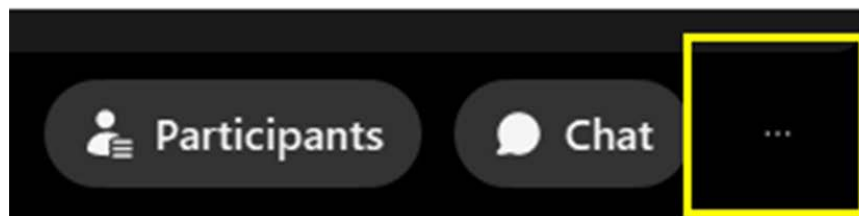


# Welcome to the OSERS Pre-Retirement Webinar



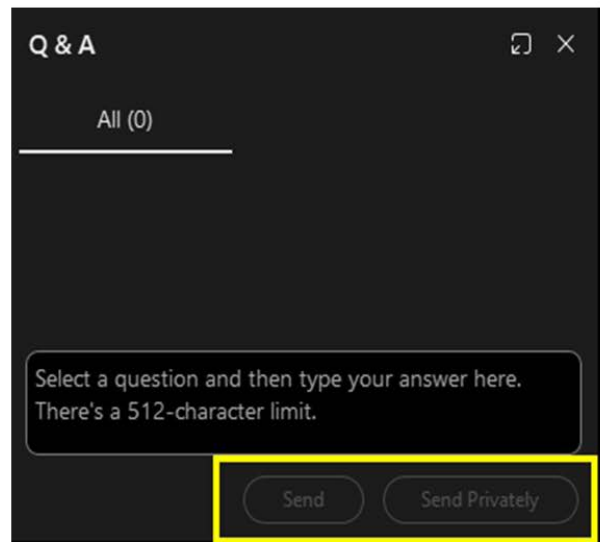
**QUESTIONS SHOULD BE  
SUBMITTED TO THE Q&A BOX**



Bottom Right-hand Corner  
...Panel Options

# QUESTIONS SHOULD BE SUBMITTED TO THE Q&A BOX

Do NOT click “Send Privately”



Q & A

All (0)

Select a question and then type your answer here.  
There's a 512-character limit.

Send Send Privately

## HOW TO CONTACT US

### Nebraska Public Employees Retirement Systems



Phone Number:  
402-471-2053 or 800-245-5712



Fax: 402-471-9493



Located at:  
1526 K St, Suite 400




Mailing Address:  
PO Box 94816, Lincoln, NE 68509



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

800-245-5712 | 8am - 5pm M - F | Email Us
search
Login



NPERS
Plan Info
Member Info
Employer Reports

Welcome to the Nebraska Public Employees Retirement Systems

We recognize the importance of a successful retirement and are dedicated to providing the highest quality service necessary to assist members in achieving this goal.

[learn more](#)

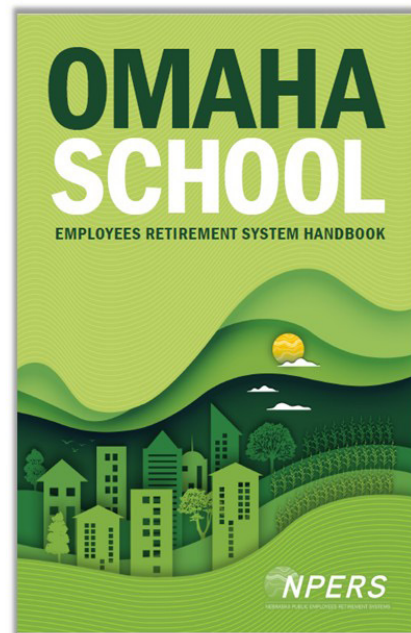
## NPERS.NE.GOV

- PERB Info
- Investment Council
- Legislative Info
- Plan Info
- Member Info
- Employer Info
- Videos
- Publications
- Forms
- Seminar Schedules
- Link to Ameritas
- Benefit Estimator

# OSERS' PLAN HANDBOOK

All your retirement answers in a handy, dandy booklet!

On the NPERS website  
**NPERS.NE.GOV**



# ONLINE ACCOUNT ACCESS

## Online Account Access

- Review Compensation
- Review Service
- Review Beneficiaries\*
- View 1099R

## To Create Your Account

- Valid Email Address
- Social Security #
- Retirement #

**\*Not available for all accounts.**

# ANNUAL STATEMENT

## Please Review!

- Salary
- Years of Service
- Beneficiaries
- Address



# HOW TO APPLY

1. Call NPERS.
  - Up to six, but preferably no less than one month prior to retirement.
  - Office visit is not required.
2. NPERS prepares your information.
  - Your work history will be reviewed to verify salary and years of service.
  - An *estimate* of benefits will be created.
  - Your retirement packet will be mailed out as soon as administratively possible.
3. Complete and mail your application for retirement to NPERS.

## VISUALIZATION EXERCISE

**What do you want your retirement to look like?**



**It takes  
more than  
luck to  
achieve  
financial  
security in  
retirement!**



**It takes  
more than  
luck to  
achieve  
financial  
security in  
retirement!**

# REMEMBER

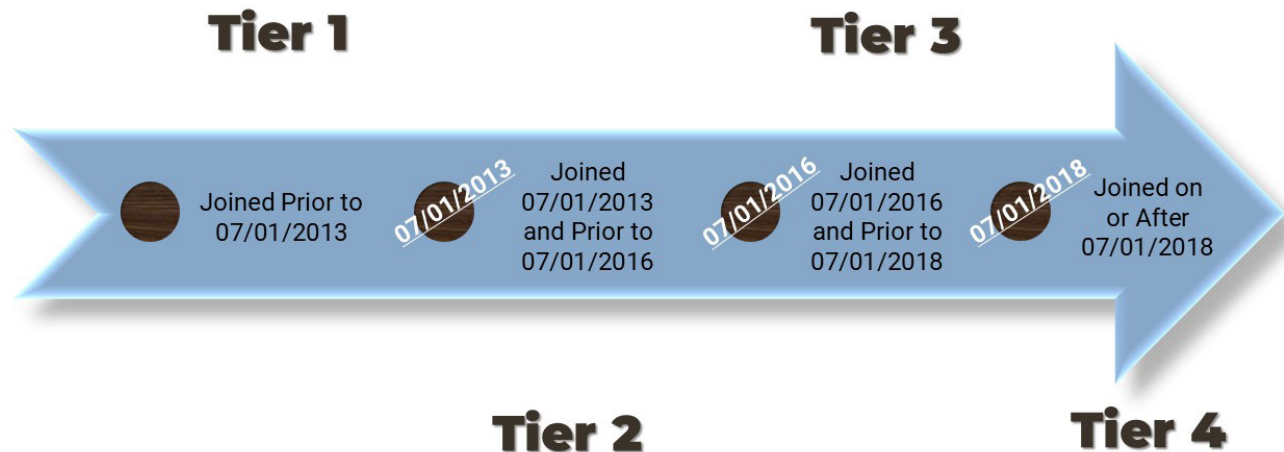


- Your Money
  - *No one has access to it-*
- Invested
- Available when you quit or retire
- No Social Security offset

## BENEFIT TIERS

<b>Tier 1</b>	Joined prior to 7/1/2013
<b>Tier 2</b>	Joined on 7/1/2013 and prior to 7/1/2016
<b>Tier 3</b>	Joined on 7/1/2016 and prior to 7/1/2018
<b>Tier 4</b>	Joined on or after 7/1/2018

