

JANUARY 2018

Nebraska Public Employees Retirement Systems

# Retiree UPDATE

PROVIDING INFORMATION TO RETIREES OF NEBRASKA'S STATE AND COUNTY RETIREMENT PLANS

## Outdated Addresses Can Lead To Suspension of Benefits

It is essential that NPERS maintain accurate addresses for plan members, including beneficiaries receiving a retirement benefit. During active employment, address updates are forwarded to NPERS by the employer. After termination, address updates must be submitted by the member to NPERS. We periodically send correspondence by mail regarding account information, required minimum distributions, annual tax documents, or other benefit information. Individuals who fail to maintain an updated address run the risk of missing this important correspondence. In addition, returned mail may indicate benefits are no longer reaching the appropriate destination due to a change in bank accounts and/or member status.

To ensure benefit payments and correspondence are reaching the proper recipients; the Public Employees Retirement Board Policy **includes a provision to suspend electronic benefit payments**, such as Direct Deposits or ReliaCard, when NPERS does not have an accurate and up to date address and/or bank account data.

NPERS does not wish to suspend anyone's benefit; however, it is our responsibility to ensure accurate delivery of correspondence and benefit payments. Promptly informing us of any address changes during retirement will prevent disruption of benefit payments. Address updates may be submitted using the Address Change/Request Form included with this newsletter or the Member Demographic Change form available on our website.

### HAS YOUR ADDRESS CHANGED?

**Retired members or beneficiaries receiving a monthly benefit should notify us *in writing* when they have a change of address.**

If correspondence is designated as undeliverable and returned to our office, we will attempt to contact the benefit recipient. After 60 days, if we are unable to reach them and have not received written confirmation of the new address, NPERS will place a hold on benefit payments. Benefits will be resumed as soon as administratively possible upon receipt of written documentation confirming their address.

### HAS YOUR BANK ACCOUNT CHANGED?

**Retired members or beneficiaries who are receiving benefits via direct deposit should notify our office if they close out or switch bank accounts.**

If we are alerted a direct deposit has been sent to an inactive account, we will attempt to contact the benefit recipient. If we are unable to reach them and have not received a new direct deposit form, NPERS will place a hold on deposits to the account. Benefits will be resumed as soon as administratively possible upon receipt of a properly completed NPERS Direct Deposit form.

## 2018 ANNUITY PAYMENT SCHEDULE

JANUARY 12

FEBRUARY 15

MARCH 15

APRIL 13

MAY 15

JUNE 15

JULY 13

AUGUST 15

SEPTEMBER 14

OCTOBER 15

NOVEMBER 15

DECEMBER 14

### NOTE

If you use Direct Deposit and change banks or bank accounts after the 7th of any month, your payment may be delayed.



# Watch Your Mail for Form 1099-R

**NPERS will mail your IRS Form 1099-R tax statement by the end of January 2018.**

Please remember to keep your mailing address updated with NPERS in order to receive your 1099-R in a timely fashion and ensure uninterrupted benefit payments. Individuals who need to update their address may use the address change

form. All benefit recipients are strongly encouraged to read the companion article in this newsletter outlining the necessity to maintain an up to date address at NPERS.

The information on Form 1099-R should be used to file your 2017 federal and state tax returns. Your 1099-R will show the gross benefits you received from NPERS in 2017.

This form will also indicate the federal income tax which was withheld from your benefit payments and, for most people, the taxable portion of your benefit.

Please direct questions about individual tax liability to your accountant, tax professional, the Internal Revenue Service, or your state Department of Revenue.

