

NEBRASKA STATE & COUNTY EMPLOYEES RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | JANUARY 2026

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Understand Your Retirement Benefits

We know retirement planning can sometimes feel overwhelming. That's why we're always looking for ways to make your benefits easier to understand and to include more resources for you to access. We have several new videos specifically for State and County employees.

These short, easy-to-follow videos will walk you through important aspects of your retirement plan so you can feel confident about both your present and future. All of these videos are available on the NPERS website at npers.ne.gov. Alternatively, you can visit our [YouTube](#) channel to watch them.

1. [Cash Balance \(CB\) vs Defined Contribution \(DC\)](#)

Your mandatory retirement plan includes two benefit structures: the Cash Balance Plan and the Defined Contribution Plan. To understand how your plan works and what benefits will be available to you at retirement, it is important to know which plan you participate in. This video explains how to identify your plan and outlines the key similarities and differences between the two benefit structures.

2. [CB and DC Distribution Options](#)

Once you have identified which benefit you participate in, you can begin building your understanding of the options that will be available to you at retirement. Separate videos are available for each benefit, each providing a detailed overview of the distribution options you may choose from.

3. [Annuity Options](#)

Annuities can be an effective way to establish a reliable stream of income in retirement. For this reason, we have dedicated a video exclusively to annuities. This video explains the various annuity options available and describes how each works, including considerations that may help you decide which option best fits your needs.

4. [Updated Retirement Plan Information](#)

We now offer an updated version of the information presented during seminars and webinars. This extended video covers the fundamentals of your retirement plan while also providing in-depth explanations of common areas of confusion. For those who would like to receive the seminar or webinar content without attending a live session, this video is an excellent alternative.

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%. As of last year, the Pension Benefit Guarantee 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. We followed suit and are currently using this interval yield curve to determine our annuity rates for DC annuities.

The annuity factor rates for Cash Balance Tier One and Tier Two members will be changing as of January 2026. Tier One was 7.75% and Tier Two was 7%. Both rates will decrease incrementally each month until they reach 6.75% in December of 2027. These factor rates are used only in the initial calculation of the annuity and are not a rate of return.



If you are concerned about how these rates may affect the monthly benefit you might receive, make sure you run your benefit estimates, as these new interval yield curve rates and updated incremental rates for Cash Balance will be part of the benefit estimator in January 2026. The [benefit estimator](#) is updated annually with the new factors used for our calculations, given to us by the plan actuaries, and will keep you on track to get the best possible benefit.

Your [plan handbook](#) has more information on the annuities offered to State and County members at retirement or termination.

Staff Excellence @ NPERS

Each year, state agencies may recognize a designated number of staff members with the Excellence in Leadership Award, based on agency size. At NPERS, two employees receive this annual honor: one selected through an agency-wide vote and the other chosen by a committee. This year's recipients are Annalisa Stevens (middle right) and Elijah Beed (middle left).

Annalisa has been with NPERS since September 2019. Her role includes processing refunds and annuities for State and County Plan members. A fun fact about Annalisa is that she enjoys creating origami.

Elijah has been with NPERS since December 2021. He began in a temporary position before becoming a permanent member of the Refunds team. In his free time, he enjoys spending time with his two dogs, cooking, gardening, and birdwatching.



From left to right: Tyler Cummings, Elijah Beed, Annalisa Stevens, Janis Elliott

2026

DCP Contribution Limits

The IRS has announced the 2026 maximum contribution limits for the voluntary Deferred Compensation Plan (DCP).

For members under age 50, the maximum elective deferral amount is \$24,500. Members aged 50 or older may contribute an additional \$8,000, bringing the total 2026 contribution limit to \$32,500.

Individuals who turn age 60, 61, 62, or 63 in 2026 may be eligible for the Super Catch-Up contribution, which allows for an additional \$11,250. This results in a total allowable contribution of \$35,750.

Due to provisions of SECURE 2.0, which require certain catch-up contributions to be made as Roth contributions, individuals who earned at least \$150,000 in FICA wages in 2025 will not be eligible to make catch-up contributions to this DCP at this time. These individuals may still make Roth contributions to other eligible retirement plans. NPERS hopes to make this a part of our DCP in the future.

If you are not already participating in the DCP, consider enrolling today. The DCP is a tax-deferred retirement plan similar to a Traditional IRA, but with higher contribution limits. All state employees are eligible to participate, as well as certain county employees whose employer does not offer a separate 457 plan. Additional information, including a ten-minute informational video, is available on our website at [NPERS.NE.GOV](https://npers.ne.gov).

UNDER AGE 50 MAX DEFERRAL

\$24,500

AGES 50 AND OVER ADDITIONAL CATCH-UP

\$8,000

AGES 50 AND OVER MAXIMUM DEFERRAL

\$24,500 + \$8,000 = \$32,500

AGES 60 - 63 (ANY TIME IN 2026) SUPER CATCH-UP

\$11,250

AGES 60 - 63 (ANY TIME IN 2026) MAXIMUM DEFERRAL

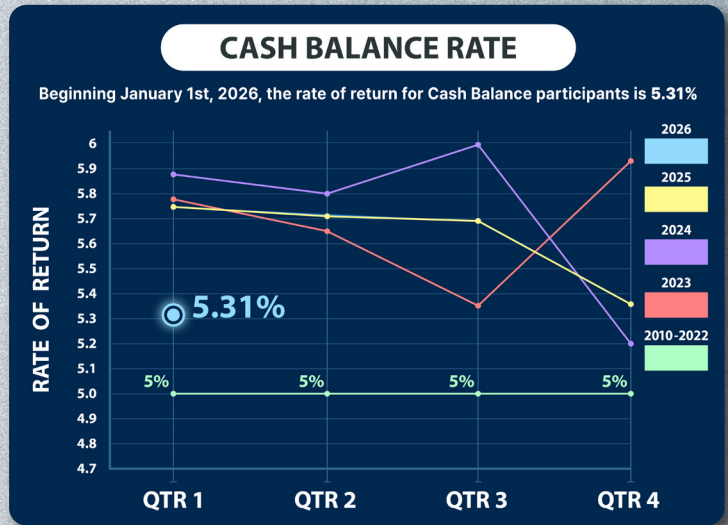
\$24,500 + \$11,250 = \$35,750

Cash Balance Rate

For the quarter beginning January 1st, 2026, the rate of return for Cash Balance participants is 5.31%. 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 do you know how long Cash Balance has received a rate of return higher than that 5%? For the last three years. Average rate of return for 2023 was 5.68%, the average rate of return for 2024 was 5.72%, and now the average rate of return for 2025 is 5.62%. We're off to a strong start with the federal mid-term rate being 3.81%, plus 1.5%, which gives us 5.31% for Q1 in 2026.

Cash Balance rates of return are available through the "[Cash Balance Rates of Return & Dividends](#)" link on our website.



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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

RETIREMENT NEWS

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Retirement Planning. Did you know?

Planning for retirement begins with being well informed and understanding the options available to you. One of the most effective ways to gain this knowledge is by attending an NPERS State and County Retirement Planning seminar or webinar.

Did you know that eligible employees may receive leave with pay to attend up to three Retirement Planning sessions? Attendance is limited to one session per fiscal year. The fiscal year runs from July 1 through June 30, and to be eligible for paid leave, you must be participating in the Nebraska Retirement Plan.

When attending a session under the paid leave provision, you remain in paid work status and do not use personal or sick leave. Paid leave is administered by your employer, so you should coordinate directly with them in advance of attendance. Seminar information can be found on [NPERS website](#).