# BENEFIT TIERS TIMELINE



## FUNDING

<b>Employee Contributions</b>	<b>Currently 9.78% of gross salary</b>
<b>Employer Contributions</b>	<b>101% of Employee rate</b>
<b>State of Nebraska</b>	<b>Currently 2.0% of Member Salary</b>
<b>Investment Returns</b>	<b>Accounts for about 1/3</b>

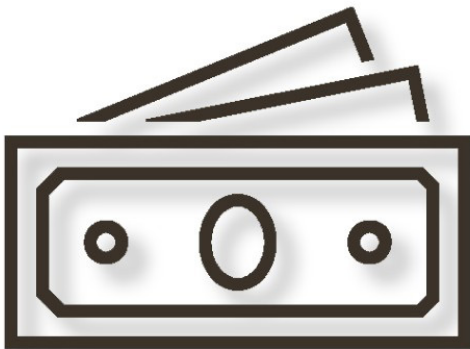
# BENEFIT CALCULATION

## FORMULA:

- Salary (Compensation)
- Creditable Service
- Formula Factor
- Option Factor

**AGE (REDUCED/UNREDUCED)**

## SALARY (COMPENSATION)



Three (Tier 1)  
or  
Five (Tiers 2/3/4)

Highest Fiscal Year  
Salaries



## 8% SALARY CAP

ACTUAL SALARY		SALARY FOR BENEFIT
2022: \$56,000		2022: \$56,000
2023: \$60,000	} 10% INCREASE	2023: \$60,000
2024: \$66,000		2024: \$64,800
2025: \$71,000	} NO CAP	2025: \$71,000

## SERVICE CREDIT



- Granted for Time Worked
- Service Verified by Employer(s)
- Contributions on Account for that Time

# REPAYMENT OF REFUND

- Restores service credit
  - Potential return to prior Tier status
- Must be actively employed with OPS & contributing to the plan
- Submit application & repay within 5 years of reemployment and prior to termination
  - Application submitted 60 days prior to deadlines
- Visit NPERS website for estimates

# OPTIONAL SERVICE CREDIT

## WHY PURCHASE?

- More service = higher monthly benefit
- May help some reach the rule of 85

## THREE OPTIONS

- Leave of Absence
- Out of State/Nebraska
- All Purpose Buy-In

## PROCESSING TIMELINES

- Initial request one year prior to term

# OPTIONAL SERVICE CREDIT

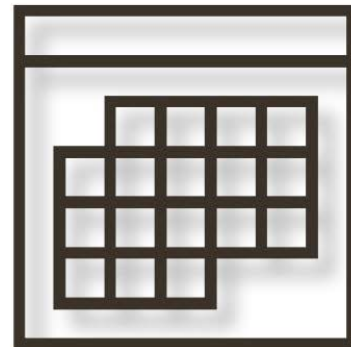
## OFTEN ASKED PURCHASE OF SERVICE QUESTIONS

I have both an NPERS School Plan account and an OSERS account. How do I determine if I should purchase the NPERS School plan service to bring to OSERS or if I should purchase the OSERS service and bring it to my NPERS benefit?

- How many years of service to you have in for each plan?
- Run the numbers –use the benefit estimator for both NPERS and OSERS to see what the monthly amounts would be.
- Get a quote for OSERS purchase of service and run the estimator for NPERS purchase of service.
- Why not both? If you are vested in both plans you can take a benefit under each, if you like and get two checks each month.
- Determining what is the right thing for you will be a personal choice!!

## ELIGIBILITY / VESTING

- Five (or more) years membership service
- Less than 5 years - only eligible for refund
  - *Refund does not include employer match*



# UNREDUCED BENEFITS

- Normal: Effective date on or after age 65
- Early: Effective date age 62 + 10 years service, including 5 years membership service (Tier 1 and 2)

## **-RULE OF 85-**

- Minimum age 55 (Tiers 1, 2, and 3)
- Minimum age 60 (Tier 4)
- Age + Service equals 85 or greater

# TEMPORARILY REDUCED

## Tier 1 & 2

- Age 55 + at least 10 years of service (including five of membership service), reduction until attained age of 62.

## Tier 3 & 4

- Age 60 + 5 (or more) years of service, reduction until attained age of 65

# PERMANENTLY REDUCED

- **PERMANENTLY REDUCED** benefit for ages 60 - 64
  - 3% reduction for every year under 65
  - Permanent reduction

## **RULES OF 82, 83, & 84 (TIER 1 & 2)**

Attained age + service credit = **84** won't be reduced more than **3%**

Attained age + service credit = **83** won't be reduced more than **6%**

Attained age + service credit = **82** won't be reduced more than **9%**

**\*\*SERVICE CREDIT AND ATTAINED AGE MEASURE IN ½ YEAR INCREMENTS\*\***

# EFFECTIVE DATE

- Effective date is when benefits begin
- First day of the month following...
  - You are eligible for benefits (Age & Vesting); AND
  - Your school employment terminates; AND
  - Your completed application is received by NPERS
- First benefit in approximately 90 days
  - Your contributions/hours must be submitted/reported
  - 1<sup>st</sup> payment retroactive to effective date
  - Potential 95% "preliminary" benefit



## - EXAMPLE -

- Last Day: May 26
- Got paid through August
- Rendering Service = NOT Terminated
- No rendered service = Terminated on May 26<sup>th</sup>

**WHEN IS HER EFFECTIVE DATE?**



## COLA

- Cost of Living Adjustment
- Mitigates inflation
- Loss of purchasing power



# COLA

## Cost of Living Adjustment

- Annual adjustment each January /Effective February
- Benefit increase based on annual change in CPI-U
- Tier 1 – a maximum of 1.5%
- Tiers 2, 3, & 4 – a maximum of 1.0%
- If CPI-U is less, you get CPI-U rate

# MEDICAL COLA

## TIER 1 & 2 ONLY

- Applied after 10-years of benefits
- Increases by \$10 per year (max \$250)

### Initial at Retirement

- 20 years or more = \$100 per month
- Under 20 years = formula

MEDICAL COLA FORMULA					
<div>Years of Retirement System Service Credit</div> <div>Divide by 20 <small>(number cannot be larger than 1)</small></div>	X	<div>Number of Years The Member Has Been Retired</div>	X	<div>\$10</div>	
				=	<div>Medical COLA</div>
FORMULA EXAMPLE (USING 10 YEARS SERVICE CREDIT & 10 YEARS RETIRED)					
<div>10</div> <div><small>(Years of Service Credit)</small></div> <div>Divide by 20 <small>(number cannot be larger than 1)</small></div>	X	<div>10</div> <div><small>Number of Years The Member Has Been Retired</small></div>	X	<div>\$10</div>	
				=	<div>\$50</div>

# TAXES

- Taxes withheld from each check
  - Federal and Nebraska (W-4P & W-4N)
- Change as needed
  - Must use W-4P (on website with *Checklist*)
- Nebraska taxes for Nebraska residents
  - Cease NE withholding if not a resident
    - Must file W4-N stating "Exempt"
    - Withholding **NOT** based on address
  - State taxes determined by new state of residence

## Tax Estimator

Please read the following BEFORE using a tax estimator!

The Results provided by the Tax Estimators are provided for purposes of illustration and discussion only and do not reflect the actual amount you will receive when you retire. Tax will be determined after your employer submits your final salary and service data to our office and subsequent receipt of your retirement application.

Prior to using the Tax Estimator, please be aware of the following information:

- Estimates are based on the data you input and are not official estimates.
- Tax calculations are determined using current tax tables and are based only on the amount of the estimated benefit. They are not a determination of your actual taxes during retirement.
- Federal law may limit benefits to some highly compensated members.
- The State of Nebraska does not offer annuities for the voluntary Deferred Compensation Plan.

