

RETIREMENT NEWS

Nebraska Public Employees Retirement Systems

Vol. 23, No. 3, Spring 2008

PROVIDING
INFORMATION TO
STATE AND COUNTY
EMPLOYEES

RETIREMENT BOARD

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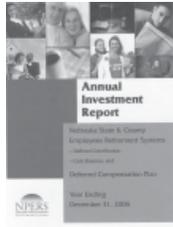
Elaine Stuhr
Member-at-Large

David C. Bomberger
Ex-officio member

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Investment Report



The Annual Investment Report for the **State Plan**, the **County Plan** and the state's **Deferred Compensation Plan (DCP)** will be available in May 2008. The report is for the plan year ending December 31, 2007.

The report includes annual *Cash Balance* results. For DCP and State or County *Defined Contribution* members, the report shows investment results, plan statistics and fact sheets for the 13 investment funds.

The comprehensive report also features an "investment basics" tutorial provided by Sterling Financial Advisors to help members save more for retirement, understand investment principles, asset allocation, risk related to return and diversification.

Important: To help NPERS conserve paper and reduce costs, a report will **not** be mailed to each member. (See "Go green.") You may view and print the report from NPERS' website at www.npers.ne.gov. Or, if you'd still prefer to have a printed copy, contact your human resources department or contact NPERS.

If you have questions about the information contained in the report, please contact **NPERS**. For investment related questions, contact **Sterling Financial Advisors** at **877-970-9300** or **402-970-9300**.

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.

Go green.

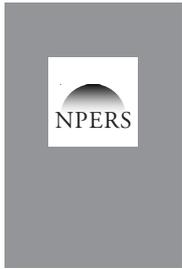
View the *Annual Investment Report* online.

In an effort to help NPERS conserve paper and reduce costs, you now can view your "*Annual Investment Report*" online at www.npers.ne.gov. If you would still like a paper copy, you can:

- get one from your human resources department
- email NPERS using the "Contact Us" link at www.npers.ne.gov
- write to NPERS at P.O. Box 94816, Lincoln, NE 68509
- call 800-245-5712 or 402-471-2053



Annual Report to the Legislature



NPERS has presented its 2007 Annual Report to the Legislative Retirement Committee who oversees pension legislation. The report summarizes our accomplishments and improvements in ser-

vices to our plan members and outlines our goals for 2008. Following are some highlights of the report.

NPERS' most important responsibility is providing service to the members of the six retirement plans that we administer – School, Judges, Patrol, State, County and Deferred Compensation. In 2007, our total number of plan members grew to a record 104,599 with total assets of \$9.2 billion.

NPERS distributed over \$366 million in benefits to plan members in all six plans in the form of monthly annuity payments, refunds, rollovers, systematic withdrawals, and required minimum distributions.

In our Member Services Department, the Call Center answered approximately 38,000 phone calls and met with over 700 members in personalized office visits. The Benefits area processed 3,879 retirements, 600 estimates for purchase of school service, 45 Qualified Domestic Relations Orders (QDROs) and 169 death claims.

Our Education Services staff traveled Nebraska providing retirement seminars for members, training for employers, and special presentations for agencies and organizations. Over 3,400 individuals participated in 75 different venues.

The Data Services Department processed over 49,000 pieces of incoming mail, 385,000 pieces of outgoing mail, and scanned 429,000 documents.

NPERS RETIREMENT PLAN ASSETS

(Market Value)

School Employees*	\$5,393,380,574	\$5,974,750,945	\$7,024,856,413
Judges*	\$ 94,958,898	\$ 103,945,918	\$ 121,215,683
State Patrol*	\$ 221,307,954	\$ 241,017,483	\$ 279,618,100
State Employees DC	\$ 697,736,891	\$ 782,259,817	\$ 824,569,183
CB	\$ 389,725,134	\$ 422,275,890	\$ 470,871,851
County Employees DC	\$ 164,445,235	\$ 184,026,657	\$ 191,617,726
CB	\$ 113,197,875	\$ 124,418,778	\$ 40,000,355
Deferred Compensation			
NPERS Plan	\$ 85,178,357	\$ 100,095,835	\$ 109,566,840
Hartford Plan	\$ 49,827,055	\$ 50,659,598	\$ 51,631,906
Total All Plans	\$7,209,757,973	\$7,983,450,921	\$9,213,948,057

*Defined Benefit Plans thru 6/30/07
State, County, DCP thru 12/31/07

2007 NPERS MEMBERSHIP

SYSTEM	ACTIVE	INACTIVE	RETIRED	TOTALS
School Employees*	37,152	17,705	14,408	69,265
Judges *	154	10	159	323
State Patrol *	484	15	341	840
State Employees DC	7,276	1,844		9,120
CB	9,798	1,429	323	11,550
County Employees DC	2,725	940		3,665
CB	4,785	608	159	5,552
Deferred Compensation				
NPERS Plan	3,040	134		3,174
Hartford	-0-	1,110	n/a	1,110
Totals	65,414	23,795	15,390	104,599

*Thru 6/30/07

In 2007, we had 339,000 hits on our NPERS website, mostly from members and employers obtaining information and forms online.

We also began a two-year project to update our automated Information Technology system.

To view the entire report, visit NPERS' web site at www.npers.ne.gov. □

Cross Your t's and Dot Your i's

To save yourself some time and inconvenience, ALWAYS be sure all forms submitted to NPERS are fully completed. Make sure they are signed and notarized, if required.

Fall 2008 Seminar Calendar

The Seminar registration brochure is available at www.npers.ne.gov and will be mailed to all State and County members in August 2008.

