

# Retirement Roundup

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

Nebraska Retirement Systems

Vol. 20, No. 2, Winter 2005

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## Retirement Checklist – Are your ducks in a row?

*One forgotten step could delay your benefit*



**School Plan** members should contact NPERS as soon as you make your decision to retire. Remember, your retirement benefit does not start automatically. A few things you should know about retirement are listed below.

The retirement process for members of the **Judge's Plan** and the **State Patrol Plan** is different from the School Plan. For details, Judge's Plan members should call NPERS and Patrol Plan members should call the Patrol office at 402- 479-4907.

✓ Call and request a "Retirement Packet." This packet will include an estimate of your benefit, an Application for Retirement and other forms.

✓ You may file your application with NPERS no sooner than 90 days prior to your effective date of retirement.

✓ The *effective date* of your retirement will be the *first day of the month following the later of the:*

- date your employment terminates,
- date your completed application is received by NPERS or
- month in which you are first eligible for benefits (see Plan booklet for details).

✓ If you haven't already done so, you should submit a certified copy of your birth certificate.

✓ If you elect the Joint and Survivor Annuity (4a, 4b or 4c) NPERS will need a certified copy of your marriage license and a copy of your spouse's birth certificate.

- ✓ You can expect your first payment approximately 30-60 days *after* your effective date of retirement provided all necessary documentation has been received.
- ✓ At the time your account is processed, your benefit payment will be a **preliminary** monthly retirement benefit if the school has *not* reported all of your contributions. It will be a **final** monthly retirement benefit if the school *has* reported all of your contributions.
- ✓ Approximately five months from your effective date, we will *recalculate* any preliminary benefit payment and include **all** salary and contribution information received from the school. We will then finalize your monthly retirement. Recalculation may or may not change your monthly benefit.
- ✓ Prior to the receipt of your first benefit payment, we will inform you if your account was processed as a preliminary or final benefit payment. All monthly retirement benefit payments are made retroactive to your effective date of retirement.
- ✓ If necessary, our staff will contact the reporting agent of your school to verify certain salary amounts reported to your account. This is a normal part of the review process. However, please be aware that your application cannot be processed until a satisfactory response is received from your employer.
- ✓ Please be patient. As you might guess, the end of a school year is when the majority of our yearly retirements are processed. It takes

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# How to Keep a Healthy Level of Insanity



1. Put mosquito netting around your work area. Play a tape of jungle sounds all day.
2. Page yourself over the intercom. Don't disguise your voice.
3. When money comes out of the ATM, scream "I won!, I won! Third time this week!!!"
4. Don't use any punctuation marks
5. Put decaf in the coffee maker for 3 weeks. Once everyone has gotten over their caffeine addictions, switch to espresso.
6. As often as possible, skip rather than walk.
7. Specify that your drive-through order is "to go."
8. Put your garbage can on your desk and label it "in."
9. When leaving the zoo, start running towards the parking lot, yelling "run for your lives, they're loose!!"
10. Sing along at the opera.
11. Every time someone asks you to do something, ask if they want fries with that.

## Do You Know Your Stuff?

By John Winkelman, Training Specialist

Over my lifetime I have toiled in a multitude of various occupations. Perhaps my least favorite was the two years spent working for a water and fire damage restoration firm. Cleaning up after a fire was filthy, meticulous, mind numbing work for depressingly low wages. Even a small fire in one room would often produce soot that contaminated every nook and cranny of nearby rooms – sometimes even penetrating into refrigerators and freezers. Larger fires would destroy possessions and spread soot over the entire home resulting in extremely costly restorations.

A fire by nature is devastating for the homeowner, both literally and emotionally. The importance of adequate insurance should be obvious, yet I recall instances where individuals were uninsured or underinsured. Apartment renters often carried no coverage for their possessions. The landlord's insurance would only cover the damage to the structure. In some instances the tenants lost virtually everything.