### Disclaimer

I have read this disclaimer and understand the estimate I am generating is not an official determination of taxes:

By clicking "I Agree", you acknowledge you have read and agree to the above Terms and Conditions, and Disclaimer, and wish to proceed to the tax estimator.

I Agree

# TAX ESTIMATOR

## Tax Estimator

### Federal Tax

#### Estimate Federal Tax

[Help](#)

Gross monthly income  
 Taxable Amount

Federal Marital Status

Another Job/Annuity Income  
 Step 2(b)(iii)

Dependent/Other Credits  
 Step 3

Other Income  
 Step 4(a)

Deductions  
 Step 4(b)

Extra Withholding  
 Step 4(c)

### State Tax

#### Estimate State Tax

[Help](#)

Gross monthly income  
 Taxable Amount

State Marital Status

Number of Exemptions

Extra Withholding

# TAX ESTIMATOR

## Tax Estimator

### Tax Estimates

Taxable Amount	Federal Tax Amount	State Tax Amount
\$4,500.00	\$202.75	\$152.68

### Your Estimate Information

Federal Tax Selection	Yes
State Tax Selection	Yes
Gross monthly income	\$4,500.00
Federal Marital Status	Married
Another Job/Annuity Income	\$0.00
Dependent/Other Credits	\$0.00
Other Income	\$500.00
Deductions	\$250.00
Federal Tax Additional Withholding	\$0.00
State Marital Status	Married
Number of Exemptions	\$0.00
State Tax Additional Withholding	\$0.00

# TAX ESTIMATOR

# SAFE HARBOR METHOD

Your monthly benefit will be taxed under the "Safe Harbor" method which is calculated by dividing your pre-'86 contributions by the fixed number of payments assigned to your age group. The remaining portion of your benefit will be taxable.

Age	# of Payments
Over 55 but not over 60	310
Over 60 but not over 65	260
Over 65 but not over 70	210
Over 70	160

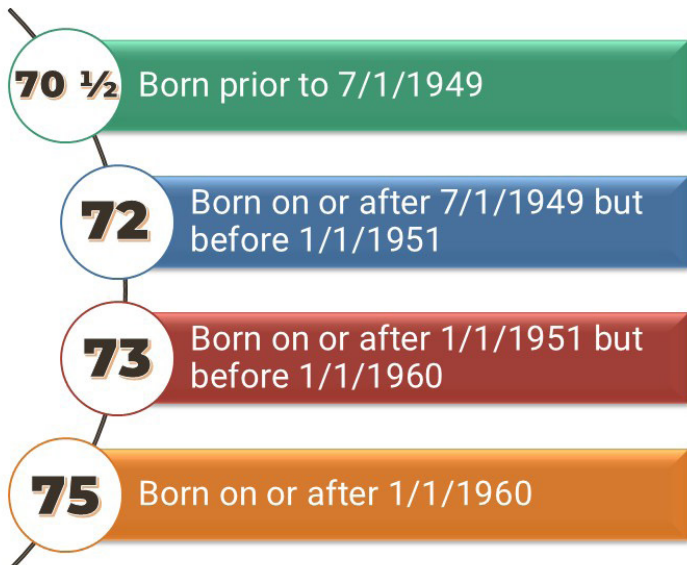
After receiving the fixed number of payments, the monthly benefit becomes 100% taxable.

## REQUIRED MINIMUM DISTRIBUTIONS

IRS requires a distribution be taken from your account to create a taxable event so taxation can be assessed on the funds that have been growing tax free.

### **WARNING**

*Failure to meet your RMD deadline could result in the loss of your opportunity for a lifetime, monthly benefit payment.*





# Required Minimum Distributions

IRS requires a distribution be taken from your account

- Contributions are tax deferred
- Creates a taxable event

## WARNING

*Failure to meet your RMD deadline could result in the loss of your opportunity for a lifetime, monthly benefit payment.*



# REQUIRED MINIMUM DISTRIBUTIONS

RMD due April 1<sup>st</sup> following:

- Year attained RMD age, if retired
- Retirement if worked past RMD age

Work past RMD age?

- CANNOT contribute & receive benefit simultaneously
- Submit RMD after retirement

**70 ½**

Born prior to 7/1/1949

**72**

Born on or after 7/1/1949 but before 1/1/1951

**73**

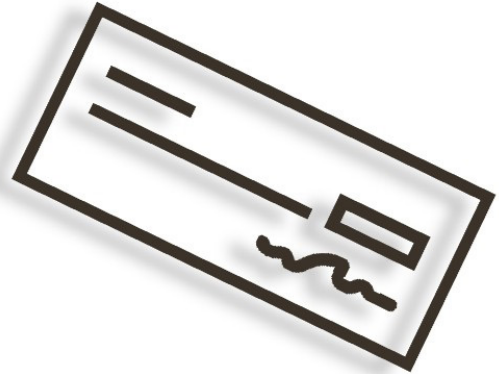
Born on or after 1/1/1951 but before 1/1/1960

**75**

Born on or after 1/1/1960

# BENEFIT PAYMENT OPTIONS

- 5-Year Certain & Life
- 10-Year Certain & Life
- 100% Joint & Survivor
- 75% Joint & Survivor
- 50% Joint & Survivor
- Pop-Up Joint and Survivor



## Income during Retirement

- Years of Service  
=  
• Reliable Paycheck



# OSERS Annuity Options

- What is an annuity?
- Annuity options
- A good fit
- Factors to consider



## BENEFIT PAYMENT OPTIONS

- 5-Year Certain & Life
- 10-Year Certain & Life



Pay Death Benefit for a Certain Period but if member lives past that period, they will pay the benefit monthly for life.



# SAMPLE BENEFITS (TIER 1)

**Based on \$5,000 as Final Average Monthly Compensation (\$60,000)**

OPTION	NORMAL AGE 62, 20 YEARS	REDUCED AGE 55, 20 YEARS	RULE OF 85 AGE 55, 30 YEARS
OPTION A 5-Year Certain & Continuous	\$2051.49	\$1636.51	\$3039.76
OPTION B 10-Year Certain & Continuous	\$1963.78	\$1598.70	\$2978.94
OPTION C 100% Joint & Survivor	\$1766.10	\$1468.11	\$2857.83
OPTION D 75% Joint & Survivor	\$1827.76	\$1505.21	\$2900.10
OPTION E 50% Joint & Survivor	\$1893.88	\$1544.23	\$2943.66
OPTION F "Pop-Up" Joint & Survivor	\$1736.70	\$1455.55	\$2824.38
<b>J&amp;S OPTIONS ASSUME SPOUSE IS THE SAME AGE AS THE MEMBER</b>			

# SAMPLE BENEFITS (TIER 1)

**Based on \$5,000 as Final Average Monthly Compensation (\$60,000)**

OPTION	NORMAL AGE 62, 20 YEARS	REDUCED AGE 55, 20 YEARS	RULE OF 85 AGE 55, 30 YEARS
OPTION A 5-Year Certain & Continuous	\$2051.49	\$1636.51	\$3039.76
OPTION B 10-Year Certain & Continuous	\$1963.78	\$1598.70	\$2978.94
Difference:	\$87.71	\$37.81	\$60.82

- **REDUCED** benefit for ages 60 - 64
  - 3% reduction for every year under 65
  - Permanent reduction

# SAMPLE BENEFITS (TIER 1)

**Based on \$5,000 as Final Average Monthly Compensation (\$60,000)**

OPTION	NORMAL AGE 62, 20 YEARS	REDUCED AGE 55, 20 YEARS	RULE OF 85 AGE 55, 30 YEARS
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OPTION B 10-Year Certain & Continuous	\$1963.78	\$1598.70	\$2978.94
Difference:	\$87.71	\$37.81	\$60.82

