

Retiree UPDATE

JANUARY 2017

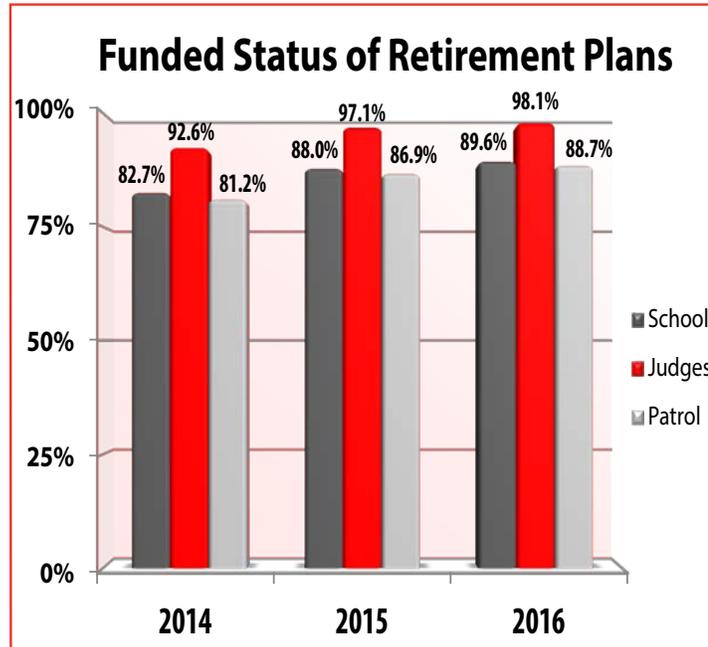
Nebraska Public Employees Retirement Systems

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

Plan Funded Status Increases

This year the actuarial valuation again reported improved funded ratios for the Nebraska School, Judges, and Patrol plans. As of July 1, 2016, the Judges plan funding increased from 97.1% to 98.1%, the School plan increased from 88.0% to 89.6%, and the State Patrol plan increased from 86.9% to 88.7%.

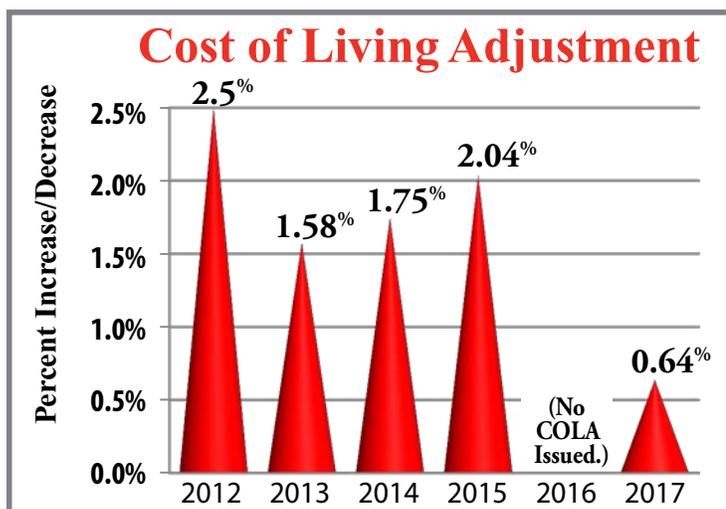
The plan funded ratios are expected to decrease next year due to changes in the actuarial assumptions recommended by the actuaries and approved by the PERB on September 17, 2016. Copies of the annual actuarial reports may be found on the Publications/Videos page on the NPERS website.



0.64% COLA for 2016

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 2016.



The COLA is calculated using the consumer price index. For the year ending June 30, 2016, the CPI increase was 0.64%. As a result, School, Judges, and State Patrol retirees received a 0.64% 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.

2017 BENEFIT PAYMENT SCHEDULE

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

NOTE:

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

Watch Your Mail for Form 1099-R

NPERS will mail your IRS Form 1099-R tax statement by the end of January 2017. 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 2016 federal and state tax returns. Your 1099-R will show the gross benefits you received from NPERS in 2016. 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. A copy of the 1099-R is also available to retirees who have created an NPERS online account.

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 via the NPERS online account access or 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.

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 elect additional amounts of withholding for both 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. Questions regarding how much to withhold should be directed to a tax professional.

