

RETIREMENT NEWS

Nebraska Public Employees Retirement Systems

SJP • February 2011

PROVIDING
INFORMATION TO
SCHOOL, JUDGES AND
PATROL MEMBERS

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Nebraska Public Employees Retirement Systems

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RETIREMENT NEWS

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Bills Could Affect School, Judges and Patrol Plan Members

The 102nd Legislature convened on Wednesday, January 5, 2011 for a 90-day session. Facing a budget shortfall of \$986 million, senators will be challenged with finding additional cuts in a budget that has already seen several reductions.

On the first day of the session, senators elected members of the body to serve as committee chairpersons. Omaha Senator Jeremy Nordquist was elected chair of the Nebraska Retirement Systems Committee and Senator Leroy Loudon was elected vice chair. Other committee members include Lavon Heidemann, Russ Karpisek, Heath Mello, and Dave Pankonin.

Multiple bills addressing the school, judges, and patrol retirement plans have been introduced. Relevant bills are listed below in numerical order.



LB246 – STATE PATROL

Allows surviving spouses of deceased **state patrol** members to remarry and remain eligible for survivor benefits.

this rate will decrease to 16%. The employer match remains unchanged at 100% of the member rate.

the **school** plan.

Clarifies cost of living adjustment language in the **judges, state patrol and school** plans. Proposed legislation would not change the formula or process currently in use but merely clarifies the language.

LB307 – STATE PATROL

Patrol plan members who elect to participate in DROP will be required to continue making retirement contributions during the time the member is enrolled in DROP.

LB486 – SCHOOL

Increases in compensation greater than 9% per year, during the five years prior to retirement, will be excluded when calculating retirement benefits. No exceptions to the 9% cap will be allowed. If passed, these provisions will be effective for **school** plan members on 7/1/2012.

LB679 – JUDGES & STATE PATROL

New **judges** and new members of the **state patrol** would participate in the state cash balance retirement plan.

LB382 – SCHOOL & STATE PATROL

Beginning 9/1/2011, contribution rates for **school** members will increase from 8.28% to 9.28%. On 9/1/2013 this rate will decrease to 8.28%. On 9/1/2014 the rate will decrease to 7.28%. The employer match remains unchanged at 101% of the member rate.

LB505 – STATE PATROL

Allocates one-fourth of one percent of motor vehicle tax proceeds to the **state patrol** retirement fund.

LB680 – SCHOOL

New **school** plan members would participate in a cash balance retirement plan similar to the plan used for state and county employees.

LB509 – ALL PLANS

Clarifies the Public Employees Retirement Board will not refund contributions made on compensation earned above the salary cap established in

Updates to pending legislation will be posted on the NPERS website as the session progresses.

Have you registered for a seminar yet?

The seminar schedule for 2011 has been set. Thirty seminars will be held this spring beginning March 1st and running through June 29th. Enrollment brochures will be mailed approximately one month in advance of the first seminar. Individuals who wish to sign up now may utilize the enrollment form on our website. Click on the “Retirement Seminars” link on the left side of the homepage and then scroll down to the “School Schedules” link. The online enrollment form can be completed using your keyboard, then printed off and mailed along with the appropriate registration fee(s) to NPERS.

School plan members age 50 and over are entitled to receive leave *with pay* to attend up to two retirement planning programs. Members may bring one guest. The fee to attend is \$20 *per person*. Non-members or an additional guest may attend for \$30 per person.

Registration on the day of the seminar begins at 8 a.m.—please no early arrivals, NPERS staff will be busy setting up the room. Seminars begin promptly at 8:30 and end at 3:45. Seminars may fill up, so get your registration in early and reserve a spot!

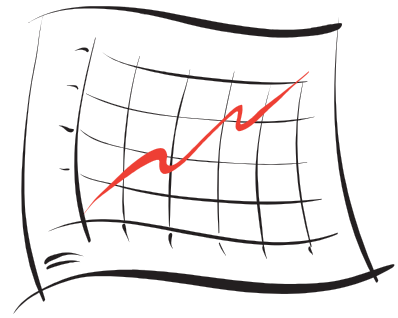


Before you leap...

