

# RETIREMENT NEWS

Nebraska Public Employees Retirement Systems

STCO • October 2010

PROVIDING  
INFORMATION TO  
STATE AND COUNTY  
EMPLOYEES

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Nebraska Public Employees Retirement Systems

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# Have you registered for a seminar yet?

The 2010 NPERS State and County seminar season has begun and our first sessions are off to a good start. Sessions continue into November throughout the state and it's definitely not too late to register and take advantage of this educational benefit offered to **State** and **County** employees.

**Financial Management** seminars are available for plan members who are *under age 50*. **Retirement Planning** seminars are offered to members *age 50 and over*. Eligible **State** and **County** employees are entitled to receive *paid leave* to attend up to two Financial Management seminars prior to age 50, AND paid leave to attend up to two **Retirement Planning** seminars upon reaching age 50. This gives members a chance to attend a total of four seminars.

The **Retirement Planning** seminars provide a wealth of information regarding your benefit options. These seminars are designed to assist members who are approaching retirement make good, informed decisions. The **Financial Management** seminars are tailored to our younger members and focus less on the **State** and **County** retirement plans and

more on the *Complete Financial Management Workshop*. This workshop is presented by a licensed financial planner and covers a wide variety of topics designed to help attendees manage their assets.

Enrollment/Registration forms were mailed August 3rd to all eligible **State** and **County** employees. If you have lost or misplaced this mailing, don't sweat it... the form is also available on the NPERS website on the **State** and **County** seminar page. You can fill out and print the registration form, then mail to our office with the required payment to reserve a spot in the desired session. If you do not have access to the internet, contact our office at 1-800-245-5712 and we can mail a new registration form to your home.

The cost to attend is \$20 for eligible members. When possible, please register in advance as there are space limitations. You may bring a spouse or one guest for an additional \$20. Non-Members or additional guests are welcome to attend at the higher rate of \$30. Please refer to the related seminar schedule posted in this newsletter for the 2010 dates and locations.

FOR STATE/COUNTY EMPLOYEES UNDER AGE 50:		FOR STATE/COUNTY EMPLOYEES AGE 50 OR OVER:	
<p><b>LINCOLN</b> SECC Continuing Education Center 301 S. 68th St. Pl. October 27</p>	<p><b>NORTH PLATTE</b> Holiday Inn Express 300 Holiday Frontage October 13</p>	<p><b>LINCOLN</b> SECC Continuing Education Center 301 S. 68th St. Pl. October 28 November 17 November 18</p>	<p><b>OMAHA</b> Ed. Service Unit (ESU) #3 6949 S. 110th (La Vista) October 7 November 10</p>
<p><b>GRAND ISLAND</b> Holiday Inn—Midtown, 2503 S. Locust November 3</p>	<p><b>NORFOLK</b> NECC—Lifelong Learning Center 801 E. Benjamin October 20</p>	<p><b>GRAND ISLAND</b> Holiday Inn—Midtown, 2503 S. Locust November 4</p>	<p><b>NORTH PLATTE</b> Holiday Inn Express 300 Holiday Frontage Rd. October 14</p>
<p><b>OMAHA</b> Ed. Service Unit (ESU) #3 6949 S. 110th (La Vista) October 6</p>			<p><b>NORFOLK</b> NECC Lifelong Learning Center, 801 E. Benjamin October 21</p>

# Free Credit Report?

When applying for a loan, mortgage, or credit card, your credit history is a major factor in the approval process. Your credit report will not only help determine eligibility, but also affect interest rates and terms of repayment. Approval and terms for mortgages, auto loans, credit cards, and even student loans are based on the risk associated with the applicant. Individuals with positive credit reports are often offered

lower interest rates, potentially saving thousands of dollars in interest. Credit reports can even impact applying for employment. Some employers go as far as checking credit reports before making an offer to prospective candidates. It's clear that creating and maintaining a solid credit ranking is in your best interest, but how does one go about reviewing their credit history?

By law, you are entitled to one free credit report every 12 months from each of



the nationwide consumer credit reporting companies – Equifax, Experian, and TransUnion. This means you can get up to three free reports each year, one from each company.

You've probably seen the TV spots for FreeCreditReport.com. You know, the commercials with the band playing the catchy little jingles. Be aware this is *not* the website that offers free credit reports in conjunction with the above law. When you order a credit report from FreeCreditReport.com, you initiate membership in an automatic monthly credit monitoring service. If you don't cancel membership within 7 days, you will be billed for each month you continue membership.

The website to visit for a free annual credit report is AnnualCreditReport.com. This is the official website established to help consumers obtain a free annual credit report. It al-

lows you to request a report once every 12 months from each of the three credit reporting agencies listed above. The downside is that it doesn't provide you with access to your credit *score*. For that, you'll either have to pay or use one of the "free" trials.

