

# RETIREMENT NEWS

NEBRASKA SCHOOL, JUDGES, AND PATROL PLAN MEMBERS | MARCH 2019 | NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

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## PUBLIC EMPLOYEES RETIREMENT BOARD

**Janis Elliott**  
*Chair*  
*School Member*

**Kelli Ackerman**  
*Vice Chair*  
*School Member*

**Denis Blank**  
*State Member*

**Judge J Russell Derr**  
*Judges Member*

**Pamela Lancaster**  
*County Member*

**Jim Schulz**  
*Member-At-Large*

**Michael Walden-Newman**  
*State Investment Officer*

**Randy Gerke**  
*NPERS Director*

## RETIREMENT NEWS

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## RETIREMENT BOARD NEWS

At the January 28 meeting, the Nebraska Public Employees Retirement Board (PERB) elected the Chair and Vice-Chair for 2019. By unanimous vote, the PERB retained Janis Elliott as the Chair and elected Kelli Ackerman as Vice-Chair of the board.

We are sad to report Dennis Leonard has elected to resign from the PERB. Dennis was originally nominated to the Board in 2014 to serve the remainder of the Patrol Member position previously held by Darrell

Fisher, and was re-appointed in 2015. He was elected as the Vice-Chair of the PERB in 2017 and 2018. We wish Dennis the best in his future endeavors.



Janis Elliott



Kelli Ackerman



Dennis Leonard

## 2019 SCHOOL RETIREMENT PLANNING SEMINARS

The 2019 Retirement Planning Seminar season has begun. Seminars will be held across the state beginning February 27 and ending June 26. Enrollment forms have been mailed and are also available on the NPERS website. Members must enroll in advance if they wish to attend a session.

A confirmation postcard will be mailed upon receipt of the registration form. Once a session is full, no additional enrollments will be accepted - no exceptions. NPERS recommends members contact our office if they do not receive a confirmation postcard within two weeks of mailing their registration. Confirmation cards will not be mailed for registrations received within one week of the seminar - late enrollees should contact our office to confirm their registration was

received and seats are still available.

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.

<b>LINCOLN</b>	<b>VALENTINE</b>	<b>GERING</b>
<input type="checkbox"/> MAR 20 <input type="checkbox"/> MAY 29 <input type="checkbox"/> MAR 21 <input type="checkbox"/> MAY 30 <input type="checkbox"/> APRIL 23 <input type="checkbox"/> JUN 6	<input type="checkbox"/> APR 10	<input type="checkbox"/> APR 17 <input type="checkbox"/> APR 18
<b>KEARNEY</b>	<b>COLUMBUS</b>	<b>LA VISTA</b>
<input type="checkbox"/> MAR 14 <input type="checkbox"/> MAY 2	<input type="checkbox"/> APR 4 MAIN BLDG. <input type="checkbox"/> JUN 20 SOUTH BLDG.	<input type="checkbox"/> MAY 15 <input type="checkbox"/> JUN 26
<b>NORTH PLATTE</b>	<b>GRAND ISLAND</b>	<b>NORFOLK</b>
<input type="checkbox"/> APR 11 <input type="checkbox"/> MAY 1	<input type="checkbox"/> MAR 13 <input type="checkbox"/> JUN 19	<input type="checkbox"/> APR 3 <input type="checkbox"/> JUN 12

# 2019

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## LEGISLATION

The 106th Legislature, first session, convened on January 9, 2019 for a 90-day session that will end June 6. During this session, the following bills impacting the School, Judges, and Patrol retirement plans have been introduced.

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 2019 session will be reported in the September newsletter.

### LB 31 – RETIREMENT BOARD

LB 31 would ask the Public Employees Retirement Board (PERB) to create and submit a report examining the process and costs to transfer administration of the Omaha School Employee's Retirement System (OSERS) to the Nebraska Public Employees Retirement System (NPERS).

The report shall include:

- A detailed analysis and recommendations regarding management, administration, actuarial service, information technology, computer infrastructure, accounting, member data and record transfer.
- Necessary statutory changes to achieve the transfer of management and actuarial services.
- Staff training and assessment of staffing needs.
- Educational and communication plans to fully inform all system stakeholders and affected governmental entities regarding management changes.
- Sufficient timeframes for an orderly transition and implementation of management and actuary changes.
- Cost estimates associated with the tasks necessary to carry out the management transition.
- A comparison of the current annual cost to administer OSERS with an estimate of the annual cost for the PERB and NPERS to administer OSERS after a transfer occurs.

