

RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | APRIL 2022

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Early Bird Catches the... Compound Interest?



Plain and simple, the earlier you begin saving and planning for your retirement the more secure and abundant that time will be. NPERS realizes that understanding your retirement plan, strategizing, and investing early can be the keys that unlock a comfortable retirement. We want to put those keys directly in your hands, so we provide a comprehensive financial education curriculum.

With the passage of LB 700 in the legislature, some of the requirements of the education program developed by NPERS will also change. The most significant change is the elimination of the Under Age 50, or Financial Management Seminar, from our Fall Seminar line-up.

The previous focus of this program had been on the investing aspects of our plan which were for our Defined Contribution benefit members. However, as time has moved on and a majority of members are now in the Cash Balance benefit plan, the investments of which are done by the Nebraska Investment Council, we have seen the program become less utilized. The Nebraska Legislature agreed, passing legislation that opened our Preretirement Education options by eliminating the age associated with the seminars. State and County plan members of all ages can access the Pre-retirement program, either in-person or via our webinar offerings, using up to three days of retirement education leave throughout their careers.

The discontinuation of the Financial Management program, which has seen significant drops in attendance each year, allows the education curriculum to adapt and better suit members of all ages.

"If only I had known about this when I started!"

One of the pieces of feedback we hear most often at our retirement seminars is that people wished they had known the information sooner. Attending a Pre-retirement education event can give you valuable financial knowledge that will help you to make educated, long-term decisions regarding your money, that can put you on solid ground for a secure retirement in the future.

This means we need you, the reader's, help and support. If you've been to a seminar and considered it rewarding, mention that to employees at your work. When learning about retirement finance, starting early will pay "dividends" (pun very much intended) when it comes to retirement. Make the difference in someone else's future, encourage people around you to engage with the programs and materials NPERS offers to help them build a great future!

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Don't Panic!

How to achieve a sense of calm and confidence about your retirement in three easy to follow steps.

Let's face it, there are factors everywhere causing major stress headaches that even a nice cup of hot tea won't cure. However, there are things we can do now to help ease the knots in our necks and stop our hand-wringing over financial worries.

Step 1 – Have an emergency fund

Nowadays, lots of things can cause worry about present and future finances. One of the best ways to alleviate some of the stress and worry is to have an emergency fund that contains between 3 and 6 months' worth of living expenses. Such a fund allows you to better adapt to life's crazy twists and turns, and keeps you from taking on debt, or dipping into retirement savings, should the unexpected happen.

Experts say putting your emergency funds in a separate account, or even a different bank, will help remind you it is for emergencies only. Your emergency fund buys peace of mind, which is priceless.

Step 2 - Make a plan

Something else that can inspire confidence and enhance calm is to have a complete, and well thought out financial plan. Educate yourself about retirement investing. Learn the history and performance of available funds. Determine your personal investment strategy. Ask specific questions, such as:

- What do I know about my pension plan?
- What do I want to know?
- Where can I get this information?
- What investment opportunities do I have other than my pension plan (i.e., traditional or ROTH IRA accounts, 457 plans, etc.)?
- How much risk am I comfortable accepting?
- When do I want to retire?
- What is my debt-to-income ratio?

These questions clear up your current financial picture as it stands today. From there, you can decide where you want to be in the future, and better plan on how to get to your long-term destination.

Step 3 - Stick to it

Unpredictable markets are always a concern. That being said, well-educated, long-term investing focused on long-term returns, growth, and general capital preservation (as we near retirement), helps you see where you can be in the future, and invokes a sense of calm and purpose that should stave off panic.

The Sky Is The "Limit"

with the Deferred Compensation Plan

2022 maximum contribution limits have been announced by the IRS for 457 Deferred Compensation (DCP) retirement plans. The standard yearly maximum contribution has been increased from \$19,500 to **\$20,500**. Individuals age 50 or older may contribute an additional \$6,500 using the Age 50 Catch-up provision, increasing their total limit to **\$27,000**.