Adequate insurance is clearly the first step to being prepared for the worst but there is a second step that should be taken. You have to know your "stuff." What would happen if a fire destroyed your home? You will want to replace all the items you have lost, but remembering every single possession is impossible. Big items like a stove, television or refrigerator are easy to recall but what about the small "stuff." These items can really add up – often much more than most people realize.

Don't forget how important this documentation is for the insurance adjuster – his job is to verify your losses and provide compensation per the terms of the policy. If you can provide an up to date and detailed list of your possessions then his job is much easier. More importantly, you have a far greater chance of getting a fast and fair settlement.

The Insurance Information Institute (I.I.I.) encourages everyone to take a home inventory and update as needed. Not only do these inventories help settle claims, they allow you to ensure you have enough coverage to replace your possessions and substantiate losses for income tax purposes. To assist with creating an inventory, the I.I.I. has developed free software that can be downloaded from the [www.knowyourstuff.org](http://www.knowyourstuff.org) web site. If you haven't already created an inventory then this might be just the motivation you need. Don't wait until it's too late! ☐

## Beware of Email Scam!

NPERS has been alerted that some school employees in Nebraska, as well as many nation-wide, have received "SPAM" email notifying them of a change in their "retirement benefit formula." This email promises a benefit review and estimate if they will reply to the email and provide certain personal information, such as name, date of birth, address, gross wages, etc.

NPERS warns our members that this email DID NOT originate from our office. Whoever has sent the email is apparently trying to obtain personal and



private information for solicitation purposes, or worse. **NPERS strongly urges our members to NOT respond to this email!**

There has been no change in the benefit formula and NPERS does not solicit personal information by email. In addition, benefit estimates can be easily obtained using the *benefit estimator* available on our web site at [www.npers.ne.gov](http://www.npers.ne.gov).

Additional questions or concerns may be directed to NPERS at **800-245-5712**, or in Lincoln at **471-2053**. ☐

## LEGAL CORNER

by NPERS Legal Counsel,  
**Joe Schaefer**

### Legislative Update

A number of legislative bills with implications for Nebraska's Retirement Systems have been introduced and are now before the Legislature. The session is scheduled to end June 3, 2005, and *NPERS will update the progress of this legislation in the next Retirement Roundup*. The new legislation includes the following:

#### School Plan – seven bills propose changes:

- **LB 144** Provides that statements of creditable service and salary sent to members of the School Employees Retirement System would also become binding upon the system 90 days after being sent unless a modification or correction is requested before that time.
- **LB 329** Authorizes schools to establish and make contributions to IRC 401(a) and 403(b) plans for certain kinds of separation payments and early retirement inducements. The bill also provides that such payments are not compensation as defined in section 79-902(35).
- **LB 368** Increases the contribution rate to the School Employees Retirement System from the current 7.25% employee/7.32% employer to 7.90% employee/7.98% employer for two years.
- **LB 411** Changes the definition of compensation in the School Employees Retirement System to provide that the amount of compensation which would be subject to retirement could increase no more than 7% per year during the five years before retirement unless certain conditions are met. The bill also provides that the employer would report compensation which exceeds the limit to the Nebraska Public Employees Retirement System.
- **LB 493** Clarifies that the Public Employees Retirement Board has a duty to correct school member statements without regard to lapse of time.
- **LB 495** Creates a medical cost of living adjustment (COLA) for members of the School Employees Retirement System who were receiving an annuity for at least ten years. The supplemental annuity so provided would be capped at \$250.
- **LB 732** Provides that in years when a General Fund appropriation is made to the School Employees Retirement System pursuant to section 79-966.01, an appropriation will also be made to the Class V School Employees Retirement System if an actuarially required contribution is necessary in that system.

#### Judges' Plan – two bills propose changes:

- **LB 369** Increases the contribution rate for members of the Judges Retirement System by 1% of monthly compensation for two years.
- **LB 468** Adds an early retirement benefit for members of the Judges Retirement System. Members would be able to retire at age 60 and receive the maximum benefit if they had at least 20 years of service. Members with fewer than 20 years of service would be subject to a 3% reduction for each year remaining before the member's 65th birthday.

