

RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | APRIL 2021

IN THIS ISSUE

- The Perfect Pair- NPERS & You!.....1
- Getting “Invested” in your Retirement..... 1
- Retirement Planning in Uncertain Times2
- Retirement Board News.....3
- Being Empower-ed..... 4
- Cash Balance Rate 4



PUBLIC EMPLOYEES RETIREMENT BOARD

- Janis Elliott
Chair
School Member
- Kelli Ackerman
Vice-Chair
School Member
- Allen Simpson
State Member
- Pamela Lancaster
County Member
- Mike Jahnke
Patrol Member
- Jim Schulz
Member-At-Large
- Michael Walden-
Newman
State Investment Officer
- Randy Gerke
NPERS Director

RETIREMENT NEWS

- Heather Critchfield-Smith
Editor
- Anna Hayden-Roy
Assistant Editor
- 402-471-2053
- 800-245-5712
- npers.ne.gov

The Perfect Pair- NPERS & You!

The mission of the Nebraska Public Employees Retirement System is very simple...it's YOU! We recognize the importance of a successful retirement and provide the highest quality service to assist members in achieving this goal. It sounds sentimental, but it's the truth. While we all know about uncertain times, as we are living in them, we are committed to making sure retirement is not a time of uncertainty for our members. With that in mind, here's how 2020 went for NPERS and a few little fun facts you may not know.

1 in every 14 Nebraskans is a member of one of the six plans we administer.

NPERS Proudly Serves
141,748
Members and Retirees

1 in **14**
Nebraskans
are a member
of NPERS

The State and County Cash Balance (CB) plans exceeded 100% funding as of December 31, 2019. The Public Employees Retirement Board voted to grant a 3.00% dividend to State and County CB members. Over \$53.5 million in dividends were awarded to plan members!

Our Member Services department answered 44,656 calls in 2020. The Member Services area fields a variety of calls ranging from sending out retirement and distribution packets to helping members fill out forms and so much more. In 2020, we successfully conducted our first ever virtual office visit.

In 2020, the Benefits Processing department processed 1,889 new retirements across all our plans. We distributed over \$940 million dollars last year, which added \$25.2 million in state tax revenue for Nebraska schools, roads, and other essential services. The Data Services department processed 37,864 pieces of incoming mail, 251,357 pieces of outgoing mail, and scanned 253,241 documents.

In 2020, the Educational Services department began enhancing the videos available on the NPERS.NE.GOV website, releasing new content monthly to reach our members more easily. The IT department rallied resources to make working from home during the pandemic possible for NPERS staff. Our Accounting and Internal Audit departments kept all our facts and figures accurate and our accounts received/paid on-time.

NPERS is home to 52 devoted and enthusiastic staff members, all doing our individual best for you, our members, to make your retirement a stable and comforting reality. If you would like to learn more about NPERS and what we do, visit our website or review our Annual Legislative Report, available on April 9th. We are going to work with you to make 2021 a great year to RETIRE!

Getting “Invested” in your Retirement

If you are a member of our Defined Contribution (DC), Deferred Compensation Plan (DCP) or Deferred Retirement Option Plan (DROP) you may be aware that your account will *increase or decrease* in value depending on the investment options selected and market performance. This makes educating yourself about your investment fund options vital to determining how best to address your personal risk tolerance, age, and investment goals.

CONT'D. ON PAGE 2

Getting “Invested” in your Retirement (cont’d.)

Members who take the time to educate themselves on the basic principles of investing and the investment options, have a much better chance of avoiding the mistakes often made by amateur investors.

NPERS cannot provide individual investment advice, but we do offer a variety of investment tools to help participants make their own 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 shop to all the various retirement and financial planning materials created by NPERS.

What’s NEW?

New videos available on the NPERS.NE.GOV website:

[The Investment Education Video with Mike Morey \(Certified Financial Planner\)](#) – This video covers investing basics and the specific funds currently offered to our DC, DCP, and DROP plan members.

[Allocating or Transferring Funds Using the Ameritas Website](#) – Wondering how to make transfers and update allocations? This video gives step-by-step instructions on how to do it quickly and easily.

[NPERS Financial Planning Seminar with Mike Morey](#) – Get started early on your path to smart investing and retirement finance with this video, designed for beginners, that helps you take those first steps!

Also available now are the Discontinued Fund Default listing, the 2020 Annual Investment Report, common investment forms and a walkthrough of how to use the Ameritas website via mobile devices.

Making Investment Changes

The quickest way to make investment changes is via your Ameritas online account access. There is a quick 12-minute video to walk you through the process. Investment allocations and transfers made using the Ameritas Online access are automatically processed at the end of the market day. In addition, the online access provides a wealth of information on your account, including investment performance for specific time frames using the Online Statements link found in the Plan Documents drop down.

