

Retiree Update

Nebraska Retirement Systems

December 2007

PROVIDING
INFORMATION
TO RETIREES OF
THE STATE AND
COUNTY PLANS

2008 Benefit Payment Schedule

January 15
February 15
March 14
April 15
May 15
June 13
July 15
August 15
September 15
October 15
November 14
December 15

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.

While you are not required to have federal income tax withheld from your monthly benefit, the Internal Revenue Service may assess interest or penalty charges if your estimated tax payments or withholding amounts fall short of your tax liability.

You may designate the number of allowances you want to claim and your marital status for both state and federal withholding using NPERS' Withholding Certificate for Pension or Annuity Payments form. Your allowances determine the amount of tax you want NPERS to withhold from your benefit payment. *You may change your withholding at any time.*

To obtain the Withholding Certificate for Pension or Annuity Payments form, complete the "request form" below, visit NPERS' website at www.npers.ne.gov, or

call our office at the numbers listed below. **No action is necessary if your present tax authorization for your monthly retirement benefit still fits your needs.**

If you are a Nebraska resident, NPERS is required to withhold Nebraska taxes using the allowances and marital status you claimed for federal withholding. You may also elect additional amounts of withholding over and above the marital status and allowances you elected on your federal and/or state withholding; these amounts are not required to match. Nebraska residents choosing *not* to have federal tax withheld from their retirement benefit payment 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.

For tax *advice*, we suggest you contact a tax professional about your individual situation. If you have questions about information contained *in this article*, please contact NPERS at **800-245-5712** or **402-471-2053**. □



What Are You Waiting For?

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. There are still thousands of NPERS retirees who **wait** by the mailbox each month for their

retirement checks, then drive to the bank and **wait** in line.

What are you **waiting** for? Simplify your life and try Direct Deposit. Use the "Request Form" below to obtain a Direct Deposit Agreement form. You may also contact us by phone or visit our website at www.npers.ne.gov. Completing the form is simple and you'll never have to **wait** again!

If you have a change of address or any other demographic changes, let NPERS know. You can use the form below or send us a note with your signature.

Address Change/Request Form

Please use this form to notify NPERS of a change of address OR to request an NPERS form. **(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 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 _____

Coming Soon – 1099-R Tax Statements

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 2007 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 2007.
- 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.

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution \$		OMB No. 1545-0119 2007 Form 1099-R		Distributions From Pensions, Annuities, IRAs, SEP/IRA, SIMPLE, and 401(k) Plans	
PAYER'S federal identification number		2a Taxable amount \$		Form shows federal income tax withheld in box 4, attach this copy to your return.		Total distribution <input type="checkbox"/>	
RECIPIENT'S identification number		2b Taxable amount not determined <input type="checkbox"/>		3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$	
RECIPIENT'S name		5 Employee contributions / Designated Roth contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$		7 Distribution code(s) <input type="checkbox"/> IRA/SEP/IRA SIMPLE <input type="checkbox"/>	
Street address (including apt. no.)		7 Distribution code(s)		8 Other \$ %		9a Your percentage of total distribution %	
City, state, and ZIP code		9a Your percentage of total distribution		9b Total employee contributions \$		10 State tax withheld \$	
1st year of desig. Roth contrib.		10 State tax withheld		11 State/Payer's state no.		12 State distribution \$	
Account number (see instructions)		13 Local tax withheld \$		14 Name of locality		15 Local distribution \$	

Form 1099-R Department of the Treasury — Internal Revenue Service

Top 10 Tips for a Healthy Retirement

Here are some great ways to stay happy and healthy after you retire, according to *The Retirement Sourcebook* and *101 Secrets for a Great Retirement*:

1. Seek out other happy people.
2. Simplify your life.
3. Understand what brings you pleasure and take the steps necessary to do those things.
4. Embrace aging. It's going to happen, so understand it instead of trying to run from it.
5. Keep learning – take a class, try a new hobby, join a group.
6. Surround yourself with beauty, whatever you perceive it to be.
7. Be resilient and flexible. Learn to roll with the punches.
8. Keep your stress down by exercising every day.
9. Don't fixate on money. Know what you have, what you can get and live your life accordingly.
10. Learn to give without any idea of getting anything in return.

NPERS
Nebraska Public Employees
Retirement Systems

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

Address Service Requested

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

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