## Formula Factor

- 2% x years of creditable service



# SAMPLE BENEFITS (TIER 1)

**Based on \$5,000 as Final Average Monthly Compensation (\$60,000)**

OPTION	NORMAL AGE 62, 20 YEARS	REDUCED AGE 55, 20 YEARS	RULE OF 85 AGE 55, 30 YEARS
OPTION A 5-Year Certain & Continuous	\$2051.49	\$1636.51	\$3039.76
OPTION B 10-Year Certain & Continuous	\$1963.78	\$1598.70	\$2978.94
Difference:	\$87.71	\$37.81	\$60.82

## **-RULE OF 85-**

- Minimum age 55 (Tiers 1, 2, and 3)
- Minimum age 60 (Tier 4)
- Age + Service equals 85 or greater

## BENEFIT PAYMENT OPTIONS

- 100% Joint & Survivor (less than 10 years younger)
- 75% Joint & Survivor (less than 19 years younger)
- 50% Joint & Survivor (no age restriction)

Pays percentage of member benefit, upon member's passing to survivor for the rest of their lifetime.

# SAMPLE BENEFITS (TIER 1)

**Based on \$5,000 as Final Average Monthly Compensation (\$60,000)**

OPTION	NORMAL AGE 62, 20 YEARS	REDUCED AGE 55, 20 YEARS	RULE OF 85 AGE 55, 30 YEARS
OPTION A 5-Year Certain & Continuous	\$2051.49	\$1636.51	\$3039.76
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OPTION F "Pop-Up" Joint & Survivor	\$1736.70	\$1455.55	\$2824.38
<b>J&amp;S OPTIONS ASSUME SPOUSE IS THE SAME AGE AS THE MEMBER</b>			

## BENEFIT PAYMENT OPTIONS

### ADJUSTED AGE:

Adjusted age means the attained age of the J&S beneficiary in the calendar year the annuity starts + the number of years the member's attained age in that calendar year is under 70.

### EXAMPLE:

Member age is 65 during the calendar year the annuity starts.

Joint Survivor's age is 50 in the calendar year the annuity begins.

Member is 5 years under 70.

Add those years to the Joint Survivor's attained age of 50.

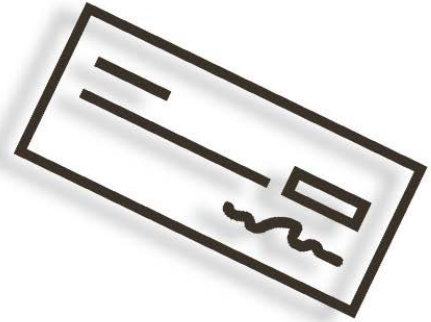
$$50 + 5 = 55$$

Joint Survivor has the **Adjusted Age** of 55 years old, which is 10 years younger than the member, so they qualify for the 100% Joint & Survivor Option.

# BENEFIT PAYMENT OPTIONS

- Pop-Up Joint and Survivor

100% J&S, but with a caveat that if their J&S bene predeceases the member, the benefit “pops up” to be the monthly amount of the 5-Year Certain & Life option.



## SAMPLE BENEFITS (TIER 1)

**Based on \$2,916.66 as Final Average Monthly Compensation (\$35,000)**

OPTION	NORMAL AGE 65, 20 YEARS	REDUCED AGE 60, 20 YEARS	RULE OF 85 AGE 55, 30 YEARS
OPTION A 5-Year Certain & Continuous	\$1,166.66	\$1,096.66	\$1,750.00
OPTION B 10-Year Certain & Continuous	\$1,147.72	\$1,085.96	\$1,738.78
OPTION C 100% Joint & Survivor	\$1,071.42	\$1,021.78	\$1,650.09
OPTION D 75% Joint & Survivor	\$1,098.23	\$1,042.58	\$1,667.58
OPTION E 50% Joint & Survivor	\$1,126.43	\$1,064.22	\$1,706.02
OPTION F “Pop-Up” Joint & Survivor	\$1,054.01	\$1,010.09	\$1,632.72
<b>J&amp;S OPTIONS ASSUME SPOUSE IS THE SAME AGE AS THE MEMBER</b>			

# BENEFIT PAYMENT OPTIONS

All options, except 10-year Certain & Life, continue for at least 60 monthly payments.

Even if you have a Joint & Survivor Option –**have a contingent beneficiary on file!**

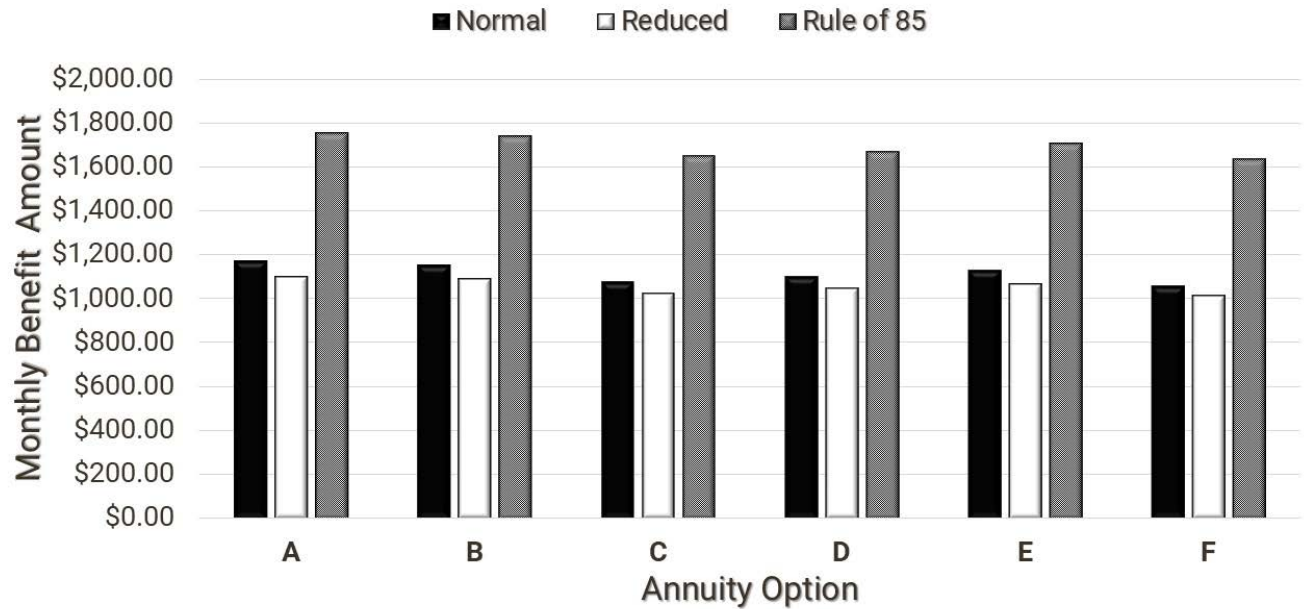
**\*\*If you choose 5-Year or 10-Year Certain & Life or your J&S predeceases you, NPERS will honor beneficiaries named on the most recent, valid, Beneficiary Designation Form.**

## SAMPLE BENEFITS (TIER 1)

**Based on \$5,000 as Final Average Monthly Compensation (\$60,000)**

OPTION	NORMAL AGE 62, 20 YEARS	REDUCED AGE 55, 20 YEARS	RULE OF 85 AGE 55, 30 YEARS
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<b>J&amp;S OPTIONS ASSUME SPOUSE IS THE SAME AGE AS THE MEMBER</b>			





**BUT I LIKE GRAPHS...**

## BENEFIT ESTIMATOR

- Non-Secure
- No Login Needed
- Input Your Data
- No Names or SSN
- Future Dates/Data

### OSERS Estimator

#### Your Information

Your Date of Birth (MM/DD/YYYY)

Estimated Termination Date (MM/DD/YYYY)

Estimated Month to Begin Benefits   Help  
Must be after termination date.

