

RETIREMENT NEWS

PROVIDING
INFORMATION TO
JUDGES, PATROL AND
SCHOOL EMPLOYEES

RETIREMENT BOARD

Denis Blank
Chairperson
State Member

Glenn Elwell
Vice Chairperson
Patrol Member

Richard Wassinger
County Member

Glenn Camerer
Judge Member

Mark Shepard
School Member

Dale Kahla
School Member

Donald Pederson
Member-at-large

Elaine Stuhr
Member-at-large

David C. Bomberger
Ex-officio member

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2007 Public Employees Retirement Board



Pictured Left to Right:
Seated: Roger Rea (Vice Chair), Denis Blank (Chair), Glenn Camerer; *Standing:* Donald Pederson, David Bomberger, Glenn Elwell, Mark Shepard, Phyllis Chambers (NPERS Director), Richard Wassinger, Dale Kahla

Appointed by the Governor, six of the Public Employees Retirement Board (PERB) members are participants in the retirement systems they administer. Two are at-large members and are not employees of the State of Nebraska or any of its political subdivisions. The State Investment Officer is also a member of the PERB in a non-voting, exofficio capacity.

Thank You



Roger Rea has served as a Public representative on the Public Employees Retirement Board (PERB) since 2003. He was elected as Vice Chair in 2007. Mr. Rea's term expired in December.

Roger lives in Omaha where he retired from teaching in the Omaha Public Schools after a 35-year career. He continues to serve on various boards and committees.

We appreciate the contributions Mr. Rea made to the PERB during his term and wish him and his family all the best. He will be missed by his fellow Board members as well as NPERS' Director and staff.

Sgt. Glenn Elwell, the PERB State Patrol representative, has been elected as the new Vice Chairperson.

Welcome

NPERS would like to welcome **Elaine Stuhr** as our newest PERB Member-at-large.



Ms. Stuhr, former Nebraska Senator representing District 24, served in the Legislature for more than 10 years, where she served on several different Committees including the Retirement Committee as Chair and Vice Chair. Elaine currently takes part in her family farm operation in Bradshaw, Nebraska. She has a teaching background, has served on numerous boards and committees and has earned various special recognitions, including the "Nebraska Honor Farm Family" in 1978 and "York-Fest Queen" in 2006.

We look forward to getting to know Elaine during her term with the PERB.

Attend a Retirement Planning Seminar

Each Spring NPERS conducts Retirement Planning Seminars for **School Plan** members *age 50 and over* for a registration fee of \$20 (see schedule at right). For an additional \$20, the School member may bring a spouse or a guest. The employer is required to grant the member a “day off with pay” to attend. (The School seminars are also open to members of the **Judges Plan** and the **Patrol Plan**, but the agenda is modified.)

At the end of each seminar, participants are encouraged to complete a short “feedback” form. By far, the most common comment is, “These seminars should be available for younger employees!” NPERS’ Education Services department understands this viewpoint, but Nebraska Statutes limit our full-day seminars to members who are closer to retirement – age 50 and over. Luckily, there are other options available!

Although it is not well known, our seminars are open to non-members who are charged a slightly higher registration fee of \$30. This means if you are a School Plan member who is *under age 50*, you may attend a seminar as a non-member if space allows (eligible members take priority) and will pay \$30. Or you may attend as a guest of an “eligible” member (for a \$20 registration fee). Unfortunately, under either of these options the younger member would *not* get a “day off with pay” to attend a seminar as an over age 50 member would.

NPERS’ retirement seminars provide a full day of valuable retirement education featuring an in-depth discussion of the School Plan and presentations on social security, health insurance, financial planning, estate planning and the psychological adjustment to retirement.

NPERS’ Speakers Available

If your school or educational organization is planning an in-service or other meeting, consider adding a speaker from NPERS to your agenda. NPERS’

The Future is Now!



Pre-registration is required. Registration information was mailed to all eligible members in February. Registration forms are also available on our website at www.npers.ne.gov.

training specialists are available to visit your school **free of charge** to conduct a 70-90 minute information meeting to *all* members, no matter what age! We’ll explain how your plan works, talk about benefit payment options, planning for retirement, applying for benefits, purchasing service credit, and more.

