

# RETIREMENT NEWS

PROVIDING  
INFORMATION TO  
STATE AND COUNTY  
EMPLOYEES

RETIREMENT BOARD

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## Decision Making Time

Given a "second chance" by the Legislature, some members must decide to stay with DC or switch to CB.

Around October 15, 2007, State and County Plan members who are in the **Defined Contribution** benefit (DC) will receive a packet of information explaining the new election period during which they may convert their account to the **Cash Balance** benefit (CB). As authorized by LB 328 adopted by the Legislature this year, any DC participant who has an account balance may elect to either keep their DC account, or convert it to CB.

*"Whether a member chooses to keep his/her DC account or convert it to CB, the change is permanent."*

The packet mailed to DC members will include an explanation of Cash Balance and how it compares to DC, an Investment Risk Quiz to help members assess their investment style, and a Retirement Plan Election Form to document their decision. **NPERS must receive all completed, signed and dated election forms by December 14, 2007, for an account conversion to occur.** The actual conversion will be handled by Ameritas, the Plans' recordkeeper, and will take place the first week of January 2008.

Whether a member chooses to keep his/her DC account or convert it to CB, **the change is permanent.** Under current Nebraska law, this is a one-time election and a member will participate in the retirement benefit selected throughout the remainder of his/her state or county employment. No choice is a choice, so if a member does nothing and does not submit a signed, completed form to NPERS, his/her account and future contributions will remain in DC.

Before making a decision, DC members should read the packet of information carefully, read material from other sources, talk to a financial advisor, or call either NPERS or Sterling Financial Advisors. Sterling is under contract with NPERS to provide investment education services to plan members and may be reached by phone at **877-970-9300** or **402-970-93600** or online at **mary.jochim@raymondjames.com**. NPERS may be reached at **800-245-5712** or **402-471-2053**.

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## Bi-weekly Payroll Changes

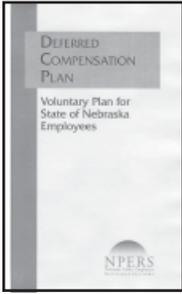
If your state agency will soon be changing payroll frequency from monthly to bi-weekly, and you contribute to the state's voluntary **Deferred Compensation Plan** (DCP), you will need to complete a new DCP Change Form. The new form should document that your deduction will now be taken bi-weekly and indicate the bi-weekly amount. You should deliver your completed and signed change form to your employer who will make the payroll adjustments and then submit the form to NPERS.

If you are not currently contributing to DCP but plan to in the future, or if you plan to make any

changes to your current account, the following conditions are required regarding the timing of the bi-weekly contribution: 1) the change cannot take place until the month *following* the month the form is signed and; 2) the change cannot take place until the first pay period which contains no hours from the month in which the form is signed (i.e., if a DCP change form is signed in September, the earliest the requested change can become effective is an October pay period which contains no September hours.)

Please see your employer to clarify these changes or to receive a DCP Change Form. The form may also be printed from our website at **www.npers.ne.gov**.

# What's New?



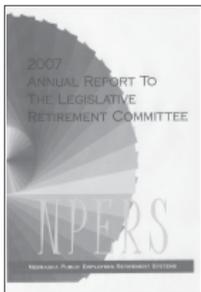
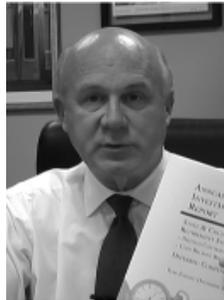
## New DCP Booklet

The member handbook for the *voluntary* **Deferred Compensation Plan (DCP)** for State of Nebraska employees was revised in August and is now available. By becoming a member of DCP, you can defer (contribute) as little as \$25 (or larger amounts) from your salary and can start, stop or change the amount at any time. Deferring a part of your compensation each pay period also defers taxes, which lessens the “hit” to your paycheck.

Your contributions are placed into an account that you invest using the 13 funds provided. These funds provide additional retirement savings above and beyond your mandatory retirement plan, and it's an excellent way to help prepare for your future. If you have questions about how DCP works, see your employer or call NPERS. View the booklet on NPERS' website, or call to request a copy (see below). Most counties have their own deferred comp plan; see your employer for information.

## New Investment Video

Do you know this guy? It's John Morey representing Sterling Financial Advisors who are under contract with NPERS to provide investment education services. A new video is available in which John explains the basics of sound investment principles and explains the 13 investment funds available to members of the State and County Plans who participate in the **Defined Contribution (DC)** benefit, and/or **Deferred Compensation Plan (DCP)** for State of Nebraska employees. View the video on our website using Microsoft Windows Media Player in broadband or dial-up format, or call to request a DVD (see below).



