

Retiree UPDATE

JANUARY 2018
Nebraska Public Employees Retirement Systems

OUTDATED ADDRESSES CAN LEAD TO SUSPENSION OF BENEFITS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.

Retired members or beneficiaries who are 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.

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.

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.

2018 BENEFIT PAYMENT SCHEDULE

JANUARY 31

FEBRUARY 28

MARCH 30

APRIL 30

MAY 31

JUNE 29

JULY 31

AUGUST 31

SEPTEMBER 28

OCTOBER 31

NOVEMBER 30

DECEMBER 31

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.

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. A copy of the 1099-R is also available to retirees who have created an NPERS online account.

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

Annuity Tax Withholding Reminder

Each year NPERS is required to notify retirees of your right to change, start or stop federal tax withholding from your monthly retirement benefit. 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 or by calling our office.

You are not required to have federal income tax withheld from your monthly benefit; 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 liability.

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.

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	
			1		2017	
			2a Taxable amount			
PAYER'S federal identification number			2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
			3 Capital gain (included in box 2a)		4 Federal income tax withheld	
RECIPIENT'S name			5 Employee contributions / Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
Street address (including apt. no.)			7 Distribution code(s)		8 Other	
City or town, state or province, country, and ZIP or foreign postal code			9a Your percentage of total distribution		9b Total employee contributions	
10 Amount allocable to IRR within 5 years		11 1st year of desig. Roth contrib.	FATCA filing requirement	12 State tax withheld		13 State/Payer's state no.
Account number (see instructions)			15 Local tax withheld		16 Name of locality	
					17 Local distribution	

Form 1099-R www.irs.gov/form1099r Department of the Treasury - Internal Revenue Service

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

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.

This information is being furnished to the Internal Revenue Service.

NOTE:

