

# Retiree UPDATE

JANUARY 2014

Nebraska Public Employees Retirement Systems

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

## 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 ([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.

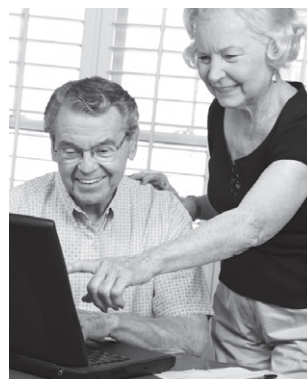
If you are a Nebraska resident and you choose to have federal income tax withheld from your benefits, NPERS is required to withhold Nebraska taxes using the allowances and marital status you claimed for federal withholding. You may also elect additional amounts of withholding over and above the marital 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.

## Online Access

ACCESS YOUR ACCOUNT THROUGH OUR WEBSITE

There are two separate and distinct options for online account access, NPERS and Ameritas. The *Ameritas* access is for State and County members, or Patrol members participating in DROP. *NPERS* online provides account access for School, Judge and Patrol members.



### RETIRED MEMBERS MAY:

- Change tax withholding on annuity payments.
- View annuity payment information.
- View and print annual tax statements (1099R).
- Change email addresses.
- Review beneficiary information (see note below).

**NOTE:** Beneficiary information may not display for individuals who have beneficiary forms on file that are more than ten years old. These forms are still valid but not yet entered into our computer system. If you wish to enable online review, please submit a new beneficiary form to our office. Currently, the only method to change beneficiaries is via submission of the completed, signed, and notarized form.

To create a new NPERS online account, visit our website at [NPERS.ne.gov](http://NPERS.ne.gov) and click on the "Create Your Account" button found at the top left of our home page.

## 2014 BENEFIT PAYMENT SCHEDULE

JANUARY 31	APRIL 30	JULY 31	OCTOBER 31
FEBRUARY 28	MAY 30	AUGUST 29	NOVEMBER 26
MARCH 31	JUNE 30	SEPTEMBER 30	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.

# What Do You Do?



*During retirement, some individuals may struggle to find ways to fill their newfound “free time.” Often their pre-retirement planning revolved around financial issues and little thought was given to what they would do during their retirement years. Building that nest egg is important, but don’t overlook the need to also begin planning on how you will fill those extra hours.*

*All retirees are different. An activity that may be a great choice for one could be a poor choice for another. Still, be cautious to dismiss something, especially if it’s an activity you’ve never done before. Your retirement years are a great time to branch out and try new things. Don’t limit your horizons!*

## TRAVEL

Travel consistently ranks near the top of activities for most retirees. This can include shorter trips spent visiting family and reconnecting with old friends or longer jaunts to foreign locales. Before you leave, do your research. Pick out some sites and places you want to visit. When traveling abroad, make an attempt to experience the culture. Try new foods and interact with the locals. Learn some of their language. You don’t need to be fluent, but at the very least make an attempt to master some common phrases.

## VOLUNTEER

Pick a charity or organization and offer your services. You have a wealth of knowledge and experience to share. Even if you have physical limitations you might be able to visit residents of a nursing home, hospital, or long-term care facility; or perhaps read to children at a nearby library. This is a great way to give something back to your community and gain a sense of accomplishment.

## LEARN

Your brain, just like your body, needs to be exercised. Challenge yourself to expand your range of knowledge and skills. Learn a new language. Begin playing a new musical instrument. Not only will you experience personal growth, but also make new friends and help ward off certain age related diseases of the mind. Perhaps you are uncomfortable with the idea of sitting in a classroom with much

younger students. Many colleges and universities offer programs specifically designed for older adults and retirees. In Lincoln, the Osher Lifelong Learning Institute (OLLI) at the University of Nebraska-Lincoln offers “lifelong learners” age 50 and older multiple classes on topics ranging from genealogy, beginning guitar, yoga, and DNA Analysis.

## HOBBIES

Your retirement is a wonderful time to pick up some new pastimes. Hobbies can provide physical activity and help develop new skills. Hobbies also give retirees a chance to form new friendships.

## JOIN

There are many clubs and organizations looking for new members. Clubs range from organizations that are devoted to a specific hobby or interest to clubs that cater to specific age groups or genders. Join a club that provides a chance to meet new people with interests common to your own. Make sure the club provides meetings or events that will allow you to interact with other members.

## WORK

Aside from the obvious economic factor, work can offer retirees many positive benefits. Work can give a sense of accomplishment and self worth. It can provide a boost to your social life and even have health benefits. Review your interests and passions when considering possible employment options. If you love camping or fishing, then consider

working at a sporting goods store or as a fishing guide. Is art or history a passion? Then a job at a museum or art gallery may be a great fit. Working can also be for *yourself*. Do you have any home improvement ideas that have been put off over the years? Maybe now is the time to add that Koi pond to the backyard. What about finally buying and restoring that ‘71 Mustang you’ve always wanted?

