

# Retirement Roundup

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

Nebraska Retirement Systems

Vol. 18, No. 4, Spring 2003

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## USERRA and Military Service Credit



For members of the **School, Judges' or State Patrol Retirement Plans** who are called or voluntarily enter the uniformed services, NPERS offers the following reminder about how military leave relates to retirement benefits.

The Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA) was enacted in October 1994 (and significantly updated in 1996 and 1998).

The provision of USERRA that governs pension plans requires returning members of the military who meet the law's eligibility criteria be treated as if they had been continuously employed for pension purposes, regardless of the type of pension plan the employer has adopted. This applies to *vesting* (determining when the employee qualifies for a pension) and also *benefit computation* (determining the amount of the employee's monthly pension check). USERRA applies to pension plans established by state and local governments, as

well as other entities. *Absence for military service is not considered a break in employment for pension purposes.* Also, an employee who would have become eligible to participate in a pension plan during his/her time in the service should be placed in the plan retroactive to the date of initial eligibility.

In 1994, USERRA was incorporated into the School, Judges' and State Patrol Retirement Plans. In all three plans:

- You and your employer should officially notify NPERS of the beginning and ending of the period of military service.
- You will receive service credit for the period of military service reported to NPERS, once the period of service has been established.
- Contact NPERS once you have returned to your regular position for details on the necessary steps for establishing your period of military service.
- To avoid possible complications, NPERS recommends you establish your period of military service as soon after returning as you are able. □

## Call for Appointment

Planning a trip to Lincoln soon? If you'd like to visit NPERS to get specific account information, you'll need an appointment.



We recommend scheduling an appointment one month in advance. This allows our staff adequate time to research your records, obtain pertinent information from you employer, calculate benefit estimates and provide up-to-date information. Appointments are scheduled from 9:30 am – 3:30 pm daily and are limited to one hour. Spouses are welcome at these sessions.

If you and your spouse are both plan members, one appointment time can be shared to review both accounts. But, you must indicate this at the time you make the appointment.

To schedule an appointment, please call **800-245-5712** or **402-471-2053**. Our receptionist will gladly schedule your appointment. □

# Behind the Scenes

## Data Services

As the “heart” of the Retirement Office, Data Services sees that all member account information is complete and accurate. Without the accuracy and efficiency of the Data Services team, it would be nearly impossible for other departments to do their jobs.

Dennis Cooper, manager of Data Services, oversees a wide range of activities. Dennis is also somewhat of an “office manager” who orders supplies, equipment and furniture, as well as coordinates deliveries, security and maintenance issues.

Maria is the lead worker for the team as well as a “veteran” of the Retirement Office with over 22 years of service. Maria, Christi, Leslie and Melissa are in charge of data purification, where they prepare and “clean up” members’ files, making sure member information is accurate and complete. They also work with individual schools to verify each member’s years of service.



*Data Services, left to right: Leslie, Sarah, Jason W., Maria, Brian, Melissa, Norene, Tauna, Jason B., Christi and Dennis*

Tauna, also in data purification, maintains the demographics portion of members’ files. When address changes or other updated information is received, Tauna enters it into the computer system.

Another important part of Data Services is the mail room. Sarah and Jason sort, prepare and distribute incoming mail, which can be 50 to 500 pieces each day. When not processing mail, Sarah and Jason input documents into the system.

Brian scans all correspondence and documents electronically into the image system. Since this technology is fairly new to our office, Brian is also kept busy scanning pre-existing files.

As the information technician, Norene helps with computer related issues. She works on equipment, maintains software and assists other staff.

Data Services is fortunate to have two dedicated temporary employees. Jason helps with scanning or anything else that needs completed. Hazel assists with various duties and also helps in our Accounting department.

With the implementation of the new PIONEER technology system, Data Services is undergoing many changes in their processes and procedures. But it is certain this high-tech team is up for the challenge and will continue to serve our members with accuracy and efficiency! □

## Purchase of Service Questions

### *The Benefit Estimator can calculate your cost*



Did you know you can calculate *your own* estimate of the cost to **purchase out of state or air-time service?**

By using the “Benefit Estimator” on NPERS’ web site at [www.nol.org/home/pers](http://www.nol.org/home/pers), you can enter the relevant information and calculate your estimates quickly and easily. These estimates will assist you in making this important financial decision. Converting your savings to increased service

and a larger monthly benefit from the Plan involves a cost/benefit analysis, and you may want to seek the assistance of your tax or financial advisor.

You may also estimate the cost of **repaying a past refund** by using another program on the web site. Initiate the “Repaying a Refund” tab in the School Plan screen. You will need to know the approximate date you received the refund in selecting a factor from the table provided. Multiply the factor from the table by the amount of the refund you received. If taxes were withheld from your refund, the calcula-

tion will be more accurate if you use the gross amount of your refund rather than the net amount after taxes.

