

# RETIREMENT NEWS

Nebraska Public Employees Retirement Systems

Vol. 23, No. 4, Summer 2008

PROVIDING  
INFORMATION TO  
JUDGES, PATROL AND  
SCHOOL EMPLOYEES

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## DROP Added to Patrol Plan

A new retirement payment option called “DROP” has been added to the **State Patrol Retirement Plan** effective *September 1, 2008*. DROP stands for Deferred Retirement Option Plan. The new feature is voluntary and provides a way for a State Patrol Plan member to receive a lump-sum amount at retirement *in addition to* an ongoing monthly retirement benefit, in exchange for working **up to five more years** (but not beyond age 60).

To participate in DROP, a State Patrol member must be currently employed with at least *25 years of service, and be age 50 up to age 60*. All members entering DROP must agree to cease employment within five years or upon turning age 60, whichever occurs first. The member may elect to cease employment any time prior to five years.

### Pension Benefit is Frozen –

Upon entering DROP, the member’s retirement benefit is calculated and the member and the employer (State) cease making monthly contributions to the State Patrol Plan. The member’s monthly benefit is “frozen” at this point. Pension benefits will not be adjusted for any future salary increases or any benefit improvements passed by the Nebraska Legislature. There will be no cost-of-living adjustments (COLA) during DROP. The member may not “opt out” and return to “active” status.

**Member Invests the Account** – During DROP, the member continues to work and receive a paycheck while his/her monthly



(Cont. on page 3)

## PIONEER Is Evolving Into NPRIS

The automated system currently used by NPERS is called PIONEER. Just as technology changes with personal computers, so has the technology changed that is used for PIONEER, which now requires updating. The upgraded system has been named **NPRIS (Nebraska Public Retirement Information System)** and will use web-based technologies.

The vendor selected to create NPRIS is Saber Corporation (formerly known as Covansys). They’ve had a long relationship with NPERS, dating back to the creation of PIONEER, and are considered experts in providing software and services for public retirement programs. Founded in 1997, Saber is headquartered in Portland, Oregon, and is a division of EDS which has now merged with Hewlett Packard. The website is [www.sabercorp.com](http://www.sabercorp.com). NPRIS

will be completed in 2009. Providing leadership is a volunteer steering committee consisting of Dale Kahla, PERB member; Phyllis Chambers, NPERS Director; Brenda Decker, State Chief Information Officer; Randy Gerke, NPERS Deputy Director; Joe Schaefer, NPERS Legal Counsel; Tom Conroy, OCIO Administrator and Jerry Brown, NPERS IT Manager. Also heavily involved with the project are Robin Goracke, NPRIS Project Manager; Sanjay Gupte, Saber; and Sriram Ramanujam, Saber. Quality reviews of project management are being provided by the University of Nebraska-Lincoln.

Members will experience minimal changes with the self-service portion of NPRIS. We will continue to update members, through future newsletters, concerning progress and member impact.

# Are You a Risk Taker? Don't Take This Risk

Have you been skydiving lately? How about whitewater rafting, mountain climbing or spelunking? Not that adventurous? Like most of us, you probably spend your summer mowing the lawn, taking the kids to softball games and relaxing on the patio with a cool beverage.

No matter what recreational or leisure activities are a part of your lifestyle, making a proper beneficiary designation is a very important part of your financial planning. You should review your

situation annually and seek competent professional advice where needed.

At the time you joined the **School Plan** or the **Judges Plan**, you designated your beneficiaries by completing and submitting an NPERs Beneficiary Designation Form. You may change your designation at any time before retirement, and should always be sure NPERs has current information on your beneficiaries. If you were to die unexpectedly before having a chance to retire, NPERs will use this designation

to distribute your benefit. If you've married or divorced, had a child, or a family member has moved or passed away, or you just don't remember who you listed, it's time to complete and submit a new form like the one below. You may also name your estate, a trust or a charity.

