

Retiree Update

Nebraska Retirement Systems

December 2001

COLA Set at 2.5%

Did you notice a cost of living adjustment (COLA) in your benefit check this year? LB674, passed in 1999, granted a COLA increase for retirees of the **School, Judges and State Patrol plans** who have received benefits at least one full year. This increase is based on the consumer price index (CPI) and capped at a maximum percentage. Last year the COLA was capped at 2%, but on May 2, 2001, Governor Johanns signed LB711. This law raises the COLA percentage to either a 2.5% cap, or the increase in the CPI, whichever is less. Late in July the Department of Labor revealed a 3.2% increase in the CPI for the year ending June 30, 2001. As a result, the majority of school, judges and state patrol retirees saw a 2.5% increase in their July benefits.

A few retirees saw larger increases. LB674 also sets a minimum or "floor" to a retiree's purchasing power. For the **School and Judges plans**, the floor is 75% of the purchasing power of the initial benefit. For the **State Patrol plan**, the floor is 60% of the initial benefit. If your retirement benefit eroded to an amount below the minimum floor purchasing power, your benefit adjustment reflected the amount necessary to return to the minimum purchasing power.

Correspondence was issued from the Retirement Office to all affected retirees at the end of July 2001. If you were eligible for the COLA increase, this letter explained the percentage and actual dollar amount of your increase. If you have questions about the COLA, please contact the Retirement Office.

2002 Benefit Payment Schedule

If you have your monthly payment deposited directly with your bank, the following is a month by month schedule of the date payment will be made to the bank in the year 2002:

January 31	July 31
February 28	August 30
March 29	September 30
April 30	October 31
May 31	November 29
June 28	December 31

For those of you who receive your check by mail, your payment will be mailed by the last business day of the month.

1099-R Tax Statements Coming Soon

Watch your mail in mid to late January for an envelope marked **Important Tax Return Document Enclosed**, which will include benefit information to be filed with your 2001 income tax returns.

Questions about individual tax liability should be directed to your accountant, the Internal Revenue Service or your state Department of Revenue.

Review Your Tax Withholding

Once each year federal law requires our office to remind you, as a benefit recipient, of your ongoing right to start, stop or change the tax withholding from your retirement benefit.

You are not required to have income tax withheld from your monthly benefit. However, if your estimated tax payments or withholding amounts fall short of your tax liability, the Internal Revenue Service may assess interest or penalty charges. **No action is necessary if your present tax authorization still fits your needs.**

If you want to make a change, you may complete the "request form" below to obtain withholding forms and instructions from our office. If you have questions, please call our toll-free number at 1-800-245-5712 or 471-2053 for those of you in the Lincoln area.

Notice: The federal income tax withholding tables for 2002 have changed. Therefore, if you have withholding based on the tax tables - your net payment may change beginning with your January payment. ☐

Address Change/Request Form

To notify our office of a change of address OR to request a form, you may call our office or use the form below.

Please print information below.

Check here if this is a change of address.

Account Number (shown on address label)

Social Security Number

Name

Address

City, State, Zip

If you need additional information, please check the appropriate box(es) below:

- Federal Tax Withholding Form W-4P
- Nebraska State Tax Withholding Form
- Direct Deposit Agreement
- Beneficiary Designation Form
- Other _____

Signature _____

How to Boost Your Brain Power

Do you sometimes feel as if your brain is on “empty?” Here’s how to keep it in shape so you can pump up your problem-solving abilities, fight forgetfulness and think more clearly and creatively:

Practice mentally. Studies of athletes indicate that imagining a tennis serve or ski run between competitions can boost performance. Possible reason: Mental rehearsals use most of the brain connections switched on during the real thing, so they help build mental muscle.

Capture creative peaks. Experts believe the brain to be in a highly creative state just before going to sleep and right after waking up. Action: Use these times to think about solutions to problems and jot down any ideas that come to you.

Focus your attention. To help remember “where”: If you tend to misplace your car keys, for example, say to yourself, “I’m placing my keys on the shelf by the hallway mirror.” To help remember “when”: Note the weather, the day’s headline news or what you’re wearing at the time of performing a task.

Use it or lose it. Research suggests that as you age, you can reverse a decline in thinking abilities by becoming more mentally active. Smart moves: Learn a new language, study a new subject, play games like checkers and do crosswords and other puzzles.

Keep fit. Evidence shows that people in their 70s and 80s who stay healthy can expand their brain power – and easily match the mental abilities of a 30-year-old. Keep physically active, manage stress and maintain a positive attitude.

More mental muscle builders: Read more... eat foods rich in brain-boosting beta carotene (like apricots, carrots, papayas and sweet potatoes)... use rhymes and acronyms to help remember facts and names.

From *Top Health Wellness Newsletter*.

“Start living now. Stop saving the good china for that special occasion. Stop withholding your love until that special person materializes. Every day you are alive is a special occasion.

Every minute, every breath, is a gift from God.”

~ Mary Manin Morrissey

Direct Deposit – It’s Money in the Bank!

If sent through the mail, your benefit check takes one to four days to get to your mailbox. That’s 12-48 days a year your money could be in the bank earning interest...but isn’t. With direct deposit, your check is in your bank **instantly!**

Once you fill out and return a Direct Deposit form, you might earn enough extra interest to celebrate your good judgment! There are reasons why today’s retirees choose direct deposit:

It’s immediate. Your check is never delayed! Not by the mail, poor weather, illness, etc.

It’s safer. Direct deposit prevents any possibility of loss or theft.

It’s timely. Your check is credited to your account the last working day of each month.

It’s more economical. You won’t have to use postage or transportation to your bank.

It’s convenient. You can be living it up in Las Vegas while your benefit check is on its way to the bank!

Use the form on page one to request a Direct Deposit Agreement or contact the Retirement Office for details.

Seasons Greetings

RETIREE UPDATE

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Nebraska Retirement Systems

1221 N Street, Suite 325

P.O. Box 94816

Lincoln, NE 68509-4816

Telephone: 402-471-2053

or toll-free: 1-800-245-5712

Director: Anna Sullivan

Editor: Jan Fox

Asst. Editor: Pam Williamson

Address Service Requested

Nebraska Retirement Systems
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