

Retirement Roundup

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

Nebraska Retirement Systems

Vol. 15, No. 2, Winter 2000

PUBLIC EMPLOYEES' RETIREMENT BOARD

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Cost-of-Living (COLA) Provision

A law passed in 1999 by the State Legislature will provide an **annual** cost of living adjustment (COLA) beginning July 1, 2000, for retirees and beneficiaries of the School, Judge and Patrol retirement plans. Retirees will receive a benefit increase based on the annual change in the consumer price index (CPI), but cannot exceed a maximum adjustment of two percent (2%). This means if the CPI is less than 2%, you will receive the CPI rate. If the CPI is greater than 2%, you will receive a 2% COLA increase for the year.

If during your retirement, inflation erodes the value of your School or Judge plan benefit to less than 75% of the original purchasing power of your benefit at retirement, your benefit will be adjusted to the equivalent of 75% of the original purchasing power. For retirees of the Patrol plan, the percentage is 60% of the original purchasing power.

After you receive a catch-up adjustment, you will thereafter receive an annual COLA equal to the CPI rate (even if it is higher than 2%), to maintain the 75% (School and Judge retirees) or 60% (Patrol retirees) purchasing power of your original benefit. □

*I don't know the key to success, but
the key to failure is trying to please
everybody.*

-Bill Cosby

**By
Appointment
Only**



Effective March 1, 2000, the Retirement Office will require you to have a scheduled appointment to receive specific account information. Walk-in visitors will be provided general retirement plan information and/or forms only.

Appointment times are 9:00 AM, 10:00 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 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. □

Welcome New Board Members

There are two changes to the Public Employees Board (PERB) this year as terms expire and new members are appointed.

Dr. Rick Black of Murray, Nebraska has been appointed to the Board. Dr. Black will replace Joseph Higgins, Board member since 1995, as a representative of the school members.

Currently, Dr. Black is the Assistant Superintendent of Human Resources at Papillion LaVista Public Schools. He is active in several upstanding organizations including the Horace Mann League of America and is a member of the Legislative Committee of the Nebraska Council of School Administrators.

Daniel Contonis will replace Clark Nichols, who has served on the Board for five years, as a representative of the public-at-large.

Mr. Contonis is a businessman from Alliance, Nebraska, where he has been employed with Gregory's Inc. Insurance Company since 1966. Dan has held positions on various boards and is involved with many organizations in his community.

Thank you Joe and Clark for your contributions over the past five years. We wish you well in your future endeavors. Welcome Dr. Black and Mr. Contonis. We look forward to your upcoming years of service on the Board.

Call Us . . .
TOLL FREE!
1-800-245-5712



Legislative Update

Three New Bills, But No Major Initiatives

As the 2000 Session of the Legislature got under way, legislative action in the retirement field has been minimal. Three new bills were referred to the Retirement Systems Committee, and all three make minor technical amendments to retirement statutes.

One bill affects the State's Defined Benefit Plans:

LB 1192, introduced by the Retirement Committee, is a technical correction bill and should assist NPERS in the efficient collection, accuracy and storage of member data.

The most significant change brought about by this bill would be for the school plan. It could change the requirement that retirees be out of school employment a full year before they can return to school employment and continue receiving retirement benefits. The new requirement would be that they have a break in employment of at least 180 calendar days (not school days). This equates to about one school semester. We also have language clarifying vesting credit. The Patrol plan would add a definition of "break in service."

Important: There were plans to increase the school formula to 2% from 1.9%, but due to Legislative Rules prohibiting major benefit changes in a short (60 day) session, the bill could not be introduced this year.

The following bills, specifically affecting the Defined Benefit Plans, carried over from the last legislative session, and at this writing, are still being held in the Retirement Systems Committee:

LB545, introduced by Senator Bohlke: The bill re-defines "termination" in the School Employees Retirement Plan.

LB676, introduced by Senator Wickersham: The bill modifies provisions for disability and the service annuity, allowing a longer period in which to apply for a disability retirement, and brings the service annuity in line with the recently-enacted Rule of 85 for early retirements.

LB773, introduced by Senator Hartnett: The bill changes the minimum accrual rate in the State Patrol Retirement Plan from \$30 to \$90.

We will keep you posted on the progress of these bills in future newsletters.



"When one door of happiness closes, another opens; but often we look so long at the closed door that we do not see the one which has been opened for us."

