

# Retiree Update

Nebraska Public Employees Retirement Systems

January 2011

PROVIDING  
INFORMATION TO  
RETIRES OF THE  
SCHOOL, JUDGES,  
AND STATE PATROL  
PLANS

## 2011 BENEFIT PAYMENT SCHEDULE

January 31

February 28

March 31

April 29

May 31

June 30

July 29

August 31

September 30

October 31

November 30

December 30

### NOTE

If you use Direct Deposit and change banks or bank accounts after the 7th of any month, your payment may be delayed.

## New Overseas Direct Deposit Rules

There have been recent changes to the Automated Clearing House (ACH) payment system rules for direct deposit of payments. If you have your payment sent direct deposit to a bank located in the United States, and then have the entire payment amount forwarded to a bank in another country, please advise the Nebraska State Treasurer's Office via email to [nst.tmstaff@nebraska.gov](mailto:nst.tmstaff@nebraska.gov), or call NPERS to discuss. There are new formatting requirements for these transactions that the State of Nebraska needs to follow in order to be compliant with the ACH Rules. These changes are required by the Office of Foreign Asset Control/NACHA to prevent the ACH payment network from being used to fund terrorist activities.

## Do You Know Your Federal Tax Withholding?

The new year is a good time to remind you of your right to change, start or stop federal tax withholding from your monthly retirement benefit, which you can do at any time by filing a new Withholding Certificate for Pension or Annuity Payments. This form may be obtained from the "Forms" section of the NPERS website at [npers.ne.gov](http://npers.ne.gov) or by calling our office at the numbers below.

You are not required to have federal income tax withheld from your monthly benefit, however, the Internal Revenue Service (IRS) may assess interest or penalty charges if your estimated tax payments or withholding amounts fall short of your tax liability (certain restrictions apply if you have the 5-Year Designated Period Annuity).

If you are a Nebraska resident and you choose to have federal income tax withheld from your benefits, NPERS is required to withhold Nebraska taxes using the allowances and marital status you claimed for federal withholding. You may also elect additional amounts of withholding over and above the marital status and allowances you elected on your federal and/or state withholding; these amounts are not required to match. If you choose *not* to have federal tax withheld from your retirement benefit payment, you are not required to have Nebraska state income tax withheld. If you are *not* a Nebraska resident, NPERS is **not** required to withhold Nebraska taxes from your benefit payment.

No action is necessary if your present tax authorization for your monthly retirement benefit still fits your needs. If you have questions, please contact NPERS at 800-245-5712 or 402-471-2053. For tax *advice*, you should contact a tax professional about your individual situation.



## Address Change/Request Form

Please use this form to notify NPERS of any change to your address **OR** to request an NPERS form.

Social Security #  -  -

Retirement Number (If known)

Name

Address

City  State  Zip

Signature (A SIGNATURE IS REQUIRED FOR AN ADDRESS CHANGE.)

Check here if this is a change of address.

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

Withholding Certificate for Pension or Annuity Payments Form

Direct Deposit Agreement Form

Beneficiary Designation Form

Other

# Understanding Your 1099-R

VOID  CORRECTED

**BOX 1**  
Box 1 shows everything NPERS paid to you in 2010.

**BOX 2a**  
This is the amount that is taxable to you.

**BOX 4**  
This is the amount that was withheld for federal taxes.

**BOX 5**  
This is the amount that is not taxable.

**BOX 10**  
This is the amount that was withheld for state taxes.

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution \$ <b>1</b>	OMB No. 1545-0119 <b>2010</b> Form <b>1099-R</b>		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		2a Taxable amount \$ <b>2a</b>			
PAYER'S federal identification number		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>		Copy 1 For State, City, or Local Tax Department
RECIPIENT'S identification number		3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ <b>4</b>		
RECIPIENT'S name		5 Employee contributions / Designated Roth contributions or insurance premiums \$ <b>5</b>	6 Net unrealized appreciation in employer's securities \$		
Street address (including apt. no.)		7 Distribution code(s) IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other \$ %		
City, state, and ZIP code		9a Your percentage of total distribution %	9b Total employee contributions \$		
1st year of desig. Roth contrib.		10 State tax withheld \$ <b>10</b>	11 State/Payer's state no.		
Account number (see instructions)		13 Local tax withheld \$	14 Name of locality		
		12 State distribution \$	15 Local distribution \$		

Form **1099-R**

Department of the Treasury - Internal Revenue Service

**NOTE:** Box 1 - Box 2a = Box 5

## Watch Your Mail for Form 1099-R

NPERS will mail your IRS Form 1099-R tax statement by the end of January 2011. **Make sure NPERS has your current address** so you receive your 1099-R in a timely fashion.

The information on Form 1099-R should be used to file your 2010 federal and state tax returns. Your 1099-R will show the gross amount of benefits you received from NPERS in 2010. This form will also indicate the federal income tax which was withheld from your benefit payments and, for most people, the taxable portion of your benefit.

You should direct questions about individual tax liability to your accountant or tax professional, the Internal Revenue Service or your state Department of Revenue.

## Checking Your Credit History

Many financial experts recommend checking your credit history at least once every year to confirm your identity has not been compromised. 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. You've probably seen the TV spots for FreeCreditReport.com. Be aware this is not the website that offers free credit reports in conjunction with the above law.

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 allows 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.

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

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Nebraska Public Employees Retirement Systems

**NPERS**

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