

# RETIREMENT NEWS

Nebraska Public Employees Retirement Systems

Vol. 23, No. 1, Winter 2008

PROVIDING  
INFORMATION TO  
STATE AND COUNTY  
EMPLOYEES

## RETIREMENT BOARD

**Denis Blank**  
Chairperson  
State Member

**Roger Rea**  
Vice Chairperson  
Member-at-large

**Richard Wassinger**  
County Member

**Glenn Camerer**  
Judge Member

**Mark Shepard**  
School Member

**Dale Kahla**  
School Member

**Glenn Elwell**  
Patrol Member

**Donald Pederson**  
Member-at-large

**David C. Bomberger**  
Ex-officio member

## In this issue...

Fees & Expenses .....	2
Identity Theft .....	2
Ameritas .....	3
Beneficiary .....	3
Investment No-No... ..	4
Retirement 101 .....	4
Congratulations .....	4

## 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, ex officio capacity.

## Cash Balance Conversion Results Are In

Almost 1,600 **State and County Plan** members have chosen to convert their Defined Contribution (DC) accounts to the Cash Balance (CB) benefit. Over 11,000 members were allowed the choice by the 2007 Legislature through the passage of LB 328.

This recent conversion brings plan membership to 38% in DC and 62% in CB in the **State Plan**, and 36% in DC and 64% in CB in the **County Plan**.

All *new* employees are mandated to participate in Cash Balance immediately upon employment, so membership will continue to increase. Defined Contribution is closed to new members and through attrition will continue to decrease. All members, however, can expect continuity in the administration of your account. No matter the number of participants, the Public Employees Retirement Board (PERB) will continue to administer Defined Contribution with as much diligence and care as they will Cash Balance.

For those members who elected to convert your account to CB, your 2007 fourth quarter statement (enclosed with this newsletter) reflects the final dollar value (your contributions plus the employer match) at the close of business on December 31, 2007. Ameritas, our recordkeeper, will convert the accounts during the first week of January 2008, and will email (or mail) a confirmation to you. Your beginning CB balance will be reflected on the first statement in 2008 for the quarter ending March 31.

Meanwhile, Ameritas offers immediate online access to your account information (see related article) which you can link through the NPERS website at [www.npers.ne.gov](http://www.npers.ne.gov). Please contact NPERS if you have any questions.

# Fees and Expenses Update



All members of the plans administered by NPERS pay a pro-rata share of our annual operating expenses using a time and usage formula. Members also pay recordkeeping fees to Ameritas Life Insurance Corporation, for the important work they do (see related article). NPERS strives to keep all fees charged to plan participants reasonable and affordable. Since annual ongoing expenses tend to fluctuate, the fees are raised or lowered, as necessary. By law, the fees may only be used to pay for expenses incurred in the plan from which the fees were collected.

## Recordkeeping Fees –

Since August 2007, Ameritas' fees have decreased per their contract for the **State Plan**, the **County Plan**, and the

**Deferred Compensation Plan** for State of Nebraska employees. The *annual* fees are as follows:

*Defined Contribution Benefit* – \$19.80 now (down from \$27.00)

*Cash Balance Benefit* – \$16.80 now (down from \$24.00)

*Deferred Compensation Plan* – \$15.60 now (down from \$22.80)

**NPERS' Administrative Expenses** – Fees will increase *effective January 1, 2008*, for members of the **County Plan's Defined Contribution (DC)** benefit and members of the **Deferred Compensation Plan (DCP)** for State of Nebraska Employees, due to action taken by the Public Employees Retirement Board (PERB) at their December 2007 meeting.

For the DC benefit of the **County Plan**, a member's annual charge of 15 basis points (BP) will increase to **35 BP** or .0035. As an example, the annual charge for a County DC member with an account balance of \$10,000 will now be \$35 per year or \$8.75 per quarter. (*Cash Balance (CB)* fees will also increase. The fees are not shown on member statements but are included in the net total of pooled assets.)