You should read the instructions on this form *carefully* before completing it, as your designations will override bequests you've made in your will. All your benefits will go to your named, primary beneficiaries in equal amounts, unless you assign specific percentages. Your spouse must be named as your sole, primary beneficiary to be eligible for the surviving spouse's options. Only if all primary beneficiaries have predeceased you will any of your benefits go to your contingent beneficiaries. There is space to list three primary and three contingent beneficiaries. If you would like to name more than three, you will need to complete and include a Supplemental Beneficiary Designation Form.

Any new Beneficiary Designation Form NPERs receives will automatically replace a previous designation. Even if you list the same person(s), we don't mind processing the paperwork knowing we have your *current* designations and contact information. You should complete the Form carefully, including all of the beneficiary information requested. Be sure to have your signature notarized, make a photocopy of the form for your records, and then send the original to NPERs.

The form may be printed from the website at [www.npers.ne.gov](http://www.npers.ne.gov) or obtained from your human resources department.

If you are a **State Patrol Plan** member, your beneficiary designation process is different. Contact the State Patrol Office or NPERs if you have questions. ☐



**NPERs**  
Nebraska Public Employees  
Retirement Systems

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Lincoln, NE 68509-4816  
402-471-2053 or 800-245-5712  
Fax 402-471-9493  
[www.npers.ne.gov](http://www.npers.ne.gov)

Name <small>Last</small> _____ <small>First</small> _____ <small>Middle</small> _____ <small>Maiden</small> _____				Date of Birth - - / /		Plan Type <small>(check all that apply)</small>
Social Security Number - - - - -			Retirement Number			<input type="checkbox"/> School
Address _____				City _____ State _____ Zip _____		<input type="checkbox"/> State
Home Phone _____		Work Phone _____		Employer _____		<input type="checkbox"/> County
<b>Beneficiary Designation Form</b>						
<b>Read Carefully Before Completing:</b> Use this form to designate or change your beneficiaries for the Retirement Plan indicated above. Benefits will be paid to your survivors exactly as you provide on this form. This form supersedes prior beneficiary designation forms. If you name a trust or other legal entity as your beneficiary, include the name of both the trust and the trustee. Submit the original document only; <b>photocopies and faxes will not be accepted.</b> If you wish to designate more than three beneficiaries in either the Primary or Contingent category, you must attach a supplemental form(s) and indicate the number of additional pages here. _____						
<b>Primary Beneficiary(ies)</b> I designate the following person(s) to be my Primary Beneficiary(ies) for the Retirement Plan noted above. All Primary Beneficiaries designated will share equally in the benefit unless I have included a percentage (%) amount on the line following the date of birth below. <b>(The shares of all Primary Beneficiaries must equal 100%.)</b>						
Name of Beneficiary _____	Spouse/Child/Other _____	Gender <u>M/F</u>	Social Security Number _____	Date of Birth _____	%	
Address _____			City _____	State _____	Zip _____	
Name of Beneficiary _____	Spouse/Child/Other _____	Gender <u>M/F</u>	Social Security Number _____	Date of Birth _____	%	
Address _____			City _____	State _____	Zip _____	
Name of Beneficiary _____	Spouse/Child/Other _____	Gender <u>M/F</u>	Social Security Number _____	Date of Birth _____	%	
Address _____			City _____	State _____	Zip _____	
<b>Contingent Beneficiary(ies)</b> I designate the following person(s) to be my Contingent Beneficiary(ies) for the Retirement Plan noted above. I understand my Contingent Beneficiary(ies) will receive a share of my benefit if all Primary Beneficiaries pre-decease me or refuse their shares of the benefit. All Contingent Beneficiaries designated will share equally in the benefit unless I have included a percentage (%) amount on the line following the date of birth below. <b>(The shares of all Contingent Beneficiaries must total 100%.)</b>						
Name of Beneficiary _____	Spouse/Child/Other _____	Gender <u>M/F</u>	Social Security Number _____	Date of Birth _____	%	
Address _____			City _____	State _____	Zip _____	
Name of Beneficiary _____	Spouse/Child/Other _____	Gender <u>M/F</u>	Social Security Number _____	Date of Birth _____	%	
Address _____			City _____	State _____	Zip _____	
Name of Beneficiary _____	Spouse/Child/Other _____	Gender <u>M/F</u>	Social Security Number _____	Date of Birth _____	%	
Address _____			City _____	State _____	Zip _____	
Signature of Member _____				Date _____		
I hereby certify that the above member, whose identity I have established to my own satisfaction, freely and voluntarily signed this beneficiary designation form in my presence						
State of _____			}			
County of _____			Subscribed and sworn before me this _____ day of _____, _____			
Notary Public Signature _____				My commission expires: _____		

