

Retirement Roundup

"Providing Information to Judges, State Patrol and School Employees"

Nebraska Retirement Systems

Vol. 15, No. 3, Spring 2000

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We're Moving!

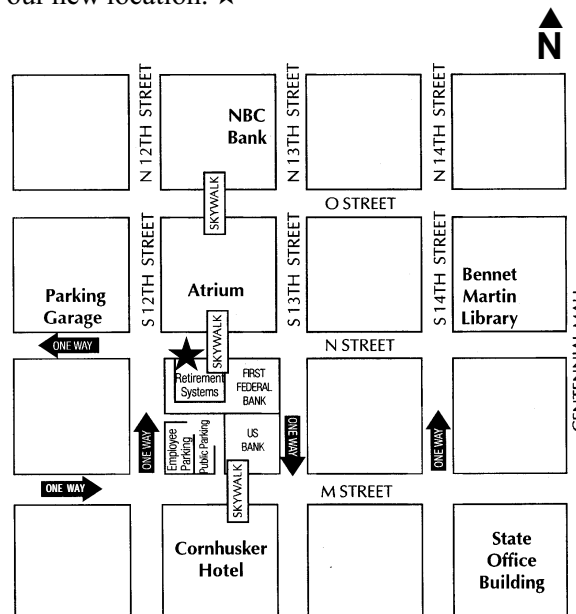
In an effort to serve members more efficiently, the Nebraska Public Employees Retirement Systems is expanding its workforce and use of technology. As a result, we have relocated our offices.

We are vacating our space in the State Office Building. As of May 1, 2000, our new office is located at:

1221 N Street, Suite 325
(3rd Floor - skywalk level)

Services to members will continue with minimal interruption. Our existing telephone numbers will remain the same: Toll-free 1-800-245-5712 or local 402-471-2053.

Below is a map of downtown Lincoln, showing our new location. ★



Major Technology Initiative Underway

The Legislature and the Governor have granted spending authority for a major overhaul of the Retirement Systems computer systems this year as a part of the state budget package. We began in 1998 to develop a long-range plan addressing our technology needs. This plan is now under way.

Since 1995 we have struggled to keep up with the volume of member inquiries and retirement applications. Our delays in response time for members are primarily due to our lack of automated systems. Our increased workload and delays can also be attributed to an increase in the number of retirements in recent years. Therefore, we will only fall further behind as the "baby boomers" begin to retire unless we update and integrate our computer information systems.

We will be using a phased approach in our Technology Plan and are implementing changes to our administrative processes as well as our computer systems. In fact, when we move into our new office space in May (see article this issue) we will also completely reorganize our office administration.

This fall we will install an imaging system to help us manage the millions of pieces of paper and microfilm documents in member files. This system will streamline our handling of member requests by using "electronic" files and workflow software to track each member request.

By this time next year we will be coming to each school district and employer to develop a system for transmitting membership data to our office electronically. This should greatly improve the

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Legislative Update

LB 1192 Was The Only Legislative Bill Passed This Session That Will Affect the School Retirement Plan

Old Rule (pre LB 1192)

In order to experience a “termination,” members may not return to “active work” within one school year of ceasing employment.

In final average compensation, increases greater than 10% per year of compensation are not recognized, unless the member has experienced a “substantial change” in employment position.

A “statement of creditable service” is sent out every two years, to verify the years of creditable service members have accumulated.

Members have one year from ceasing work to apply for a disability retirement.

New Rule (post LB 1192), (effective March 22, 2000)

In order to experience a “termination,” members may not provide “compensated service on a regular basis in any capacity” within 180 calendar days of ceasing employment.

In final average compensation, a further exception is added, allowing the recognition of pay increases greater than 10% per year, if the increases are given generally as part of a collective bargaining agreement to either a “collective bargaining unit” or a “category of school employee.” (This is in addition to the exception in the first column.) (Begins in 2001)

Every two years a “statement of information” necessary to determine a retirement benefit is sent out, (includes creditable service, salary, etc.).

Members have five years after ceasing work to apply for disability retirement based on a disability “related to employment in a public school located in Nebraska.” Other disabilities remain with the one-year limit.

