

# RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | SEPTEMBER 2021

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## RETIREMENT NEWS

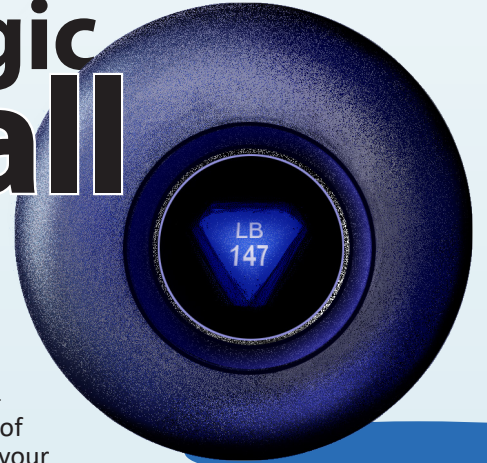
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# Behind the Magic Eight Ball



Colloquially speaking, if you're "behind the eight ball", you're in trouble, out of luck, in an awkward position, or at a severe disadvantage. And nobody wants to be behind the eight ball when it comes to retirement.

While we're on the subject of eight balls, do you remember the Magic Eight Ball, the goofy fortune-telling toy of your youth? You'd approach the item with a query about your future and eagerly wait for that mysterious blue liquid to part, hoping that when it did, you'd see the answer you wanted. Unfortunately, most of the time, the ball would just tell you, much to your dismay, that you should ask again later.

What relevance do eight ball themed idioms and children's toys possibly have to a retirement newsletter, let alone to you? The answer is eight! Eight is an important number for you as a participant in the School retirement plan.

According to new legislation effective May 27, 2021, a member who has a *bona fide* termination of employment can provide 8 days of voluntary and/or substitute service in a calendar month during the 180 days following termination from service. This is a very significant change!

In the past, the law did not provide NPERS, or our plan members, specific direction on a number of days of service. Rather, it merely stated such service is supposed to be "intermittent," meaning "sporadic, discontinuous, and irregular." With this new legislation, we now have clear, set guidelines. As a part of this change, we will have a *new auditor* who will review for these specific, set guidelines within our member files.

Important definitions to note:

1. **"Intermittent basis"** means no more than 8 days in a calendar month of voluntary and/or substitute service provided on a day-to-day basis (no prearrangement).
2. **"Day of service"** means any length of voluntary and/or substitute service provided during a single calendar day (whether that is 5 minutes or 8 hours of service).

Don't risk your retirement by violating these reemployment rules. People who are caught violating the reemployment rules, must pay back all retirement benefits, plus interest, and that large lump sum comes due immediately. Having to pay back such a hefty sum will put you squarely behind the eight ball. A violation of the State law also constitutes a violation of the federal tax code, and the IRS does not easily forgive violations, debts, fees, penalties, or interest.

### Here are a few important things you CAN'T DO:

- Combine 8 subbing days and 8 volunteering days – this is 16 days of service
- Combine 8 days at one NE school and another 8 at a second NE School – this is 16 days of service
- Agree to train your replacement – this is a prearranged return to service
- Refereeing, officiating, or coaching – these are considered regular employment

So, Magic Eight Ball, if I follow these rules and don't provide more than 8 days of service per calendar month and I do that on an *intermittent basis*, will I have a safe and secure retirement? *Signs point to yes.*

If you have further questions, please reference our [Frequently Asked Questions \(FAQ\) about LB 147's Changes to the Termination of Employment Rules document](#), which can be found on our website [NPERS.NE.GOV](#)

# With A Little Help From My Friends

Everybody is looking for that little bit of inside information. We all hope to find that one stock tip that is going to change the course of our retirement investing. Unfortunately, investing is difficult because no one has a crystal ball they can consult for these tips and tricks.

Judges and Patrol members who elect to participate in the voluntary Deferred Compensation Plan (DCP), as well as Patrol members participating in DROP, get to decide how to invest their contributions. Shrewd decisions are imperative for DCP & DROP accounts as they will increase or decrease in value depending on the investment options selected and market performance.

To be successful investors we must be educated and savvy to make astute allocation and transfer moves that best suit our goals. This applies whether we're looking for great growth or secure conservation of our money. If you take the time to educate yourself on the basic principles of investing and the investment options, you will have a much better chance of avoiding the mistakes made by amateur investors, and your friends at NPERS want to help you do this!

While NPERS cannot provide individual investment advice, we do offer a variety of investment tools to help participants make their own informed investment decisions. We encourage you to begin this journey with a visit to the Investment Info page on the NPERS website. This page is designed as a one-stop access to all the various retirement and financial planning education materials created by NPERS.

At the end of 2020, we received new fund options, increasing what we offer from 13 to 17 fund options. If you would like to learn more about these new investment funds, we publish an [Annual Investment Report](#) that illuminates the unique profiles of each fund. They are also discussed in our Investment Education Video. Here are a few of the resources offered:

**For Beginning Investors** - The [NPERS Financial Planning Seminar](#) is great for getting started with your financial planning and basic investment knowledge.

**For Current Investors** - The [NPERS Investment Education video w/Mike Morey](#) and the [Making Allocations and Fund Transfers using the Ameritas Website](#) videos are both great tools to continue your investment education.

## Investment Education Video - State, County, DROP & DCP

To further help Defined Contribution, Deferred Compensation, and State Patrol DROP Plan members make informed investment decisions, NPERS offers an Investment Education video. This video covers the investment options and provides an outline on the basics of investing.