NPERs1300 Rev. 06/08

BAR CODE

## Important Reminders

**Annual Statements** – One of the most important documents you receive from NPERS is your annual Account Statement. You should *look your statement over carefully* before you file it away with your other important papers. Contact NPERS if you believe there is an error on your statement. No matter how minor the error appears, we encourage you to *write* to NPERS stating the discrepancy.

**Current Address** – Statements are mailed to members' home addresses every year in August. Remember to *notify your employer* whenever your address changes since your current personal information is submitted to us by them. (Members not currently working or who are receiving a retirement benefit should send a written, signed notice of address change directly to NPERS.)

**Request a Retirement Packet** – "Retirement Packets" are not sent automatically and you should request one from NPERS during your last year of employment. This packet will include an estimate of your benefit, an Application for Retirement and other important retirement information.

## DROP

*Cont. from pg. 1*

retirement benefits are deposited pre-tax into the DROP account. The member will invest this account using the 13 investment funds offered. They are the same funds used for the voluntary Deferred Compensation Plan (DCP). The *member assumes full responsibility* for how the DROP account is invested and for any market gains or losses.

**Ending Drop** – The end of DROP occurs when the member ceases employment and "retires in fact." Monthly benefits will then be issued directly to the member and will no

## LEGAL CORNER

by NPERS Legal Counsel,  
Joe Schaefer

### School Judges Patrol Retirement Legislation 2008

Retirement legislation enacted by the 100<sup>th</sup> Unicameral Legislature during the Second Session was limited to the provisions contained in LB 1147, which was adopted on Final Reading on April 17, 2008, and signed by the Governor on April 21<sup>st</sup>. Although the bill had the emergency clause, the provisions affecting the **School Employees Retirement System**, the **Judges Retirement System** and the **State Patrol Retirement System** took effect on July 18, 2008, three calendar months after the Legislature adjourned. Those provisions include an early retirement benefit for participants in the **Judges Plan**, as well as a technical rewrite of cost-of-living (COLA) language for all three plans:

- Members participating in the **Judges Plan** will be able to retire as early as age 62 with a 3% reduction of the benefit for each year prior to the normal retirement age of 65. Retiring at age 64 results in a 3% reduction; at age 63, a 6% reduction; and at age 62, a 9% reduction. Previously, the reduction would have been to the actuarial equivalent of the normal (age 65) retirement benefit. Participants may retire as early as age 55 and receive a benefit that is the actuarial equivalent of the age 62 reduced benefit.
- Language describing the calculation of annual COLA adjustments for the **School Employees, Judges, and State Patrol Plans** was rewritten to clarify the process and to address concerns raised by the Auditor of Public Accounts. The changes are technical in nature and do not affect the value of the COLAs calculated and applied each year. The COLA is equal to the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers or 2.5%, whichever is less, but never falling below the Purchasing Power Floor (75% of the original benefit for **Judges and School Employees**; 60% of the original benefit for **State Patrol**). COLA adjustments are made in July of each year.

In addition to the sections affecting the **Judges, School Employees, and State Patrol Plans**, LB 1147 adopted changes to the **County, State, and Class V (Omaha) Retirement Systems**.

longer be deposited in the DROP account.