RETIREMENT PLANNING SEMINARS

School Plan Schedule for Spring 2011

LINCOLN		OMAHA		GRAND ISLAND			
SECC – Continuing Education Center 301 S. 68th St. Pl.		ESU #3 6949 S. 110th (La Vista)		Holiday Inn – Midtown 2503 S. Locust			
▪ March 1	▪ May 11	▪ March 3	▪ May 12	▪ March 9			
▪ March 17	▪ June 8	▪ March 4	▪ June 9	▪ April 6			
▪ March 18	▪ June 16	▪ April 14	▪ June 29	▪ June 23			
▪ April 13	▪ June 22						
KEARNEY		NORFOLK		SO. SIOUX CITY			
ESU #10 76 Plaza Blvd.		NECC – Lifelong Learning Center 801 E. Benjamin		Iowa-Nebraska State Bank 2021 Dakota Ave.			
▪ March 10	▪ May 25	▪ March 24	▪ May 24	▪ March 23			
▪ April 7		▪ May 5					
NORTH PLATTE		COLUMBUS		VALENTINE		GERING	
Holiday Inn Express 300 Holiday Frontage Rd		ESU #7 2657 44th Ave.		Valentine's Niobrara Lodge 803 E. Hwy 20		Gering Civic Center 1050 M St	
▪ March 31		▪ April 21		▪ May 4		▪ May 18	
▪ June 15						▪ May 19	



Positive Investment Performance for Nebraska Benefit Plans

by Jeffrey States, State Investment Officer

The Nebraska Defined Benefit Retirement Plans (collectively called the “Benefit Plans”) completed a second strong year of investment returns since they bottomed in early March of 2009. For the 2010 Calendar Year the Benefit Plans total return, minus investment fees, is in excess of 13.0%. The strong investment performance will gradually offset the investment losses experienced during the recent financial crisis and economic recession. The uncertainty as 2010 began about the strength of the US economy disappeared by year end. The focus of monetary and fiscal policy is now on the speed of the recovery, creating growth and most importantly jobs.

The Benefit Plans continue to be financially sound as measured by their funded status as reported to the Nebraska Public Employees Retirement Board and the Nebraska Investment Council by Buck Consultants, the NPERS consulting actuary, in November. Although the funded ratio as of June 30, 2010 for Benefit Plans dropped as the losses from 2007 and 2008 continue to be recognized, the ratio of the actuarial valuation to the market value of the Benefit Plans’ assets rose. This is an indication that the growth in the assets was at a rate faster than the losses being recognized.

Benefit Plan Valuation Ratios as of June 30, 2010

	SCHOOL PLAN	PATROL PLAN	JUDGES’ PLAN
Funded Status	82%	85%	100%

Nebraska’s Benefit Plans compare favorably to most other states according to a report by the PEW Institute, the trillion dollar gap, released in February of 2010 that classified Nebraska as a solid performer. The 2010 investment performance helped to maintain this.

Applying for Your School Retirement



One of your biggest decisions regarding retirement is deciding when you wish to begin drawing your monthly retirement benefit. This is a very personal decision, one only you can make. Once the decision has been made, and you are eligible to begin drawing benefits, your next question will be... what must I do to start receiving my benefit? The following is a basic overview of the steps you need to take to apply for your benefit and a recommended timeline to help this process go smoothly. Be aware the information or documentation necessary to process applications can vary. You will be notified anytime we require additional information specific to your application.

Before we go through each of the steps, we need to clarify the term “effective date.” Your effective date is important for multiple reasons. First off, this is the starting point for drawing your monthly benefit. The timeline for the application process revolves around this date. Effective dates are always the first of the month and we use your age as of the effective date when calculating your benefit. So if your effective date is July 1st, we will calculate your benefit based on your age on this date and you would be eligible to receive your first benefit at the end of July. In order to establish your effective date, you **must** have completed all the necessary steps listed below!

STEP 1 Contact Nebraska Public Employees Retirement Systems (NPERS) *Recommended time frame 3 to 6 mos.*

Your first step is to call NPERS and request your retirement packet. We don't know when you are planning to retire – you need to tell us! Pick up the phone and get connected with one of our call center representatives. They will consult with you and begin compiling the information we need to initiate the application process.

Once notified, our first step of this process is to create your personalized retirement packet. This packet contains an estimate of monthly benefits for each of the retirement options and the paperwork *you need to complete and return to our office in order to establish your effective date.*

Don't wait until the last minute! Creating this retirement packet requires our office to verify your service and salary history for your entire career with the Nebraska Public Schools. The amount of time required to verify service and salary varies depending on the current data on file. If a member has worked for multiple schools or has a file with incomplete data, it may take weeks to verify this history. In addition, late spring and summer is our busiest time for School retirements and we receive a much larger volume of applications. With this in mind, we recommend making this initial call no more than 6 months, and no less than three months, prior to your desired effective date. Members who contact our office after the 15th of any month, may or may not receive their packet in time to establish an effective date for the following month.

NPERS also offers office visits if you wish to speak “one-to-one” with a Retirement Specialist. You may schedule a date for your visit when making the initial call. Our staff will create your retirement packet and provide it to you when you arrive for your visit. At that time, we can explain the various payment options and answer any questions. We cannot give advice, but we can help you make informed decisions. Remember, this is an option. If you do not request an office visit the retirement packet will be mailed to you. Office visits do fill up fast and dates may not be available for those who do not contact us at least one month or longer in advance.