2008 Retirement Planning Seminars

For School Members
age 50 and over

Lincoln	-	March 5
Omaha	-	March 6
Kearney	-	March 11
Grand Island	-	March 12
Lincoln	-	March 19
Omaha	-	March 20
S. Sioux City	-	March 26
Norfolk	-	March 27
Lincoln	-	April 2
G. Island	-	April 9
Kearney	-	April 10
Columbus	-	April 16
Omaha	-	April 17
Gering	-	April 22
Gering	-	April 23
N. Platte	-	May 7
Norfolk	-	May 8
Omaha	-	May 14
Lincoln	-	May 15
Valentine	-	May 28
N.Platte	-	May 29
Lincoln	-	June 4
Omaha	-	June 5
Norfolk	-	June 11
Grand Island	-	June 18
Kearney	-	June 19
Lincoln	-	June 25
Lincoln	-	June 26
Omaha	-	July 1

While it is not logistically possible to meet every request for an information meeting, we’ll do our best to accommodate your schedule. Call **Jan Fox** at **800-245-5712** or **402-471-2053** to request a speaker.

Refund Changes

In an effort to reduce state expenses and risk, the Nebraska State Treasurer and Department of Administrative Services have mandated that all payments of more than \$25,000 must be issued electronically via Automated Clearing House (ACH) payment.

Here is how this mandate will affect our members. When a School Plan member requests a refund or rollover that is more than \$20,000 (to allow for account balance fluctuations), he/she must complete the ACH portion of the School Application for Refund form (#NPERS3000). The form is included with all "refund packets" we send out upon request.

The ACH section of the form authorizes a refund to be paid to the member's specified account at a financial institution that he/she chooses, and must be completed and signed by a financial institution representative. Once the completed form has been returned to our office, the refund will be processed and deposited into your specified account.

The State has estimated a cost savings of at least \$0.55 per payment when sent via ACH instead of issuing a check.

If you will be requesting a refund and have any questions about completing the ACH portion of your Application for Refund form, please contact NPERS.

Get An Estimate

School Plan and State Patrol Plan members will find the Benefit Estimator on NPERS' website at www.npers.ne.gov. The estimator calculates monthly amounts based on information you provide. You may input estimated future account balances, retirement dates, or service credit in order to "guesstimate" what your benefit might be when you reach retirement.

Judges Plan members should contact NPERS for specialized benefit estimates.



LEGAL CORNER

by NPERS Legal Counsel,
Joe Schaefer

Legislative Update

A number of legislative bills with implications for Nebraska's Retirement Systems are now before The Second Session of the 100th Legislature. The session is scheduled to end April 17, 2008, and *NPERS will update the progress of this legislature in the next Retirement News*. The legislation includes the following:

LB 711 – Judges and School – Changes the time periods in which members of the **Judges Plan** and the **School Plan** may apply for retirement disability benefits. Current law requires the application to be made within one year of termination of employment, or in the case of school members whose disability is employment-related, five years. LB 711 would allow disability applications at any time prior to the date of normal retirement eligibility.

LB 967 – School – This bill would have removed the language that requires fees for annual audits be paid from **School Plan** assets. *The bill was indefinitely postponed on February 25, 2008.*

LB 992 – All Plans – Nebraska Investment Council provides duties to the State Investment officer relating to Sudan-related investments.

LB 1133 – State Patrol – Appropriates funds to the Public Employees Retirement Board for Patrol purchase of service study.

LB 1146 - School – Minor change in the definition of compensation for the **School Plan**. Under prior language, only contributions made *by the member* to tax sheltered entities (such as section 125 "cafeteria plans," or 403(b) and 457 retirement plans) were included as part of compensation. This bill would remove "by the member" from the language thereby including contributions made by an employer.

LB 1147 – School, Judges and State Patrol – Modifies the language used to determine annual cost of living adjustments to retiree benefit payments. Proposed changes would not change the actual amount of COLA adjustments but merely clarify the language.

Carryover Legislation:

LB 329 – All Plans – Reduces the years of experience necessary for the qualifications of director of NPERS from 5 years to 3 years.

LB 365 – Judges – Provides an early retirement benefit for members of the **Judges Plan**. Under the bill, a judge may retire as early as age 62 and receive a reduced monthly retirement benefit. The benefit would be the actuarial equivalent of the normal retirement annuity except it would be reduced by 9% if the member retires at age 62, 6% at age 63, or 3% at age 64.