## Understanding Your 1099-R

**BOX 1**  
Box 1 shows everything NPERS paid to you in 2017.

**BOX 2a**  
This is the amount that is taxable to you.

**BOX 4**  
This is the amount that was withheld for federal taxes.

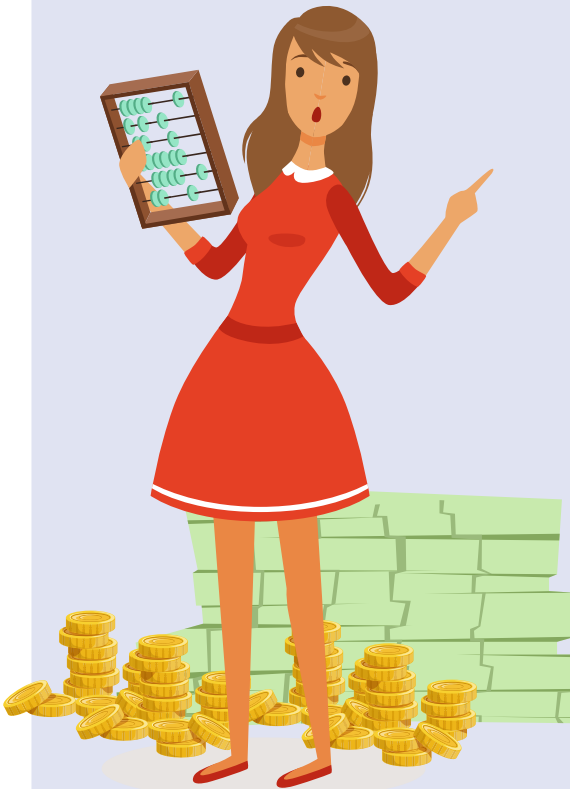
**BOX 5**  
This is the amount that is not taxable.

**BOX 12**  
This is the amount that was withheld for state taxes.

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 Gross distribution	OMB No. 1545-0119	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		\$ <b>1</b>	2017	
		2a Taxable amount	Form 1099-R	Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.
		\$ <b>2a</b>		
PAYER'S federal identification number	RECIPIENT'S identification number	2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	This information is being furnished to the Internal Revenue Service.
		3 Capital gain (included in box 2a)	4 Federal income tax withheld <b>4</b>	
RECIPIENT'S name		\$	\$	
Street address (including apt. no.)		5 Employee contributions /Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities	
City or town, state or province, country, and ZIP or foreign postal code		\$	\$	
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	7 Distribution code(s)	8 Other	
	FATCA filing requirement <input type="checkbox"/>	9a Your percentage of total distribution %	9b Total employee contributions %	
\$		12 State tax withheld <b>12</b>	13 State/Payer's state no.	14 State distribution \$
Account number (see instructions)		\$		\$
		15 Local tax withheld	16 Name of locality	17 Local distribution \$
		\$		\$

**NOTE:** Box 1 - Box 2a = Box 5

# New Distribution Fees



Effective June 1, 2017, new fees for final distributions went into effect. These fees are assessed by Ameritas, the plan record keeper, and are applied when a member takes a distribution that depletes their account. They will not apply to monthly annuity payments, but will impact lump-sum and systematic withdrawals.

## The new fees assessed on final distributions are now:

- **No fee on a final distribution of less than \$100.**
- **A \$35 fee for final distributions of \$100 up to \$250.**
- **A \$75 fee for final distributions over \$250.**

The other record keeping fees remain unchanged from the prior year. The monthly record keeping fee for Defined Contribution participants is \$2.30. For Cash Balance members this fee is \$2.05, and DCP participants pay a fee of \$1.95. Partial lump-sum and systematic withdrawals are subject to a \$5 fee for each distribution. A quarterly fee of \$0.50 is also assessed for delivery of statements or documents mailed to plan participants. Members can avoid this fee by signing up for electronic distribution of statements and correspondence via the Ameritas Online account access.

## Annuity Tax Withholding Reminder

Each year NPERS is required to notify retirees of your right to change, start or stop federal tax withholding on your monthly annuity. You can do so at any time via the NPERS online account access or by filing a new Withholding Certificate for Annuity Payments. This form may be obtained from the "Forms" section of the NPERS website at [npers.ne.gov](http://npers.ne.gov) or by calling our office.

