**Can you Borrow from your Future?**

Q: I’m having trouble making ends meet and just trying to “hold on” in this recession. High prices for gas and food are adding salt to the wound, and my car needs repairs. Is it possible to borrow against my retirement account or take a partial refund while I’m still working for an NPERS employer? How can I possibly save for my future right now?

A: NPERS can understand that it is tempting to borrow against your future retirement to ease financial worries today, but you **cannot borrow from your NPERS member contributions**, nor may you use them as collateral for a loan. This is a provision in Nebraska Statutes, which governs NPERS. There is no “hardship provision” available to members of the School, Judges or State Patrol Plans.

The law both prevents you from accessing your money while you are working for an NPERS employer, and protects you against creditors as long as your contributions remain on deposit with NPERS. The plan assets are held by NPERS in trust, which means the monies are immune from execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or any other process of law. The assets cannot be paid out because of any legal actions, except through a “qualified domestic relations order” in a divorce case, or through an IRS tax lien. You cannot take a refund (full or partial) of your account while you are still making contributions to the Plan.

Keep in mind that your contributions to NPERS are providing you with a secure lifetime benefit in your future without you having to think about it. That is a comforting future to look forward to. Don’t think you’ll stay at your present employment long enough to earn a benefit? Neither did many of our estimated 15,000 members currently drawing a lifetime benefit. Don’t sell it short!

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**Thank You!**

Dale Kahla has served as a School Plan representative on the Public Employees Retirement Board (PERB) since 2004. Mr. Kahla's term expired on Jan. 1, 2009.

With almost four decades of experience as a math and science teacher at York Public Schools, Dale has demonstrated his dedication to education.

He is a member and seven-time president of the local Education Association.

We appreciate the contributions Mr. Kahla 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.

Janis Elliott has been elected to fill in Mr. Kahla's position.

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**Welcome…**

Janis Elliott, who is NPERS’ newest PERB Member representing the School Plan, lives in Bellevue with her husband and has been an educator for 25 years.

A Physics teacher at Bellevue Public Schools, Janis has received national and state recognition for excellence as an educator, including the Presidential Award for Excellence in Science and Mathematics Teaching Honorable Mention.

Janis has served on various educational boards and committees and was the 2005-2007 President of the Bellevue Education Association. She currently serves on the Nebraska State Education Association Metro Board, and is a key leader for Bellevue in the Building a Presence in Science Program.

We look forward to getting to know Janis during her term with the PERB.
Going Crazy in a Crazy Market

It has been a difficult and crazy time in the markets. It's painful to see any account lose value. It's especially painful when you are a member of the Judges Plan or State Patrol Plan and are participating in the §457 Deferred Compensation Plan (DCP) for State of Nebraska Employees, or the State Patrol Deferred Retirement Option Plan (DROP).

Bad advice is easy to get. Sometimes it comes directly from that person you see in the mirror. Investors have been known to make the worst and most costly decisions when their emotions are in charge and not their intellect.

We all know what “Buy Low – Sell High” means. This is your opportunity to put that knowledge to good use. Warren Buffett has some advice “…if they (investors) insist on trying to time their participation in equities, they should try to be fearful when others are greedy and greedy when others are fearful.”

For more information:

Read the article on the NPERS website at entitled “Holding Equities for the Long Term: Time versus Timing.” Go to www.npers.ne.gov under “Member Info,” click on “Financial Facts” and then scroll down to “Sterling Financial Advisors.” If you have questions about the markets or your DCP investment options, call Sterling Financial Advisors. We are under contract with the Nebraska Public Employees Retirement Systems to help you at no charge. Visit with us and we will try to help you make sense of a crazy world.

Investment Video

NPERS provides an investment video on our website which explains the basics of sound investment principles as they relate to the investment funds available in DCP and DCP. You can view the video at www.npers.ne.gov using Microsoft Windows Media Player in broadband or dial-up format, or call NPERS to request a DVD.

Mary H. Jochim
Sterling Financial Advisors LLC
“A Registered Investment Advisor” Securities Offered Through Raymond James Financial Services, Inc., Member FINRA/SIPC
mary.jochim@raymondjames.com
402-970-9300 or 877-970-9330

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

2009 Retirement Planning Seminars
For School Members age 50 and over

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School Retirement Checklist

- **When am I eligible?**
  You are eligible at Age 65 if you are still working and have at least one-half year of creditable service; when you meet the “Rule of 85”; or at Age 60 with five years or more of creditable service.

- **What is my termination date?**
  Your termination date is your actual last day of work.

- **What is my “effective date” of retirement?**
  Your effective date is the first day of the month following the date you have both terminated employment and filed a valid application for retirement.

- **Where can I get assistance?**
  Use the Benefit Estimator at www.npers.ne.gov, call NPERS at 800-245-5712 or 402-471-2053 for assistance or to schedule a one-on-one counseling session.

- **When should I send in my application?**
  At least six months prior to your effective date, you should request from NPERS a “Retirement Packet,” which will contain an application form. Send your completed application to NPERS no sooner than 90 days but at least 30 days prior to your effective date of retirement. It will be accepted the last business day prior to your retirement date.

- **What if I intend to purchase service?**
  Requests to purchase additional creditable service must be received by NPERS as soon as possible, but at least 45 days prior to your effective date of retirement. Since the “most popular” retirement date is June 1, that would make April 17 the last day to request a purchase if you intend to retire on June 1.