Estimated Years of Service at Retirement

When did you begin plan participation?  Help

Estimated Highest Annual Salary 1  Help

Estimated Highest Annual Salary 2

Estimated Highest Annual Salary 3

Your Account Balance   
Only required for Modified Cash Refund Estimates

Beneficiary Type  Help

Federal Tax  Help

State Tax  Help



# BENEFIT ESTIMATOR

## Drop Down Fields

- Dates of Birth
- Term Date
- Benefit Start Date

**Your Information** | Your Estimate

Your Date of Birth (MM/DD/YYYY)

Estimated Termination Date (MM/DD/YYYY)

Estimated Month to Begin Benefits  
Must be after termination date.

Estimated Years of Service at Retirement

When did you begin plan participation?

Estimated Highest Annual Salary 1

[Help](#)

# BENEFIT ESTIMATOR

## Plan Start Date

- Tier Participation

**Your Information** | Your Estimate

Your Date of Birth (MM/DD/YYYY)

Estimated Termination Date (MM/DD/YYYY)

If prior to 6/30/1996, contact NPERS Offices for an estimate.

Estimated Month to Begin Benefits  
Must be after termination date.   [Help](#)

Estimated Years of Service at Retirement

When did you begin plan participation?  [Help](#)

Salaries may be subject to capping

Estimated Highest Annual Salary 1

Estimated Highest Annual Salary 2

Estimated Highest Annual Salary 3

Your Account Balance

Only required for Modified Cash Refund Estimates

Beneficiary Type  [Help](#)

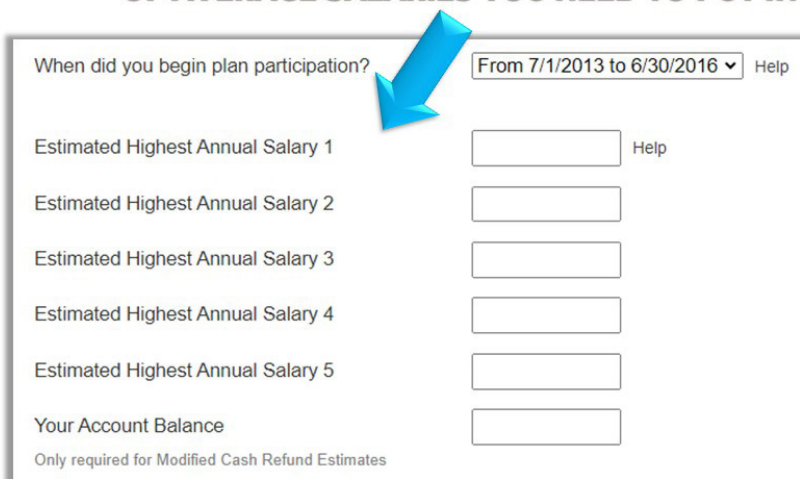
Would you like to calculate your taxes?  [Read Before Calculating Taxes](#)

# BENEFIT ESTIMATOR

**TIER DATE WILL AUTO POPULATE THE NUMBER OF AVERAGE SALARIES YOU NEED TO PUT IN**

- Est. Highest Salary
- 3 or 5 Years
- Account Balance

**\*\*ESTIMATOR DOES NOT ACCOUNT FOR CAPPING**



When did you begin plan participation? From 7/1/2013 to 6/30/2016 ▼ [Help](#)

Estimated Highest Annual Salary 1  [Help](#)

Estimated Highest Annual Salary 2

Estimated Highest Annual Salary 3

Estimated Highest Annual Salary 4

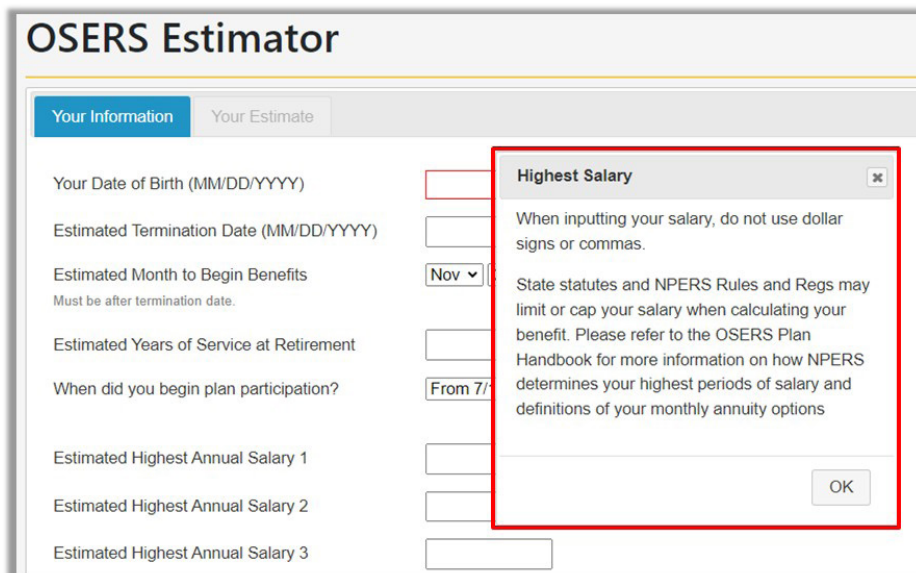
Estimated Highest Annual Salary 5

Your Account Balance

Only required for Modified Cash Refund Estimates

# BENEFIT ESTIMATOR

- Pop Up Definitions
- Click on "Help"



## OSERS Estimator

**Your Information** | Your Estimate

Your Date of Birth (MM/DD/YYYY)

Estimated Termination Date (MM/DD/YYYY)

Estimated Month to Begin Benefits Nov ▼  
Must be after termination date.

Estimated Years of Service at Retirement

When did you begin plan participation? From 7/1/2013 to 6/30/2016 ▼

Estimated Highest Annual Salary 1

Estimated Highest Annual Salary 2

Estimated Highest Annual Salary 3

**Highest Salary** ✕

When inputting your salary, do not use dollar signs or commas.

State statutes and NPERS Rules and Regs may limit or cap your salary when calculating your benefit. Please refer to the OSERS Plan Handbook for more information on how NPERS determines your highest periods of salary and definitions of your monthly annuity options

OK

# BENEFIT ESTIMATOR

**\*ACCOUNT BALANCE OPTIONAL**

## Beneficiary Type

- None
- Spousal
- Non-Spousal

Your Account Balance

60000

Only required for Modified Cash Refund Estimates

Beneficiary Type

None

Help

Would you like to calculate your taxes?