## Annual Report to the Legislature

NPERS' 2006 accomplishments and improvements in services are outlined in this report which was submitted last spring to the Legislative Retirement Committee, who oversees pension legislation. The Annual Report to the Legislature also outlines NPERS' goals for 2007 in the work we do as fiduciaries for Nebraska's Retirement Plans. To view the report, visit our website (see below).

**Website:** [www.npers.ne.gov](http://www.npers.ne.gov)  
**Toll Free:** 800-245-5712  
**In Lincoln:** 402-471-2053

# Another Cash Balance Dividend



For the fourth year in a row, the Public Employees Retirement Board (PERB) has granted a dividend for the

**Cash Balance** benefit of the State and County Plans. Due to positive 2006 investment returns, the PERB approved the dividend at their meeting on September 19, 2007.

By September 28, 2007, a dividend of **2.73%** plus interest will be distributed to each participant who had an account balance on December 31, 2006. The amount will appear under the “Gain/Loss” column on the third quarter account statements. Any interest earned between January 1, 2007, and the day the dividend is issued will be credited to each participant's account.

For example, an account balance of \$25,000 as of 12/31/06 would result in a one-time dividend of \$682.50, plus interest.

Each year, the PERB uses the results of the annual actuarial valuation and the actuary's recommendation to determine if a benefit improvement can be made, such as payment of a dividend. They are required to ensure benefit adequacy and must maintain a 10% cushion of the assets.

Any dividends granted in the future will conform to the PERB's new policy which states that a dividend plus the annual interest credit (set by statute as the federal mid-term rate plus 1.5%) cannot exceed 8.0% unless a majority of the PERB agrees. □



# Meet Your Nebraska Investment Council

The last issue of Retirement News introduced you to the State Investment Officer, Dave Bomberger. Please meet the rest of the team that is committed to the task of overseeing the state's assets.



**JoLynn Winkler** has been with the Nebraska Investment Council for nine years. As an Investment Analyst, JoLynn's main task is to help implement investment decisions made by the Council. Many of her duties involve the State and County Retirement Plans.

Born and raised in Ainsworth, JoLynn moved to Lincoln to attend UNL, where she received her B.S in Business Administration and M.A. in Finance.

During her career with the Investment Council, JoLynn has seen the assets double in size. The fact that the investments continually change and expand keeps JoLynn's job exciting! She believes that "people would be amazed by the sheer volume of assets that are managed by the Nebraska Investment Council."

**Gayle Wrasse** has been a State of Nebraska employee for nearly 40 years, with 38 of those years at the Investment Council.



In her current position, Gayle is Portfolio Manager of the Operating Investment Pool consisting of more than \$2.5 billion. Her major responsibility for this portfolio is to ensure there is adequate cash to cover the needs of the state agencies on a daily basis. Gayle says what she likes most about her job is being involved on any trade from the beginning to the end.

Gayle attended UNL after graduating from Lincoln Southeast High School and has since raised her four children in Lincoln.

When not working at the NIC, Gayle enjoys being a member of the Red Hat Society for women over the age of 50. She is also a member of the Senior Shim Sham Tap Dance Troup, which performs dance routines at various events.



As an Investment Analyst, **Joe Jurich** finds his job of working across all asset classes in the defined benefit plans and endowment portfolios very interesting, seeing each aspect of the portfolios and how they all fit together. Joe says he finds much of his job stimulating from an intellectual perspective.

Joe grew up in Chicago, Illinois, and received a B.A. in Political Science from Illinois Benedictine College and an M.B.A. from DePaul University in Chicago. Before coming to Lincoln and joining the Investment Council in 2001, Mr. Jurich worked at the Chicago Mercantile Exchange.

Spending time with his family and volunteering his spare time to his children's activities keeps Joe busy when he's not at work.

**Kathy Dawes** is the Business Manager for the Nebraska Investment Council where her duties include a variety of crucial, non-investment functions of the NIC office such as payroll, budget, etc. Kathy says "the NIC is a friendly place to work ... I appreciate the knowledge I have gained working here."



She began her career with the state in Administrative Services and has held accountant positions in the Attorney General's Office and Educational Telecommunications Commission before coming to the NIC in 1999.

Kathy grew up near Nebraska City and, when she is not at the office, she enjoys spending time with her family, gardening, cooking and travel. She is also a member of the National Management Association and the Association of Government Accountants.

