

OMAHA SCHOOL EMPLOYEES RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | NOVEMBER 2025

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A lot to be thankful for...

As the holidays loom around the bend, you may dream of having more time with family to spend. Or perhaps you imagine yourself warm and cozy in your festively decorated home. But how close are you to making your dreams come true? Understanding your retirement plan can help turn those dreams into reality. So, what steps should you take?

1. Make a Plan and Take Stock: Your Effective Date.

A very important date, indeed. Your effective date is the first step in starting to draw your monthly benefit. The application process depends on the effective date. Effective dates are always the first of the month, and we use your age as of the effective date when calculating your benefit. So, if your effective date is January 1st, we will calculate your benefit based on your age on that date, and you would be eligible to receive your first benefit at the end of January. To establish that effective date, you must complete all the necessary steps listed below.

2. Get Your List. Check it Twice: Contact NPERS.

You can contact NPERS to start the retirement application process up to six months before retirement, but preferably no less than one month prior. At that time, you can also explore the educational resources available on the NPERS website. OSERS has its own plan page on [NPERS.NE.GOV](https://npers.ne.gov). You can read through your [plan handbook](#), which explains the details of your plan, or learn about Social Security, estate planning, Medicare, and elder fraud. These resources provide a clear overview of your retirement journey.

3. The Waiting Is the Hardest Part.

Once we have your application, we will review your work history to ensure your salaries are verified and your years

of service are correct, guaranteeing an accurate retirement benefit. A benefit estimate will be created, and your retirement packet will be mailed approximately 30 to 45 days prior to your effective date. Next, you will complete and mail your Application for Retirement to NPERS.

4. You Must Retire to Receive Retirement Benefits!

It seems obvious, but one of the most important steps you must take to receive your benefit is to stop working for OPS prior to your effective date. To be eligible for a retirement benefit, you must cease employment. If you provide any service or accept pay for contractual time periods after your desired effective date, you will not be eligible, and your effective date must be pushed back. Members who cease employment and receive delayed pay over the summer months can establish an effective date, provided the delayed pay is for service performed prior to the effective date.

5. Now It's Time to Enjoy!

Processing time for your first benefit may take around three calendar months following your effective date, depending on how soon we receive your application and any paperwork requested from your employer, particularly during the summer. Some retirements may take longer if there is a discrepancy or if we are waiting for information from you or your employer. If payment is delayed past the first benefit period (benefits are issued at the beginning of each month), your first check will be retroactive and include all months for which you were eligible.

You are retired and living the good life! Make sure you keep an up-to-date address on file with NPERS because each year we will send you an annual 1099-R tax form.

Retirement Benefits: Watch Now!

Retirement planning can sometimes feel overwhelming. That's why we're always looking for ways to make your benefits easier to understand and more accessible. To support you on your journey, we've been working on **several new videos** designed specifically for Omaha Public School employees. These easy-to-follow videos will walk you through important aspects of your retirement plan so you can feel confident about the future and your retirement.

1. The Benefit Estimator ([watch now](#))

Planning ahead starts with knowing what to expect. This video walks you step-by-step through the **Benefit Estimator tool**, which allows you to generate a personalized estimate of your retirement benefits. Whether retirement is around the corner or years away, this tool can help you see how different retirement dates might affect your monthly benefit, along with what the different annuity options would mean for you. So, please watch the video and give the estimator a try today, so that you can have a better idea of your retirement for tomorrow.

2. How to Retire Early ([watch now](#))

Do you know about the **Rule of 85**? What about the **Rule of 62+10**, or **55+10**? If those sound like gibberish, or maybe you just can't quite remember how they work, then this is the video for you. Our video breaks down exactly how the different rules surrounding early retirement work and provides examples to help you determine if and when you might qualify for each. We also touch on some very important considerations with retiring early, most notably regarding how your benefit may be reduced, even if you meet a rule. If retiring early is something you want to take advantage of, we strongly encourage watching this video to make sure you understand the rules.

3. Annuity Options ([Coming Soon to OSERS Plan Info Page](#))

When you are ready to retire, you will have many different options to choose from with how your **lifetime monthly annuity** will function. The choice you make matters a lot, as it will affect the monthly amount you receive along with the potential for a death benefit paid out to your beneficiary(ies). As such, this video will walk you through each of the options available to you so that you can be as informed as possible before making your decision.

4. Reemployment with OPS After Retirement ([Coming Soon to OSERS Plan Info Page](#))

After you retire, we understand that many of you may want to come back to work or volunteer with OPS in some sort of capacity. Although this can be allowed, there are **strict guidelines** to follow here, and breaching them can result in very severe consequences for your benefit. To be sure that you follow these rules and avoid the potential for repaying benefit payments or even getting your benefit suspended, please watch this video.

