

RETIREMENT NEWS

Nebraska Public Employees Retirement Systems

Vol. 23, No. 6, Winter 2009

PROVIDING
INFORMATION TO
STATE AND COUNTY
EMPLOYEES

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New Member Statements

Members of the **State Plan, County Plan, and 457 Deferred Compensation Plan (DCP)** for State of Nebraska employees will be pleased to find a new design of the fourth quarter account statement, mailed with this newsletter.

Produced by our recordkeeper, Ameritas Life Insurance Corp. of UNIFI Companies, the new statement features extensive account information on multiple pages, and provides a detailed snapshot of your retirement account(s).

The first page of the new statement is shown at the right, where you'll notice the addition of "Your Account At-a-Glance." Found here are your beginning and ending balances for the past quarter, both your and your employer's contributions, any withdrawals (not applicable to active members), adjustments (fees) charged to your account, the interest credit rate paid to **Cash Balance (CB)** members, and investment earnings/losses realized by **Defined Contribution (DC)** or **DCP** members.

CB members will be pleased with the separate entry for dividends that shows the exact amount of the dividend credited to you, if and when dividends are authorized by the Public Employees Retirement Board (PERB). The 2007 dividend, which posted with interest on October 3, 2008, is shown here (State Plan 5.18% and County Plan 5.34%).

The additional pages (not shown) of the new statement provide a detailed breakdown of your individual account, including allocation percentages. CB members' allocation is automatically 100% in the Cash Balance Fund 50, whereas DC and DCP statements will show the allocations chosen from the 13 funds offered.

Look your new statement over carefully. If you question any of the information contained, call NPERS. For those of you who use online account access, additional account information (such as number of shares held) can be found there. More improvements to the printed statement are planned for the coming year.

NEBRASKA PUBLIC EMPLOYEES
RETIREMENT SYSTEMS
P.O. Box 94816
Lincoln, NE 68509-4816

Sample Participant
123 Main Street
Any City, USA

Account Statement
October 1, 2008 to December 31, 2008

STATE OF NEBRASKA EMPLOYEES
RETIREMENT PLAN

Plan #002002

Current Value of Your Account: **\$115,062.64**

Date of Birth: January 14, 1972
Date of Hire: June 24, 1988
Date of Participation: September 1, 1998
Participant Status: Active

Vested Balance: \$115,062.64

After-Tax Contributions:

Your Account At-a-Glance	Statement Period 10/01/08 – 12/31/08	Year to Date 01/01/08 – 12/31/08
Beginning Balance		
Contributions	\$113,075.57	\$109,163.26
Member	348.06	1,055.26
Employer	542.97	1,646.21
Withdrawals		
Adjustments	-1.56	-12.60
Earnings	1,097.60	3,210.51
Ending Balance / Current Value	\$115,062.64	\$115,062.64
Dividend Amount (Amount is included in earnings above)	\$856.63	\$856.63

Who To Contact For Service

This statement was prepared by UNIFI Companies. If you have been employed less than three years and terminate employment, please verify your vesting status with NPERS. If you believe there is an error in your statement or you have any questions about this statement, please contact the Nebraska Public Employees Retirement Systems at 402-471-2053 (Lincoln) or 1-800-245-5712. Your account can be viewed at <http://retire.unificompanies.com>. Plan details are available at www.npers.ne.gov or in your plan booklet.

PIONEER Converted to NPRIS in 2009

Last summer NPERS notified members that our automated system called PIONEER is being upgraded into NPRIS (Nebraska Public Retirement Information System), which will use web-based technologies. NPRIS has taken 18 months to construct and will be completed in February 2009. When known, the exact conversion date will be posted on the NPERS website at www.npers.ne.gov.

Members and employers using the website will be glad to learn of its more secure approach to accessing data. For NPERS' employees, NPRIS will navigate more easily and use the same technology used by many of us in day to day activity on the internet.

Defined Contribution (DC) and Deferred Compensation Plan (DCP) members should note that during the conversion period, NPERS will be unable to complete any fund allocation changes for members. During this time, members with online account access may make their own changes through the Ameritas website.

As we progress toward the conversion date, more updates to members and employers may be found at www.npers.ne.gov.

DCP Announcements

Increases in contribution limits for the voluntary **Deferred Compensation Plan (DCP)** for State of Nebraska employees, a §457 plan under IRS code, have been announced by the IRS as part of its annual cost-of-living adjustments for the 2009 tax year. The DCP Enrollment and Change Forms have been updated and are available at www.npers.ne.gov under "Forms."

