

Retirement Roundup

"Providing Information to State & County Employees"

Nebraska Public Employees Retirement Systems

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PUBLIC EMPLOYEES' RETIREMENT BOARD

Charles Peters
Chairperson
Member-at-large

Julia Moeller
Vice Chairperson
County member

William Hastings
Judge member

Roger Rea
Member-at-large

Dale Kahla
School member

Denis Blank
State member

Mark Shepard
School member

Glenn Elwell
Patrol Member

Carol L. Kontor
Ex-officio member

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Meet the PERB

Some of them have been with us for several years and some just recently joined us. The Public Employees Retirement Board (PERB) consists of eight members appointed by the Governor for five-year terms. Members include five participants of board-administered retirement plans, a retired participant of a board-administered retirement plan and two public representatives who are not state employees or employees of its subdivisions. Also included are the State Investment Officer and the Director of NPERs, who are non-voting members.

Our Chairperson, **Charles Peters**, is a Public representative on the Board who has served for eight years, four of which were as Chairperson. Charles is a real estate broker in Omaha, where he is the President of CAP Investments, Inc. Mr. Peters also is a member of the Omaha Area Board of Realtors and the Rotary Club of Downtown Omaha. He served two terms on the Board for the National Council on Teacher Retirement. Charles' term will expire January 1, 2007.

Julia M. Moeller is our Vice Chairperson and has been the Adams County Treasurer since 1979. She has represented the members of the County Plan for 10 years, two of which were as Chairperson. Ms. Moeller is a Hastings resident where she is a United Way and American Heart Association volunteer. She is active in the Nebraska Association of County Officials (NACO), Nebraska Association of County Treasurers and Central District County Officials Organization. Julia's term expires January 1, 2006.

As a retired Judge, Chief Justice **William Hastings** represents the Retired members. Currently



Back row, standing (left to right): Roger Rea, Mark Shepard, Charles Peters, Denis Blank and William Hastings Front row, seated (left to right): Glenn Elwell, Anna Sullivan, Carol Kontor, Julia Moeller and Dale Kahla

a Lincoln resident, Judge Hastings attended high school in Newman Grove, Nebraska, then received his Law Degree from the University of Nebraska. He began serving as a District Judge in 1965 and became a Supreme Court Justice and then Chief Justice. Judge Hastings' term expires January 1, 2006.

Roger Rea is a Public representative on the Board. He lives in Omaha where he retired from teaching in the Omaha Public Schools after a 34-year career. Roger has served as President of the Omaha Education Association and on the board of the Nebraska State Education Association. He currently serves as a Trustee for the Omaha School Employees Retirement System, is on the Board of Directors for the BC/BS Educators Health Alliance, serves on the Special Committee on Health Care for the National Council on Teacher Retirement, and is Chairman of the Board of Directors for First Nebraska Educators Credit Union. Mr. Rea's term expires January 1, 2008.

Representing the School Plan members is **Dale Kahla**. Dale has taught math and science for over 36 years and has been a teacher at York Public Schools since 1973. He is also a mem-

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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 ABC's About DCP

Are you a state employee and thinking of enrolling in the state's Deferred Compensation Plan (DCP) to make *additional, voluntary* contributions to a retirement account that are tax deferred? (What a good idea!) *All* employees are eligible to join DCP, whether in the Cash Balance benefit or the Defined Contribution benefit. And there is no waiting period as in the mandatory State Retirement Plan, so new state employees may join *immediately* upon hire.

Or, are you already participating in DCP and wish to change the amount you are contributing, transfer balances among funds or make investment election changes? Depending on your goal, it's helpful to know which form to use and what to keep in mind when completing and submitting a form to NPERS.

You can access the form you will need on NPERS' web site at www.npers.ne.gov, or obtain one from your agency's payroll personnel.

DCP Enrollment Form — is to be used if you have **never** contributed to DCP and want to create a DCP account and contribute for the first time. You can also assign yourself a PIN number for access to your DCP account using the Internet or the telephone Pension Access Line at **800-449-2696**. You must submit your completed form **to your agency's payroll personnel** to sign and begin the deductions. They will then forward the form to us and we will enter your allocations and personal identification number (PIN) in our computer system.

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

DCP Change Form – is to be used if you had previously contributed to DCP, but then stopped and want to start contributing again, or are *changing* the amount you are contributing. As with the Enrollment Form, you must submit the Change Form **to your agency's payroll personnel** who will sign and perform the necessary payroll actions before submitting to us.

The Change Form is also used to make *investment election changes* or *transfer existing balances* among funds. In addition, you may make these changes or transfers by using the Internet to access our web site and clicking on the link to the Ameritas web site (our record keeper), thus eliminating the need to submit a paper form.