Box 1

-

Box 2a

=

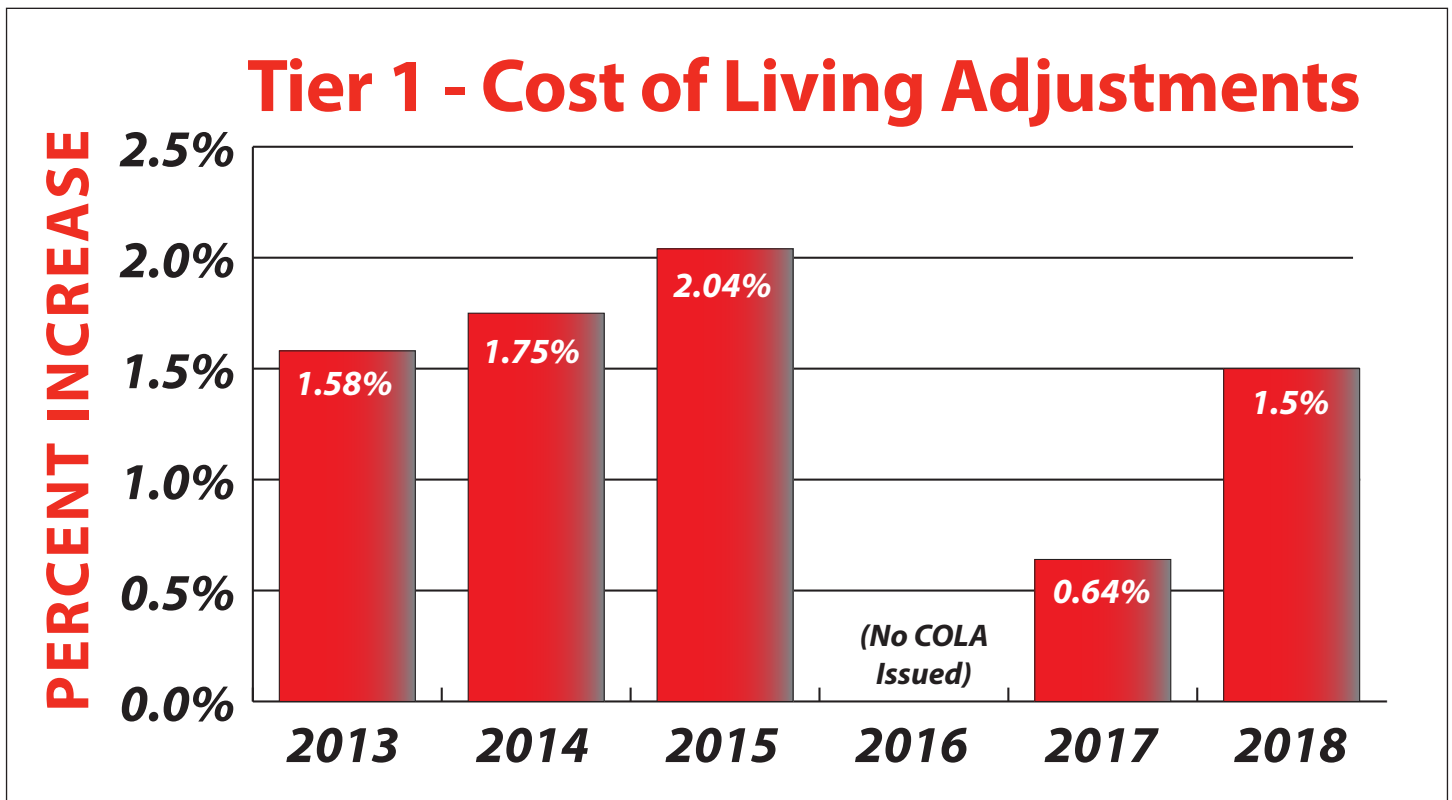
Box 5

1.5% & 1.0% COLA Increases For 2017

Effective July 1, 2017, eligible School, Judges, and Patrol retirees received a cost of living adjustment (COLA) in their monthly benefit distributions. The COLA is calculated using the consumer price index and may be limited based on Tier One or Tier two plan provisions. For the year ending June 30, 2017, the CPI increase was 1.498%. As a result, School, Judges and State Patrol retirees participating in Tier One (COLA cap of 2.50%) received a

1.50% increase. Retirees participating under Tier Two (COLA cap of 1.00%) received a 1.00% increase.

NPERS issued correspondence to all affected retirees at the end of July. If you were eligible for the COLA increase, this letter explained the type of COLA and actual dollar amount of your increase. If you have questions about the COLA, please refer to your plan handbook or contact NPERS.



NPERS Online Access

- 👉 Change Tax Withholding
- 👉 Access 1099R Statements
- 👉 Review Beneficiary Information



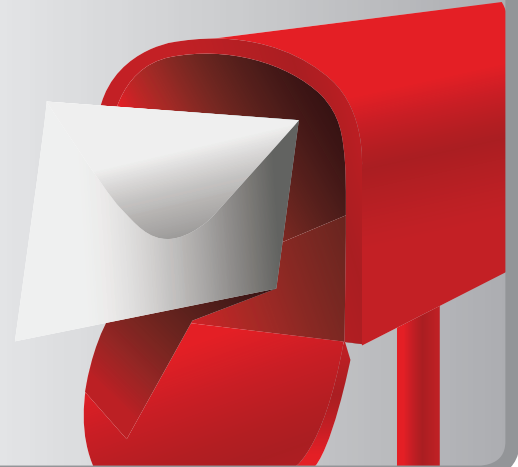
npers.ne.gov

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.

You may use the *Address Change/Request Form* below to notify NPERS of address changes.



Retiree UPDATE

JANUARY 2018

Nebraska Public Employees Retirement Systems

PROVIDING INFORMATION TO RETIREES
OF NEBRASKA'S SCHOOL, JUDGES, AND
STATE PATROL RETIREMENT PLANS

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

FAX: 402-471-9493

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