For members of the **Deferred Compensation Plan** for State of Nebraska Employees, the annual charge of 5 BP will increase to **25 BP** or .0025.

It is important to note that plan members also pay investment related expenses, which are charged on plan assets by our custodial bank, and are disclosed in the Annual Investment Report.

Contact NPERS if you have questions about the fees assessed on your account.

---

## I've got to be me ... Do you have to be me too?

You may not be famous. The paparazzi may not hang out around your house. The only time someone wants your autograph is when one of your kids asks for money. Don't fool yourself; the average identity thief would prefer your modest identity (assuming you're under the national radar for most recognizable people in America i.e., the identity of Brad Pitt or Paris Hilton).

About 9 million US adults will be victims of identity fraud this year, with the average fraud around \$6,400. Besides hitting you in the pocket book, you'll spend about 40 hours resolving the problem.

### A Few Interesting Statistics

1. Almost half of the victims detected the identity fraud themselves.
2. 47% of the victims identified the method of the theft.
3. 36% of the victims identified the source of the problem and over 50% actually knew the crook.

4. The internet was the method used only 10% of the time.

What do these crooks want? Name, address, phone number, date of birth, bank account numbers, social security numbers, credit card numbers, PIN numbers and so on. How do they get this information? Stealing credit cards, wallets, checkbooks, watching or listening when you give information by phone or in person, or when you key in your PIN. This last technique is called "shoulder surfing."

Another technique is "Dumpster Diving," not yet an Olympic sport, but it can reveal a wealth of information. If your mailbox isn't secure, it amounts to a library of information about you. Low-tech strategies used are filing a change of address card on your behalf or masquerading as an employer or landlord to obtain your credit report.

High-tech strategies include hacking into your computer, using electronic "skimmers" to extract information from

ATMs, distributing mass e-mails to obtain information in order to receive some benefit or avoid some threat.

Lastly, creating replicas of legitimate websites or pages good enough to fool you, known as "phishing."

Foolproof systems don't take into account the ingenuity of fools. To learn more on this important topic, go to [www.npers.ne.gov](http://www.npers.ne.gov) and click on Member Info, then Publications/Videos, then Sterling Financial articles, then "Who Would Want To Be Me?"

Mary H. Jochim  
**Sterling Financial Advisors LLC**  
"A Registered Investment Advisor"  
Securities offered through Raymond James Financial Services, Inc.  
Member NASD/SIPC  
[mary.jochim@raymondjames.com](mailto:mary.jochim@raymondjames.com)  
402-970-9300 or 877-970-9330



# Ameritas' Secure, Enhanced Website

Ameritas Life Insurance Corporation, recordkeeper for the **State Plan, County Plan** and **Deferred Compensation Plan** for State of Nebraska employees, has improved their website to provide better and more secure access.

Ameritas has been an integral part of the Lincoln community since 1887. Over the last decade, Ameritas has experienced phenomenal growth in business. It has also been part of some strategic mergers.

In 2006, UNIFI Companies was created as the “umbrella” organization for the three principal businesses. While each of the three companies – Ameritas Life, Acacia Life and Union Central Life and their affiliates – continue to retain their own identity, they all carry the tagline “A UNIFI Company.”

Now when you log into your retirement account, you will see the UNIFI Companies' logo. Rest assured that you are still doing business with Ameritas, a Nebraska based company you know and trust.

Ameritas' new, improved website was introduced in November. When accessing your account(s) online, you'll now benefit from enhanced security features and increased reporting capabilities. As part of the enhanced security, you will access the site using a unique User ID and Password, rather than your social security number and 4-digit PIN.

**Present Members:** When you log into the new site for the first time, you will

be asked to register as a new user. Using your social security number, name, date of birth, e-mail address and old 4-digit PIN, you will assign yourself a User ID and Password. If you have forgotten or never assigned your 4-digit PIN, please contact **NPERS at 800-245-5712** or **402-471-2053** and a registration letter with your certificate number will be generated from Ameritas and sent to you. You may create your User ID and Password using this certificate number instead of a PIN.