You are not required to have federal income tax withheld from your monthly annuity, however, the Internal Revenue Service (IRS) may assess interest or penalty charges if your estimated tax payments or withholding amounts fall short of your tax li-

ability (certain restrictions apply if you have the 5-Year Designated Period Annuity).

If you are a Nebraska resident and you choose to have federal income tax withheld from your benefits, NPERS is required to withhold Nebraska taxes using the allowances and marital status you claimed for federal withholding. You may elect additional amounts of withholding for both your federal and/or state withholding; these amounts are not required to match. If you choose not to have federal tax withheld from your retirement benefit payment, you are not required to have Nebraska state income tax withheld. If you are not a Nebraska resident, NPERS

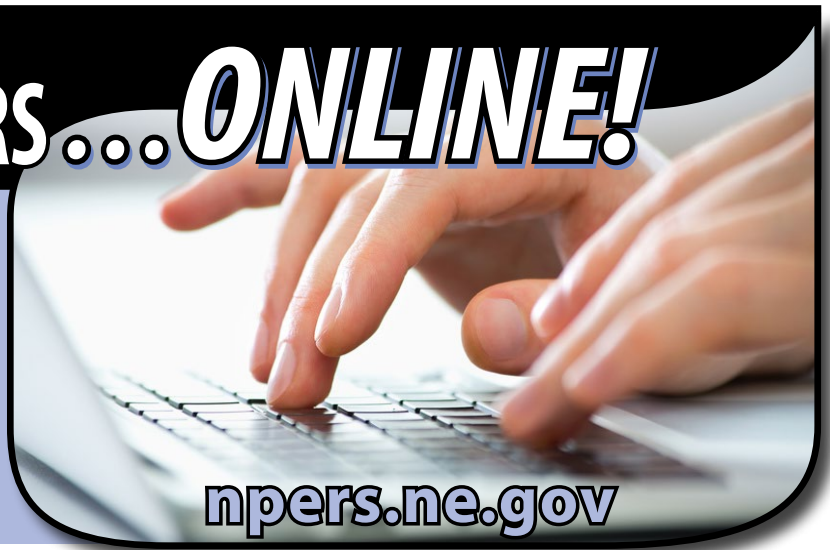


is not required to withhold Nebraska taxes from your benefit payment.

No action is necessary if your present tax authorization for your monthly retirement benefit still fits your needs. Questions regarding how much to withhold should be directed to a tax professional.

# Stay In Touch with NPERS... **ONLINE!**

- ☞ Read Our Newsletters
- ☞ Download Forms
- ☞ Follow Retirement Board News
- ☞ Track Legislation That Affects Your Retirement
- ☞ Access Your Account



## Retiree UPDATE

JANUARY 2018

*Nebraska Public Employees Retirement Systems*

PROVIDING INFORMATION TO RETIREES  
OF NEBRASKA'S STATE AND COUNTY  
RETIREMENT PLANS

PH: 402-471-2053 TOLL FREE: 800-245-5712

FAX: 402-471-9493

[npers.ne.gov](http://npers.ne.gov)

**NPERS**  
Nebraska Public Employees  
Retirement Systems  
P.O. Box 94816  
Lincoln, NE 68509  
85-28-51

PRSRT STD  
U.S. POSTAGE  
PAID  
LINCOLN NE  
PERMIT 212

To update your address or to request a form, fill out the request below and return it to NPERS at P.O. Box 94816, Lincoln, NE 68509.

## ADDRESS CHANGE/REQUEST FORM

Please use this form to notify NPERS when you change your mailing address **OR** to request an NPERS form.

Social Security #

 -  - 

Retirement Number  
(If known)

Name

Address

City

State

Zip

Signature (A SIGNATURE IS REQUIRED FOR AN ADDRESS CHANGE.)

Check here if this is a change of address.

If you need additional information or a form, please check the appropriate box(es) below:

Withholding Certificate for Pension or Annuity Payments Form

Direct Deposit Agreement Form

Beneficiary Designation Form

Other \_\_\_\_\_