Many financial experts recommend checking your credit history *at least* once every year to confirm your identity has not been compromised. For some consumers an annual review may be adequate, but there may be times when a random credit inquiry is in order.

Perhaps you have decided to make a major credit based purchase like a new car or home. The last thing you want is a blip on your credit report that will deny your application. Generally it is a good idea to check your report far enough in advance to allow enough time to dispute any discrepancies that may derail your plans.

Always check if you suspect your identity has been stolen. If you start receiving correspondence or calls regarding purchases you did not make or accounts you didn't open, then immediately request a credit report. If you discover unauthorized accounts, promptly report this to the three credit reporting agencies listed above.

If you have been denied a loan or credit card, you are entitled to a free copy of your credit report. Upon receipt, review your credit history for any inaccurate information. If you find an error, you will need to file a dispute with the credit reporting agency.

***To file a dispute, you must notify both the credit reporting company and the person or company that has provided the incorrect information about you. The Federal Trade Commission website ([www.ftc.gov](http://www.ftc.gov)) outlines the process involved.***

## Step One

Tell the credit reporting company, in writing, what information you think is inaccurate. Include copies (NOT originals) of documents that support your position. In addition to providing your complete name and address, your letter should clearly identify each item in your report you dispute, **State** the facts and explain why you dispute the information, and request that it be removed or corrected. You may want to enclose a copy of your report with the items in question circled. Send your letter by certified mail, "return receipt requested," so you can document what the credit reporting company received. Keep copies of your dispute letter and enclosures.

Credit reporting companies must investigate the items in question — usually within 30 days — unless they consider your dispute frivolous. They also must forward all the relevant data you provide about the inaccuracy to the organization that provided the information. After the information provider receives notice of a dispute from

the credit reporting company, it must investigate, review the relevant information, and report the results back to the credit reporting company. If the information provider finds the disputed information is inaccurate, it must notify all three nationwide credit reporting companies so they can correct the information in your file.

When the investigation is complete, the credit reporting company must give you the results in writing and a free copy of your report if the dispute results in a change. This free report does not count as your annual free report. If an item is changed or deleted, the credit reporting company cannot put the disputed information back in your file unless the information provider verifies that it is accurate and complete. The credit reporting company also must send you written notice that includes the name, address, and phone number of the information provider.

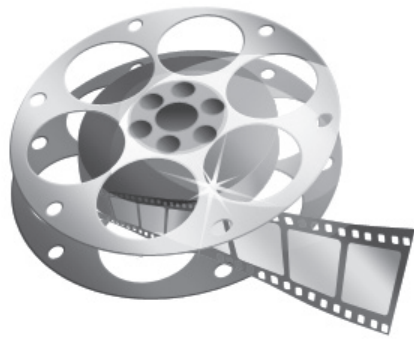
If you ask, the credit reporting company must send notices of any corrections to anyone who received your report in the past six months. You can have a corrected copy of

your report sent to anyone who received a copy during the past two years for employment purposes.

If an investigation doesn't resolve your dispute with the credit reporting company, you can ask that a **Statement** of the dispute be included in your file and in future reports. You also can ask the credit reporting company to provide your **Statement** to anyone who received a copy of your report in the recent past. You can expect to pay a fee for this service.

## Step Two

Tell the creditor or other information provider, in writing, that you dispute an item. Be sure to include copies (NOT originals) of documents that support your position. Many providers specify an address for disputes. If the provider reports the item to a credit reporting company, it must include a notice of your dispute. And if you are correct — that is, if the information is found to be inaccurate — the information provider may not report it again.



# View the All New Investment Education Video

Individuals participating in the **State** and **County** Defined Contribution and the voluntary **State** Deferred Compensation plans are responsible for making their own investment choices. Making good investment decisions is critical in building an adequate nest egg for retirement. The 13 different investment options in our plans do not provide a guaranteed minimum rate of return and member accounts may increase or decrease depending on the investment options selected.

Unfortunately the average “amateur” investor often doesn’t always do a very good job of making sound investment decisions. During the 20 year time period ending 12/31/2009, the professionally managed investments made for the Nebraska Defined Benefit plans (School, Judges & Patrol) averaged a 7.9% rate of return. In comparison, the average return for “amateur” investors (nationwide) was approximately 2.3%\*. Over the lifetime of the average investor, these lower rates will result in significantly lower returns and may create financial hardships during retirement.

Some “amateur” investors are able to obtain higher returns than the national average. Plan members who take the time to educate themselves on the basic principles of sound investing and the 13 investment options offered to them have a much better chance of making good investment decisions and realizing greater returns over time.

