

RETIREMENT NEWS

Nebraska Public Employees Retirement Systems

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PROVIDING
INFORMATION TO
STATE AND COUNTY
EMPLOYEES

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NPERS
Nebraska Public Employees
Retirement Systems

Answers to Your Frequently Asked Questions

NPERS' Call Center within our Member Services department receives an average of 600 phone calls each week. Some of the questions are very technical and specific to a member's account. But many are general inquiries, like the following, about how the retirement plans work. Some of the answers depend on if a member is in Cash Balance or Defined Contribution.



How old must I be to retire?

In the State and County Plans, retirement age is 55.

How do I know which plan I'm in: Cash Balance or Defined Contribution?

You are in Cash Balance if your State or County employment began on or after January 1, 2003, or if you voluntarily joined Cash Balance during the election opportunities offered in 2003 and 2008. Look on page 2 of your quarterly account statement under "Allocation Percentage." If the Fund # and Name columns list only "50" and "Cash Balance," you are in Cash Balance.

Can I switch to Cash Balance if I'm not already in it?

No. The Legislature would first have to pass another bill allowing another "opt in" opportunity.

Can I borrow money from my account to make ends meet if I get furloughed?

No. You cannot access your retirement account until you terminate employment. Your money is also immune from execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or any other process of law.

Would I pay penalties if I quit my job and started using my retirement money before becoming age 55?

If you are age 55 or older when you quit working, there would be no "penalties," although NPERS is required to withhold taxes on the money you take out. If you are younger than 55 when you quit working, the IRS will assess an additional 10% federal penalty and you'll pay a 3% Nebraska penalty on the money you take out (by waiting until age 59 1/2 to take your money, you can avoid the penalties.)

What are the different ways to receive my money?

Cash Balance and Defined Contribution plans differ, but generally you may elect to receive your funds:

- in a **lump sum**, minus the taxes (and penalties if you are not yet age 55);
- in a **series** of monthly, quarterly or annual **payments**. Cash Balance members must first transfer all or a portion of their funds to the Deferred Compensation Plan to receive systematic withdrawals;
- by purchasing an **annuity** with all or part of your retirement fund. You could receive monthly payments for the rest of your life, with taxes withheld monthly (calculate a monthly annuity estimate with our Benefit Estimator at npers.ne.gov);
- by **rolling the funds over** into an IRA or another qualified retirement account (defers taxes until later);
- in a **combination** of the above choices.

Please call NPERS whenever you have a question about your account, how your plan works, or to schedule a one-on-one appointment for an individual consultation. You will also find newsletters, member handbooks, helpful videos and a benefit estimator on our website at npers.ne.gov.

Account Fees Reduced

The Public Employees Retirement Board (PERB) voted at the October 2009 meeting to reduce the account fee as a result of an excess fund balance in the Ameritas reconciliation account from the 2006 recordkeeping change.

For each member with a current balance in the State and County **Defined Contribution, Cash Balance and Deferred Compensation Plans**, NPERS will reduce the account fees charged each month by \$1 per month, per account. The reduced fee will be effective from October 2009 for approximately 8-9 months until the excess fund balance is depleted. (This fee reduction does not apply to State Patrol DROP member accounts.)

NPERS Staff Honored for Service

Nine members of the NPERS staff were recognized for their years of service to the State of Nebraska at the Governor's Employee Recognition Program held in October. NPERS congratulates our dedicated staff members for their service to the state:



Nine NPERS employees were honored at the Governor's Employee Recognition Program. First Row L-R: Dennis Cooper, Ann Hille, Melissa Mendoza. 2nd Row L-R: Tauna Meints, Liz Pompajzl, Johnetta Lang. 3rd Row L-R: Dana Dingeldine, Vicki Frey, Brenda Dinges.

Melissa Mendoza, Tauna Meints, Dennis Cooper, Johnetta Lang, Ann Hille, and Fred Turner, **10 years**; Dana Dingeldine and Brenda Dinges, **20 years**, Liz Pompajzl, **25 years**; and Vicki Frey for **30 years** of service.

Additionally, NPERS honored employees for their respective years of service to the agency: Erin McCabe, Brandi Moss, John DaLao, Sheryl Hesselstine, Brenda Dinges, Teresa Zulauf, Chad Schlotfeld, Randy Gerke, Dana Dingeldine, Joe Schaefer, Jason Bailey, Linda Fuelling, John Winkelman, Margaret Fintel, Clint Holmes, and Sheila Linder, **5 years**; Jan Fox, Vicki Frey, Johnetta Lang, Dennis Cooper, Tauna Meints, Melissa Mendoza, Teresa Miller, Mitch Snyder, Peggy Mettler, and Norene Brauner, **10 years**; Ninna White, Jayme Skov, Dean Gress, and Tammy Petersen, **20 Years**; and Liz Pomajzl, Maria Davis, and Diane Marks for **25 years** at NPERS.