Examples of the LB 1192 Changes

180 Calendar Day Rule:

A termination consists of ceasing work and not returning for 180 calendar days. For example, a school member leaves employment on May 1, 2000. He or she must not work again until October 28, 2000 in order to have experienced a “termination.” The rule applies to:

- ♦ Those who have already quit work, and who return on or after March 22, 2000
- ♦ Those who both quit and return after March 22, 2000.

Five – Year Disability Rule:

A school member has five years to apply for a disability retirement after having to cease work because of a disability related to employment in a Nebraska public school.

- ♦ A school member ceases work in 2000 because of a disability related to employment in a Nebraska School – while teaching class, he slipped on a piece of chalk and was paralyzed. He has until 2005 to apply for a disability retirement.
- ♦ A school member ceases work in 2000 due to a hunting accident while on Christmas vacation. She has until 2001 to apply for a disability retirement.

10% Pay Increase Exceptions:

NPERS will not recognize an annual increase in salary greater than 10% unless the increase is due to either (a) a substantial change in the member’s job, or (b) is a pay raise given to a class of employees through a collective bargaining agreement:

- ♦ A school member moves from being a teacher to being the principal, and gets a 15% pay raise – NPERS recognizes the whole 15% increase.
- ♦ All the teachers at a school district get a 13% pay raise – NPERS recognizes the whole 13% increase.
- ♦ A school member gets an 11% pay raise for doing the same duties, and is the only person at the school to get such a raise – NPERS recognizes only 10% of the member’s increased pay.

How To Apply For A Retirement Benefit

You can help us expedite the process of retiring. Due to an increase in the the number of retirements, we have instituted a few changes in our procedures. The following are important details you should know if you are retiring this year:

1. If you have received benefit estimates from our office within the past 18 months and feel certain about the payment option you wish to select, **you may call our office**, and with proper identification, request a Retirement Application packet. The packet will include an Application for Retirement Annuity form, with instructions, a school retirement plan booklet, a questionnaire, a list of methods to verify your age, income tax withholding information and a direct deposit form.

2. If you have not received benefit estimates from our office in the past 18 months or you are not sure of the payment option you wish to select, **you should write to our office** to begin the process. Generally, the estimates can help you with your decision, even though the numbers are not final.

When you write, include the following: full name (printed or typed); social security number; retirement number if you know it; date of last work *and* last pay; the date you want your benefits to begin (if other than immediately); whether you want your retirement check to be direct deposited; your current address and your signature. Upon receipt of your letter we will send you the packet described under number one and benefit estimates.

In addition, we will need a legible copy of your birth certificate before we can process your application. If you select the joint and survivor payment option (#4), we will also need a legible copy of your spouse's birth certificate and marriage license. (If you do not have a birth certificate we will provide you a list of acceptable methods to verify your age.)

3. You may complete the retirement process in its entirety by mail. If

however, you wish to come to our office to apply for your benefits, you must schedule an appointment. You may call our office between the hours of 8:00 a.m. and 5:00 p.m. to schedule a time to come in. Appointments will be limited to one hour.

4. Contact us as soon as you make your decision to retire. The sooner you start, the sooner we can process your application. Once you are eligible to retire, the law states your "effective date of retirement" is the first of the month following the date you file your Application for Retirement form with our office, or the date your employment ends, whichever is later. You may file your application as early as 90 days prior to your last day of work.

5. Your first payment normally begins between 60 and 90 days after your effective date of retirement. For example, if your last day of work is May 22nd, and your Application for Retirement is received in our office on or before the end of May, your effective date of retirement will be June 1st. If your application is not received until sometime in June, your effective date of retirement will be July 1st. Once your application is received, your first payment will likely be 60 to 90 days later, especially during our busy retirement season. However, your first payment will always be retroactive to your effective date of retirement and thus could include two or three months of benefits.

6. Finally, enjoy your retirement, you deserve it. Do not forget to send us a postcard from paradise, in other words, remember to advise us of any address changes. ☐

Call Us ...

TOLL FREE!
1-800-245-5712



Fund Statements Sent Via Certified Mail

Per LB1191, passed in 1998, the Retirement Office mailed nearly 43,000 annual school fund statements via certified mail in August 1999. Every school plan member having money on account and an address on file, was sent a statement of account showing service earned by that member for all prior fiscal years service as recorded in the Retirement Office.

