



RETIREE UPDATE

For Omaha School Retirees | Nebraska Public Employees Retirement Systems

2026 Annuity Payment Remaining Schedule New and Updated For Omaha School Retirees

JULY	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2	31	31	30	30	30	31

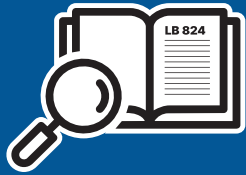
With the passage of LB 820, the payment of OSERS benefits will change from the beginning of the month to the end of the month. **To make this change happen there will be two payments in the month of July, one on the 2nd and one on the 31st.** Subsequent payments will be paid on the last day of the month.

Legislative Updates to the OSERS Plan

The Unicameral approved a series of updates affecting the OSERS plan. Below are key changes you should be aware of:

- ▶ Beginning September 1, 2026, both annuity COLA and medical COLA adjustments will be calculated and applied to your September benefit payment. This change creates more consistent timing and makes COLA application easier to anticipate each year.
- ▶ Annuity payments will now be paid at the end of the month rather than the beginning of the month. This change will take effect in July.
- ▶ Reemployment rules have been updated, reducing the separation-from-service requirement from 180 days to 120 days. The rules also clarify that no service may be provided during this period, helping ensure a clear and consistent definition of a true termination.

While these changes may appear minor when described individually, each represents an important update to how the plan is administered. We are pleased to implement these improvements for our members. Additional information, including educational materials on these topics, is available on our website. (npers.ne.gov)



LB 824

Termination & Reemployment (OSERS Plan)

Enacted with Emergency Clause; Operative May 1, 2026

With the passage of **LB 824**, major changes will occur with service termination and reemployment rules.

Your retirement plan is not just a standard retirement plan. It is the Rolls-Royce of retirement plans: a defined benefit pension plan that, once vested, guarantees you a monthly benefit for your lifetime. To receive this benefit, the IRS requires members to complete a full separation from service before payments can begin, known as a bona fide termination. Understanding how to properly achieve this separation is vital to a comfortable retirement.

New legislation changes several of these rules, and it is our mission to help you understand what has changed.

Prior to the May 1, 2026 effective date:

- ▶ You were required to observe a 180-day separation from service beginning the later of: your termination date or the date NPERS receives a valid distribution application. Your termination date is typically your last day of work if you are hourly, or the last day you can be required to render services if you are a contracted employee (your contract end date).
- ▶ You could provide substitute or volunteer services on an intermittent basis, limited to up to eight days per calendar month during the 180-day period at all School Plan employers.

As of May 1, 2026, & the passage of LB 824:

- ▶ The 180-day period changes to 120-days.
- ▶ **No service can be provided during the 120-day period.** No exceptions are allowed. This means you cannot provide any substitute or volunteer services during this time.

This applies to terminations on or after May 1, 2026. It also applies to individuals who terminate employment prior to May 1 but submit an application for benefits or distribution on or after the effective date.

What remains the same? **Any prearrangement to return to service will be considered a termination violation** and may require repayment of all benefits received. To avoid this, do not have a written or verbal agreement to return to work with any OSERS Plan employer (OPS or ESU 13).

Returning to work in a role that is fundamentally similar

to your previous position, or terminating and then returning as an independent contractor performing the same duties, are both considered red flags. These situations may result in a determination that a valid separation did not occur.

Let's look at some common scenarios to determine whether they are "okay" or "not okay" during the 120-day separation period.

1. You retire from your position as a teacher and start a pest control business. Your former school hires you for fumigation services. Is this okay? **Yes.** These are different job duties and activities, so this is acceptable during the 120-day period.
2. You retire from teaching and are hired by a private agency to teach soft skills at the same school or another participating school. Is this okay? **No.** This is considered performing substantially similar duties, even if the employer is a private entity.
3. What about coaching, officiating, or refereeing? **No.** These activities are generally considered regular employment and are not allowed during the 120-day period.
4. You retire from teaching and are elected to serve on a school board. Is this okay? **Yes.** This represents a different role with different responsibilities and is acceptable.

The separation requirement does not prevent you from working for private, non-educational employers or parochial schools. Violations occur only if you return to work for an employer participating in the OSERS Retirement Plan or another related public employer.

During separation from service, you may still step foot on school grounds to take your grandchildren to school or attend sporting events, concerts, and other activities.

These updated rules are intended to make compliance with IRS and state requirements clearer and to help avoid the serious consequences of a termination violation. Such violations may require repayment of benefits and could jeopardize the plan's tax-qualified status, potentially affecting all members.

At NPERS, we want you to enjoy a secure retirement. Following these rules helps protect your benefits. If you have questions, contact Member Services at 800-245-0157 or 402-471-2053 (option 1).

Terminating Employment

When a member terminates their regular employment with an employer participating in the Omaha School Retirement plan, they have a BIG decision to make. Will they take their benefit or not?

Reemployment occurs when a member terminates regular employment, then returns to an employer that contributes to the plan.


If the member decides to take their benefit (or a distribution), they need to establish their 120-day separation from service that indicates to the IRS that they have fully terminated their employment. During that 120-day separation period the member cannot provide any service to their previous employer (OPS or ESU 13).

If the member decides not to take a benefit or distribution of their account until a later date, their 120-day separation from service period will begin when they apply to either take a benefit or a distribution and NPERS receive their application.

The termination date is the LATER of either your last day of work or when we receive your retirement or distribution application. This begins the separation period that must be established and no service can be provided during that time.

Members who are close or working past their Required Minimum Distribution (RMD) age should pay close attention, as RMD deadlines are enforced as soon as regular employment has ceased. We have had members who ceased their regular employment, become confused then missing their important RMD deadline in the OSERS plan. Which could mean that they lose the opportunity to claim a lifetime benefit. If you are unsure about appropriate timing for taking it, so make sure you review the RMD handout on your plan page and if you have questions call NPERS.

Not establishing a proper termination or providing any service during your 120-day separation period can result in "termination violation". Consequences for a termination violation can range from delays in processing to a full and immediate repayment of all funds.



The termination date is the LATER of either your last day of work or when we receive your retirement or distribution application.

Guarding Your Benefits

New Measures to Protect Member Payments

At NPERS, we are constantly looking for ways to better serve our members, from supporting successful retirements to improving service and protecting against fraud and scams.

To help protect your time, money, and peace of mind, **NPERS is implementing a 30-day waiting period for changes to direct deposit information.**

One way fraud can occur is when unauthorized changes redirect benefit payments to a different account. To reduce this risk, a 30-day security hold

will apply whenever a new direct deposit request is submitted for accounts currently receiving benefit payments.

During this period, a letter is sent to you notifying you of the change. This provides an opportunity, if the request was not made by you, to contact us and stop the payment from going to an unauthorized account.

This added safeguard is designed to help protect your benefits and provide greater peace of mind.



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RETIREE UPDATE

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

PROVIDING INFORMATION TO RETIREES
OF OMAHA SCHOOL
RETIREMENT PLANS

PHONE: 402-471-2053
TOLL FREE: 800-245-5712
FAX: 402-471-9493

NPERS.NE.GOV

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.

Check here if this is a change of address.

Name _____

Address _____

City _____ State _____ Zip _____

Signature _____ (A SIGNATURE IS REQUIRED FOR AN ADDRESS CHANGE.)

If you need additional information or a form, please check the appropriate box(es) below:

- W-4P
- W-4N
- W-4R
- Direct Deposit Agreement Form
- Beneficiary Designation Form
- Other _____