

Retirement Roundup

"Providing Information to State & County Employees"

Nebraska Public Employees Retirement Systems

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Deferred Comp Changes

Increases in contribution limits for the *voluntary Deferred Compensation Plan* (DCP) for State of Nebraska employees, a §457 plan under IRS code, were made permanent and indexed to inflation with the passing last August of the Pension Protection Act of 2006. Remember, DCP is a *long-term* investment plan and not intended as a short-term savings account.

While \$25 is still the *minimum* amount a member may defer from salary and contribute to DCP pre-tax, \$15,500 will be the normal *contribution limit* for 2007. The amount will adjust for inflation every year thereafter. A member age 50 or older may contribute up to an *additional* \$5,000 for a total of \$20,500. The deferral limit for the Three-Year Catch-up Provision (for members who did not defer the maximum amount allowed in all previous years) is \$31,000. The catch up is allowed within three years of a member's anticipated retirement, which cannot be earlier than age 55. The "Age 50" and the "Three-Year Catch-Up" may

not be implemented simultaneously. Also, in order to participate in the Three-Year Catch-Up, you must provide NPERS with W-2 documentation and receive authorization from us regarding the amount you will be allowed to catch up.

The increased limits set under the 2006 Pension Protection Act will allow DCP members more flexibility in deferring income (and taxes) as they approach retirement. Did you know that when a DCP member leaves employment with the State of Nebraska, he/she may elect to defer accumulated sick pay, vacation pay or back pay into their DCP account? It is allowable, provided he/she signs an agreement to defer such amounts *prior to* the calendar month in which they would otherwise receive such amounts, subject to the annual or catch-up limits.

If you are interested in joining the voluntary Deferred Compensation Plan, or have any questions about this article, please contact NPERS at **800-245-5712** or **402-471-2053**.

Two Separate Beneficiary Designations

As a State or County employee, by now you've completed open enrollment for employee benefits for 2007. If you're a state employee, you used Nebraska Information System (NIS) and the "employee self-serve," to select vision, health and dental insurance, flexible spending accounts and income protection insurance. If you're a County employee, you've gone through the process specific to your county of employment. In making your benefit selections, you've designated your beneficiary(ies) as those who would be provided for, if you were to meet an untimely death.

Please do not confuse your beneficiary designation for open enrollment purposes with your

beneficiary designation for the **State or County Retirement Plan** or **Deferred Compensation Plan** for State of Nebraska employees. They are separate designations; one does not cover all. While you may choose the *same persons* (parents, spouse, children, etc.) to receive your benefits should something happen to you, you must make your designations on the forms provided by the separate entities and submit to the appropriate administrators.

The **Beneficiary Designation Form** for your State or County Plan, or the Deferred Compensation Plan for State of Nebraska employees, is

(Cont. on page 2)

Make an Appointment

Want to discuss your retirement questions one-on-one with a retirement specialist? Consider scheduling an appointment with a counselor from our Member Services department who will explain your benefits and help you understand the retirement payment options. While you can call NPERS at any time or correspond through the mail to handle much of your retirement planning, some members feel more comfortable meeting face-to-face.

We recommend scheduling an appointment one or two months in advance. This allows our retirement counselors adequate time to research your records, obtain information from your employer, calculate benefit estimates and provide up-to-date information. While our staff can provide benefit estimates up to five years before your anticipated retirement date, application materials will not be included if you are more than nine months away from your retirement.

Appointments are scheduled from 9:30 a.m. to 3:30 p.m. 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 be sure to indicate this when you make your appointment.

To schedule an appointment, call NPERS at **800-245-5712** or **402-471-2053** and our receptionist will gladly help you.

Beneficiary *(Cont. from pg. 1)*

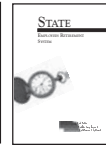
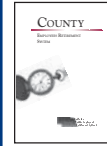
available on the NPERS' web site at www.npers.ne.gov or by contacting NPERS or your employer. Any new form you sign and send to our office will automatically replace what we previously had on file for you.

If you have not recently updated your beneficiary designation, or do not remember who you designated, it's easy to obtain a new form, have it notarized and send to NPERS. Even if you name the same person(s) as beneficiary(ies), we don't mind processing the paperwork knowing we have your *current* designations and their contact information. Call NPERS at **800-245-5712** or **402-471-2053** if you have any questions. □



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Updated Booklets



The member handbooks for the **State and County Retirement Plans** have been revised effective January 2007. You can view the new handbooks at www.npers.ne.gov.

The booklets, which include changes made in processes and the retirement laws that have occurred in the last few years, are your comprehensive source for information on all aspects of your Retirement Plan, including:

- Membership requirements
 - Contribution amounts
 - Payment options at retirement
 - Taxation
 - Death and disability benefits
 - Reemployment
- And much more.

NPERS will not send a mass mailing of the member handbook to all members this year, which will save substantially on mailing and production costs. We will, however, mail a supply of the booklets to your employer.

The three easy ways to get a handbook are:

- View on-line at www.npers.ne.gov.
- Request a printed version from your employer.
- Call NPERS at **800-245-5712** or **402-471-2053** and request a copy.

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