

RETIREMENT NEWS

FOR NEBRASKA SCHOOL, JUDGES, AND PATROL PLAN MEMBERS | MARCH 2020 | NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

IN THIS ISSUE

2020 School Retirement Planning Seminars 1
 Spam/Marketing Email Calls 1
 Retirement Board News..... 2
 2020 Legislation 2
 403(b) & 457 Contribution Limits 2
 Legal Corner..... 3



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RETIREMENT NEWS

John Winkelman
Editor

Anna Hayden-Roy
Assistant Editor

402-471-2053
 800-245-5712
 npers.ne.gov

2020 SCHOOL RETIREMENT PLANNING SEMINARS

The 2020 Retirement Planning seminar season has begun. Seminars will be held across the state beginning March 4 and ending June 25. 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 \$50 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	LA VISTA	GRAND ISLAND
MAR 4 FULL* MAR 5 FULL* MAR 25 FULL* MAY 26 APR 23 JUN 4 JUN 11 JUN 18	MAR 11 MAR 12 FULL* APR 1 FULL* APR 22 MAY 13 MAY 14 JUN 10 FULL*	MAR 18 JUN 17
KEARNEY	VALENTINE	NORTH PLATTE
MAR 19 FULL* JUN 3	APR 15	APR 16 MAY 6
GERING	COLUMBUS	NORFOLK
APR 29 APR 30	APR 9 JUN 25 MAIN BLDG. SOUTH BLDG.	APR 8 JUN 24

* As of 2/28/2020

SPAM / MARKETING EMAIL & CALLS

Some plan members have been receiving retirement related emails sent to their work email addresses. The subject line in these emails have included, "Participants in the Nebraska Public Employees' Retirement System Can you Afford to Retire? Do you understand your Benefits? We Can Help..." "NPERS Assistance for (school name) Public Schools" and "Nebraska Public Employees.. Will Your Retirement Survive?" The email encourages the recipient to schedule a 15 minute "No Cost Retirement Consultation" where you will receive a "State of Nebraska Public Employees Retirement Report" a "Complimentary Personalized Retirement Analysis" or an "estimate."

Other plan members have received phone calls from individuals offering a retirement seminar covering the NPERS retirement along with a free lunch at a local restaurant.

We would like to clarify these emails and calls **did not come from NPERS**. These are spam/marketing contacts from private entities who have obtained the email addresses or phone numbers of Nebraska State and School employees via public websites (NPERS does not provide member email addresses or phone numbers to 3rd parties). The individuals responsible for these emails and calls are not affiliated with NPERS in any way.

Continued on page 3

RETIREMENT BOARD NEWS

At the January 28 meeting, the Nebraska Public Employees Retirement Board (PERB) elected the Chair and Vice-Chair for 2020. By unanimous vote, the PERB retained Janis Elliott as the Chair and Kelli Ackerman as Vice-Chair of the board.



Janis Elliott



Kelli Ackerman

2020 LEGISLATION



The 106th Legislature, second session, convened on January 8, 2020 for a 60-day session that will end April 23. During this session, the following bills impacting the NPERS plans and Nebraska retirees were 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 2020 session will be reported in the September newsletter.

LB 806

This bill would exempt certain retirement benefits from Nebraska income taxes. Effective 1/1/2021, Social Security

benefits, retirement benefits from a 401(a) or 403(a) qualified retirement plan, retirement benefits from OSERS retirement plan, retirement benefits from the County, Judges, Patrol, School, and State retirement plans, retirement benefits from the US Civil Service or Federal Employees Retirement System, and military retirement benefits would be exempt from Nebraska income taxes.

LB 1054

Modifies Required Minimum Distribution (RMD) language to conform to recent changes in federal law (please refer to the companion Legal Corner article in this newsletter). This bill would increase the RMD age from 70½ to 72 for individuals who turned 70½ after 12/31/2019.

403(B) & 457 CONTRIBUTION LIMITS

2020 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 \$19,000 to \$19,500. Individuals age 50 or older may contribute an additional \$6,500 using the Age 50 Catch-up provision, increasing their total limit to \$26,000.

If permitted by the 403(b) plan, **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.

2020 Limits for School Employees Participating in a 403(b)

Tax Year	Standard Maximum Contribution	If you qualify for the \$3000 Lifetime Catch-up	If you qualify for the Age 50 Catch-up	If you qualify for BOTH the age 50 & the Lifetime Catch-Up
2020	\$19,500	\$22,500	\$26,000	\$29,000

*The first \$3,000 of contributions in excess of the standard \$19,500 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.

2020 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
2020	\$19,500	\$26,000

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.

**SPAM / MARKETING EMAIL & CALLS
(contd.)**

Official NPERS seminars are held each year and enrollment brochures are mailed to eligible plan members. If you receive a communication regarding your retirement account, and question if it's a legitimate communication from NPERS

or a solicitation from a third party, please feel free to contact our office. NPERS seminar enrollment forms and seminar dates/locations are also published on the NPERS website.

LEGAL CORNER *By NPERS Legal Counsel, Orron Hill*

The law governing retirement plans has seen more activity in the last several years than in the past several decades. Examples of the activity include, but are not limited to:

- The Secure Annuities for Employee Retirement Act of 2013;
- The tax reform in 2017;
- The U.S. Department of Labor's proposed amendments to the fiduciary rule, and the response by various stakeholders; and
- The Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act).

The SECURE Act was attached to the Further Consolidated Appropriations Act, 2020 (FCA). The FCA was:

- Passed by the House of Representatives on December 17, 2019;
- Passed by the Senate on December 19, 2019; and
- Signed into law by the President on December 20, 2019.

The SECURE Act makes multiple changes to the Internal Revenue Code (Code), and other laws, governing tax-preferred vehicles, including the tax-qualified retirement plans administered by NPERS. The changes are meant to increase access to tax-preferred retirement plans, simplify administrative burdens, and alleviate costs.

A provision of the SECURE Act of particular note for our plan members, like you, relates to Required Minimum Distributions (RMDs).

Under the old version of the Code, plan participants who terminated employment with an employer offering a qualified retirement plan were required to take a minimum distribution from their account by April 1 of the calendar year following the calendar year in which the participant turned 70½. The SECURE Act, in part, amends the Code to change this age to 72 for individuals who attain 70½ after December 31, 2019.

The SECURE Act also requires governmental pension plans to amend their plan documents to comply with the SECURE Act by December 31, 2024.

NPERS proposed legislation to amend the State statutes that govern your retirement plans, and is in the process of updating our regulations, educational materials, and forms, to bring them in line with the SECURE Act's requirements.

We would like to thank Senator Mark Kolterman for introducing LB1054 in response to our proposed legislation and offer our thanks to the Nebraska Retirement Systems Committee for their continued support of the retirement systems. Information about the legislative changes can be viewed on the "Legislation" page of the NPERS website.

If you are nearing RMD age, please be sure to review the notices that accompany your annual statements. It is important you take action prior to your RMD required beginning date to avoid a 50% excise tax on late distributions and the possible forfeiture of monthly benefits.

Please contact NPERS with any questions.



Nebraska Public Employees
Retirement Systems

P.O. Box 94816
Lincoln, NE 68509
85-28-51

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