*“...you are still doing business with Ameritas, a Nebraska based company you know and trust.”*

**New Members:** When you are set up on the system through payroll, a registration letter with your certificate number will be sent to you. This will allow you to register online and select your own unique User ID and Password needed to access your account online.

The enhancements to Ameritas' new website include drop-down menus across the top toolbar with easy access to participant balances by money source, daily and historical fund performance, inquiry capabilities such as transactions by date range, secure messaging, and E-Documents including participant activity confirmations.

Consideration is being given to discontinuing account access via the toll-free, 24-hour telephone Voice Response Unit sometime in the future. Members will be informed of the change if and when it occurs. Meanwhile, contact NPERS if you have any questions about Ameritas' on-line account access or if you need assistance. □

## Investment Fund Returns at [www.npers.ne.gov](http://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.

# One Does Not Cover All

*Open Enrollment Designations Do Not Apply to Your Retirement Account*

As workers, we all recently went through open enrollment for our employee benefits. State employees used Nebraska Information System (NIS) and the “employee self-serve,” to select vision, health and dental insurance, flexible spending accounts and income protection insurance. The County employees' process was specific to their county of employment. In making your benefit selections, you designated your beneficiary(ies) as those to 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 Plan, County 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 the State Plan, County Plan or the Deferred Compensation Plan for State employees, is available on the NPERS' website at [www.npers.ne.gov](http://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 rename 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 if you have any questions. □



## Investment “No-No”

At their meeting on August 26, 2007, the Public Employees Retirement Board (PERB) voted to restrict **Defined Contribution** and **Deferred Compensation Plan** members from being invested in both the *Premixed Funds* and the *Age-Based Funds* at the same time.

The funds use the same investments, so allocating part of your account to both funds simultaneously is redundant, can be contradictory, and creates recordkeeping difficulties.

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.

For members with allocations currently in both the Age-Based and any of the Premixed Funds, NPERS will be providing an Investment Election Form for you to complete and return to NPERS by February 1, 2008. If the form is not received by the due date, NPERS will automatically map your premixed funds into the Age-Based Fund that is appropriate to your age group.

If you have questions about the process, contact NPERS. For investment related questions, contact **Sterling Financial Advisors** (contact information on page 2).

## Congratulations!



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 Doane College and is currently working for her Bachelor’s degree, all while continuing to be 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* year in a row! In addition to managing our Accounting Department since 2003, Randy was also promoted to Deputy Director of our agency in 2006.



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! □



## Retirement 101

As part of an ongoing education program, NPERS offers state agencies an hour-long presentation entitled “Retirement 101.” This session provides a basic explanation of the mandatory **State Plan** (for Cash Balance and Defined Contribution), and the voluntary **Deferred Compensation Plan** for State of Nebraska employees. NPERS also offers the Retirement 101 session to **Counties**, although most counties have their own deferred compensation plans.

The Retirement 101 presentation is not as “in depth” as our full-day retirement or financial planning seminars (which will be offered again next fall), but will help plan members understand how their plans work and hopefully motivate them to start planning for retirement.

We have times available to provide Retirement 101 sessions to your employees. While it is not logistically possible to fulfill every request, we will do our best to meet your schedule. If your agency or county wishes to have our staff present a Retirement 101 at your location, please contact **Jan Fox** at [jfox@npers.ne.gov](mailto:jfox@npers.ne.gov) or call **402-471-9505**.

  
**NPERS**  
Nebraska Public Employees  
Retirement Systems  
1221 N Street, Suite 325  
P.O. Box 94816  
Lincoln, NE 68509-4816  
402-471-2053 or 800-245-5712  
[www.npers.ne.gov](http://www.npers.ne.gov)  
Director: Phyllis Chambers  
Editor: Jan E. Fox  
Asst. Editor: Pam Williamson