

NEBRASKA STATE & COUNTY EMPLOYEES RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | JANUARY 2025

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NPERS Director Heads for New Horizons

Director John Murante will be leaving the Nebraska Public Employees Retirement System to pursue work in the private sector.

"I am proud of the work done to steward the Nebraska Retirement Plans for over 180,000 public employees while smoothly transitioning the Omaha School Plan to state administration," Murante said. "Nebraskans can know NPERS is run efficiently and effectively, always dedicated to making decisions in the best financial interests of Plan members. I will always be grateful to the PERB, Governor Pillen and the Nebraska Legislature for the opportunity to serve."

Chairwoman Kelli Ackerman of the Public Employees Retirement Board thanked Murante for his work. "During his tenure, Director Murante fought to streamline processes and create efficiencies while providing staff the resources they needed to perform at the highest level," Ackerman said. "NPERS is poised to continue growing off of this momentum and will achieve new heights in years to come."

NPERS will miss John greatly and wish him all the best in his new endeavor. The PERB will conduct a nationwide search for the next Director.

New at NPERS *in*

2024

We have implemented MFA (Multi-Factor Authentication) for NPERS online accounts.

Multi-Factor Authentication enhances the security of your account information. This update enables us to offer expanded services and provide more information to members and agents while ensuring a more secure environment. We are excited to make our online accounts more accessible and user-friendly, all while maintaining a secure online experience.

We have a new plan to administer: OSERS!

As of September 1, 2024, NPERS has taken over the administration of our seventh plan, the Omaha School Employees' Retirement System (OSERS). Including active, inactive, and retired members, OSERS currently has 15,123 participants, making it roughly the same size as the County Retirement Plan. Administering this plan has been both a demanding and rewarding undertaking, and we are very proud of this accomplishment in 2024!

We added half-day in-person events for off-season plans.

This year's State and County Fall in-person seminar season featured two new half-day seminars for our Nebraska School Plan. These sessions were

focused exclusively on explaining the pension plan. Regular seminars cover a wide range of topics related to retirement planning, but these shorter sessions were developed in direct response to member feedback requesting a more focused option. We are delighted to fulfill the needs of our members by introducing new educational programs like this one.

We introduced a new [Tax Estimator](#) to our website.

Launched in 2024, this tool uses current tax tables and allows you to input estimated future benefits or supplemental information to calculate potential tax withholding. Tools like this are designed to make financial planning more convenient, accurate and stress-free. At NPERS, our mission is to help you succeed in retirement, and the Tax Estimator is a step in that direction.

These are just a few of the many exciting initiatives NPERS is implementing to help our members achieve their financial goals and enjoy happy, secure retirements. Thank you for joining us on this journey. From all of us at NPERS, we wish you a holly-jolly, merry, happy holiday season!

Defined Contribution Annuity & Cash Balance Annuity Rate Changes

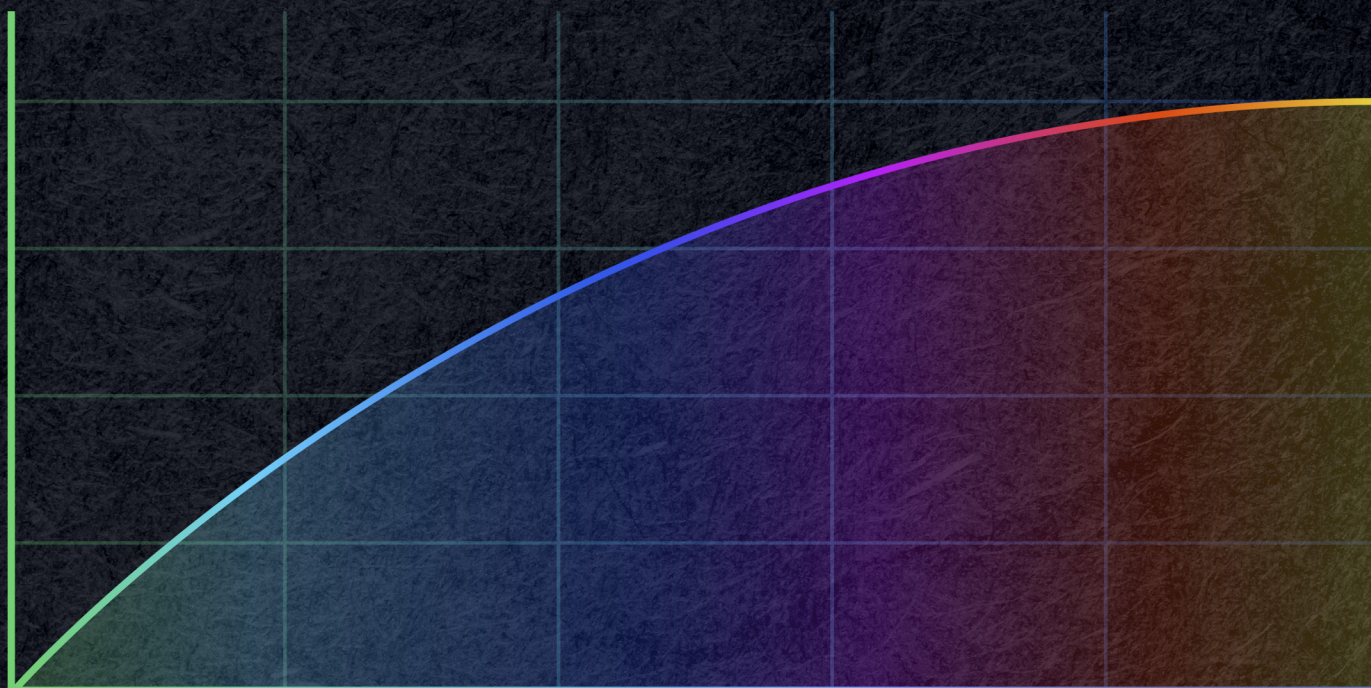
Per Nebraska statutes, our Defined Contribution (DC) annuity rate is determined using the Pension Benefit Guaranty Corporate rate of plus 0.75%. Recently, the Pension Benefit Guaranty Corporation (PBGC) changed the way they determine rates for their annuities, switching to using an interval yield curve in their calculations, rather than a set rate. This means we will follow suit and use this interval yield curve to determine our annuity rates for DC annuities.

