

Plan Funded Status Continues to Rise

At the November joint meeting of the Public Employees Retirement Board and the Nebraska Investment Council, the 2015 actuarial reports were presented by Cavanaugh Macdonald Consulting, LLC.

This year the actuarial valuation again reported improved funded ratios for the Nebraska School, Judges, and Patrol plans. As of July 1, 2015, the Judges plan funding increased from 92.6% to 97.1%, the School plan increased from 82.7% to 88.0%, and the State Patrol plan increased from 81.2% to 86.9%.

Copies of the annual actuarial reports may be found on the Publications/Videos page on the NPERS website.

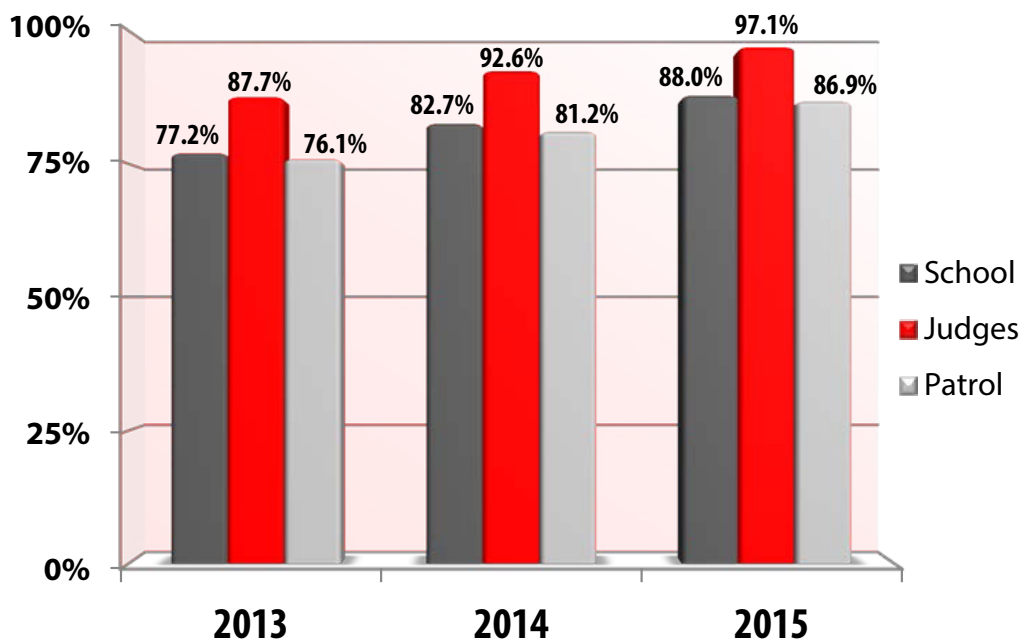
2016 BENEFIT PAYMENT SCHEDULE

JANUARY 29
FEBRUARY 29
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.

Funded Status of Retirement Plans



Watch Your Mail for Form 1099-R

NPERS will mail your IRS Form 1099-R tax statement by the end of January 2016. Please remember to keep your mailing address updated with NPERS in order to receive your 1099-R in a timely fashion and ensure uninterrupted benefit payments. Individuals who need to update their address may use the address change form.

The information on Form 1099-R should be used to file your 2015 federal and state tax returns. Your 1099-R will show the gross benefits you received from NPERS in 2015. 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.

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.

Understanding Your 1099-R

☐ CORRECTED (if checked)

BOX 1

Box 1 shows everything NPERS paid to you in 2014.

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, state or province, country, and ZIP or foreign postal code		1 Gross distribution \$ 1		OMB No. 1545-0119 2015		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. Copy 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. This information is being furnished to the Internal Revenue Service.
		2a Taxable amount \$ 2a		Form 1099-R		
PAYER'S federal identification number	RECIPIENT'S identification number	2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		
RECIPIENT'S name		3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$ 4		
Street address (including apt. no.)		5 Employee contributions / Designated Roth contributions or insurance premiums \$ 5		6 Net unrealized appreciation in employer's securities \$		
City or town, state or province, country, and ZIP or foreign postal code		7 Distribution code(s) \$		8 Other \$ %		
		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

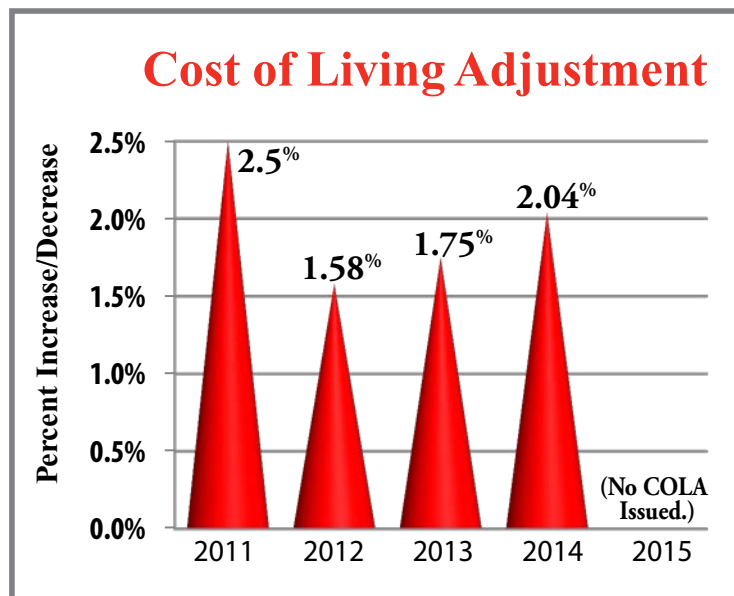
No School, Judges, or Patrol COLA for 2015

Each July 1, the rate of inflation is reviewed to determine if the monthly retirement benefit issued to School, Judges, and Patrol retirees is eligible for a cost-of-living (COLA) adjustment. This COLA is intended to help offset inflation and is designed to keep benefits in step with the changing economy. *When economic factors increase the prices consumers pay for goods and services, the COLA reflects these increases by raising benefits accordingly. If these factors report a decrease or no change in inflation, benefits are not reduced, but there would be no COLA for that year.*

Per Nebraska statute, School, Judges, and Patrol plan COLA's shall be determined using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) during the previous fiscal year. CPI-W rates are developed by the U.S. Department of Labor and track the changes

in the prices paid by consumers on a "representative basket of goods and services."

For the fiscal year ending June 30, 2015, the CPI-W rate experienced a *decrease* of 0.383%. As a result, School, Judges, and State Patrol benefits were not eligible for a COLA.



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npers.ne.gov

HAS YOUR ADDRESS CHANGED?

Retired members or beneficiaries receiving a monthly benefit should notify us *in writing* when they have a change of address.

If correspondence is designated as undeliverable and returned to our office, we will attempt to contact the benefit recipient. After 60 days, if we are unable to reach them and have not received written confirmation of the new address, NPERS will place a hold on benefit payments. Benefits will be resumed as soon as administratively possible upon receipt of written documentation confirming their address.

You may use the **Address Change/Request Form** below to notify NPERS of address changes.



 To update your address or to request a form, fill out the request below and return it to NPERS at P.O. Box 94816, Lincoln, NE 68509.

Retiree UPDATE

JANUARY 2016

Nebraska Public Employees Retirement Systems

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

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

FAX: 402-471-9493

npers.ne.gov

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

PRSRT STD
U.S. POSTAGE
PAID
LINCOLN NE
PERMIT 212

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 _____