PIN Request Form – is to be used to assign yourself a PIN number to access your account(s) using the Internet or the Pension Access Line. If you did not assign yourself a PIN when you joined DCP (or the mandatory State Plan), use this form to do so now and then submit to NPERS for processing. You only need one PIN number to access your accounts by checking both DCP and State under "Plan Type." Or you may assign separate PIN numbers by completing separate forms.

As always, if you have questions, you can call NPERS' Member Services department at **402-471-2053** or **800-245-5712** (press #3 for assistance). ☐

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 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! ☐

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.

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:

State Plan – the following bills propose changes:

- **LB 215** Allows additional deferred compensation contributions for certain employees, and allows such employees to retain health coverage with the state.
- **LB 366** – Provides that state and county employees would begin participation in their respective retirement plan immediately upon employment rather than waiting 12 months under current statutes. The bill also provides that the state plan employee contribution rate would be 4.8% of compensation. Currently, employees contribute 4.33% on the first \$19,954 of annual compensation and 4.8% of compensation thereafter.
- **LB 447** – Creates a retirement health care account for members of the State Employees Retirement System. Employers would contribute an amount equal to seventeen percent of an employee's compensation. The money could be used for health expenses of the member, member's spouse, or member's dependents. Upon the death of the member, the account would revert to the state.

County Plan – the following bills propose changes:

- **LB 367** – Extends provisions to assess late fees to counties and to district and county courts. The administrative fee would be \$25 and the late fee would be equal to 38/1000ths of one percent per day.

State and County Plans – the following bills affect both plans:

- **LB 494** – Adds a retirement account investment option for members of the state, county, and deferred compensation plans. The account would be substantially similar to the allocation and investment strategy used by the Nebraska Investment Council for the assets of the School, State Patrol, and Judges retirement assets.
- **LB 691** – Provides that a transaction fee may be imposed on members of the defined contribution option of the County Employees Retirement System and the State Employees Retirement System to pay administrative expenses. Additionally, the bill provides for the treatment of forfeitures of employer accounts of members who fail to vest such accounts.

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. □

PERB *(Cont. from page 1)*

ber and seven-time president of the local Education Association. Dale's term expires January 1, 2009.

As an employee of the Nebraska Department of Agriculture since 1971, **Denis Blank** is the State Plan member representative. Denis attended high school in Franklin, Nebraska and earned his degrees from McCook College and Kearney State College. Mr. Blank has also served on a variety of boards including the Nebraska Aquaculture Board, Dairy Industry Development Board, National Management Association and Association of Food and Drug Officials. Denis' term expires January 1, 2010.

Mark Shepard has been a School Administrator for Fremont Public Schools since 1995 and he represents the School Plan members. Mark attended college at Northern Illinois University, University of Nebraska, Peru State College and Wayne State College. He currently serves as the Vice Chairman for the Nebraska Council of School Administrators. Mr. Shepard's term expires January 1, 2010.

Sergeant Glenn Elwell represents the State Patrol members. Glen has been with the Nebraska State Patrol for over 18 years where he has an in-depth background in criminal/drug investigations. He has served on the SWAT team, was a NSP Clandestine Laboratory Coordinator and a member of the Governor's Summit

Committee concerning methamphetamine. Sergeant Elwell also served in the United States Marine Corps. His term will expire on January 1, 2010.

Carol Kontor, CFA has been the State Investment Officer for the State of Nebraska for the past three years, following four years as a member of the Nebraska Investment Council. An Omaha resident, Carol received both her B.A. and Masters Degrees in Mathematics from Creighton University. She currently is on the Board of Directors of the Omaha/Lincoln Society of Financial Analysts. Carol serves as an Ex-Officio (non-voting) member on the PERB.

Anna Sullivan has been the Director of the Nebraska Public Employees Systems since 1998. Since she has been with our agency nearly 30 years, Anna is familiar with all phases of retirement plan administration. She earned her B.A. in Public Administration from Doane College and is a Certified Manager through the Institute of Certified Professional Managers.

Each of our Board members are highly qualified professionals. We are fortunate to have them appointed to our Board. The PERB meets the third Monday of each month. □

Cash Balance Credit Rate Announced

The new crediting rate will be **5.59%** annualized for the coming quarter. The law states that the rate credited to member accounts will be the Federal Mid-term Rate plus 1.5% per annum. The Federal Mid-term Rate for the previous quarter has changed to an annual rate of 4.09%. The new annual rate of **5.59%** will be credited to Cash Balance member's accounts for the period April through June 2005.

At the end of each quarter NPERS updates the interest credit paid to Cash Balance member accounts based on any changes to the Federal Mid-term rate. If this rate is less than 3.5% per annum, the credit rate to member accounts will be no less than 5% per annum. □

