforcement agency. There is no charge to request a fraud alert and you only need to contact one of the three credit bureaus and they are required to inform the other two.

A credit (or security) freeze is more effective than fraud alerts, but freezing your credit will bring additional inconvenience and fees into the mix. A credit freeze prevents the credit reporting bureaus from sharing your data, effectively restricting any new attempts to open a line of credit. It will not apply to businesses with whom you have an existing account, or a collection agency acting on behalf of those accounts.

To freeze your credit, you must submit a separate request to all three credit reporting bureaus. Each bureau will send you a PIN, which you will need in order to request a temporary or permanent removal.

Things to consider before submitting a credit freeze request:

- How often will you have to lift the freeze? This information is necessary to open new lines of credit such as a mortgage or car loan, but may also be needed in other situations such as renting an apartment or applying for a job. Lifting a freeze requires you to find out which reporting bureau to contact, waiting up to three days for removal of the freeze, and bureaus normally charge a fee which varies by state*.

- The freeze will not affect your credit score but it may limit your ability to check it on third-party websites.

- A credit freeze is effective against new credit being opened using your personal information, but does nothing to prevent thieves from stealing and using your existing credit.

*For Nebraska residents, Experian charges \$3 to add or remove a freeze, Transunion charges \$3 to add or temporarily lift (no charge to permanently remove), and Equifax has agreed to waive its credit freeze fees until November 21, 2017 as part of its response to the data breach.

Were you a victim of the Equifax hack?

The first step is to contact Equifax to determine if your data was included in the security breach. Equifax has set up a website at <https://www.equifaxsecurity2017.com/> where you can enter your last name and the last six digits of your SSN to see if your personal data was part of the breach.

If your data was compromised, the next step is checking if this information has been used to create any fake credit accounts. Gather your personal financial data such as mortgage or loan information – you will need this to verify your identity – and go to annualcreditreport.com to request a free credit report from one of the three reporting agencies.

If your credit report indicates thieves have created a fake account, you can go to the FTC Identity Theft website at <https://www.identitytheft.gov/> to report and access information on how to recover from the theft.

If your credit report does not show any fraudulent accounts, the next step is preventing thieves from creating one in the future. Equifax is currently offering one year of free access to their identify theft and credit monitoring service. Enrollment must begin prior to November 21 and after one year, you will need to pay for continued enrollment. Other alternatives include initiating a free fraud alert and/or placing a credit freeze (please refer to the companion article), or using other credit monitoring services. Finally, remember to make a return visit to annualcreditreport.com every four months to request a new report from a different agency.

2018 LEGISLATION

The 105th Legislature, second session, convened on January 3, 2018 for a 60-day session that will end April 18. During this session, the following bills impacting the School, Judges, and Patrol retirement plans have been introduced, or held over from the 2017 session.

Provisions may be amended during the legislative session and some bills may not be passed by the legislature. Please refer to the Legislation page of the NPERS website for updates and progress as the session continues. The final results of the 2018 session will be reported in the September newsletter.

LB 169 – All Plans

Would exempt retirement benefits from NE State taxes.

Status: Held over from 2017 session.

LB 412 – All Plans

This bill would require the Nebraska State Investment Officer to:

- “Determine the extent to which state funds are invested in companies or funds which derive a substantial portion of their revenue from extraction or combustion of fossil fuels.”
- “Review the extent to which state funds are invested in companies or funds which derive a substantial portion of their revenue from clean energy and opportunities for investment in clean energy investment.”
- “Report on the volatility and risk associated with identified fossil fuel investments.”
- “Begin the process of clean energy investment to the extent it is consistent with prudent investment strategies.”
- Provide a status report to the Governor and to the Clerk of the Legislature no later than December 15, 2017.

Status: Held over from 2017 session.

LB 414 – Judges

This bill would change how the Judges Plan is funded. Effective

July 1, 2017, the portion of court fees currently appropriated to the retirement fund would be diverted to the general fund. Each July 1st an annual employer matching contribution (of a currently undesignated percentage of member compensation) would then be remitted to the Judges’ retirement fund.

Status: Held over from 2017 session.

LB 548 – School

Would merge Omaha Public School Retirement (OSERS) into the Nebraska Public School Plan effective July 1, 2020. Requires NPERS use the current OSERS benefit and contribution structures for all active, deferred, inactive, disabled, and retirement members of the OSERS plan. Transfers all assets, rights, liabilities, and obligations of OSERS obligations to the School Plan. OSERS employees first hired on or after July 1, 2020, would participate in the School Plan provisions.

NOTE: Pending amendments remove the original language merging OSERS into the Nebraska Public School Plan. If these amendments are adopted, the provisions of the bill would only impact the OSERS plan.

Status: Held over from 2017 session.
Hearing held 2/14/18.

LB 698 – All Plans

This bill modifies sections of the various retirement acts to make it optional for the PERB to promulgate rules and regulations when necessary, rather than requiring the PERB to promulgate rules and regulations even when the statute is clear.