None

Spousal

Non-Spousal

Before Calculating Taxes

Calculate Your Estimate

Reset Fields

## Beneficiary DOB

- Spousal
- Non-Spousal

Beneficiary Type

Spousal

Help

Beneficiary's Date of Birth

05/22/1954



# BENEFIT ESTIMATOR

## Benefit Options

- Handbook Links
- Monthly Amount

## Print Estimates

- Printer Icon
- Lower Right



## Benefit Calculations

Option	Gross Benefit Amount	Net Benefit Amount
Option A OSERS	\$1,792.22	\$1,792.22
Option B OSERS	\$1,672.88	\$1,672.88
Option C OSERS	\$1,494.30	\$1,494.30
Option D OSERS	\$1,555.49	\$1,555.49
Option E OSERS	\$1,621.92	\$1,621.92
Option F OSERS	\$1,460.20	\$1,460.20

## Your Estimate Information

Estimate Calculation Date	10/15/2024
Date of Birth	01/01/1959
Retirement Type	Regular
Plan	Omaha School Retirement System Tier 1
Plan Participation	Before 7/1/2013
Benefit Start Date	06/01/2025
Termination Date	05/25/2025
Estimated Total Service Credit (Years)	20.0000
Estimated Average Salary	\$4,305.56
Estimated Account Balance	\$4,305.56
Beneficiary Date of Birth	01/01/1959
Federal Tax Selection	No
State Tax Selection	No

# STATE SERVICE ANNUITY

Tier One & Two **ONLY**

Calculation is \$3.50 multiplied by years of service

\*\*May be reduced if you don't meet criteria for Unreduced Annuity

Criteria for **UNREDUCED** Annuity:

Hired before  
April 1, 1988  
**+35 years or more  
of service**

Provided service  
after 4/1/1988 and before  
7/19/1996  
**+35 years or more of  
service OR age 65**

Hired after  
July 19, 1996  
**+retire at or after  
age 65**

## CHOOSING A PAYMENT OPTION

Things to discuss with your family before choosing an option:

Your health and family health history

Other financial income in addition to your retirement benefit

Your beneficiaries who might depend on a benefit if you die

The health of your beneficiaries

Lifestyle desired

Debt carried into retirement

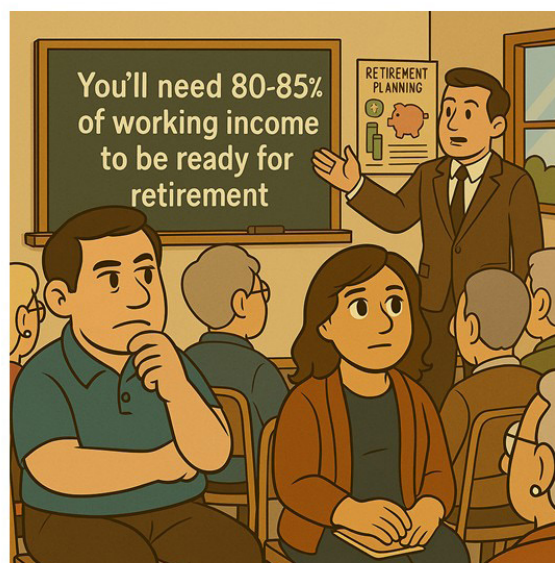
Assess your financial "Big Picture"

# SALARY REPLACEMENT

Years of Creditable Service	% of Final Average Compensation Age 65 – Option A
5	10%
10	20%
15	30%
20	40%
25	50%
30	60%
35	70%
40	80%

## Salary Replacement

- 80-85% Working Salary
- School Benefits
- Social Security
- Personal Savings
- Earnings





## School Benefit

- Average Salary
  - Highest 3 years (Tier I)
  - Highest 5 years (Tier II)
- 2% per year creditable service

Creditable Service	% Replacement Unreduced
5	10%
10	20%
15	30%
20	40%
25	50%
30	60%
35	70%
40	80%

## Social Security

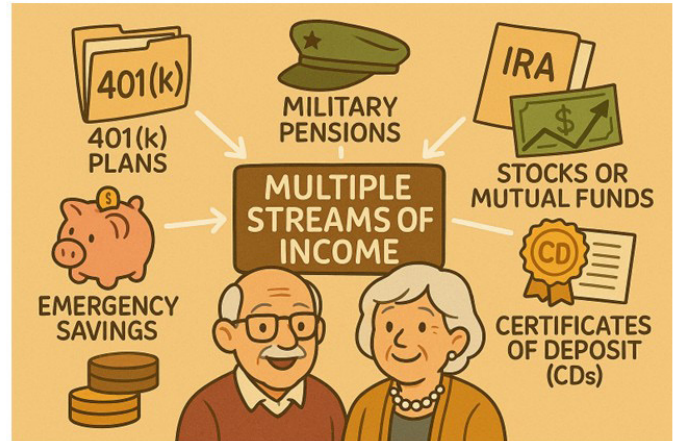
- 35-year Income Average
- Retirement age
- Replacement % is Income Based
- Reduced Benefit

Annual Income	Monthly Benefit	% Salary
\$15,000	\$1,100	90%
\$49,000	\$2,000	50%
\$86,000	\$3,000	40%

**[www.ssa.gov](http://www.ssa.gov)**

# Personal Savings

- 403(b) plan with school
- 401(k) plans
- Military pensions
- IRAs
- Stocks or mutual funds
- Certificates of Deposit (CDs)
- Emergency savings



# SUSPENSION OF BENEFITS



- Keep your address current with NPERS!
  - Benefits will be suspended if mail is designated undeliverable & returned to our office.
- Submit updates in writing to our office.
  - All benefits will be restored.

# RETIREMENT... and Now What?

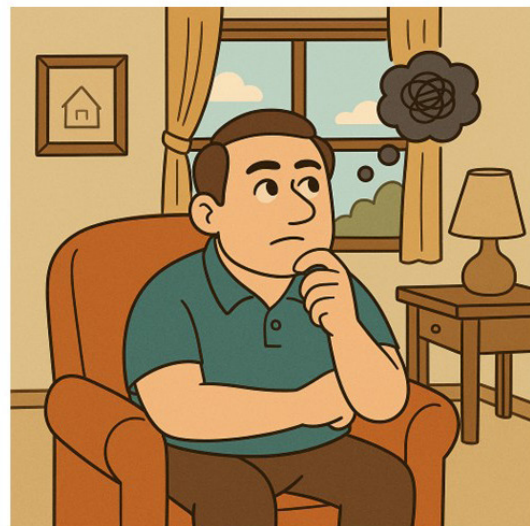
## Exploring Reemployment Options & Rules Retirees

- Reasons for reemployment
- Legal Restrictions
- Guidelines to Follow



## Reasons for Reemployment

- New Routine
- Lack of Social Connections
- Sense of Purpose
- Mental/Physical Activity
- Financial Safety Net



# Financial Security

- Cash Flow
  - 3-month Gap
- IRS Regulations
  - Bona Fide Termination



## REEMPLOYMENT AFTER RETIREMENT

### Federal Tax Code

- Requires a termination to take benefits
  - Benefits = pension/annuity or refund

### *Bona Fide Termination* Per Nebraska Statute

- Minimum 180 calendar day-break
  - At all participating plan employers
- No service during this time
  - Paid or Voluntary
  - Part-time/Temporary/Seasonal

# **Bona Fide Separation**

- Complete break from ALL Regular Employment
- Minimum 180 calendar separation period
- NO Reduced Hours
- NO Change in Job Title
- NO Pre-Arrangements

## **Definitions**

### **Termination**

- Separation from service with the employer
- Service means employment as a school employee

### **Bona Fide Separation**

- Complete 180-day break from all employment
- 8-day per calendar month substitution exception

**\*\*IF distribution & return to OPS regular employment\*\***



# Service Interruption Definition

## Nebraska State Statute §79-902

NOT interrupted by:

- New contract at contributing school for the following year
- NO distribution



# Service Interruption Definition

## Nebraska State Statute §79-902

NOT interrupted by:

- Temporary or season suspension of service



# Voluntary or Substitute Service

## Nebraska Revised Statute §79-930

Allowed work during 180-day separation period:

- Intermittent work provided on a day-to-day basis that is not greater than 8-days of work during a calendar month
- Day of work means ANY length of work as a volunteer OR substitute employee provided on a single calendar day

## REEMPLOYMENT AFTER RETIREMENT

### Substitute and/or Voluntary Service Exception

Subbing and/or Volunteering allowed during the 180-days if...