-Helen Keller

**Spring 2000
Preretirement Seminars
for School Members
age 50 and over**

February 16	-	Omaha
February 17	-	Omaha
February 23	-	Beatrice
February 24	-	Lincoln
March 7	-	Lincoln
March 8	-	Omaha
March 21	-	Omaha
March 29	-	Lincoln
March 30	-	Lincoln
April 4	-	Norfolk
April 5	-	Fremont
April 12	-	Grand Island
April 13	-	Kearney
April 19	-	Norfolk
April 20	-	Columbus
May 3	-	Scottsbluff
May 4	-	Sidney
May 10	-	McCook
May 11	-	North Platte
May 23	-	Kearney
May 24	-	Grand Island

Registration forms will be sent to eligible members approximately 4 weeks prior to meetings in your area.

We Need To Hear From School Members!

A law passed in 1998 mandated: "After October 1, 1998, and before October 1, 2000, and on or before October 1 every two years thereafter, the Retirement

Office send to each contributing member of the School Retirement System, by certified mail, return receipt requested, a statement of creditable service earned for the two prior fiscal years".

Last fall the Retirement Office mailed 42,900 notifications via certified mail, as required by law. Approximately 4,300 notifications were returned as undeliverable due to a wrong address!

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.

... the Retirement Office mailed 42,900 notifications via certified mail . . . Approximately 4,300 notifications were returned as undeliverable due to a wrong address!

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!** □

NOTICE: Below is an attachment containing revisions to your 1998 School Plan Booklet. Please remove and insert into your booklet.

Nebraska School Employee's Retirement System Plan Booklet Changes January 2000

MEMBERSHIP (Page 1)

The term "school employee" excludes substitute school employees. Substitute school employee is defined as "a person hired by a public school on an intermittent basis to assume the duties of regular school employees due to the temporary absence of the regular school employees"

INTEREST (Page 3)

The annual rate for the 1999-2000 fiscal year is 5.163%. Beginning July 31, 1999, interest is credited to your account on a monthly basis.

PURCHASE OF SERVICE (Page 5)

All purchase of service payments must be completed no later than the member's termination date.

BENEFICIARY DESIGNATION (Page 8)

f) If, in the event of your death, you wish any of your beneficiaries to share equally, the beneficiary name(s) must be bracketed or otherwise indicated to share equally. Percentages may also be indicated.

g) If you name your estate or trust as your beneficiary, please provide the Retirement office with the name and address of the contact person(s).

EXAMPLE BENEFIT CALCULATION (Page 18)

Your benefit will be calculated using an average of your highest three years of compensation (see definition on page two) earned during a fiscal year. Excluded from the benefit calculation is compensation received by the member that exceeds the member's compensation with the same employer for the preceding fiscal year by more than 10% unless the increase in compensation is due to a change in position. The 10% salary cap will only be applied to salary earned during the 1999-2000 fiscal or later.

Refund Information on Web Site

As a member of the School Retirement System who has terminated employment in a Nebraska public school covered under this system, you may be considering a refund of your account.

A refund consists of **your** contributions and interest earned. The school district's contributions are not credited to your account but are used for the purpose of funding the formula annuity for retired members. A refund also cancels service credit unless reestablished upon reemployment.

To obtain refund information/application, please visit our web site at: <http://www.nol.org/home/pers>

One Third . . .

. . . of early retirees regret their decision to retire early within six months after leaving work. Typical mistakes: Retiring to get away from the workplace; dreaming of free time with no plan for using it; little financial or lifestyle planning. Early retirees report the greatest worry over finances after 10 years.

—James Challenger
National Outplacement Consultant, Chicago, IL

Employee Of The Year

Congratulations Kim Tiedtke, our 1999 Employee of the Year!

Kim joined the Retirement Systems in April 1997 in the position of Accounting Clerk II. Her primary duty was to balance school contribution reports. Because of her hard work and positive attitude, Kim was promoted to Accountant I where she continues to work with the school contribution deposit reports and has the added responsibility of judge remittances as well as many other tasks.

Kim is highly acclaimed by her co-workers and is an asset to our agency as a team player. She is always willing to pitch in wherever and whenever she is needed. We appreciate her hard work and dedication. Thanks Kim!

RETIREMENT ROUNDUP

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EXAMPLE BENEFIT CALCULATION (cont.)

The formula factor set by law increased from .0180 to .0190 for anyone employed on or after April 29, 1999, and has acquired at least one half year of service credit during the 1998-99 fiscal year.

$\$2,083.33 \times 20 \text{ years} \times .019 = **\791.67

At age 60, (Option 5) the benefit would be $\$791.67 \times 85\% = **\672.92

**The above examples are option 5 (Normal form annuity - page 19 of booklet).

NOTE: Please disregard Examples of Benefits on page 20 of plan booklet.

COST-OF-LIVING (COLA) PROVISION

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