Status: Hearing held 1/19/18.

LB 699 – All Plans

This “clean-up” bill clarifies and harmonizes the definition of actuarial equivalent across the plans. It does not make any changes to plan benefits.

Status: Hearing held 1/19/18.

LB 1005 – County & School

This bill addresses eligibility under the federal tax code for entities participating in the County and School plans. Provides authority for the Public Employees Retirement Board to determine if a governmental entity currently participating in the retirement system qualifies, in whole or in part, under section 414(d) of the Internal Revenue Code as a participating employer in a governmental plan. If an entity does not qualify, it outlines who bears the financial liability, how that liability will be calculated, and the steps necessary to remove the entity from the plan.

Status: Hearing held 2/2/18.

403(b) & 457 Contribution Limits

2018 maximum contribution limits have been announced by the IRS for 403(b) and 457 Deferred Compensation (DCP) retirement plans. For both plans, the standard yearly maximum contribution has been increased from \$18,000 to \$18,500. Individuals age 50 or older may contribute an additional \$6,000 *using the Age 50 Catch-up provision*, increasing their total limit to \$24,500.

School employees who have completed 15 or more years of service in the same school district and have contributed, on average, less than \$5,000 a year to their 403(b) may be able to contribute more under the Lifetime ("Long Service") Catch-up provision. This allows eligible 403(b) participants to contribute up to an additional \$3,000 per year up to a lifetime maximum of \$15,000.

2018 LIMITS FOR SCHOOL EMPLOYEES PARTICIPATING IN A 403(B)

Standard maximum contribution	\$18,500
If you qualify for the \$3,000 Lifetime Catch-up	\$21,500
If you qualify for the Age 50 Catch-up	\$24,500
If you qualify for BOTH the Age 50 and the Lifetime Catch-up*	\$27,500

*The first \$3,000 of contributions in excess of the standard \$18,500 limit will apply to the Lifetime Catch-up and reduce the \$15,000 Lifetime Catch-up limit. For more information on 403(b) limits, please refer to [IRS publication 571](#).

2018 LIMITS FOR STATE PATROL EMPLOYEES AND JUDGES PARTICIPATING IN DEFERRED COMPENSATION

If you're under age 50	\$18,500
If you qualify for the Age 50 Catch-up	\$24,500

State Patrol and Judges who would like to participate in the State DCP can access the enrollment form on the NPERS website under "Forms." This form should be submitted to your agency payroll or HR rep so they can set up the payroll deduction. NPERS does not administer 403(b) plans. School employees who wish to participate in a 403(b) should contact their HR department for plan and enrollment information.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

2018 Retirement Planning Seminars for SCHOOL

Plan Members Age 50 & Over

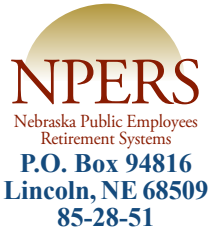
The 2018 Retirement Planning seminar season has begun. Seminars will be held across the state beginning February 28 and ending June 28. Enrollment forms have been mailed and are also available on the NPERS website.

School plan members age 50 and over are entitled to receive leave with pay to attend up to two retirement planning seminars (paid leave limited to once per fiscal year). Members may bring one guest. The fee to attend is \$25 per person. Non-members or an additional guest may attend for \$35 per person.

Please be aware there are attendance limits depending on location and some sessions will fill up. Individuals who delay submitting an enrollment form may not be able to attend their preferred session.

Check in on the day of the seminar begins at 8 am – please no early arrivals. Seminars begin promptly at 8:30.

LINCOLN <input type="checkbox"/> FULL <input type="checkbox"/> APRIL 24 <input type="checkbox"/> FULL <input type="checkbox"/> JUN 7 <input type="checkbox"/> MAR 21 <input type="checkbox"/> JUN 14 <input type="checkbox"/> MAR 22 <input type="checkbox"/> JUN 27	GERING <input type="checkbox"/> APR 18 <input type="checkbox"/> APR 19
LA VISTA <input type="checkbox"/> MAR 7 <input type="checkbox"/> MAY 10 <input type="checkbox"/> MAR 8 <input type="checkbox"/> JUN 6 <input type="checkbox"/> MAR 28 <input type="checkbox"/> JUN 28 <input type="checkbox"/> APRIL 25	COLUMBUS <input type="checkbox"/> APR 5 <input type="checkbox"/> JUN 21
KEARNEY <input type="checkbox"/> MAR 15 <input type="checkbox"/> MAY 3	NORFOLK <input type="checkbox"/> APR 4 <input type="checkbox"/> JUN 13
VALENTINE <input type="checkbox"/> APR 11	NORTH PLATTE <input type="checkbox"/> APR 12 <input type="checkbox"/> MAY 2
	GRAND ISLAND <input type="checkbox"/> MAR 14 <input type="checkbox"/> JUN 20



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