- Service is on an *intermittent basis*.
  - Defines ***intermittent basis*** as no more than 8 days in a calendar month of voluntary and/or substitute service provided on a day-to-day basis (no prearrangement).
  - Further defines ***day of service*** as any length of voluntary and/or substitute service provided during a single calendar day. This is whether that service is 5 minutes or 8 hours long.

# 180-Day Separation Period

## When does 180-Day Separation Period begin?:

- IF vested, meets age requirement & submit application for immediate disbursement while still employed
  - THEN Termination Date
    - Contract end date
    - No contract - Last day worked or paid leave
- IF vested, meets age requirement, and postponed benefits
  - THEN once NPERS receives complete application

## Job Classifications



### REGULAR

- **CONTRIBUTES (IF ELIGIBLE)**
- REGULAR AND ONGOING SERVICE
- IF IT DOESN'T FALL INTO TEMPORARY OR SUBSTITUTE, THEY ARE REGULAR



### SUBSTITUTE

- **NO CONTRIBUTIONS**
- TEMPORARY EMPLOYEE
- NOT A REGULAR EMPLOYEE
- FILLING IN FOR A REGULAR EMPLOYEE THAT IS TEMPORARILY ABSENT
- NOT FOR VACANT POSITIONS



### TEMPORARY

- **NO CONTRIBUTIONS**
- ONE YEAR OR LESS
- COMPLETE A PROJECT
- WHEN COMPLETE, EMPLOYMENT ENDS

# **Substitute ≠ Substitute**

- Not ALL “substitute” work is “intermittent substitute”
- Which category does the work place you?
  1. Eligible to contribute to the plan
  2. Eligible to take a distribution from the plan

## **Voluntary or Substitute Service**

### **Nebraska State Statute §79-902**

Temporary employee means:

- Limited period of time for specific purpose/task
- Cannot exceed 1 year

Substitute employee means:

- Assume the duties of regular employees due to a temporary absence of any regular employee

# Taking a Distribution

- 180-Day separation period
- Complete break from ALL Regular Employment
- **Avoid violation by not providing service**



## SUBSTITUTE AND/OR VOLUNTARY SERVICE EXCEPTION:

### Things you **CAN'T DO**:

- Combine 8 subbing days and 8 volunteering days – 16 days total
- Agree to train your replacement (prearrangement)
- Refereeing, Officiating, or Coaching –considered regular employment



# Track Your Work:

- Do NOT count substitution & volunteer service separately
  - 8 Substitution Days + 1 Volunteer Day = 9 Days (Violation)
- Do NOT count days at different schools separately
  - 8 days at school #1 + 8 days at school #2 = 16 days



## Example # 1

- Concessions ≠ Substitute
- No bona fide separation = No disbursement
- 8 years between audits = years of overpayments
- Large repayment



## Example # 2

- Terminates teaching position
- Continues Extra-Duty Coaching
- Maintains Regular employee status
- No distribution



## Prearrangements

- “Sham Termination”
- Any written or verbal agreement made prior to or during the 180-day break
- Members cannot agree “in advance” to resume service/employment after 180 days
- Includes agreements to provide:
  - Paid or voluntary service
  - Part-time/Temporary/Seasonal/Coaching etc.
- Not a *bona fide termination*
  - Ineligible for pension/annuity or refund

# **Is this a Prearrangement?**

Question:

Is signing up to provide substitute service before or during the 180-day separation period considered prearrangement?

Answer:

No. Many schools use scheduling software that allows teachers to request coverage and substitutes to sign up weeks/months in advance.

The commitments are considered “non-binding” and not a violation because the assignments can be cancelled.

# **Training Our Replacement**

Question:

If taking a distribution, can the terminating member return to train their replacement?

Answer:

- No. This is a prearrangement and NOT substitute service
- Train replacement BEFORE termination

# Play it Safe

- 180-Day separation period
- Complete break from ALL Regular Employment
- **Avoid violation by not providing service**



# Changing Our Mind

- Did NOT take Distribution
- Return as Regular Employee
- Resume Mandatory Participation
- Notify NPERS





# Return as “New Person”

- Took a Distribution
- Satisfied 180-Day Separation Period
- Become Vested
- Tier 4
- Start new account



## REEMPLOYMENT AFTER RETIREMENT NEW LEGISLATION EFFECTIVE 03/19/2024

### LB198

Employees who terminate  
BUT **DO NOT** TAKE A DISTRIBUTION OR BENEFIT  
may provide unlimited substitute or voluntary service,  
as well as temporary service.

For these individuals, their 180-day period will begin at the **later** of either their termination date or the date they submit (and it is received at NPERS) their request to take a distribution or retirement benefit.

***\*\*The IRS sees your end of regular service as termination for RMD purposes, regardless of if you take money at that time or not!!\*\****



# REEMPLOYMENT AFTER RETIREMENT

When in doubt... Contact NPERS!

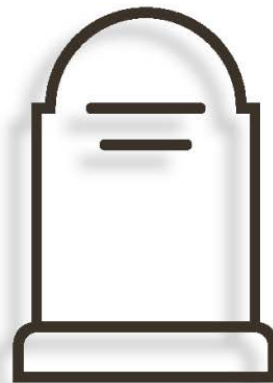


## DEATH **BEFORE** RETIREMENT

### 20 YEARS OF SERVICE

Spouse or ONE individual less than 10-years younger (attained age), as SOLE Primary Beneficiary, they are:

- Eligible for annuity (100% Joint & Survivor Annuity) OR
- Refund of your contributions + interest (notify us within 60 days from DOD)



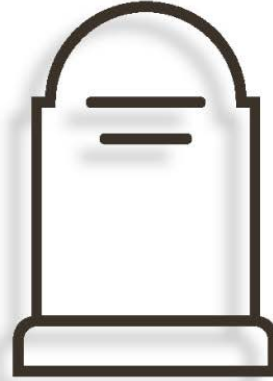
**\*\*If you would like to assign one of these options for your beneficiary, you may complete the Pre-Retirement Election Form (NPERS 4014) to do so.**

# DEATH **BEFORE** RETIREMENT

## **LESS THAN 20 YEARS OF SERVICE OR....**

Beneficiary is NOT your spouse or one individual less than 10-years younger (attained age), as sole Primary Beneficiary, then your beneficiaries are due a:

- Refund of your contributions + interest
  - Paid as a lump sum or rollover



# DEATH **AFTER** RETIREMENT

Your beneficiary or estate will receive remaining payments under the option choose at retirement (Proof of Death Required)

5-year or 10-year Certain Period beneficiary may choose Lump Sum payment instead of payment over time.