Retirement (age 50 and over)

Lincoln	September 4
Valentine	September 11
Gering	September 25
Grand Island	October 1
Kearney	October 2
Lincoln	October 8
Lincoln	October 9
Omaha	October 16
North Platte	November 6
Lincoln	November 13
Norfolk	November 20
Grand Island	December 4
Lincoln	December 9

Financial Planning (under 50)

Lincoln	September 3
Valentine	September 10
Gering	September 24
Omaha	October 15
North Platte	November 5
Lincoln	November 12
Norfolk	November 19
Grand Island	December 3

LEGAL CORNER

by NPERS Legal Counsel,
Joe Schaefer

Legislative Update

A number of legislative bills with implications for Nebraska Retirement Systems are now before the Second Session of the 100th Legislature. The last day of the session (and the 100th Legislature) is scheduled for April 17, 2008. **NPERS will update on the final status of legislation in the next Retirement News.** As this is being written, legislation includes the following:

LB 937 – Contains “clean-up” language on immediate plan participation in the **State and County Plans**. These provisions have been amended into **LB 1147** and the original bill has been indefinitely postponed.

LB 938 – Allows beneficiaries of deceased **State and County** members to make investment changes in the various fund options provided. These provisions have been amended into **LB 1147** and the original bill has been indefinitely postponed.

LB 1143 – Provides for a review of the current statutory, regulatory, and organizational structure of the **Nebraska Investment Council** in comparison to the best practices of similar state investment offices. A qualified, independent organization will be hired to study and make recommendations to the NIC, the Legislature, and the Governor.

LB 1147 – Makes technical changes to the language describing the purchasing power floor adjustment (COLA) made annually to benefits in the **School, Judges, and Patrol Plans**. The bill does not change the benefit adjustment, but does modify the language. The bill was named the Retirement Committee’s first priority bill and has currently been advanced to Final Reading.

Carryover legislation (introduced during the 1st Session):

LB 365 – Provides that members of the **Judges Plan** could retire as early as age 62 and that if they did, their benefit would be reduced by 3% for each year before age 65 the benefit commenced (9% reduction at age 62; 6% at age 63; 3% at age 64). The provisions of **LB 365** have been amended into **LB 1147**.

LB 371 – Establishes a defined benefit retirement plan for certain **municipal, county, and state law enforcement officers** to be administered by NPERS. The plan was introduced with provisions similar to the State Patrol Plan, but the bill was advanced to General File with an amendment that modified the original provisions. Under that amendment, both the member and the employer would contribute 9.25% of monthly compensation, and if additional contributions were necessary to fully fund the plan, the political subdivisions that employ the members would be required to increase the employer contribution. The bill was named the Retirement Committee’s second priority bill.

Investment Returns at www.npers.ne.gov

The investment returns for the 13 funds offered to **Defined Contribution and Deferred Compensation Plan** members can be found on NPERS’ website

toward the end of the month following the end of each quarter. Look for “State & County Investment Fund Returns” under “NPERS News” on the homepage.

Are you getting your mail?

Last quarter, over 1,500 member statements were returned to NPERS because of an outdated address (this happens with every mailing)! The only way we get your *current address* information is from your employer. If they don’t have it, you won’t get your statement or anything else from us. It is **your responsibility** to notify your payroll personnel immediately if your address changes. Please help NPERS reduce mailing costs.

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.

We will all miss Iona but congratulate her successful career and wish the very best for her and her entire family.

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 board 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.

Your Funds, Your Choice

At their meeting on February 25, 2008, the Public Employees Retirement Board (PERB) voted to rescind their August 2007 decision to restrict members from investing in both the *Premixed Funds* and the *Age-Based Funds* at the same time. In other words, you may now be invested in both funds at the same time if you wish.

These funds are offered to members in the **Defined Contribution and Deferred Compensation Plans**.

The *Premixed Funds* are combinations of stocks and bonds with emphasis on either conservative, moderate or aggressive investment strategies. Each fund's asset allocation is diversified and has been preselected to make investing easier.

The *Age-Based Fund* uses the three Premixed Funds. It functions like a "life-cycle" fund by investing your allocation more conservatively as you get closer to retirement. When choosing the Age-Based Fund, if you are age 39 and younger, your allocation is placed in the Aggressive Premixed Fund, age 40-59 in the Moderate Premixed Fund, and ages 60 and over in the Conservative Premixed Fund.

If you have investment related questions, contact **Sterling Financial Advisors** at 877-970-9300 or 402-970-9300. For all other questions, contact NPERS. □

Cash Balance Rate

The new Cash Balance credit rate of **5.00%**, annualized for the coming quarter, will be credited to member's accounts for the period of April through June 2008.

By law, the credit rate is the Federal Mid-term Rate plus 1.5% per annum with a guarantee not to go below 5%. The Federal Mid-term Rate for the previous quarter has changed to an annual rate of 2.87% making the new annual rate **5.00%**.

CASH BALANCE RATES OF RETURN & DIVIDENDS

Interest Credit Rate History

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year Average
2008	5.08%	5.00%			
2007	6.08%	6.11%	6.45%	5.85%	6.12%
2006	5.98%	6.22%	6.55%	6.32%	6.27%
2005	5.26%	5.59%	5.36%	5.58%	5.45%
2004	5.02%	5.00%	5.62%	5.12%	5.19%
2003	5.00%	5.00%	5.00%	5.15%	5.04%

Past Dividends

Year Issued	Dividend%	For Time Period
2007	2.73%	1/1/2006 - 12/31/2006
2006	State 13.5% County 16.4%	1/1/2005 - 12/31/2005
2005	2.8%	1/1/2004 - 12/31/2004
2004	3.088%	1/1/2003 - 12/31/2003


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