LB 371 – Law Enforcement Officers – Creates the Nebraska **Peace Officer** Retirement Act to be administered by NPERS. The proposed plan is a defined benefit plan with provisions similar to the State Patrol plan and incorporates a DROP plan. Both the member and the employer would contribute 8% of

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Ready to Retire? Make a List and Check it Twice

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 **Judges Plan** and the **State Patrol Plan** is different from the School Plan. For details, Judges Plan members should call NPERS and Patrol Plan members should call the Patrol Office at 402- 479-4907.

Request a Packet – Request a “Retirement Packet” during your last year of school employment. This packet will include an estimate of your benefit, an Application for Retirement and other forms. These are individually prepared and take time to verify service.

Possible Salary Cap – If you received a pay increase your final year of employment which is 7%, or more, greater than your past year’s compensation, it must be categorized by your employer as either allowable or subject to a salary cap for retirement purposes. The necessary form will be included in your retirement packet.

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

Your Effective Date – 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).

Birth Certificate Needed – If you haven’t already, you should submit a certified copy of your birth certificate.

Need Spouse’s Documentation – If you elect the Joint and Survivor Annuity (Option 4a, 4b or 4c) NPERS will need a certified copy of your marriage license and a copy of your spouse’s birth certificate.

Your First Benefit Check – You can expect your first payment approximately 30-60 days *after* your effective date of retirement, provided all necessary documentation has been received. (In summer months during our busiest processing time, 60 days is more realistic.)

Preliminary or Final Benefit Amount –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.

Preliminary benefit payments are recalculated and finalized after you have received five months of payments. All salary and contribution information received from the school is included.

We will inform you if your account was processed as a preliminary or a final prior to the receipt of your first benefit payment. All monthly retirement benefit payments are made retroactive to your effective date of retirement.

Account Review Process – 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. Please be aware that your application cannot be processed until a satisfactory response is received from your employer.

Who to Call – Members should call NPERS at **800-245-5712** or **402-471-2053** if you have questions.

Legislative Update

Cont. from page 3

monthly compensation. If an additional contribution was necessary to meet an unfunded actuarial liability, the political subdivisions would be required to contribute the additional amount.

LB 372 – Law Enforcement Officers – Creates the Nebraska **Law Enforcement Officer** Retirement Act to be administered by NPERS. The plan is a cash balance plan which requires members to contribute 6% of monthly compensation and employers to contribute 9%. The crediting rate on member accounts would be the greater of 5% or the federal mid-term rate plus 1.5%. The employers would be liable for any actuarial liability which might result if the contributions were insufficient.

The following three bills were indefinitely postponed on February 25, 2008:

- **LB 611 – State Patrol** –Would have changed the **State Patrol** contribution rates to 14% of monthly compensation by the member, and 16% by the employer.
- **LB 612 – School** – Would have further defined compensation for the **School Plan** by adding a subsection to deal with two exceptions to the requirement that compensation which exceeds 107% of the previous year’s compensation would not be considered during the 60 months immediately prior to retirement.
- **LB 613 – School** – Would have changed contribution percentages in the **School Plan** to 7.30% for employees and 108% for the employer match. □



Notice to Employers When Schools Merge

As you know, Class I School Districts officially closed last year and merged with other schools. But do you know what happened to all the employment records?

It is the **responsibility of the successor district to be sure it has acquired all the employment records** of each of the merging school's employees for as far back in time as those records exist. It is crucial the records be preserved because they contain employment history that is critical for verifying school service when a member applies for his/her retirement benefit.

When any school closes and merges with another school for any reason, there is concern the employment records could be "lost" and those who have been employed in the past by the school that closes would have no way to "prove" prior employment. As has always been the case under school statutes, it is the legal duty of the successor district or, in some cases, the responsibility of the original district to preserve employment data.

To all *employers* who have been involved in a school merger, be advised that your school district is responsible for obtaining all past employment records. If you are an *employee* whose previous employer merged with another district, you should immediately inquire as to the whereabouts of your past employment records, which are necessary to calculate your monthly benefit payment amount at retirement. Call NPERS if you have any questions.

The Numbers Are In

In 2007, NPERS completed 1,324 retirements for members of the School, Judges and State Patrol Plans.

Plan	Number of 2007 Retirees
School	1,300
Patrol	16
Judges	8

Wanna Buy Some Time?



Have you considered purchasing additional years of service credit in the **School Plan** to help you retire sooner or, if you already qualify for retirement, to increase your monthly benefit amount by adding additional years of service?