Due to state agencies' change to bi-weekly payroll, NPERS will need a new DCP Change Form from all current members. If you have not already done so, please submit a new, completed and signed DCP Change Form to your employer, who must make the payroll changes, sign the form and submit it to NPERS.

The new contribution *limit* for 2009 will be **\$16,500**. Regarding the 2009 contribution limits, \$25 per month is still the *minimum* amount a member may defer from salary and contribute to DCP pre-tax.

Using the "Age 50 Catch-Up Provisions," a member *age 50 or older* may contribute **up to an additional \$5,500** for a total of **\$22,000**. 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, so it cannot be started earlier than age 52. The Age 50 and the Three-Year Catch-Up Provisions may not be implemented simultaneously.

Remember, DCP is a long-term investment plan and not intended as a short-term savings account. All state employees are eligible to participate, as are any county employees whose employer doesn't offer a deferred compensation plan. If you'd like to join DCP, or have any questions, contact your employer or NPERS.

Department Profile Accounting



Front row, standing L to R: Linda, Sheryl, Liz.
Back row, standing L to R: Clint, Jason, Randy

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.

"Our area really works together," says Liz Pomajzl, which explains Accounting's team approach to their work. Everyone knows their job is crucial to the success of the department.

Open Enrollment Designations Do Not Apply to Your Retirement Account

As employees, we all recently went through open enrollment for our employee benefits to select vision, health, life and dental insurance, flexible spending accounts and income protection insurance. In making your 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 retirement account beneficiary designation for the **State Plan**, **County Plan** or **Deferred Compensation Plan** for State of Nebraska employees. *They are separate designations and are chosen through different processes.*

(Cont. on pg. 4)

Administrative Fees 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. NPERS strives to keep all fees charged to plan participants reasonable and affordable. Since annual ongoing expenses tend to fluctuate, 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.

The Public Employees Retirement Board (PERB) took action at their October 2008 meeting and the following changes went into effect on *November 1, 2008.*

The administrative expense fees for **State** Defined Contribution (DC) members increased from zero to **30** basis points, or .0030. As an example, the annual charge for a State DC member with an account balance of \$10,000 is now \$30 per year or \$7.50 per quarter.

Previously, administrative costs were met using the 156% State matching contributions forfeited by DC participants who terminated employment prior to vesting. Now that all new hires are participating in the Cash Balance benefit, there will be no new forfeiture dollars for the DC plan.

Fees for members of the voluntary **Deferred Compensation Plan (DCP)** for State of Nebraska Employees were *reduced* from 25 to **15** basis points.

Administrative fees for members of the **County** Defined Contribution (DC) remain unchanged at **35** basis points.

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

Going Crazy in a Crazy Market?

Whether you are in Nebraska's **Defined Contribution** or **457 Deferred Compensation Plan**, it has been a difficult and crazy time in the markets. It is painful to see any account lose value. It's painful to see the value of your home decline. It's especially painful when it's your Nebraska retirement account. 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 www.npers.ne.gov entitled "Holding Equities for the Long Term: Time versus Timing." If you have questions about the markets or your investment options, call **Sterling Financial Advisors**. We are under contract with Nebraska's Public Employees Retirement Systems to help you. Visit with us and we will try to help you make sense of a crazy world.

by **Mary H. Jochim**
Sterling Financial Advisors LLC
"A Registered Investment Advisor,"
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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 full social security number over the phone, you may use just the last four digits instead.

- ***NPERS does not provide or request personal information via e-mail:***

E-mail 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 e-mail asking for your personal information, so be suspicious of any such e-mail. 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 e-mail.

- ***NPERS works closely with Ameritas to protect your account information:***

NPERS has contracted with Ameritas of UNIFI Companies to maintain member records and provide online account access. Ameritas utilizes industry standard practices such as confidential member passwords, timed-out account sessions, firewalls and encrypted connections to protect your data, and works closely with NPERS to ensure the security of every member's information.

- ***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 done as a written, signed release provided to NPERS.

- ***You can help keep your personal information secure:***

Protect your password! Don't share it with anyone else and regularly 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.

Open Enrollment Designations *(Cont. from pg. 3)*

While you may choose the *same persons* (parents, spouse, children, etc.) to receive your benefits should something happen to you, *you must make your retirement account designations using NPERS' form*. The Beneficiary Designation Form is available on the NPERS' website 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 it 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. Please call NPERS if you have any questions.

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