## EXERCISE/HEALTH

Don’t be a couch potato during retirement. An overly sedentary lifestyle and/or poor diet can have serious health and mental consequences. Avoid processed or packaged foods. Focus on fresh fruit, vegetables, lean meats and whole grains. Exercise can help keep off the pounds and also improve cardiovascular functions, ward off diabetes, enhance mental health, and increase your overall quality of life. There are many options for exercise—even if you are unable to engage in the more “extreme” physical activities. Find an exercise that works for you and stick with it. Many retirees enjoy swimming, aerobics, biking or simply walking. Be sure to first check with your doctor to ensure the exercise program you have selected is appropriate.

## RELAX

Lastly, make sure you spend some time simply relaxing. Relaxation can provide both mental and physical benefits. Relaxing options can include yoga, meditation, or massage. Devote time to yourself and enjoy your retirement.

# Address Change/Request Form

Please use this form to notify NPERS when you change your mailing 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



## Watch Your Mail for Form 1099-R

NPERS will mail your IRS Form 1099-R tax statement by the end of January 2014. **Be sure NPERS has your current address** so you receive your 1099-R in a timely fashion. Please use the form above to notify NPERS if you have changed your mailing address.

The information on Form 1099-R should be used to file your 2013 federal and state tax returns. Your 1099-R will

show the gross benefits you received from NPERS in 2013. 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.

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

## Understanding Your 1099-R

CORRECTED (if checked)

**BOX 1**  
Box 1 shows everything NPERS paid to you in 2013.

**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 or town, province or state, country, and ZIP or foreign postal code		1 Gross distribution \$ <b>1</b>	OMB No. 1545-0119 <b>2013</b> Form <b>1099-R</b>	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>  <b>Copy B</b> <b>Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.</b>  This information is being furnished to the Internal Revenue Service.
PAYER'S federal identification number		2a Taxable amount \$ <b>2a</b>	2b Taxable amount not determined <input type="checkbox"/>	
RECIPIENT'S identification number	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ <b>4</b>	6 Net unrealized appreciation in employer's securities \$	
RECIPIENT'S name	5 Employee contributions / Designated Roth contributions or insurance premiums \$ <b>5</b>	7 Distribution code(s)	8 Other \$ %	
Street address (including apt. no.)	9a Your percentage of total distribution %	9b Total employee contributions \$	10 Amount allocable to IRR within 5 years \$	
City or town, province or state, country, and ZIP or foreign postal code	11 1st year of desig. Roth contrib. \$	12 State tax withheld \$ <b>12</b>	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**

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*Nebraska Public Employees Retirement Systems*

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STATE PATROL RETIREMENT PLANS

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

FAX: 402-471-9493

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

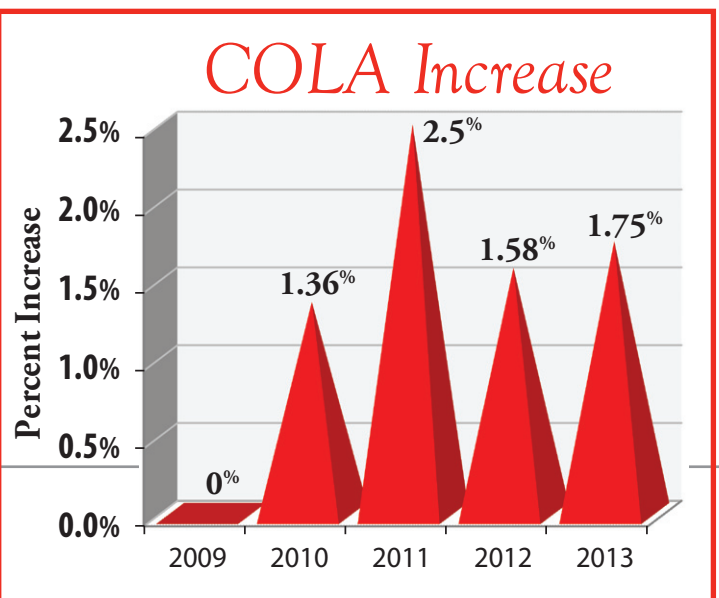
**NPERS**  
Nebraska Public Employees  
Retirement Systems  
P.O. Box 94816  
Lincoln, NE 68509  
85-28-51

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# 1.75% COLA for 2013

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 2013. The COLA is calculated using the consumer price index – capped at a maximum of 2.5% percent. For the year ending June 30, 2013, the CPI increase was 1.75%. As a result, School, Judges and State Patrol retirees received a 1.75% increase beginning with their July benefit.

NPERS issued correspondence to all affected retirees at the end of July. 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 HAS MOVED!



**Our new location is  
1526 K St., Suite #400.**  
Our phone numbers and  
P.O. Box remain the same.  
*Our new mailing address is:*

**Nebraska Public Employees  
Retirement Systems  
1526 K St., Suite 400  
PO Box 94816  
Lincoln, NE 68509-4816**