

RETIREE UPDATE

FOR NEBRASKA SCHOOL, JUDGES, AND PATROL EMPLOYEES

JANUARY 2019

IS YOUR ADDRESS UP TO DATE?

Tracking down missing plan members consumes a fair bit of our time at NPERS. During active employment, address updates are forwarded to NPERS by your employer. Once you terminate employment, it becomes your responsibility to notify NPERS of any changes in your address!

Failure to maintain an accurate address can lead to serious consequences. Members may not receive account statements, cost of living notifications, or correspondence that notifies them of required minimum distributions. Failure to take these required minimum distributions can result in serious tax penalties.

Individuals who are receiving a monthly benefit may have their benefits suspended! If mail is returned to our office, we will attempt to contact the benefit recipient. If we are unable to reach them and have not received written confirmation of an updated address, we will place a temporary hold on benefit payments. Benefits will be resumed as soon as administratively possible upon receipt of written documentation confirming the new address.

We do our best to locate “lost” members, but sometimes we are unsuccessful. If we are unable to track down these individuals, their accounts will be transferred to Unclaimed Property. This may result in loss of benefits and potential tax implications.

Address update submissions vary depending on your employment/benefit status.

IF YOU ARE ACTIVELY EMPLOYED...

Notify your benefits/human resources department whenever your address changes. You do not need to notify NPERS as these updates are forwarded by your employer to our office.



WHEN YOU LEAVE EMPLOYMENT, BUT HAVE NOT STARTED TAKING DISTRIBUTIONS FROM YOUR ACCOUNT...

Send notification directly to NPERS whenever you have a change in address. There are two options. You may use the “Address & Name Change” (Member Demographic) form available on the Forms page of our website, or update your address online via the NPERS Online Access.

IF YOU HAVE BEGUN TAKING DISTRIBUTIONS FROM YOUR ACCOUNT...

Address updates must be submitted to our office in writing in order to ensure benefit security. You may submit these using the “Address & Name Change” (Member Demographic) form available on the Forms page of our website.

2019 BENEFIT PAYMENT SCHEDULE

JANUARY 31

FEBRUARY 28

MARCH 29

APRIL 30

MAY 31

JUNE 28

JULY 31

AUGUST 30

SEPTEMBER 30

OCTOBER 31

NOVEMBER 27

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.

WATCH YOUR MAIL *FOR* FORM 1099-R



NPERS will mail your IRS Form 1099-R tax statement by the end of January 2019.

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 2018 federal and state tax returns. Your 1099-R will show the gross benefits you received

from NPERS in 2018. 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.

UNDERSTANDING YOUR 1099-R

BOX 1
Box 1 shows everything NPERS paid to you in 2018.

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.

| | | <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED | | | | OMB No. 1545-0119 | |
|---|--|--|--|--|--|---|--|
| PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no. | | 1 Gross distribution | | 2018 | | Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. | |
| | | \$ 2a Taxable amount | | Form 1099-R | | | |
| PAYER'S TIN | | RECIPIENT'S TIN | | 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 | | Copy 1 For State, City, or Local Tax Department | |
| Street address (including apt. no.) | | \$ | | \$ | | | |
| 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 | | | |
| | | \$ | | \$ | | | |
| 7 Distribution code(s) | | IRA/SEP/SIMPLE <input type="checkbox"/> | | 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 | | 13 State/Payer's state no. | |
| \$ | | \$ | | \$ 12 | | \$ | |
| Account number (see instructions) | | Date of payment | | 15 Local tax withheld | | 16 Name of locality | |
| | | | | \$ | | \$ | |
| | | | | | | 17 Local distribution | |
| | | | | | | \$ | |

Form 1099-R

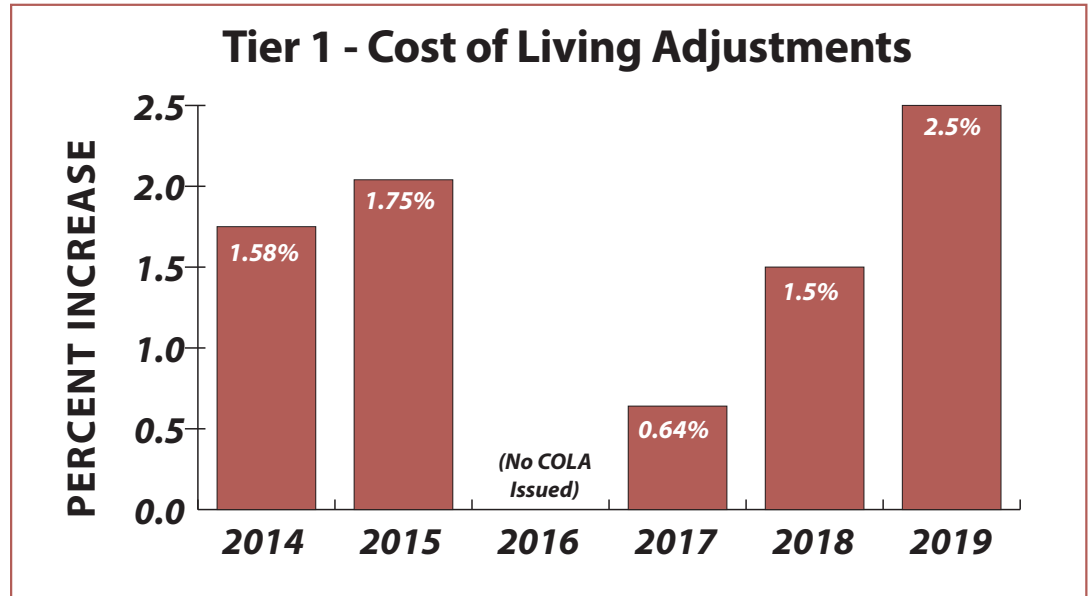
www.irs.gov/Form1099R

Department of the Treasury - Internal Revenue Service

NOTE: BOX 1 - BOX 2A = BOX 5

2.5% & 1.0% COLA Increases For 2018

Effective July 1, 2018, eligible School, Judges, and Patrol retirees received a cost of living adjustment (COLA) in their monthly benefit distributions. The COLA is calculated using the consumer price index and may be capped at 2.5% or 1.0% per plan provisions. For the year ending June 30, 2018, the CPI increase was 3.09%. As a result, School, Judges and State Patrol retirees with a COLA cap of 2.50% received a 2.50% increase. Retirees with a COLA cap of 1.00% received a 1.00% increase.



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 refer to your plan handbook or contact NPERS.

ANNUITY TAX WITHHOLDING REMINDER

Each year NPERS is required to notify retirees of your right to change, start or stop federal tax withholding from your monthly retirement benefit. If you wish to adjust your withholding, you may submit these changes 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.

Stay In Touch with NPERS ... **ONLINE!**

npers.ne.gov



-  **Read Our Newsletters**
-  **Download Forms**
-  **Follow Retirement Board News**
-  **Access Your Account**

RETIREE UPDATE

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

**PROVIDING INFORMATION TO RETIREES
OF NEBRASKA'S SCHOOL, JUDGES AND
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

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.

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 _____