NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

RETIREE UPDATE
FOR NEBRASKA SCHOOL, JUDGES, AND PATROL RETIREES
JANUARY 2020

PLANS 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, 2019, the Judges plan funding increased from 96.08% to 98.08%, the School plan increased from 88.8% to 90.29%, and the State Patrol plan increased from 86.98% to 87.34%.

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

1.44% AND 1.0% COLA INCREASES FOR 2019

Effective July 1, 2019, 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, 2019, the CPI increase was 1.44%. As a result, School, Judges and State Patrol retirees with a COLA cap of 2.50% received a 1.44% 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.

2020

BENEFIT PAYMENT SCHEDULE

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

NOTE:

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

Tier 1 - Cost of Living Adjustments

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1.58%</td>
</tr>
<tr>
<td>2015</td>
<td>1.75%</td>
</tr>
<tr>
<td>2016</td>
<td>0.64%</td>
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<tr>
<td>2017</td>
<td>1.5%</td>
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<tr>
<td>2018</td>
<td>2.5%</td>
</tr>
<tr>
<td>2019</td>
<td>1.44%</td>
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<tr>
<td>2020</td>
<td></td>
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</tbody>
</table>
UNDERSTANDING YOUR 1099-R

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.

CHANGE YOUR TAX WITHHOLDING ONLINE

There are two separate and distinct options for online account access, NPERS and Ameritas. Retirees who have created an NPERS account can change the taxes withheld on their pension/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.
CHANGE YOUR TAX WITHHOLDING ONLINE (contd.)

Member Account 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.”

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.

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.

Click on the blue “Change Tax Withholding” to adjust withholdings.

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.

Nebraska Resident: Yes
Total Federal Tax Withheld Amount: $95.02
State Tax Withheld: Yes
Addtnl/Flat State Tax Amount: $0.00
Total State Tax Withheld Amount: $30.21
Net Benefit Amount: $1,135.30

Click here to change your withholdings → Change Tax Withholding

Click here to calculate your tax withholdings → Calculate
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

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 ____________________________