Retirement Planning in Uncertain Times

Orron Hill, Legal Counsel

In our last issue, we revealed some worrying retirement statistics, then offered how to begin your planning process to avoid uncertainty and retire comfortably. In this final quarterly installment, we will be forging ahead with making a plan and following through.

Pay Off Debt. High-rate debt balances can hamstring efforts to reach your Savings Goal. For example, the average interest rate on credit cards is 16.61%. (See, <https://www.federalreserve.gov/releases/g19/current/>, from the Board of Governors of the Federal Reserve System (August 2020).) This translates to \$166.10 in annual interest for every \$1,000 owed. Paying off these high interest balances will free up cash to fund your retirement savings, and, simultaneously, lower your cost of living.

Consider allocating 5% of your income to debt repayments, even if it means you have to lower your retirement contributions temporarily. Also, commit to sending every cash windfall to pay off your debts. Common cash windfalls are bonuses from work, and tax refunds from the IRS.

Contribute to an IRA. A traditional IRA offers tax-deferred earnings, which can help you grow your nest egg. Ideally, you should contribute 15% of your income cumulatively to retirement accounts, or more if you’re close to retirement and behind on your savings.

In 2020, you can contribute up to \$6,000 if you are under age 50, or \$7,000 if you are 50 or older, to an IRA. However, keep in mind that your IRA contributions may not be tax-deductible if you are also participating in a 401(k) plan. Consult a tax professional for guidance unique to your situation.

Learn Basic Investing. You will have better investment results, and avoid unpleasant surprises, if you learn about market cycles, how different classes of investments work, and how to manage your investment risk.

CONT’D. ON PAGE 3

There are many helpful investment education courses out there. For example, NPERS has an investment education video for the State, County, DROP, and DCP plan members on our website at <https://npers.ne.gov/SelfService/public/otherInformation/FinancialFacts/>. In addition, the NPERS website includes links to the “Annual Investment Report,” and “Preretirement” and “Retirement 101” videos for the School, State, County, and Patrol Plans.

While that course may help you, nothing can beat one-on-one investment education from a trained, licensed professional. Consider hiring such a professional to offer you customized education and training.

Long-Term Investing. Remember to invest in assets you can hold for long periods. While not as exciting as day trading to generate quick profits, it is far less risky because you reduce your exposure to timing mistakes that can cost you money. Further, buying quality assets, and holding on to them, allows you to take advantage of the stock market’s long-term growth trends.

Build an Emergency Fund. An emergency fund helps you pay your expenses when life throws you a curveball. If you don’t have a sufficient emergency fund, you may have to borrow money or take on large amounts of credit card debt. Both of these options can come with high interest rates that diminish your ability to save for retirement. (See “Pay Off Debt,” above.)

Rehearse Your Retirement. Your retirement plan is built on the type of lifestyle you want after you leave the workforce. If that lifestyle is very different from how you live today, it is wise to do some test-runs before you get locked in to that lifestyle. Use your vacations while working to rehearse your retirement lifestyle. Monitor all aspects of your time on vacation, such as the costs, satisfaction with lifestyle, and sustainability for, potentially, multiple decades. You may learn you need something more, or less, from retirement than you thought.

While this is certainly not an all-inclusive list of how to best prepare yourself for retirement, it should offer you some basic tips and tricks to get you well on your way. We hope you found this information helpful and apply it as you move toward reaching your retirement Savings Goal.

Retirement Board News



Janis Elliott



Kelli Ackerman



Judge J. Russell Derr

At the January 25 meeting, the Nebraska Public Employees Retirement Board (PERB) elected the Chair and Vice-Chair for 2021. 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 Judge J. Russell Derr has retired from the PERB. Judge Derr was originally nominated to the Board in 2015 and served as the Judge Member position for 6 years. NPERS would like to thank Judge Derr for this service on the PERB and we wish him the best in his future endeavors.

Being Empower-ed

Please note, for members who have DCP accounts that were administered by MassMutual (formerly Hartford), MassMutual was recently acquired by Empower. Empower will honor all contracts and terms of existing MassMutual plans. Empower has sent correspondence to those members with MassMutual accounts announcing this acquisition. They have stated the only noticeable change will be in the branding.

Previous Branding: 



New Branding:

EMPOWER
RETIREMENT™



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

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

RETIREMENT NEWS

NEBRASKA STATE AND COUNTY EMPLOYEES | APRIL 2021



CASH BALANCE RATE

For the quarter beginning April 1st, 2021, the rate of return for Cash Balance participants is 5%.

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