Retirement Roundup

State & County Employees

Nebraska Retirement Systems

Vol. 14, No. 2, Spring 1999

Meet Our Director, Again, For The First Time!

After a nationwide search, interviews with finalists and a unanimous vote from the Public Employees Retirement Board, Chairman, Clark Nichols announced the appointment of our new Director, Anna J. Sullivan, during the December board meeting.

Although newly appointed to the Director's position, Anna Sullivan is not new to the retirement business. Many of you may be familiar with Anna since she has been with the Public Employees Retirement Systems since August 1976, when she began as an Office Clerk in the School Retirement Area.

Led by her dedication and determination, Anna has held many different positions in the agency, learning all phases of Retirement Plan administration. She also holds a B.A. in Public Administration from Doane College and is a Certified Manager through the Institute of Certified Professional Managers.

We look forward to many positive changes in the future under Anna's administration. Congratulations Anna on a position well deserved!

Spend your life lifting people up, not putting people down.

Plan Now, Profit Later!

As State and County employees, the amount of your retirement benefit will depend on how much money you have accumulated in your account at retirement. Your monthly contributions will grow according to the investment funds you select. It is imperative that you understand your investment choices and feel comfortable with the selections you make. You have to do what is right for your individual situation.

Do you know what type of retirement plan you have and understand how it works? Do you read inserts in your quarterly statement? Do you always read the "Retirement Roundup?" Have you called available telephone resources?

What's your excuse for not attending an educational seminar? "I don't have time to attend a seminar." "I'm too young to be thinking about retirement." "I don't understand this financial stuff!" or, "I'll worry about it when I get closer to retirement."

We've heard the saying, "You can lead a horse to water, but you can't make it drink!" The Retirement Office offers several learning resources (mentioned above), but we can't make you use them. We can only keep encouraging you to take advantage of these learning opportunities.

In the final analysis, the responsibility is yours. And, it is a huge responsibility at that, no matter what age you are! You owe it to your future and yourself. Retirement will be here before you know it.

1999 Legislation Update

The following is a summary of retirement related legislation still being considered during the 1999 session affecting our State, County, and Deferred Compensation Plan members. Each bill's status as of March 12, 1999, is also provided. Please remember that these bills are only proposed legislation at this time. These bills could be amended or indefinitely postponed (killed) during the session. We will update you on legislation that ultimately gets passed and signed into law in future newsletters.

LB 414 (Hearing held Jan. 29, 1999) - Effective January 9, 2003, the District Court Clerks and their employees will become state employees and become participants in the State Employees Retirement System. The transferred employees may elect to have their county retirement plan assets transferred to the State Employees Retirement Plan.

LB 687 (Placed on General File, Retirement Committee Priority Bill) - Provides for limited participant direction over the investment of the employer account in the State and County plans. Employees will be able to direct their employer account contributions into one of three blended investment options; 25% domestic stock/75% domestic fixed income, 50% stock/50% fixed income, or 75% stock/25% fixed income. A proposed amendment would limit the state's fiduciary liability for investment results achieved by the employee's exercise of control over the investment of the employer account.

LB 703 (On Final Reading) - Amends the definition of "Termination of Employment" in the County and State plans. Requires a break in service of 120 days or termination has not occurred and any termination benefit paid must be repaid to the system.

Adopts a provision in the State and County plans stating that the board, the state, the state investment officer, the members of the Nebraska Investment Council, or the agency shall not be liable for any investment results resulting from the employee's exercise of control over the assets in the employee account.

Eliminates the option for independent contractors hired by the state to join the deferred compensation plan. Grandfathers in those independent contractors currently participating in the plan.

Amends the State disability section to recognize the plan's normal retirement age of 55. Currently, the statute authorizes the PERB to require reexamination of disability retirees up to age 65.

Permits county employees whose employing county does not offer a Section 457 Deferred Compensation Plan to participate in the State administered DCP program. (Introduced as LB 497, amended into LB 703 on General File)

LB 743 (Hearing held March 17, 1999) - Increases the county employees' contribution rate from 4% to 6% of compensation.

LB 831 (Hearing held March 17, 1999) - Eliminates the eligibility of members of a governing body of a county or other political subdivision to participate in any employee pension plan sponsored by the county or political subdivision.

A Good Team – DCP and You

Have you ever wondered how you can save more money for your future? You as a State or County employee have an excellent opportunity to save additional money.

What is it? A Deferred Compensation Plan, also referred to as DCP.

DCP is not part of your mandatory Retirement Plan. Participating in the Deferred Compensation Plan is a voluntary way to accumulate supplementary retirement income.

A Deferred Compensation Plan is a plan whereby you authorize your employer to reduce your current salary so that you can receive the amount deferred at a later date, such as retirement. State employees may defer a minimum of twenty-five dollars per month.

Participation in DCP may be beneficial to you because as you defer your salary, you also defer the payment of income taxes, therefore, reducing your current tax bill. If you begin to take your deferred salary at retirement it is possible that those dollars will be taxed at a lower rate due to the fact that you are no longer working, which could put you in a lower tax bracket, due to the tax benefits retired persons enjoy.

During your employment you may choose to have your salary reduction invested in a variety of investments. When you terminate or retire there are numerous options available to you in which to receive your money.

State employees should contact the Retirement Office to learn more about DCP. County employees, you will need to contact your County Clerk to ask if your County offers a Deferred Compensation Plan.

Spring 1999
Preretirement Seminar Calendar
State & County Employees
(age 50 and over)

April 6	-	Beatrice
April 14	-	Ogallala
April 15	-	North Platte
April 21	-	Norfolk
April 22	-	S. Sioux City
May 6	-	Columbus
May 11	-	Lincoln
May 20	-	Grand Island

RETIREMENT ROUNDUP
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