

Retiree UPDATE

PROVIDING INFORMATION TO RETIREES OF NEBRASKA'S SCHOOL, JUDGES, AND STATE PATROL RETIREMENT PLANS

A Reminder About Annuity Tax Withholding

Each year NPERS is required to notify retirees of your right to change, start or stop federal tax withholding from your monthly retirement benefit. You can do so at any time by filing a new Withholding Certificate for Annuity Payments. This form may be obtained from the "Forms" section of the NPERS website at 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.

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.



During the 2012 legislative session, one bill impacting Nebraska retirement plan benefits was passed. LB 916 allows retirement benefits to be awarded by a court to victims of specific crimes committed by a plan member.

Benefits can be awarded when a plan member is convicted of or pleads no contest to a felony defined as assault, sexual assault, kidnapping, child abuse, false imprisonment, or theft by embezzlement and is subsequently found liable for civil damages.

Benefits may be awarded following a retirement distribution to a member and the bill exempts any benefit or annuity payments "reasonably necessary for the support of the employee or any of his or her beneficiaries."

Stay In Touch with NPERS

ONLINE

- Read Our Newsletters
- Download Forms
- Follow Retirement Board News
- Track Legislation that Affects Your Retirement
- Access Your Account

2013 BENEFIT PAYMENT SCHEDULE

JANUARY 31	JULY 31
FEBRUARY 28	AUGUST 30
MARCH 29	SEPTEMBER 30
APRIL 30	OCTOBER 31
MAY 31	NOVEMBER 27
JUNE 28	DECEMBER 31

NOTE

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



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)

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 _____

Name _____

Address _____

City _____ State _____ Zip _____

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

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 12

This is the amount that was withheld for state taxes.

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution	OMB No. 1545-0119	
		\$ 1	2012	
		2a Taxable amount	Form 1099-R	
		\$ 2a	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S federal identification number	RECIPIENT'S identification number	2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	Copy 1 For State, City, or Local Tax Department
		3 Capital gain (included in box 2a)	4 Federal income tax withheld 4	
RECIPIENT'S name		5 Employee contributions / Designated Roth contributions or insurance premiums 5	6 Net unrealized appreciation in employer's securities	
Street address (including apt. no.)		7 Distribution code(s)	8 Other	
City, state, and ZIP code		9a Your percentage of total distribution %	9b Total employee contributions %	
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	12 State tax withheld 12	13 State/Payer's state no.	14 State distribution
\$		\$		\$
Account number (see instructions)		15 Local tax withheld	16 Name of locality	17 Local distribution
		\$		\$
		\$		\$

Form 1099-R

www.irs.gov/form1099r

Department of the Treasury - Internal Revenue Service

NOTE:

Box 1

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Box 2a

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Box 5

Watch Your Mail for Form 1099-R

NPERS will mail your IRS Form 1099-R tax statement by the end of January 2013. **Be sure NPERS has your current address** so you receive your 1099-R in a timely fashion.

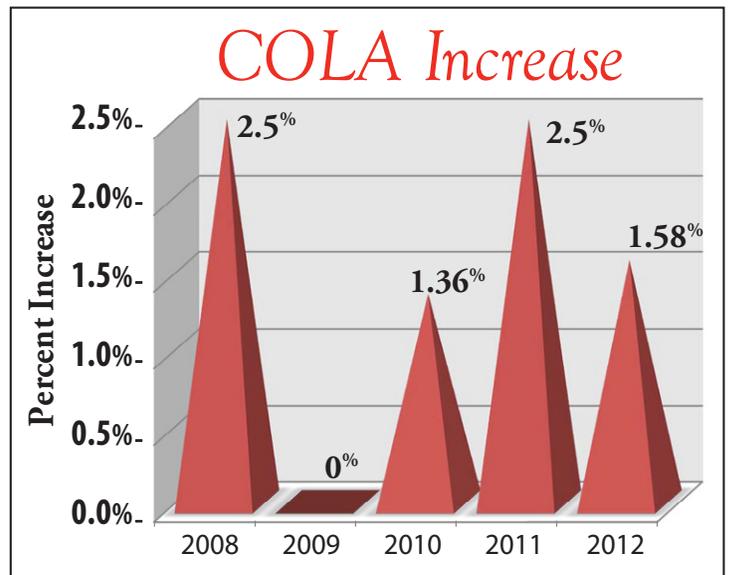
The information on Form 1099-R should be used to file your 2012 federal and state tax returns. Your 1099-R will show the gross benefits you received from NPERS in 2012. This form will also indicate the federal income tax which was withheld from your benefit payments and, for most people, the taxable portion of your benefit.

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

1.58% COLA for 2012

Did you notice an increase in your benefit check? School, Judges, and Patrol retirees who have received benefits at least one full fiscal year (July 1-June 30) were issued a cost of living adjustment (COLA) during 2012. The COLA is calculated using the consumer price index – capped at a maximum of 2.5% percent. For the year ending June 30, 2012, the CPI increase was 1.58%. As a result, School, Judges and State Patrol retirees received a 1.58% increase beginning with their July benefit.

NPERS issued correspondence to all affected retirees at the end of July 2012. If you were eligible for the COLA increase, this letter explained the type of COLA and actual dollar amount of your increase. If you have questions about the COLA, please contact NPERS.



npers.ne.gov

FAX: 402-471-9493

PH: 402-471-2053 TOLL FREE: 800-245-5712

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Nebaska Public Employees Retirement Systems

Retiree
JANUARY 2013
UPDATE

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85-28-51

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