NPERS’ has been flooded with requests for estimates from members unaware they can calculate their own using the “Benefit Estimator.” Recent legislation and a new computer system have delayed NPERS’ generation of estimates. In addition, our consulting actuary conducted a six-month review and modification of the method used to calculate correct purchase costs. Those estimates for members retiring this spring have taken *priority* over other requests. Due to the limited time left before the end of the school year, NPERS cannot guarantee completion of a purchase before a member ceases employment. □

## Are You Retiring Soon?

Contact NPERS as soon as you make your decision to retire. The sooner you start, the sooner we can process your application. Remember, your retirement benefit does *not* start automatically. To begin, you should review the following pre-retirement checklist:

- ✓ Call NPERS and request a benefit estimate, unless you've already done so. Or, calculate your own with the benefit estimator at [www.nol.org/home/pers](http://www.nol.org/home/pers).
- ✓ Request an Application for Retirement. You may file your application with NPERS at least 30 days but no more than 90 days before your effective date. Your benefits cannot begin without this application.
- ✓ Complete tax forms and direct deposit forms and submit to NPERS with your application.
- ✓ Submit a certified copy of your birth certificate, unless NPERS already has one on file.
- ✓ If you elect a payment option that names a beneficiary, submit a certified copy of his/her birth certificate.
- ✓ If you elect the Joint and Survivor Annuity, NPERS will need a certified copy of your marriage license.
- ✓ Call NPERS if you have questions. ☐



### Summer 2003 Seminar Calendar

S. Sioux City	-	May 22
Scottsbluff	-	May 28
North Platte	-	May 29
Grand Island	-	June 4
Kearney	-	June 5
Omaha	-	June 11
Norfolk	-	June 12
Lincoln	-	June 18
Omaha	-	June 19

Registration brochures were mailed to all eligible members in April. You may print additional forms from the web site at [www.nol.org/home/pers](http://www.nol.org/home/pers).

## LEGAL CORNER

by NPERS Legal Counsel,  
Shawn Nowlan

### NPERS' Clean-up Bill LB 451

NPERS' clean-up bill was passed by the Legislature and signed by the Governor effective April 17, 2003. LB 451 makes several changes, as follows:

#### Clarification from the Legislature Concerning On-Site Audits:

The Legislature added a provision to §84- 1503(a)(f) indicating NPERS is not responsible for on site audits of school districts and counties that participate in the retirement plans for compliance with membership and contribution rules.

#### PIONEER-Related Changes:

Several administrative changes will help implement NPERS' new technology project:

- The two week notification period for employers to report terminations to NPERS is removed. The law simply says reporting must be "timely." The change occurred because notices of termination are to be reported through employers' contribution reports each payroll period to NPERS.
- If a member dies before taking a retirement benefit, his/her surviving spouse will now have 120 days during which to decide whether to take a monthly annuity benefit or a refund of the member's account balance. Previously, spouses had only 90 days to make a decision. This change is being implemented in the State, County, **Judges'** and **School Plans**.

#### Compliance Audit Changes:

In 2002, NPERS commissioned a study of its administered Plans' compliance with federal tax law. Out of that study, several changes were instituted, which are intended to more closely comply with federal provisions:

- In **all Plans**, language is added that specifically prohibits use of forfeited member monies to enhance the benefits of the remaining members – another IRS requirement. In addition, if no one is found to claim the money, new language is added directing NPERS to dispose of the money through the Uniform Disposition of Unclaimed Property Act. This means the money is transferred to the unclaimed property fund at the State Treasurer's office for claims.
- In **all Plans**, new language is added that explicitly includes language from §401(a)(9) of the Internal Revenue Code, a section that governs required minimum distribution rules. In particular, all minimum distributions must now be distributed by April 1 (rather than March 1) of the year following the year in which a member turns 70½.

#### Actuary-Recommended Change:

NPERS' actuary recommended one change be included in LB 451:

- In the **Judges, School, and State Patrol Plans**, the definition of "actuarial equivalent" is modified to refer to the more current (and reflective of current members) 1994 Group Annuity Mortality Table. (This replaces current references to earlier tables now in the definitions). In addition, the interest rate used in the definition is raised from 7% to 8%, reflecting the Plans' interest assumption more closely. ☐

## Employer Education and Reporting

The "Employer Education and Reporting" section is intended for **Authorized Reporting Agents**.

**Employer Workshops Announced for Schools** – In June, NPERS will hold six employer education workshops for schools. The 2003 workshops will cover changes in law, forms and procedures, and include a progress report on PIONEER. **A registration brochure will soon be mailed to all schools.** Once again, there is **no charge** for the workshop, although lunch is available for \$6.00.

Workshops will be held at the following locations:

<b>Omaha</b>	<b>- June 10</b>	<b>Kearney</b>	<b>- June 17</b>
<b>Lincoln</b>	<b>- June 11</b>	<b>Gering</b>	<b>- June 18</b>
<b>Norfolk</b>	<b>- June 12</b>	<b>North Platte</b>	<b>- June 19</b>

**Questions?** When you have specific questions on employer reporting, contact Cheryl at **402-471-9497**, or toll free at **800-245-5712**.

## Share Your Time And Talents!

While most retirees enjoy additional time for outdoor and leisure time activities, the sharing of our life long skills or abilities with others can make retirement more fulfilling. It's been shown that retirees who volunteer and continue to work in some capacity live longer and are happier in their retirement years.



Some activities reported by happy retirees include: helping at a library, teaching cooking skills at a vocational center, piano lessons to children, serving as coordinator for the sheriff's search and rescue team, fund raisers for the Boy Scouts, teaching accounting to owners of small businesses, teaching a second language to others, working at state parks, etc.

What services can you render to your community? Make a positive difference in your life and the lives of others.

Have a Great Summer!

## Moving?



## Remember to Notify Your Employer!

When your address changes, please remember to notify **your employer**. Any changes to your records through your employer replace the reported information in NPERS' database. It is important to notify your employer of your change of address to assure you receive your annual Benefit Statement and other important information from NPERS.

### RETIREMENT ROUNDUP

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