A member may purchase service credit at any time in his/her career (except Twelve-Month Preretirement Service), but often does not think seriously about it until close to their retirement date. NPERS completes all requests for purchase of service as quickly as possible. However, because there are several steps involved, and you must be employed at the time you make payment for your service credit, *it is vital to allow extra time* for our staff to process the necessary paperwork. For this reason, NPERS requires that you make application *no later than 45 days prior to your last day of work before retirement*.

The School Plan offers four types of service purchase which are outlined below.

Repayment of a Refund – If you previously worked for a Nebraska public school and received a refund of your contributions and interest, you may purchase up to as many years as were refunded to you. Refunded service must be purchased in order from oldest years to newest years. It is the most economical type of service to buy because the matching contributions made by your employer have remained invested with the Plan assets. You are, therefore, repaying only your refunded amount and its cumulative investment return. (Note: While you may repay a refund at any time in your career, you will pay less if you repay within three years of your return to work.)

Out-of-State Service – You may purchase an equivalent of your Nebraska service up to a limit of ten years, if you earned service credit in another state's or in Omaha's public school system. The cost is based on the full actuarial cost to the Nebraska plan. You first must have your service with the other plan verified before NPERS can provide cost estimates. You may contact NPERS for the necessary form. It is important *to allow as much time as possible* when initiating this type of service purchase, because the other plans' requirements vary. You must forfeit the benefits in the other plan before your NPERS service purchase can be completed.

Leave-of-Absence Service – You are eligible to purchase up to four years of leave-of-absence service credit if you were on a school board-approved leave and returned to work within one year after completing the leave. The cost is based upon the full actuarial cost to the Plan. Before a payment can proceed, you will need to provide documentation of board approval of your leave.

Twelve-Month Preretirement (Retirement Incentive) Service – You may purchase up to five years of retirement incentive service so long as you retire and begin drawing your retirement benefit within twelve months of making the purchase. The cost is based upon the full actuarial cost to the plan. Actuarial costs can fluctuate greatly over time based on changes to a member's age, salary, and service credit, so we require your estimate requests be made *no more than fourteen months* prior to your last working day. If you *don't* retire within the twelve months, your purchase will be cancelled and you payments will be refunded to you.

Please contact NPERS for more details on purchasing service credit.

Congratulations To Two Deserving Employees!



The Nebraska Retirement Systems is proud to name **Sheryl Hesseltine** as our 2007 Employee of the Year! Sheryl began working with NPERS in 2004 in Data Services and accepted a position in our Accounting Department in 2005, where she was promoted to an Accountant II last spring.

Sheryl recently earned her Associate's Degree in Accounting at Southeast Community College and is currently working for her Bachelor's degree at Doane College, all while as a dedicated, exemplary, full-time employee.

Her knowledge and abilities, along with her great attitude and friendly disposition, make Sheryl a perfect choice for Employee of the Year.

We would also like to congratulate **Randy Gerke**, our Manager of the Year for the *second* time! In addition to managing our Accounting Department since 2003, Randy was also promoted to Deputy Director of our agency in 2007.



Randy's caring, friendly demeanor has earned the trust and respect of his staff and co-workers. That and his problem-solving abilities are just a few of the reasons he deserves to be the Manager of the Year.

We are proud to have these special people represent our agency. Thank you Sheryl and Randy for your outstanding service and contributions to the NPERS team! □

One of Our Own Retires

After more than 22 years of helping others retire, Iona Plautz celebrated her own retirement in December.



She started with NPERS in 1985 and has spent a large portion of her career working with the Nebraska School Plan. Because of her dedication and hard work, Iona earned promotions throughout her career and retired as a Retirement Specialist II/Lead Worker in our Benefits Department.

Iona's knowledge and experience made her an asset to the agency and her coworkers. She will be greatly missed for her willingness to help others and her friendly demeanor.

We congratulate Iona on her successful career and wish the very best for her and her family.

Your School Handbook Has Been Revised



The member handbook for the **School Plan** has been revised to include timely information on membership, creditable service, compensation, retirement eligibility, retirement benefit options, taxation, death benefits, disability retirement, reemployment and NPERS services.

You may access the handbook on NPERS' web site at www.npers.ne.gov or by requesting a paper copy from your school district's human resource department or directly from NPERS.

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