

SCHOOL | TERMINATING MEMBER

The Nebraska Public School Employees Retirement plan is a defined benefit plan. After termination and reaching retirement age, *vested* members may apply for benefits in the form of a monthly annuity (pension), paid for their lifetime. *Unvested* members are not eligible to receive a monthly pension, but may request a refund of their contributions.

ARE YOU VESTED?

For most members, vesting occurs when they accrue five (or more) years of service credit. If you are unsure of your years of service or vesting status, you may contact NPERS.

VESTED MEMBERS

WHEN CAN YOU BEGIN BENEFITS?

Your age (when you start receiving benefits) and your years of service determine when you may begin drawing reduced or unreduced benefits.

UNREDUCED BENEFITS

AT AGE 65

If vested, you are eligible for unreduced benefits at age 65.

OR

THE “RULE OF 85”

You may receive unreduced benefits prior to age 65 if you meet the “Rule of 85.” If you are participating in *Tiers One, Two, or Three* you reach this status when:

- **You attain the minimum age of 55, and;**
- **Your age plus service credit equals 85 (or more).**

If you are participating in *Tier Four* you reach this status when:

- **You attain the minimum age of 60, and;**
- **Your age plus service credit equals 85 (or more).**

REDUCED “EARLY” BENEFITS

AT AGE 60

If you are vested but do not meet the Rule of 85, you may apply for reduced benefits as early as age 60. There will be a 3% per year reduction for each year your age is less than 65. Be aware this is a permanent reduction.

WHAT TO DO NOW (VESTED MEMBERS)

APPLY!

If you are eligible to begin receiving *unreduced benefits*, you should contact our office (402-471-2053 or 800-245-5712) to begin the application process.

APPLY?

If you are eligible to begin receiving *reduced benefits*, you need to decide if you want to apply now, or hold off applying to a later age to mitigate or eliminate the benefit reduction.

DEFERRAL

If you are not eligible to begin benefits, you may wait until you reach benefit eligibility and then apply. Benefits will be calculated using the salary/service credit you accrued as of your termination.

Be aware your pension benefits will not increase after you attain age 65 or qualify for the “Rule of 85.”
Failure to apply in a timely manner will result in a loss of benefit payments.

If you defer your account, please KEEP YOUR ADDRESS UPDATED WITH NPERS.

WHAT TO DO NOW (UNVESTED MEMBERS)

DEFERRAL

You may defer your account, but unvested members are not eligible for the monthly pension benefit. If you return to employment at your prior employer or begin qualifying employment at another participating employer, you will return to plan participation and resume earning service credit.

You cannot defer your account past age 70 ½. Federal tax laws require members begin required minimum distributions (RMD's) at this age. Noncompliance can result in significant tax penalties.

If you defer your account, please KEEP YOUR ADDRESS UPDATED WITH NPERS.

REFUND

You may request a refund paid directly to you, or rolled over to another eligible retirement plan or Individual Retirement Account (IRA). Refunds do NOT include employer matching contributions, and taking a refund erases your years of service credit and terminates plan membership.

Unless rolled over to another eligible retirement plan or Traditional IRA, refunds are subject to State and Federal income tax and may incur early withdrawal penalties if taken prior to age 59 ½.

The refund request form is available on the School “Plan Info” page of the NPERS website.

EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION FORM

This form must be received by NPERS prior to distribution of retirement benefits. You may access this form on the NPERS website if it was not provided to you.

Name Last First Middle		Date of Birth - -	
Social Security Number - -		Email Address	
Address		City	State Zip
Home Phone or Cell Phone		Employer	

MEMBER – SCHOOL PLAN EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION

Member Certification: School Plan members are required by law to experience a 180-day bona fide separation from service with all employers participating in the School Plan¹ to be considered “terminated” and eligible to receive a refund or retirement benefit. In addition, the Internal Revenue Code does not allow individuals who terminate and receive a refund or retirement benefit to prearrange a return to work.

School Plan members must also disclose receipt of any early retirement inducements. “Early retirement inducements” include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payment linked to a member’s termination, except for payments of accrued unused leave converted to cash.²

Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that:

- Check **one** of the following:
 - I **DID NOT** accept, have not received, and will not receive, an early retirement inducement.
 - I **DID** accept and receive, or will receive, an early retirement inducement. **Complete a, b and c.** ↓
 - a. Attach a written description of the early retirement inducement to this form.**
 - b. What is the dollar value of the early retirement inducement? \$ _____.
 - c. What is the final disbursement date of the early retirement inducement? _____.
- Check **one** of the following:
 - I **DO NOT** have a verbal or written prearranged agreement to return to service **in any capacity** with any employer participating in the School Plan following my termination except intermittent substitute service.³
 - I **DO** have a verbal or written prearranged agreement to return to service **in any capacity** with any employer participating in the School Plan except intermittent substitute service. **Complete a.** ↓
 - a. Attach a written description of the prearranged agreement to return to service to this form.**
- I understand that I **must** notify NPERS in writing if I return to service in any capacity with any employer participating in the School Plan during the 180 days following my termination.
- I understand that I **must** notify NPERS in writing if I accept employment under a personal service contract (including as an independent contractor) with any employer participating in the School Plan during the 180 days following my termination.
- I understand that I **must** notify NPERS in writing if I accept employment with a private leasing company, temporary staffing agency, or any other entity, and my employment requires me to perform work at any employer participating in the School Plan during the 180 days following my termination.

I understand and acknowledge that knowingly making a false statement or representation to NPERS could result in criminal prosecution and/or recoupment of distributions made from my NPERS retirement account.

I understand this form should be completed, signed, and received by NPERS **before** NPERS will distribute any retirement benefits from my NPERS retirement account. To minimize processing delays I understand this form must be received by NPERS within 20 days of my termination.

Member Signature _____ Date: _____

Please contact NPERS Call Center at **1-800-245-5712** or **402-471-2053** if you have any questions about completing this form.

¹ “Employer participating in the School Plan” means any public school district (except Class V school districts), ESUs, and the Nebraska Department of Education (NDE) for those employees who are authorized by law to participate in the School Plan while working for NDE.
² Please refer to Neb. Rev. Stat. §§ 79-902(11) & (44), 79-921, and 79-949, for more detailed information.
³ Intermittent volunteer service or intermittent substitute service may be performed during the 180-day period as long as it is not prearranged.