#### State Patrol Plan – only one bill affects the Patrol Plan:

- **LB 412** Increases the contribution rate for the State Patrol Retirement System for two years. The new rates would go from the current 12% employee/12% employer to 13% employee/15% employer, and then decrease to 12% employee/13% employer thereafter.

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## Congratulations!



The Nebraska Retirement Systems is proud to name **Tammy Petersen** as our 2004 Employee of the Year!

Tammy has been with NPERS since 1986, when she began working with the School Plan. She is now a key member of our IT Team, and has greatly influenced the success of the PIONEER project. Her knowledge and sense of responsibility make Tammy an indispensable part of our agency.

We would also like to congratulate **Sheila Linder**, our 2004 Manager of the Year!



Sheila has been the agency's Administrative Assistant for the past five years. In addition to assisting our Director and Board Members during our monthly board meetings, she also assists with Qualified Domestic Relations Orders. She handles personnel matters and manages all environmental issues within the agency. Sheila's assistance is invaluable and she is also a kind and generous person.

We are proud to have two such outstanding people represent our agency. Thank you Tammy and Sheila, for going above and beyond everyday and being great team players! ☐

## Reminder:

If you move, make sure your employer has your new address.



## 2005 Preretirement Seminar Schedule

### School Members age 50 and over

S. Sioux City	-	March 2
Norfolk	-	March 3
Omaha	-	March 9
Lincoln	-	March 10
Kearney	-	March 15
G. Island	-	March 16
Lincoln	-	March 22
Omaha	-	March 23
Omaha	-	March 30
Columbus	-	March 31
G. Island	-	April 6
Kearney	-	April 7
Valentine	-	April 12
Norfolk	-	April 13
Scottsbluff	-	April 26
Scottsbluff	-	April 27
N. Platte	-	May 11
McCook	-	May 12
Omaha	-	May 18
Lincoln	-	May 19
Sidney	-	June 1
N.Platte	-	June 2
G. Island	-	June 8
Kearney	-	June 10
Norfolk	-	June 15
Omaha	-	June 16
Omaha	-	June 21
Lincoln	-	June 22
Lincoln	-	June 28

Registration information was delivered to eligible members in January. If you need a registration form, you may download from our website at [www.npers.ne.gov](http://www.npers.ne.gov) or call our office.

## Legislative Update *Cont. from page 3*

### Other Bills of Interest

- **LB 165** Increases the membership of the Public Employees Retirement Board to nine members by adding a retired certificated school employee.
- **LB 365** Provides that the members of the Retirement Board could be active members or retired members. Currently, School, County, and State Plan members must be active members of the plan which they represent.
- **LB 503** (*Nebraska Retirement Systems Committee*) Changes several provisions of the Nebraska Investment Council (NIC) and the Public Employees Retirement Board (PERB). First, the Public Employees Retirement System would be required to test employer records of counties, schools, and state agencies to ensure compliance with retirement provisions. Members of the NIC would be required to have seven years of experience in investment management or analysis or at least twelve years of experience in financial management and would receive a \$75/day per diem. Second, technical changes would be made to the analysis which is provided annually to the Legislature's Retirement Systems Committee. Third, members of the PERB would receive a \$50/day per diem. Fourth, provisions for the PERB's internal auditor would be codified. And finally, the bill provides for the transfer of funds to conduct a study at least every five years.

For more information on these bills, you may contact the Clerk of the Legislature at **402-471-2271**, or use the Legislature's web site: [www.unicam.state.ne.us](http://www.unicam.state.ne.us). □

## Checklist *Cont. from page 1*

time. Our dedicated staff is here to serve you and our goal is to process your retirement benefit as quickly and efficiently as possible. Meanwhile, we have a fiduciary responsibility to calculate retiree benefits using verifiable, accurate information.

- √ School Plan members should call NPERS at **800-245-5712** or **402-471-2053** if you have questions. □

### Retirement Roundup

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