5. Retirement Plan Video ([Coming Soon to OSERS Plan Info Page](#))

Finally, we have been preparing a long, recorded rendition of the presentation we do for in-person seminars. This video is meant to serve you the information presented at a seminar without actually attending a seminar. It contains all the information about your retirement plan, ranging from how to get vested to taxes on your benefits. This is a great video to watch for those of you who maybe can't attend a seminar quite yet but still want to know about your plan. It is also great for those of you who did attend a seminar but maybe need a bit of a reminder about your plan.

Salary Capping: OPS vs. Nebraska Schools

When calculating retirement benefits, the **Omaha School Employees Retirement System (OSERS)** and the **Nebraska Schools Retirement System** both use your final five years of compensation, known as your capping period, to determine your highest years of earnings. This helps ensure your benefit is based on typical pay rather than an unusually high year that could inflate your average.

Both systems use the same five-year look-back period, but they apply salary capping rules differently. Because many school employees have service in both the Omaha and Nebraska systems, it's important to understand these differences so you can plan confidently for retirement.

Omaha School Employees Retirement System Salary Capping

- OSERS caps annual pay increases at 8 percent.
- The Base Year is the plan year before the capping period.
- Each year's pay is compared to the prior year; increases over 8 percent are capped for that year only.

Example: A 12 percent raise is counted as 8 percent. The following year uses the actual, uncapped pay.

Nebraska Schools Retirement Plan Salary Capping

- The Nebraska Schools plan also sets a Base Year (first of the final six years) and compounds year to year.
- Salary increases above 8 percent are adjusted down to the "Adjusted Compensation."
- Future caps are based on the adjusted amount, so the effect can carry over multiple years.

Example: A 12 percent raise is capped at 8 percent. The next year's cap is based on the adjusted salary, extending the impact beyond a single year.

The tables below provide a side-by-side comparison of how the Omaha Schools System and the Nebraska Schools System apply salary capping when determining your Final Average Monthly Compensation.

OMAHA PUBLIC SCHOOLS			
Year	Salary	Increase (%)	Adjusted
Base	\$ 60,000	N/A	N/A
1	\$ 63,000	5%	\$ 63,000
2	\$ 100,800	60%	\$ 68,040
3	\$ 105,840	5%	\$ 105,840
4	\$ 111,132	5%	\$ 111,132
5	\$ 116,689	5%	\$ 116,689
MONTHLY AVERAGE	\$ 8,291		\$ 7,745

NEBRASKA PUBLIC SCHOOLS			
Year	Salary	Increase (%)	Adjusted
Base	\$ 60,000	N/A	N/A
1	\$ 63,000	5%	\$ 63,000
2	\$ 100,800	60%	\$ 68,040
3	\$ 105,840	5%	\$ 73,483
4	\$ 111,132	5%	\$ 79,362
5	\$ 116,689	5%	\$ 85,711
MONTHLY AVERAGE	\$ 8,291		\$ 6,160

Why the Difference Matters

For members who have service in both systems, the different capping methods can affect how your Final Average Monthly Compensation is calculated, and in turn, your retirement benefit.

- Under OSERS, a large raise is capped for one year only.
- Under Nebraska Schools, a large raise can affect multiple years because future limits are based on the adjusted amount.

Both systems use salary capping to protect the integrity of the retirement fund by preventing unusually high increases, such as overtime spikes or end-of-career contracts, from inflating lifetime benefits.



When will I receive cost of living adjustments?

The annual cost of living adjustment, often called the COLA, is applied each year on January 1 as required under Nebraska law. This means that the increase begins affecting any benefit amounts that start to accrue from that date forward. Since your February payment is made up of the benefits you earned throughout the month of January, the first time you will actually see the new COLA appear in your payment is in February. In other words, even though the adjustment officially begins on January 1, it will not show up until the following month because of how benefits are calculated and paid out.

This timing may feel a little different from what you have seen in past years, and it may not match the approach that was previously used. However, the updated process now aligns with the intent and the specific instructions outlined in the state statutes. The change simply ensures that the COLA is being applied in the correct way moving forward and that the timing matches what the law requires.



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RETIREMENT NEWS

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Upcoming OSERS Webinar and 2026 Seminar Information

One of the main goals of NPERS is to help you feel more informed about your retirement, and a key way we do this is through our Pre-Retirement Seminars and Webinars.

We will be hosting an OSERS webinar for the first time on Thursday, December 4. This event will be held through Webex. To register, visit our website at npers.ne.gov and select Omaha Schools under Retirement Seminars in the Member Info tab. This webinar will cover your OSERS retirement plan information, although the additional planning topics included in our standard seminars will not be covered. To learn about those subjects, we encourage you to visit our website or YouTube page for videos on Social Security, Elder Fraud, Estate Planning, and Medicare.

If you would like to attend an in-person seminar but missed your opportunity this fall, there is no need to worry. We will be offering several in the spring of 2026, and the schedule will be sent out and posted on our website January 2026.