Logging On Just Got Easier

State and County Plan members no longer need certificate numbers to log on to the Unifi/Ameritas website. To set up a new account, go to **retire.unificompanies.com**. You may also link to the site from the NPERS website at **npers.ne.gov**, where instructions are included. When registering for the first time, you will need your social security number and your "plan number." You will enter your plan number when the registration process asks for the "Contract/Certificate Plan Number."

The registration page for the Unifi/Ameritas website will prompt you to enter your name, birthdate, social security number and plan number ("Contract/Certificate Plan Number").

- The State Plan number is 002002.
- The Deferred Compensation Plan (for State of Nebraska employees) number is 002000.
- The County Plan number is 00XXXX. Each county has an individual plan number; just add 00 before it. The County Plan numbers are listed on the NPERS website as part of the registration process.

If you are already registered *and have forgotten* your username and password, call the Unifi/Ameritas Contact Center at 800-319-6901 or 800-745-9995. For any other questions regarding your retirement plan, please call NPERS at 800-245-5712 or 402-471-2053.

What a Difference a Year Makes!

by Jeff States, State Investment Officer

Similar to the broad markets, the performance of the Nebraska Investment Council (NIC) investments for the defined benefit and cash balance programs were impacted by the credit crisis and global economic slowdown that began in the summer of 2007. There were few, if any, places to hide to avoid being impacted negatively. However, after a disappointing investment return for calendar year 2008 of -27.8%, the NIC has seen a strong rebound in 2009. The investment return year-to-date as of September 30, 2009, is 17.6%. Although the investment results for the last quarter are unknown, the performance for 2009 will most likely end on a positive note.

One year ago as 2008 ended, the US and Global financial markets were deep into an unprecedented credit crisis that impacted all segments of the global marketplace. Interest rates reached an all-time low as investors flocked to the safety of US Treasury securities. The Federal Reserve and the other central banks of the developed countries took drastic actions in an attempt to provide liquidity to the financial markets and prevent a financial collapse of the economies similar to the 1930s. The US Treasury was actively involved in developing policies to provide relief to financial institutions, slow the default and foreclosure rates for housing and provide economic stimulus to the general economy. At that time, we were in crisis and fear was pervasive.

A trite saying perhaps but truthful, "It is always darkest before the dawn." The stock market remained in crisis until it reached a bottom in the US on March 9, 2009. Then the early signs of improvement began to appear. Liquidity returned to the financial markets and, because stocks were finally cheap enough, investors began to cautiously return to the equity markets. What a difference a year makes.

We are past the immediate crisis, but the financial markets, particularly the credit markets, still have a way to go to achieve full recovery. The timing of recovery in the broader economy is uncertain, but the outlook is certainly much brighter than at the end of 2008.

The fundamental objective of the NIC is to manage the retirement trust assets and be able to pay the promised benefits to the employees and beneficiaries of the School, Judges, State Patrol, State and County Plans. The investment objective is to maximize the investment return on the assets within an acceptable level of risk, to meet or exceed the actuarial assumed rate of return.

Over the past 25 years, NIC has accomplished that objective by continuing with a well established set of investment policies and objectives. By maintaining a long-term, strategic investment strategy that diversifies investments across multiple asset classes, the NIC is and will continue to achieve its investment objectives.

“The timing of recovery in the broader economy is uncertain, but the outlook is certainly much brighter than at the end of 2008.”

Jeff States Named State Investment Officer

Nebraska Public Employees Retirement Systems (NPERS) extends a welcome to **Jeffrey W. States** who, in November,



became the new State Investment Officer for the Nebraska Investment Council (NIC). The NIC has investment respon-

sibility for the retirement plans administered by NPERS, as well as other state investment assets, which totaled over \$12.1 billion in 2008.

Mr. States has over 25 years of experience in public finance, treasury and investments, state government and legislative affairs. Most recently, he served as the Chief Investment Officer (CIO) of the Sacramento County Employees Retirement System. Prior to that, he was CIO of New Mexico's Public Employees Retirement Fund, Director of their Board of Finance, and their Director of Tax Research.

Jeff holds a Bachelor's degree in Industrial Management with honors in economics from Purdue University. He brings excellent leadership skills, vision, and an investment philosophy aligned with that of the NIC. This will ensure a continuation of the prudent investment strategies that have served the NIC and NPERS well during these challenging economic times.

DID YOU KNOW?

~ Your retirement may last 30 years or more.

~ You'll need up to 80% of your current annual income in order to retire comfortably.

~ The average Social Security benefit payment is \$895 per month.



HOW CAN YOU PREPARE FOR A FINANCIAL SHORTFALL?

The Deferred Compensation Plan (DCP)

~ VOLUNTARY ENROLLMENT/CONTRIBUTIONS

~ LOWERS INCOME TAXES

~ BOOSTS PERSONAL SAVINGS

~ ADDS TO FINANCIAL SECURITY

3 STEPS

TO MAKING DCP A SUCCESS

- ✓ ENROLL
- ✓ SAVE
- ✓ INVEST

Visit npers.ne.gov or contact NPERS for more information on the State of Nebraska's voluntary Deferred Compensation Plan (DCP) for state employees. County employees should contact their human resources department.

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