In an effort to help our members make informed investment decisions, NPERS offers an Investment Education video which has just been updated for 2010. This video covers the 13 available investment options and provides an outline on the basics of investing. Our new video is offered online using the Flash format which provides faster streaming and higher quality than earlier versions. Members who do not have internet access may contact our office to “check out” this video in a DVD format.

\* Source: Dalbar, J.P. Morgan Asset Management.



## Visit the NPERS website!

- Access your account information online!
- Use the Benefit Estimator to determine monthly annuity amounts!
- Keep up to date on legislation affecting retirement!
- Get information on NPERS seminars!
- Download forms, seminar registrations, investment reports and plan handbooks!

[npers.ne.gov](http://npers.ne.gov)


# 2010 Cash Balance Returns

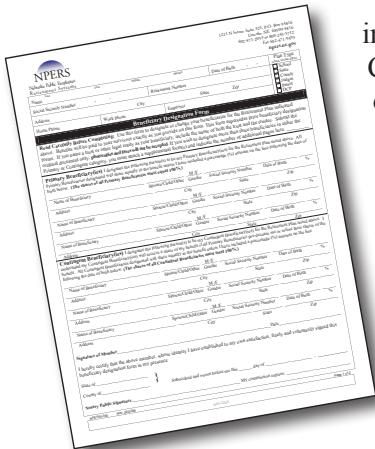
The interest credit rate (rate of return) for participants in the **Cash Balance** plan is defined in statute as the greater of 5% or the applicable federal mid-term rate plus 1.5%. When the federal mid-term rate falls below 3.5%, participants in Cash Balance are guaranteed to receive a 5% return on their accounts. The interest credit rate is determined each calendar quarter (January, April, July and October) based on the federal mid-term rate published by the Internal Revenue Service as of the first day of that quarter.

For the month of October 2010, the published federal mid-term rate is 1.73%. In light of this, the rate of return for Cash Balance participants will remain at the guaranteed rate of 5%. This is the same rate of return issued the previous three quarters of 2010. Therefore, the 2010 average rate of return for Cash Balance participants will be 5%.

Each quarter NPERS publishes the Cash Balance rates of return on our website. Go to our home page at [npers.ne.gov](http://npers.ne.gov) and look for the “NPERS News” section. Click on the link titled “Cash Balance Rates of Return & Dividends.” This page will display the historical returns for Cash Balance since the plan’s inception in 2003, and list any dividends issued in prior years.

# State DCP Beneficiary Designation

  
Nebraska Public Employees  
Retirement Systems  
P.O. Box 94816  
Lincoln, NE 68509  
85-28-51  
402-471-2053  
800-245-5712  
npers.ne.gov



Are you participating in the voluntary Deferred Compensation Plan (DCP) offered to **State** employees? If you are, good for you! This tax-deferred retirement plan is an excellent way to save additional funds for retirement. **State** employees may enroll at any time by submitting a DCP Enrollment form to their *agency payroll*

*department*, but there is one additional document that also needs to be completed, a Beneficiary Designation form.

The beneficiary form submitted for the State and County retirement plans does not automatically apply to the voluntary DCP account. **State** plan members can designate the same beneficiaries for DCP and their mandatory plan, but must fill out a new beneficiary form when enrolling in DCP. In the upper right corner of the Beneficiary Designation form there are six small boxes. To designate the same beneficiaries, a **State** member will need to check BOTH the “State” and “DCP” boxes. If a member wishes to name different beneficiaries, they can do so by filling out and submitting separate forms for each plan.

**“ The beneficiary form submitted for the State and County retirement plan does not automatically apply to the voluntary DCP account.**

DCP participants who fail to designate beneficiaries will have death benefits paid to their estate which may create tax issues for their survivors. Questions regarding taxation of death benefits should be directed to an estate planning attorney or other tax professional.

As a reminder, the DCP enrollment form must be submitted to the agency payroll department. Beneficiary forms can be mailed directly to NPERS or submitted to your agency payroll department.



## Fees Reduced for State Defined Contribution

In the July edition of *Retirement News*, **County Defined Contribution** plan members were notified of a reduction in their *administrative fees*. NPERS is now pleased to announce the Public Employees Retirement Board (PERB) has recently approved the reduction of administrative fees for members participating in the **State Defined Contribution** plan.

Effective July 25th, the current fee of 5 basis points was reduced to zero basis points. For a \$10,000 account, this would translate from a \$5 annual fee to no annual administrative fee. These fees are subject to change over time.

### ARE YOU UP TO DATE?

**Make sure your employer has an accurate record of your contact information. NPERS account statements, newsletters, and mailings are sent to the address on file with your employer.**