The contribution limit for DCP is considerably higher than the currently yearly contribution limit for either a traditional IRA or Roth IRA, which is \$6,000 if you are under 50 or \$7,000 if you are 50 or older.

State Plan members who would like to participate or are currently participating in the DCP can access the enrollment or make changes to their DCP contributions using the Workday system.

2022 Limits for Deferred Compensation Plan

Tax Year	If you are Under Age 50	If you Qualify for the Age 50 Catch-Up
2022	\$20,500	\$27,000

Certain Counties and Health Districts also participate in the State DCP plan. They are Hall, Dodge, Gage, Greeley, Johnson, Lincoln, McPherson, York, Elkhorn Logan Valley Public Health Department, Northeast Nebraska Public Health Department, and Southwest Public Health Department. Members from these counties or health districts, members wishing to enroll or make changes should contact their HR/payroll representative or may access from on our website [NPERS.NE.GOV](https://www.npers.ne.gov)

Getting “Invested” in Your Retirement

If you are a member of our Defined Contribution (DC), Deferred Compensation Plan (DCP) or Deferred Retirement Option Plan (DROP) you may be aware that your account will **increase or decrease** in value depending on the investment options selected and market performance. This makes educating yourself about your investment fund options vital to determining how best to address your personal risk tolerance, age, and investment goals.

Members who take the time to educate themselves on the basic principles of investing and the investment options, have a much better chance of avoiding the mistakes often made by amateur investors.

NPERS cannot provide individual investment advice, but we do offer a variety of investment tools to help participants make their own investment decisions. We encourage you to begin this journey with a visit to the [Investment Info](#) page on the NPERS website. This page is designed as a one-stop access to all the various retirement and financial planning educational materials created by NPERS.

What’s NEW?

Videos available on the [NPERS.NE.GOV](#) website:

[The Investment Education Video with Mike Morey \(Certified](#)

[Financial Planner](#)) – This video covers investing basic and the specific funds offered to our DC, DCP, and DROP plan members currently.

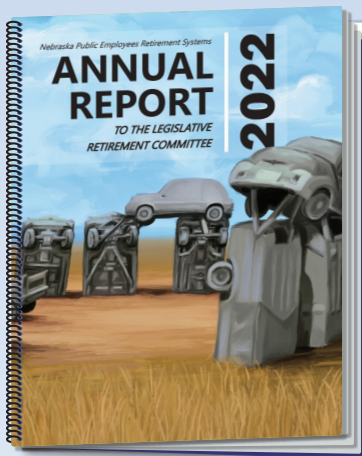
[Allocating or Transferring Funds Using the Ameritas Website Video](#) – Step-by-step instructions on how to make transfers and update allocations quickly and easily.

[NPERS Financial Planning Seminar with Mike Morey](#) – How to get started early on your path to smart investing and retirement finance, geared toward beginners!

Also available now: the Annual Investment Report 2021, common Investment forms, and a walkthrough of how to use the Ameritas website via mobile devices!

Making Investment Changes

The quickest way to make investment changes is via the Ameritas Online account access. There is a quick 12-minute video to walk you through how to do this. Investment allocations and transfers made using the Ameritas Online access are automatically processed at the end of the market day. In addition, the online access provides a wealth of information on your account, including investment performance for specific time frames using the Online Statements link found in the Plan Documents drop down.



2022 Annual Report to the Legislature

Now Available on [NPERS.NE.GOV](#)

2021 FOURTH QUARTER INVESTMENT RATE OF RETURN

16.4% for **Cash Balance**

\$20.9 Billion
in Assets

CONTRIBUTED BY

Employees,
Employers,
the State,
& Investment
Earnings



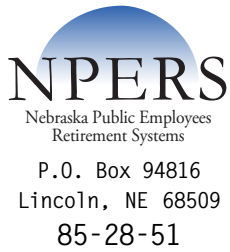
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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

RETIREMENT NEWS

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CASH BALANCE RATE

For the quarter beginning April 1st, 2022, the rate of return for Cash Balance participants is 5%.

The current and historical Cash Balance rates of return are available via the “Cash Balance Rates of Return & Dividends” link on our website.