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**Market Decline and Public Pensions**

Are you worried about how your School, Judges or State Patrol Plan is holding up in these uncertain economic times? There is a very informative “issue brief” posted on NPERS' website entitled, “Market Decline and Public Pensions” from the National Council on Teacher Retirement (NCTR) and the National Association of State Retirement Administrations (NASRA).

While Nebraska's pension plans have suffered in this extraordinary market decline, they remain financially sound and well-positioned to continue paying promised benefits to participants.

To read the issue brief, go to www.npers.ne.gov and to the right on the homepage, find “NPERS News” and click on “Market Declines and Public Pensions.” Call NPERS at 402-471-2053 or 800-245-5712 if you have any questions.

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**DEPARTMENT PROFILE**

**Accounting**

NPERS is committed to helping our members plan and build for a successful retirement, and our Accounting Department is crucial to this success. “Accounting” consists of five employees who perform a wide variety of critical tasks, plus their manager, Randy Gerke who also serves as NPERS' Deputy Director.

Accounting is at the heart of nearly everything NPERS does. They control all agency finances, pay expenses, withhold taxes and process retirement annuities and refunds to plan members. Accounting also creates financial reports for the Public Employees Retirement Board (PERB), and works closely with the state Auditor's office as well as the Nebraska Investment Council.

The department tracks incoming retirement contributions from over 380 employers, ensuring that funds are transferred to the Nebraska Investment Council to be invested on behalf of plan members. Accounting reviews and approves payment information and sends retirement benefits checks to retired plan members electronically or by mail.
A number of legislative bills with implications for Nebraska’s Retirement Systems are now before the First Session of the 101th Legislature. The session is scheduled to end June 4, 2009, and NPERS will update the progress of this legislation in the next “Retirement News.”

The legislation includes the following:

**LB 23 – All Plans** – Makes the State Treasurer a voting member of the Nebraska Investment Council, but does not impose the education requirements nor make the Treasurer a fiduciary as those requirements apply to the current voting members (who are appointed by the Governor and approved by the Legislature). Under current law, the State Treasurer is a non-voting member.

**LB 81 – State Patrol** – Increases the contribution rate for State Patrol employees from 13% to 15%. The employer contribution rate would remain unchanged at 15%.

**LB 140 – All Plans** – Restricts or prohibits investments with companies having ties to Sudan. The bill exempts self-directed investments (defined contribution and deferred compensation accounts) from the provisions of the Act.

**LB 187 – School** – An “open ended” bill that would maintain current contribution rates at 7.28% for 2009 with the possibility of raising the rate to an unspecified amount beginning September 1, 2010, through August 31, 2011. On September 1, 2011, the rate would return to 7.28%. The bill is intended to be a “place-holder” in the event a contribution adjustment is necessary in the next plan year.

**LB 226 – State Patrol** – Decreases the age of majority from 19 to 18. Changes the definition of a dependent child from “under the age of 19 years” to “under the age of majority.” If passed, this would reduce by one year the length of time a dependent child is eligible to receive survivor benefits after the death of the member (either before or after retirement).

**LB 242 – State Patrol** – Increases the mandatory retirement age from 60 to 65.

**LB 365 – Judges** – Changes the multiplier used to calculate pensions to 3.75% for the first ten years of service, 3.25% for the next ten years of service, then 1% for the next five years of service. The current benefit is 3.5% for each year of service up to a maximum of 20 years. The bill would increase the maximum benefit limit from 70% to 75% of final average compensation. It would apply to members who retire on or after July 1, 2010.

**LB 403 – All Plans** – Members who are not in the United States lawfully would not be eligible to receive a retirement benefit. (Currently, the School Employees Plan requires lawful presence before an employee may join the Plan.) The bill does not address what would be done with the benefits owed a current member who was in the United States illegally.

**LB 424 – Judges** – An “open ended” bill which would raise contribution rates to an unspecified amount beginning July 1, 2009. The bill is intended to be a “place-holder” in the event a contribution adjustment is necessary in the next plan year.

**LB 425 – State Patrol** – An “open ended” bill which would raise both the employee and employer contribution rates to an unspecified amount beginning July 1, 2009. The bill is intended to be a “place-holder” in the event a contribution adjustment is necessary in the next plan year.

**LB 449 – School** – Allows School members who are drawing disability...
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.
How NPERS Secures Your Privacy

According to the Federal Trade Commission, identity theft is the leading consumer complaint with an estimated 10 million new victims each year. Nebraska ranks 37th in the nation with victims. NPERS is committed to securing your privacy.

NPERS' Call Center protects your information.
When you call NPERS with questions regarding your benefits, we will ask some identifying questions to verify who is calling before providing any information. If you feel uncomfortable using your social security number over the phone, you may use your retirement number, which can be found on your account statement.

NPERS does not provide or request personal information via email.
Email correspondence between NPERS and our members or employers does not contain any sensitive information such as address, phone number or social security number. NPERS will not send you email asking for your personal information so be suspicious of any such email. This could be an attempt to trick you into providing sensitive information. When in doubt, don't reply or click on any links in a suspicious email.

NPERS utilizes security measures when sharing personal information with your family members.
NPERS will only release information regarding your benefits to someone else if you designate that person as someone who is eligible to receive your information. This must be an original, signed release provided to NPERS.

You can help keep your personal information secure.
Protect your password! Don't share it with anyone else and always review your account statements to make sure the information is correct.

NPERS provides you with safe and easy access to your benefit information. We will continue to monitor and update our practices to ensure our members receive the security and service they deserve.