The cost of the report shall be funded by Omaha Public Schools (OPS) and provided to the Clerk of the Legislature no later than June 30, 2020.

### LB 32 – DCP & DROP

LB 32 allows the Nebraska Investment Council (NIC) to

modify the 13 investment options currently provided to participants in the State and County Defined Contribution plan. This will also result in a change to the investment options in the voluntary State Deferred Compensation Plan (DCP), and the State Patrol DROP program.

On or after January 1, 2021, investment options shall include, but not be limited to:

- An investor select account which shall be invested under the direction of the state investment officer with an asset allocation and investment strategy substantially similar to the investment allocations made by the state investment officer for the defined benefit plans. These investments shall most likely include domestic and international equities, fixed income investments, and real estate, as well as potentially additional asset classes.
- A stable return account which shall be invested by or under the direction of the state investment officer in a stable value strategy that provides capital preservation and consistent, steady returns.
- An equities account which shall be invested by or under the direction of the state investment officer in equities.
- A fixed income account which shall be invested by or under the direction of the state investment officer in fixed income instruments.
- A life-cycle fund which shall be invested under the direction of the state investment officer with an asset allocation and investment strategy that adjusts from a position of higher risk to one of lower risk as the member ages.

Defined Contribution, DCP, and DROP participants shall be given a detailed current description of each new investment option. Participants who fail to make an investment election from the new funds shall have their account invested in the life-cycle fund.

## LB 33 – RETIREMENT BOARD

LB 33 increases the PERB per diem from \$50 to \$75. In addition, the bill would change the actuary contract limits to allow for two 3-year options, and remove the requirement for a competitive, formal, sealed bidding process for the legal compliance audit. Finally, the bill would change the due date of the Annual Legislative Report from March 31 to April 10, effective 2020.

## LB 36 – SCHOOL

LB 36 modifies repayment of refund time frames and payment options, and clarifies and simplifies service credit provisions for School plan members.

Removes the separate service credit definitions for Tier Four. Service credit provisions will be the same for all four tiers. Clarifies service credit is not granted for service provided in an Omaha Public School.

Under current statute, members who were actively employed and participating in the plan on April 17, 2014, have until April 16, 2020, to apply for and repay a refund. Repayment must be completed no later than April 16, 2020, or termination, whichever is earlier. LB 36 requires these members submit an application for repayment no later than April 16, 2020 but extends the repayment

date to April 16, 2021, or termination, whichever is earlier.

For all refund repayments, members who submit an application within one year of termination or within one year of the repayment deadlines outlined in statute cannot utilize the payroll deduction option to repay the refund.

## LB 565 – SCHOOL, STATE, COUNTY, & DCP

LB 565 designates the spouse of a married plan member as the default primary beneficiary. When a married plan member dies with no beneficiary designation on file, the surviving spouse shall be considered the primary beneficiary of the retirement account.

## LB 683 – RETIREMENT BOARD

LB 683 requests the PERB develop a work plan, recommendations, and cost estimate of allowing members of OSERS who have terminated employment to elect a one-time lump sum payment of their retirement account in lieu of the lifetime pension benefit. This payment amount shall be determined using a percentage of the actuarial present value of the member's retirement account.

The work plan is due June 30, 2020. The PERB may bill the OSERS system for all services and related expenses in completion of the work plan

# 403(b) & 457 Contribution Limits

2019 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 \$18,500 to \$19,000. Individuals age 50 or older may contribute an additional \$6,000 using the Age 50 Catch-up provision, increasing their total limit to \$25,000.

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.

### 2019 LIMITS FOR SCHOOL EMPLOYEES PARTICIPATING IN A 403(B)

Tax Year	Standard maximum contribution	If you qualify for the \$3,000 Lifetime Catch-up	If you qualify for the Age 50 Catch-up	If you qualify for BOTH the Age 50 and the Lifetime Catch-up*
2019	\$19,000	\$22,000	\$25,000	\$28,000

\*The first \$3,000 of contributions in excess of the standard \$19,000 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](#).

### 2019 LIMITS FOR STATE PATROL EMPLOYEES AND JUDGES PARTICIPATING IN DEFERRED COMPENSATION

Tax Year	If you're under age 50	If you qualify for the Age 50 Catch-up
2019	\$19,000	\$25,000

State Patrol members 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.

# NEW STATE PATROL & JUDGES HANDBOOKS

The member handbooks for the State Patrol and Judges plans have been revised. The new revision date for the Patrol handbook is 8/2018, and 10/2018 for the Judges. You may access the current versions on the “Publications” page on the NPERS website.



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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

***RETIREMENT NEWS***

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