## Changes to Hartford DCP

Members of the state's **Deferred Compensation Plan (DCP)** who have an account with *Hartford Life Insurance Company* will soon enjoy lower fees and a new investment fund line up. The Public Employees Retirement Board (PERB) approved the changes at their August 27, 2007, meeting.

The changes will occur the first part of next year for the approximately 1,170 members who have a deferred comp account with Hartford. The company will send details of the changes directly to members and will provide assistance in making changes to their accounts.

NPERS began its own Deferred Compensation Plan in 1997 and froze new contributions to the plan administered by Hartford. At that time, members elected to either transfer their existing deferred comp funds to the new state Deferred Compensation Plan, or keep the old balances at Hartford.

**Ray Friesen** is the Internal Auditor for the Investment Council. He began in July 2003 when the half-time position was created. Ray looks at every report generated by NIC staff, reviewing them for accuracy and completeness.



Ray was born and raised in the York County area and graduated from UNL in May, 1991, with a B.S. in Business Administration, majoring in Economics and a minor in Accounting.

Before starting with the Investment Council, Mr. Friesen worked nearly 34 years with the Department of Labor in Unemployment Insurance. Ray feels that working for the citizens of the State of Nebraska has been a worthwhile career and he adds, "GO BIG RED!!!" □

## Recordkeeping Audit

In June, NPERS advised the members of the **State and County Plans** and the state's **Deferred Compensation Plan** of possible discrepancies in their accounts. The potential for error was a result of the transition of recordkeeping services to Ameritas from Union Bank & Trust Company, who had managed the accounts for a three-month period in 2006.

Only member accounts that had experienced an allocation change, fund transfer, withdrawal or rollover between July 1 and September 30, 2006, were considered at risk for error. Members were provided a Reconciliation Audit Response Form to notify NPERS of any concerns.

NPERS has a special team working on the reconciliation. Only 56 response forms have been returned to our office, and we have identified only 1,160 accounts for review, of which 270 are already completed.

The team has found very few accounts with variances greater than \$25 and those accounts will be corrected. The cost to the Plans in hours spent discovering and correcting discrepancies would be far greater than \$25, so those accounts will remain as they are. NPERS will notify any member whose account is adjusted and will respond to all members who submitted a response form.

The audit reconciliation is a tedious and precise process and we appreciate your patience. NPERS' and Ameritas' highest priority is the safety and accuracy of your accounts. If you have any questions, please contact NPERS at **800-245-5712** or **402-471-2053**.

## Fall 2007 Seminar Calendar

Seminar registration information was mailed to all State and County members in August. Additional registration forms may be printed from our website at [www.npers.ne.gov](http://www.npers.ne.gov).

**Mail in your registration today, space is limited!**

If you are age 50 or over, as you approach retirement, the happiness and productivity of your retirement years depend largely upon your outlook. You can expect to live 15 to 20 years or more after age 65, but in order to make the most of those years, planning is necessary.

### Retirement Planning (age 50 and over)

Lincoln	September 5
Valentine	September 12
Gering	September 26
Fremont	October 3
Lincoln	October 11
Omaha	October 17
Grand Island	October 31
Kearney	November 1
North Platte	November 7
Norfolk	November 13
Lincoln	November 28
Lincoln	November 29
Grand Island	December 5
Lincoln	December 11

If you are under age 50, now is your opportunity to take a day to come listen and learn, to pause briefly and evaluate where you are and where you want to be in your financial plan for the future. You may be age 25 or 45. Regardless of your age, it makes sense to periodically stop and review your personal and financial goals.

### Financial Planning (under 50)

Lincoln	September 6
Valentine	September 13
Gering	September 27
Fremont	October 4
Lincoln	October 10
Omaha	October 18
North Platte	November 8
Norfolk	November 14
Grand Island	December 6
Lincoln	December 12

## Schedule a

## Retirement 101

As part of an ongoing education program, NPERS offers state agencies an hour-long program entitled "Retirement 101." This program provides a basic explanation of the mandatory State Retirement Plan (for Cash Balance and Defined Contribution), and the voluntary Deferred Compensation Plan for State of Nebraska employees. NPERS also offers the Retirement 101 program to counties, although counties have their own deferred compensation plans.

The Retirement 101 presentation is not as "in depth" as our full day retirement or financial planning seminars, but will help plan members understand how their plans work and hopefully motivate them to start planning for retirement.

This year we have times available to provide Retirement 101 sessions to your employees. While it is not logistically possible to fulfill every request, we will do our best to meet your schedule. If your agency or county wishes to have our staff present a Retirement 101 at your location, please contact **Jan Fox** at [jfox@npers.ne.gov](mailto:jfox@npers.ne.gov) or call **402-471-9505**.



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