## Already know WHAT to do? Here's HOW you do it!

The quickest way to make investment changes to your DCP & DROP accounts is via the Ameritas Online account access. The changes you make there are automatically processed at the end of the market day. We've created a [short video walkthrough to guide](#) you in how to process both an allocation (*where you want your future contributions to go*) and a transfer (*where you want the money currently in your account to go*). In addition, the online access provides a wealth of information about your account, including investment performance for specific time frames and fund historical performance.

## Making Allocation Elections or Fund Transfers using the Ameritas Website



As your friends, NPERS wants you to succeed with your investing and retirement goals. We do what we can to help by providing the highest standard of investment education possible. We're here to give you the resources you need to make the process easy and informative. Educate yourselves today so you can reap those retirement rewards!

## NPERS Financial Planning Video

Whether you're in your 20's, 30's, or 40's it is never too soon to consider where you stand financially and where you want to go later in life. Mike equips you with valuable financial tools to help you take charge of your finances.



# Missing the Bus!



The 2021 School Plan pre-retirement seminar season came to a close June 17th. We served a total of 978 members during that time, conducting in-person and web-based retirement education seminars.

In the past we have conducted ‘seasons’ of seminars due to both the gorgeous Nebraska weather (and its accompanying driving conditions) and the timing of most retirements (i.e., the end of the school year). However, we understand that every member’s retirement situation is unique. With that in mind, NPERS is offering two of our Pre-retirement Webinars to school members this fall.

Curl up at your computer with your fuzzy socks and favorite blanket, grab a warm cup of cocoa and enjoy a ½ day presentation about the features of your School Plan. No marshmallows required, as the sweetest part of the day will be learning about the peace of mind and secure financial path that your Defined Benefit Plan offers you and your family.

The dates for these special off-season webinars are as follows:

**October 15, 2021 from 8:30a to 11:30a CST**

**December 10, 2021 from 8:30a to 11:30a CST**

These webinars are free of charge. To register, simply send an email to [NPERS.seminars@nebraska.gov](mailto:NPERS.seminars@nebraska.gov) providing your name, email address, date of birth and the date of the webinar you wish to attend. We will accept registration for webinars until the day before the event.

No time for a seminar? We’ve got you covered! Currently our whole School Plan retirement seminar is available on video at [NPERS.NE.GOV](https://www.npers.ne.gov), as well as our recorded webinar session from Spring 2021.

There’s no excuse for missing this bus!

## Don’t Play the Social Security Guessing Game

*by Jeremiah Calcara*

A recent Social Security Administration (SSA) report states that half of all retirees are counting on Social Security (SS) for at least half of their retirement income. Furthermore, studies show that 21% of married couples and 45% of single individuals receive 90% of their retirement income from their SS benefit. When you consider that SS is designed only to replace 35%-40% of your income, you can see that these numbers are a problem.

There are many reasons that we can point to for this issue (inadequate retirement savings, not participating in company retirement plans, etc.), but a recent study by the University of Southern California Center for Economic and Social Research points us to a new one: workers overestimate how much

they’re going to receive from SS. According to researchers, the more optimistic workers are about their SS benefit, the less likely they are to save enough for what they’ll need in the future.

The good news is there is an easy fix to this problem. In the same way that NPERS provides a benefit estimator for your retirement plan, the SSA also has a benefit estimator for you to see a snapshot of what your SS benefit might be. Visit [SSA.gov](https://www.ssa.gov) and review what your benefit at this point in your career looks like. For more information about the SS program, watch our Social Security Video on the Publications/Video page at [NPERS.NE.GOV](https://www.npers.ne.gov)



# Retirement Board News



Judge Thomas Zimmerman

Governor Ricketts has appointed, and the Legislature has approved, a new member to the PERB. Judge Thomas E. Zimmerman will serve as the new Judges plan representative. NPERS would like to welcome Judge Zimmerman to the PERB!

Visit us at:

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Nebraska Public Employees  
Retirement Systems

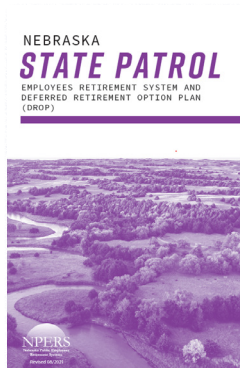
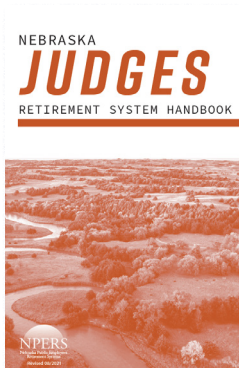
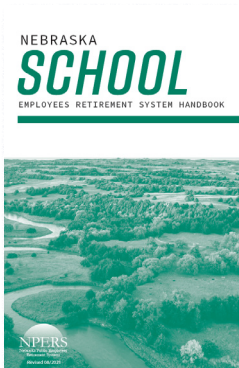
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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

## **RETIREMENT NEWS**

NEBRASKA SCHOOL, JUDGES & PATROL EMPLOYEES | SEPTEMBER 2021

# School Judges & Patrol Handbook Update



The [School](#), [Judges](#) and [Patrol](#) Plan handbooks have been revised to reflect 2021 legislative changes. Members may access the current versions of these handbooks on the “Publications/Videos” page of the NPERS website.