As per the law, the statement explained you had ninety (90) days after receipt of the statement to dispute the service years indicated. If you did not dispute the statement on or before the ninety (90) days elapsed, the statement is binding and you are forever barred from challenging such statement thereafter. The ninety (90) days began with the date you picked up the letter at the post office. That date was stamped on the return receipt requested sent back to our office by the post office and that is the date we used.

Nearly twelve hundred (1200) disputed responses were received as a result of the certified mailing. Some of you who filed a dispute of service with us have not yet received a formal reply. We will get to your letter as soon as we can. As long as you filed your dispute within 90 days, your file will remain open until we are able to complete the research and get back to you.

Approximately 4,300 fund statements were returned as undeliverable due to a wrong address. As a result of an article printed in the Winter 2000 edition of the "Retirement Roundup" many of you have updated your address. The 1999 certified statements returned to our office will be re-mailed sometime in May of this year.

The law also requires that every two years the Retirement Office is to send

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Remember To Make An Appointment!

If you are planning a visit to our office in the near future, and you need specific account information, remember that it is now necessary for you to schedule an appointment. Walk-in visitors will be provided general retirement plan information and/or forms only.

Appointment times are 9:00 AM, 2:00 PM and 3:30 PM, Monday through Friday. We recommend you schedule an appointment one month in advance, whenever possible. This will provide our staff adequate time to research your records, obtain pertinent information from your employer, calculate benefit estimates and provide up-to-date information.

If you and your spouse are both plan members and wish to review both retirement accounts, you must indicate this at the time the appointment is made. NOTE: One appointment time will be shared by spouses.

To schedule an appointment please call 1-800-245-5712 or 402-471-2053 and press four (4) when you are prompted by our voice response system. Our receptionist will gladly schedule your appointment.

We appreciate your cooperation and hope these new procedures will help us to serve members in a more timely and efficient manner. ☐



"Our prime purpose in this life is to help others. And if you can't help them, at least don't hurt them."

-The Dalai Lama

Find Answers On The World Wide Web



Have you had the opportunity to visit us on our web site yet? If you haven't you'd be surprised at the information you could obtain with just a few easy "clicks"!

In the FAQ's section there are over 20 commonly asked questions about refunds and the answers to all of them!

You will find complete instructions for making a Lump Sum Withdrawal. And have access to the form needed to apply for a refund.

Read up on the latest Legislative issues that may affect the future of your Retirement Plan.

A copy of our most recent newsletter is always available as well as past newsletters.

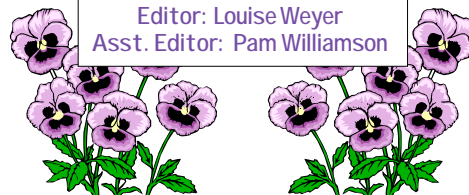
Our newest feature is an alphabetic listing of members that we are unable to contact because we do not have current addresses for. Check it to see if you or someone you know is on the list.

Please visit our web site at:
<http://www.nol.org/home/pers>. You'll be glad you did! ☐

RETIREMENT ROUNDUP

Published by
Nebraska Retirement Systems
Retirement Information Office
301 Centennial Mall South
6th Floor, State Office Building
P.O. Box 94816
Lincoln, NE 68509-4816
402-471-2053
or Toll-Free 1-800-245-5712
<http://www.nol.org/home/pers>

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Fund Statements (Cont. from pg. 3)

each school plan member, with money on account, a statement of service earned for the **two previous fiscal years**.

As in 1999, the statements will be mailed certified mail and you will have ninety (90) days from receipt of your statement, to dispute reported service with our office.

Since creditable service is one of the formula components used to determine the amount of your retirement benefit, it is important that you receive the required certified mailing.

Address changes are accepted over the telephone provided you are not in pay status to receive a retirement benefit or refund. You will be asked identification verification questions. Address changes via fax, with your signature, are accepted if you are not in a pay status. You may also send a written notification of your address change signed by you.

As you can see, it is imperative that you **keep your address current!** ☐

Technology (Cont. from pg. 1)

timing and accuracy of the data we receive from employers. Plan members will see immediate benefits from streamlining the employer reporting process.

Other improvements coming soon will be: implementation of a phone center to improve response time for member calls; an Internet "benefit calculator" to assist members in obtaining estimates in advance of retirement; and the ability to download forms from our Web Site. ☐