STEP 2 Return your retirement application to NPERS *Prior to the effective date.*

Complete and return your paperwork to our office prior to your desired effective date. You may submit your completed application as early as 90 days prior to the desired effective date – but no sooner! If your application is received in our office on or after your effective date, you will not be eligible for that month of benefits. For example; a member who desires a June 1st effective date must have their application in our office no later than 5 pm on May 31st. If an application was mailed in May but not received in our office until June 1st, the member will have a July 1st effective date. Applications can only be “received” during NPERS normal business hours of Monday to Friday, 8 am to 5 pm central. NPERS is closed on weekends and Nebraska State holidays and applications cannot be received on those dates.

We will accept a fax of the retirement application in order to establish an effective date, but the original form must be received in our office within five working days. Obviously waiting until the last minute can be problematic.

Simply starting the process in advance should give you plenty of time and less stress!

STEP 3 Quit working for the Nebraska Public Schools *Prior to the effective date.*

In order to be eligible for retirement benefits you must cease employment prior to your effective date. If you provide any service or accept pay for contractual time periods after your desired effective date, you will not be eligible and your effective date must be pushed back. Members who cease employment and receive *delayed* pay over the summer months can establish an effective date provided the delayed pay is for service provided prior to the effective date.

STEP 4 Enjoy your retirement!

Processing time for your first benefit may take from 30 to 60 days following your effective date depending on how soon we receive your application and any paperwork requested from your employer. During the months of June through September, processing may take as long as 90 days. Some retirements may take longer if there is a discrepancy or we are waiting for information from you or your employer. If payment is delayed past the first benefit period (benefits are issued at the end of each month), then your first check will be retroactive and include all the months you were eligible.

Your first check will be sent by mail. All subsequent checks will be issued via direct deposit. Once you begin receiving benefits, it is your responsibility to keep our office in the loop when you have a change of address. Each year we will require a valid mailing address to send your annual 1099R tax form.

NPERS Welcomes New Legal Counsel and Legislative Liaison

NPERS is pleased to announce the Public Employees Retirement Board has hired Jason Hayes as our new Legal Counsel & Legislative Liaison.

In this position, Jason will provide guidance to the Agency on current retirement statutes and help ensure compliance with State and Federal regulations. He will represent the Retirement Systems in legal matters and administrative hearings. Specifically, he will assist our staff on various retirement issues, including qualified domestic relations orders, powers of attorney, beneficiaries, employer reporting, member benefits, and interpretation of future legislation.



Prior to accepting employment with NPERS, Jason was appointed Assistant Attorney General with the Nebraska Department of Justice in 1998. He spent the next five years litigating on behalf of the State of Nebraska, serving as chief of its Consumer Protection Division, and representing various state agencies and employees in legal matters.

In October 2003, Jason accepted the position of Legal Counsel for the Nebraska State Legislature. He served as counsel for the Nebraska Public Employees Retirement Systems Committee and worked on legislation involving public employee retirement for school, state and county employees, judges, and state patrol officers.

Following his work with the Legislature, Jason served as Chief Deputy Treasurer and Counsel to the Nebraska State Treasury from January 2007 to December 2009. He managed and was responsible for over 55 state employees in the areas of state treasury services, child support payment processing, and the Nebraska 529 College Savings Plan. He represented the Treasurer on the Nebraska Investment Council and the State Records Board.

Jason is also an adjunct professor at Doane College, and has taught at the college's Lincoln Campus since 1999. He teaches political science, paralegal education, accounting, and financial management courses. Jason is licensed as an attorney by the Nebraska State Bar Association, is a licensed dispute resolution mediator, and holds a business management certificate from the University of Nebraska.

Jason received his Bachelor of Science (B.S.) in Political Science from the University of Nebraska at Omaha in 1993, and his Juris Doctorate (J.D.) from the University of Nebraska, Lincoln in 1998.



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NPERS Employee and Manager of the Year

Nebraska Public Employees Retirement Systems is pleased to announce our recipients for Manager and Employee of the year awards for 2010. Our Employee of the Year is Mitch Snyder, and our Manager of the Year is Miden Ebert.

Mitch works for the "Specialties" division in the Member Services department and has been with NPERS for over 12 years. Mitch processes incoming Qualified



Domestic Relations Orders (QDROs) and also helps with disabilities, purchase of service and benefit estimates, retirements, and service purchases. Comments made by co-workers as part of the nomination process included, "He is conscientious and works hard to help the members." "Mitch is very professional and a great person to work with!"

Miden is the manager of the Member Services department. She has been with NPERS for almost three years. Miden supervises the largest department in our office, including the Call Center, Benefits Processing, and Specialties divisions. Comments made on her nominations include, "She works extra hours and goes the extra mile." "She truly wants her staff members to succeed at their jobs."



NPERS is happy to recognize Mitch and Miden for their years of hard work and dedication to our members. Congratulations!