Understanding Your 1099-R

- BOX 1**
Box 1 shows everything NPERS paid to you in 2016.
- 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		OMB No. 1545-0119	
		\$ 1		2016	
		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 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.	
RECIPIENT'S name		3 Capital gain (included in box 2a)	4 Federal income tax withheld	This information is being furnished to the Internal Revenue Service.	
Street address (including apt. no.)		\$ 5	\$ 4		
City or town, state or province, country, and ZIP or foreign postal code		5 Employee contributions /Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities		
		\$ 5	\$ 6		
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	7 Distribution code(s) IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other		
\$ 10		9a Your percentage of total distribution %	\$ 8		
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	12 State tax withheld	9b Total employee contributions		
		\$ 12	\$ 9b		
		13 State/Payer's state no.	14 State distribution		
		\$ 13	\$ 14		
		15 Local tax withheld	16 Name of locality		
		\$ 15	\$ 16		
		17 Local distribution			
		\$ 17			

Form 1099-R www.irs.gov/form1099r Department of the Treasury - Internal Revenue Service

NOTE: Box 1 - Box 2a = Box 5

Change Your Tax Withholding Online

Retirees who have created an **NPERS** online account can change taxes withheld on their annuity payments.

To begin, you will need an NPERS "Retiree" account. If you have not created an account, visit our website at npers.ne.gov and click on the "Create Your Account" button found at the top left of our home page.

When logging in, be sure to use the **NPERS** online access button on our home page and log into your *retiree* account. The "Member Account Home Page" will have a link on the lower right to "View/Update Taxes." (Fig. 1)

John Smith
938

Search:

Account Home Page

Successfully logged in to our web site. Please check [page](#) for the latest news and events. If you would like to update your account information online, please follow the instructions on this page.

Personal Information

Name : John Smith
Social Security No : ***-**-7938
Email Address : thedr@tardis.com

Your Account Information

[Update Member Account](#) - Click here to change your web Profile.
[Logoff](#) - Exit the secure area

* [View Benefit Information](#)
[View/Update Taxes](#)
[View 1099R Information](#)

Fig. 1

Welcome Back, John Smith
SSN : *** - ** - 7938

Your Tax Withholding Preference

Effective Date: 04/01/2005
Marital Status: Single
Number Of Exemptions: 0
Base Benefit Amount: \$1,194.99
Taxable Amount: \$1,182.35
Non-Taxable Amount: \$12.64
Federal Tax Withheld: Yes
Additional Federal Tax Withheld: \$0.00
Nebraska Resident: Yes
Total Federal Tax Withheld Amount: \$110.55
State Tax Withheld: Yes
Addtl/Flat State Tax Amount: \$0.00
Total State Tax Withheld Amount: \$28.20
Net Benefit Amount: \$1,056.24

Click here to change your withholdings → [Change Tax Withholding](#)

Fig. 2

Click on "View/Update Taxes" to see the Instructions page. After reviewing the instructions, click on the "Next" link at the lower right of the instructions page to go to the "Your Tax Withholding Preference" page, where you can see your current withholdings.

Click on the blue "Change Tax Withholding" to adjust withholdings. (Fig. 2)

The "Change Tax Withholding" page will allow you to change your preferences. After you have entered your changes, click on the "Calculate" button to review the withholding amounts based on the criteria you entered. (Fig. 3)

If you are satisfied with your changes, you can click on the "Save Withholding" button, or if you wish to make another adjustment you can click on the "Calculate a New Estimate" button. Be aware you must click on "Save Withholding" for your changes to take effect, and you can only adjust withholding one time per month.

Change Tax Withholding

Tax Withholding Change Form

[Form Help](#)

Nebraska Resident * Yes ▾
Marital Status * Married ▾
No. of Exemptions * 3
Federal Tax Withheld Yes ▾
Additional Federal Tax Withheld \$ 0.00
State Tax Withheld Yes ▾
Addtl/Flat State Tax Amount \$ 0.00
Effective Date 11/01/2016

Click here to calculate your tax withholdings → [Calculate](#)

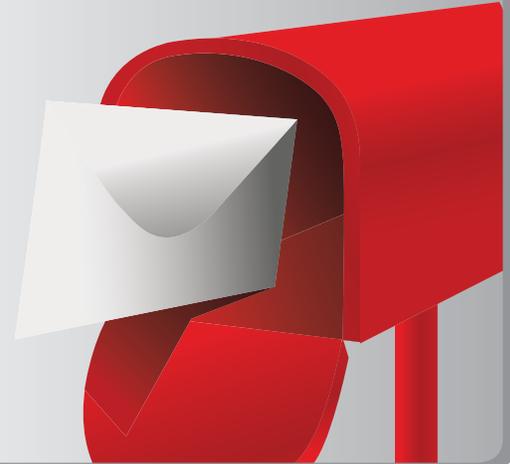
Fig. 3

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.

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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

PRSR 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 _____