**Distributing the Account** – Upon "retiring in fact" the member must take either a lump sum distribution of the entire account, roll funds over to another qualified, tax sheltered retirement plan, or a combination of both options, and must make the choice within 30 days of termination. One full fiscal year after the date of ceasing employment, the monthly pension will be eligible for any future COLA adjustments.

All lump sum distributions from the DROP account are considered taxable income and subject to federal and Nebraska state income tax. Rollovers are not subject to taxation at the time of rollover but will be taxed upon distribution. All subsequent monthly pension payments made to the member are also subject to taxation.

If you are a State Patrol Plan member and are interested in participating in DROP, please contact the State Patrol Accounting Department, or contact NPERS. □

## Get to Know Your Retirement System with an NPERS Orientation



Seminar presenters, John and Cheryl

“If I had only known that when I first started teaching,” is a common comment after an NPERS orientation or retirement seminar. Knowing valuable information about your retirement plan on the front end of one’s career eliminates regrets when a member is nearing retirement.

Be informed about your retirement system! Ask your employer to contact NPERS at 800-245-5719 or 402-471-2053 to schedule an NPERS orientation, conducted by NPERS’ prized training specialists, John Winkelman and Cheryl Mueller.

### Information When You Need It

Are you a night owl? Or can’t get away from your job to visit the NPERS office? All the important things you need to know about your retirement plan are right here, 24/7.

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

- ◆ PERB Information
- ◆ Investment Council
- ◆ Legislative Information
- ◆ Plan Information
- ◆ Member Information
- ◆ Employer Information
- ◆ Videos
- ◆ Newsletters, Reports, Plan Booklets, etc.
- ◆ Forms
- ◆ Seminar Schedules
- ◆ Benefit Estimator
- ◆ Factors for Repaying a Refund
- ◆ Optional Service Credit

## 2009 Retirement Seminar Calendar

School Members  
age 50 and over

Lincoln	-	March 4
Omaha	-	March 5
Grand Island	-	March 18
Kearney	-	March 19
S. Sioux City	-	March 25
Norfolk	-	March 26
Lincoln	-	April 1
Omaha	-	April 2
Kearney	-	April 8
Grand Island	-	April 9
Columbus	-	April 15
Omaha	-	April 16
Gering	-	April 21
Gering	-	April 22
Lincoln	-	April 30
N. Platte	-	May 6
Norfolk	-	May 7
Omaha	-	May 13
Lincoln	-	May 14
Valentine	-	May 20
N. Platte	-	May 21
Grand Island	-	June 4
Lincoln	-	June 10
Omaha	-	June 11
Norfolk	-	June 17
Kearney	-	June 18
Lincoln	-	June 24
Lincoln	-	June 25
Omaha	-	July 1

Pre-registration is required.  
Registration information will be mailed to all eligible members in January 2009.



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## NPERS’ Employee & Manager of the Year



We are proud to announce that **Liz Pomajzl** has been elected as our 2008 Employee of the Year!

Liz began with NPERS in 1984 as receptionist, and has worked diligently as an accountant in our Accounting department for the last 20 years.

Handling the agency “check book” keeps Liz very busy. She pays the bills, taxes and other expenses using the state NIS system and always makes time to assist others whenever needed.

Liz earned her first Employee of the Year award in 1991. She is admired and respected by her coworkers and is the perfect choice for this year’s Employee of the Year.

We would also like to congratulate **Sheila Linder**, our Manager of the Year.



Sheila has been the agency’s Administrative Assistant for the past nine years. In addition to assisting our Director and Board Members during our monthly board meetings, Sheila is our liaison with State Personnel, handles all human resource matters and manages all environmental issues within the agency.

Also a second-time award winner, Sheila was our 2004 Manager of the Year. She is an invaluable asset to all of us and her kind and caring demeanor has made her everyone’s favorite “go-to” person.

We are proud to have two such outstanding people represent our agency. Thank you Liz and Sheila, for going above and beyond everyday and being great NPERS team players! □