# BENEFICIARY CHANGES

## Change by mail

- Obtain form from employer or NPERS website
  - Cannot ID beneficiaries by phone
  - You can review but not change online
- Complete form and mail in
  - Signature must be **NOTARIZED**

## When to designate

- Now
- At retirement, based on retirement payment option

## BENEFICIARY DESIGNATION FORM

### Mark plan type

List **primary** beneficiary(ies)

Your survivors **or**

Your estate **or**

A trust (or other legal entity)

Include name of Trust

Include name of Trustee

Percentages must equal 100%

Fractional amounts up to two decimal places

NO "Per stirpes"

List **contingent** beneficiary(ies)

# BENEFICIARY DESIGNATION FORM

**NPERS** Nebraska Public Employees Retirement Systems npers.ne.gov

1526 K St. Ste. 400 PO Box 94816 Lincoln, NE 68509-4816 PHONE 402-471-2053 TOLL FREE 800-345-5443

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_

Social Security Number \_\_\_\_\_ Email Address \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Phone \_\_\_\_\_ Work Phone \_\_\_\_\_ Employer \_\_\_\_\_

**Plan Type**  
(Check all that apply)

☐ School  
☐ Omaha  
☐ State  
☐ County  
☐ Judges  
☐ Patrol  
☐ DCP

**Beneficiary Designation Form**

**READ CAREFULLY BEFORE COMPLETING:** 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; photocopies and faxes will not be accepted. If you wish to designate more than five beneficiaries, please use the *Designation of Beneficiary Supplemental Form* and attach it to this form.

**PRIMARY BENEFICIARY(IES):** 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. (The shares of all Primary Beneficiaries must total 100%.) PLEASE PRINT.

NAME OF BENEFICIARY	SPOUSE / CHILD / OTHER	GENDER	SOCIAL SECURITY NUMBER	DATE OF BIRTH	% PERCENT

**CONTINGENT BENEFICIARY(IES):** 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. (The shares of all Contingent Beneficiaries must total 100%.) PLEASE PRINT.

NAME OF BENEFICIARY	SPOUSE / CHILD / OTHER	GENDER	SOCIAL SECURITY NUMBER	DATE OF BIRTH	% PERCENT

# BENEFICIARY DESIGNATION FORM

**Beneficiary Designation Supplemental Form**

**IMPORTANT:** This form is to be used as a supplement to the Beneficiary Designation Form only if you wish to designate more than five Primary or Contingent Beneficiaries. You may use as many Supplemental forms as needed. *This form will NOT be accepted without the original, notarized Beneficiary Designation Form.*

NAME \_\_\_\_\_

SOCIAL SECURITY NUMBER \_\_\_\_\_

**PRIMARY BENEFICIARY(IES) (continued):**  
Fill in a percentage amount (%), for all persons designated below (the shares of all primary beneficiaries must total 100%, including those listed on page 1). If all beneficiaries are to share equally, no percentage needs to be listed. PLEASE PRINT.

NAME OF BENEFICIARY	SPOUSE / CHILD / OTHER	GENDER	SOCIAL SECURITY NUMBER	DATE OF BIRTH	% PERCENT

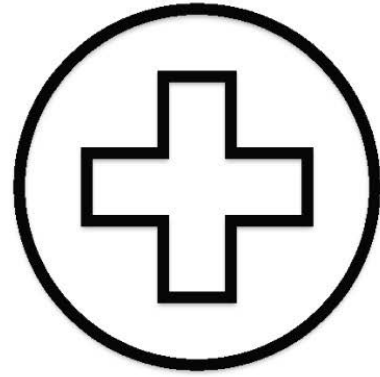
**CONTINGENT BENEFICIARY(IES) (continued):**  
Fill in a percentage amount (%), for all persons designated below (the shares of all contingent beneficiaries must total 100%, including those listed on page 1). If all beneficiaries are to share equally, no percentage needs to be listed. PLEASE PRINT.

NAME OF BENEFICIARY	SPOUSE / CHILD / OTHER	GENDER	SOCIAL SECURITY NUMBER	DATE OF BIRTH	% PERCENT

# HEALTH INSURANCE

Ages 50-65

- *EHA and BCBS*
  - Direct Bill Plan
  - You pay full premium, plus fees
  - Website: [ehaplan.org/retiree-info](http://ehaplan.org/retiree-info)
- *Affordable Care Act?*



Age 65

- *Medicare*
  - SHIP Presentation

## HealthCare.gov

HealthCare.gov

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[Get Coverage](#)

[Keep or Update Your Plan](#)

[See Topics ▼](#)

[Get Answers](#)

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- March 23, 2010 – Affordable Care Act
- Pre-Existing Conditions Eliminated
- Health Care MarketPlace
- Income based subsidies



[Get Marketplace basics](#)



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[Get small business coverage info](#)



# EHA Direct Bill Plans

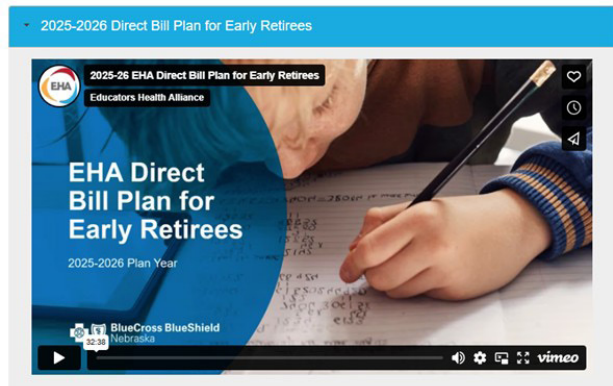


♥POPULATION HEALTH | 📌COVID-19 RESPONSE | 📄NETWORK PROVIDERS | 📞TELEHEALTH | 1-866-465-1342

ABOUT DOCUMENTS COVERAGE & RATES NEWS RETIREES EDUCATION CONTACT

- [www.ehaplan.org/retiree-info](http://www.ehaplan.org/retiree-info)
- Ages: 55 - 64
- 60 months continuous coverage EHA plan
- Contact BCBSNE

## Retiree Info



# EHA Direct Bill Plans



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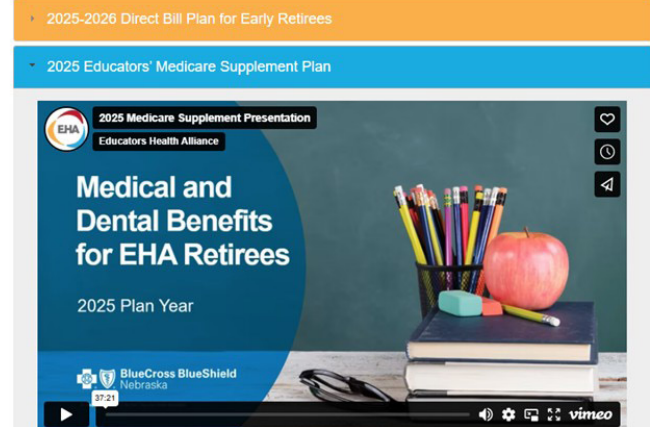
## 2025-26 EHA Renewal Rates

- 🔗 Insurance Rate News Release
- 🔗 2025-26 Renewal Decisions
- 🔗 EHA 2025-26 Standard Rate Table
- 🔗 EHA 2025-26 5% Discount Rate Table
- 🔗 EHA 2025-26 5% Surcharge Rate Table
- 🔗 EHA 2025-26 10% Surcharge Rate Table
- 🔗 EHA 2025-26 15% Surcharge Rate Table
- 🔗 EHA 2025-26 Direct Bill Rate Table
- 🔗 EHA 2025-26 Alternative Network 5% Discount
- 🔗 EHA 2025-26 Alternative Network 5% Surcharge
- 🔗 EHA 2025-26 Alternative Network 10% Surcharge
- 🔗 EHA 2025-26 Alternative Network Standard Rates

# NSEA Educators' Medicare Supplement Plan

- [www.ehaplan.org/retiree-info](http://www.ehaplan.org/retiree-info)
- Plan F or Plan G
- Contact BCBSNE
- Contact SHIP
  - Medicare
  - Individual Plans
  - 402-471-2201

Retiree Info



## Enjoy Your Retirement

