

RETIREE UPDATE

FOR NEBRASKA SCHOOL, JUDGES AND PATROL RETIREES

JANUARY 2021



PLANS FUNDED STATUS

This year the actuarial valuation again reported improved funded ratios for the Nebraska School and Patrol plans, while the Nebraska Judges plan experienced a decrease. As of July 1, 2020, the Judges plan funding decreased from 98.08% to 97.34%. The School plan increased from 90.65% to 91.65% and the State Patrol plan increased from 87.34% to 88.13%. We can proudly say the Nebraska Defined Benefit plans remain on strong financial footing despite the recent economic tremors.

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

2021

BENEFIT PAYMENT SCHEDULE

JANUARY 29

FEBRUARY 26

MARCH 31

APRIL 29

MAY 28

JUNE 30

JULY 30

AUGUST 31

SEPTEMBER 30

OCTOBER 29

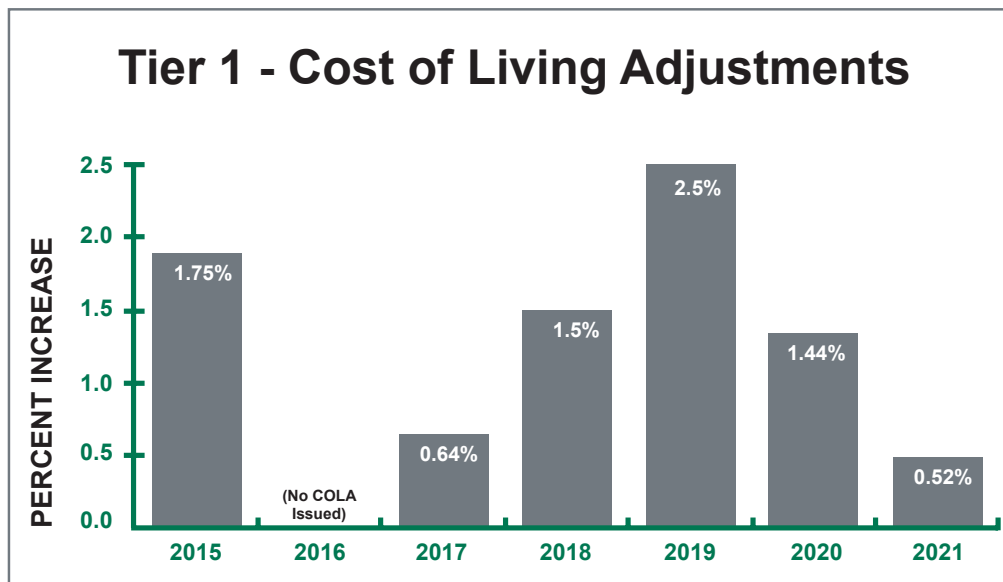
NOVEMBER 30

DECEMBER 30

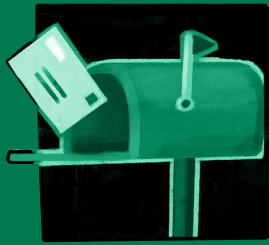
.52% COLA INCREASE FOR 2020

Effective July 1, 2020, 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, 2020, the CPI increase was .52%. As a result, all School, Judges and State Patrol retirees received a .52% 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.



WATCH YOUR MAIL FOR FORM 1099-R



NPERS will mail your IRS Form 1099-R tax statement by the end of January 2021. 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 on the back of this newsletter.

The information on Form 1099-R should be used to file your 2020 federal and state tax returns. Your 1099-R will show the gross benefits you received from NPERS in 2020. This form will also indicate the federal and, if applicable, Nebraska income taxes 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 2020.	PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no.		1 Gross distribution \$ 1	OMB No. 1545-0119	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
			2a Taxable amount \$ 2a	2020 Form 1099-R	
BOX 2a This is the amount that is taxable to you.	PAYER'S TIN	RECIPIENT'S TIN	2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	Copy 1 For State, City, or Local Tax Department
BOX 4 This is the amount that was withheld for federal taxes.	RECIPIENT'S name		3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 4	
BOX 5 This is the amount that is not taxable.	Street address (including apt. no.)		5 Employee contributions/Designated Roth contributions or insurance premiums \$ 5	6 Net unrealized appreciation in employer's securities \$	
BOX 14 This is the amount that was withheld for state taxes.	City or town, state or province, country, and ZIP or foreign postal code		7 Distribution code(s) IR/SEP/SIMPLE <input type="checkbox"/>	8 Other \$ %	
	10 Amount allocable to IRR within 5 years \$	11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	9a Your percentage of total distribution % \$	9b Total employee contributions \$
	14 State tax withheld \$ 14	15 State/Payer's state no.	16 State distribution \$	17 Local tax withheld \$	18 Name of locality \$
	13 Date of payment	19 Local distribution \$	Form 1099-R www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service		

NOTE:

BOX 1

- BOX 2A

= BOX 5

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 form. 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.

CHANGE YOUR TAX WITHHOLDING ONLINE (contd.)

1

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.

NPERS

[Choose Account](#)[Logoff](#)[About Us](#)[Retirement Board](#)[Investment Council](#)[Organization Structure](#)[Legislation](#)

Plan Info

[School](#)[State](#)[County](#)[Patrol](#)[Judges](#)[Deferred Compensation](#)

Member Account Home Page

You have successfully logged in to our web site. Please check out our [Home Page](#) for the latest news and events. If you would like to access your account information online, please follow the links on the right of this page.



Messages from NPERS

Personal Information

Name : Artie Fischel
Social Security No : ****-**-1234
Email Address : npers.neuat@nebraska.gov

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](#)

2

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.”

3

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.

4

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

Nebraska Resident: Yes

Total Federal Tax Withheld Amount: \$95.62

State Tax Withheld: Yes

Addnl/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](#)

5

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.

Federal Tax Withheld

Yes ▼

Additional Federal Tax Withheld

\$ 0.00

State Tax Withheld

Yes ▼

Addnl/Flat State Tax Amount

\$ 0.00

Effective Date

11/01/2020

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

[Calculate](#)

6

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.

STAY IN TOUCH WITH NPERS ONLINE!

npers.ne.gov

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

NPERS
Nebraska Public Employees
Retirement Systems
P.O. Box 94816
Lincoln, NE
68509

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

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