If you have questions about how this change may affect the monthly benefit you might receive, make sure you run your [benefit estimates](#), as these new interval yield curve rates

will be part of the benefit estimator in January 2025. The benefit estimator is updated annually with the new factors used for our calculations and will keep you on track to getting the best benefit possible.

Currently, the annuity factor rate for Cash Balance Tier One members is 7.75% and the annuity factor rate for Cash Balance Tier Two members is 7%. This factor rate is used only in the initial calculation of the annuity and is not a rate of return.

Please refer to your plan handbook for more information on the annuities offered to State and County members at retirement or termination.

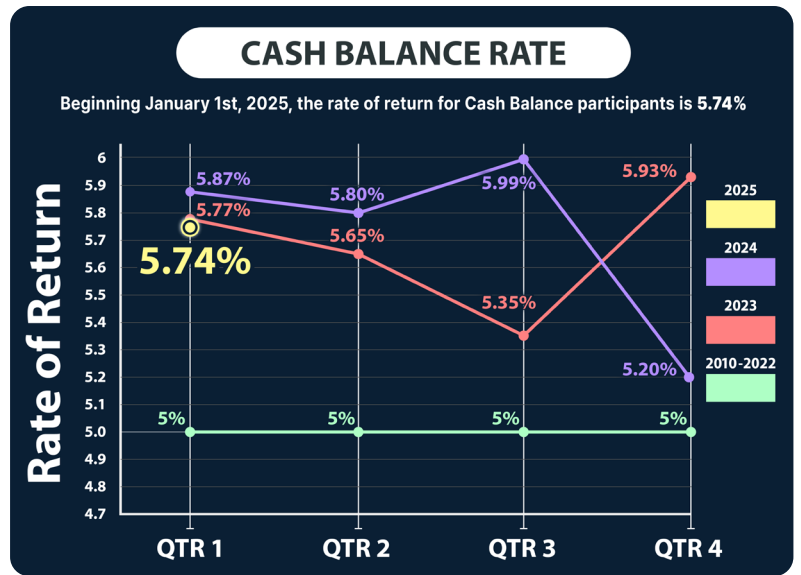


Cash Balance Rate

For the quarter beginning January 1st, 2025, the rate of return for Cash Balance participants is **5.74%**. The Cash Balance rate of return is calculated using the federal mid-term rate plus 1.5% or a guaranteed rate of 5%, whichever is greater.

Most people believe they are only getting the 5% guaranteed rate, but did you know Cash Balance has received a rate of return higher than that 5% for the last two years? The average rate of return for 2023 was 5.68% and the average rate of return for 2024 was 5.72%.

The current and historical Cash Balance rates of return are available via the "[Cash Balance Rates of Return & Dividends](#)" link on our website.



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RETIREMENT NEWS

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2025 DCP Contribution Limits

The 2025 maximum contribution limits for the voluntary Deferred Compensation Plan (DCP) have been announced by the IRS.

The normal maximum contribution deferral amount is \$23,500 for members under age 50. The additional contribution amount provided for individuals aged 50 or older is \$7,500 making the 2025 total contribution limit for members aged 50 and older \$31,000.

If you are not already participating in DCP, consider enrolling today. DCP is a tax-sheltered retirement plan similar to a Traditional IRA. All state employees are eligible to participate as are *some* county employees whose employer does not offer a separate 457 plan.

For more information on the DCP, we feature a ten-minute informational video about the plan on our website – [CLICK HERE](#).