

Retiree Update

Providing Information to Retirees of the State and County Plans

Nebraska Retirement Systems

December 2004

Review Your Tax Withholding

Once each year federal law requires the Nebraska Public Employees Retirement Systems (NPERS) to remind you, as a benefit recipient, of your ongoing right to start, stop or change the tax withholding from your retirement benefit.

You are not required to have income tax withheld from your monthly benefit. However, if your estimated tax payments or withholding amounts fall short of your tax liability, the Internal Revenue Service may assess interest or penalty charges. **No action is necessary if your present tax authorization still fits your needs.**

If you want to make a change, complete the "Request Form" below to obtain withholding forms and instructions from NPERS. If you have questions, please call **402-471-2053** or toll-free **800-245-5712**.

2005 Benefit Payment Schedule

If you have your monthly payment deposited directly with your bank, the following is a month by month schedule of the date payment will be made to the bank in the year 2005:

January 14	July 15
February 15	August 15
March 15	September 15
April 15	October 14
May 16	November 15
June 15	December 15

For those of you who receive your check by mail, your payment will be mailed by the payment date.

Simplify Your Life!

Direct Deposit is a great place to start

by John Winkleman, Training Specialist

For as long as I can remember, the digital clock on my parents' stereo has always flashed 12:00, 12:00, 12:00... My sisters and I joke "at least it's on time twice a day." Someone probably should have searched out the instructions and set it, but we had learned our lesson from the VCR clock. Every time a fuse blew, one of us would get the call to drive over and reset it. So the stereo clock was ignored and left to blink moronically at 12:00, 12:00, 12:00...

Often Mom and Dad were asked, "Why not learn how to set those digital clocks?" The answer, "Because it's too complicated."

NOBODY likes complicated. Complicated is confusing. To quote our President, "it's hard work!" NPERS wants to make our retirees lives *less* complicated and one of the best ways to simplify retirement is Direct Deposit. Direct Deposit will electronically transfer your retirement benefit directly into your checking or savings. It's easy to set up and doesn't cost a penny. Unfortunately, there are still thousands of NPERS retirees who wait by the mailbox each month for their retirement checks, then drive to the bank to stand in line. Sounds complicated.

Uncomplicate your life and try Direct Deposit. Use the attached "Request Form" to request a Direct Deposit Agreement or obtain a form by contacting us or visiting our website at www.npers.ne.gov. Filling it out is much easier than setting the clock on the VCR.

Keep Us Up-To-Date

If you have a change of address or any other demographic changes, please be sure to let NPERS know. You can use the form below or send us a note. If you don't keep us up-to-date, we can't keep you up-to-date!

Address Change/Request Form

To notify NPERS of a change of address OR to request a form, you may call or use the form below. **(Please print)**



Check here if this is a change of address. Your signature is required for a change of address.

Signature _____

Account Number (shown on address label) _____

Social Security Number _____

Name _____

Address _____

City, State, Zip _____

If you need additional information, please check the appropriate box(es) below:

- Federal Tax Withholding Form W-4P
- Nebraska State Tax Withholding Form
- Direct Deposit Agreement
- Beneficiary Designation Form
- Other _____

1099-R Tax Statements Coming Soon

Watch your mail in mid to late January for an envelope marked **Important Tax Return Document Enclosed**, which will include benefit information to be filed with your 2004 income tax returns. Each box on the 1099-R is defined on the back of the form. Make sure NPERS has your current address so you receive your 1099-R in a timely fashion.

Questions about individual tax liability should be directed to your accountant, the Internal Revenue Service or your state Department of Revenue.

The following is a brief explanation of your 1099-R form:

- Box 1 shows everything NPERS paid to you in 2004.
- Box 2a is the amount that is taxable to you.
- Box 4 is the amount that was withheld for federal taxes.
- Box 5 is the amount that is not taxable.
- Box 10 is the amount that was withheld for state taxes.

The “If Only” Trap

One of the most common traps people fall into that causes stress is the “If Only Trap.”

“If only I had ____ (more money, a better job, a better figure, someone who really loved me, a better education, etc.), I would be happy.”

The problem with “If Only” thinking is that until we get what we want, we feel stressed. (“What if something happens and I don’t get this thing?” “What if it takes longer to get than I expect?”)

If we don’t get what we want, of course, we feel stressed. And, if we do get what we want, we feel stressed. (“What if I don’t measure up?”, “What if I lose it?”, “Now what; is this all there is?”) Furthermore, as soon as we discover that getting this thing has not turned our life into a big, glorious bowl of cherries and contentment, we start the whole process over again: “If only I had this other thing, then I would be content. This first thing did not bring me lasting happiness, but this other thing will.”

The only way out of the “If Only Trap” is to come to the realization that the secret to contentment lies within ourselves.

Reprinted with permission, HOPE Publications, Kalamazoo, MI, (616) 343-0770

Happy New Year!

RETIREE UPDATE

Published by
Nebraska Retirement Systems
 1221 N Street, Suite 325
 P.O. Box 94816
 Lincoln, NE 68509-4816
 800-245-5712 or 402-471-2053
www.npers.ne.gov
 Director: Anna Sullivan
 Editor: Jan E. Fox
 Asst. Editor: Pam Williamson

Address Service Requested

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

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