

Retiree UPDATE

JANUARY 2013

Nebraska Public Employees Retirement Systems

PROVIDING INFORMATION TO RETIREES OF NEBRASKA'S STATE AND COUNTY RETIREMENT PLANS

A Reminder About Annuity Tax Withholding

Each year NPERS is required to notify retirees of your right to change, start or stop federal tax withholding on your monthly annuity. You can do so at any time 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 at the numbers below.

You are not required to have federal income tax withheld from your monthly annuity, 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 (certain restrictions apply if you have the 5-Year Designated Period Annuity).

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 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. 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. If you have questions, please contact NPERS at 800-245-5712 or 402-471-2053. For tax *advice*, you should contact a tax professional about your individual situation.

2013 BENEFIT PAYMENT SCHEDULE

JANUARY 15	JULY 15
FEBRUARY 15	AUGUST 15
MARCH 15	SEPTEMBER 13
APRIL 15	OCTOBER 15
MAY 15	NOVEMBER 15
JUNE 14	DECEMBER 13

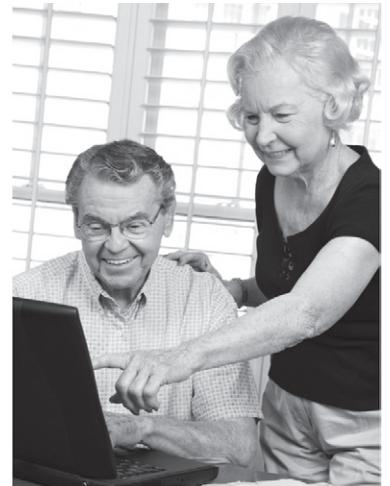
NOTE

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

Online Access

ACCESS YOUR ACCOUNT THROUGH OUR WEBSITE

There are two separate and distinct options for online account access, NPERS and Ameritas. Actively employed State and County members are often familiar with the *Ameritas* online access, but the *NPERS* online access may be more beneficial for retired members.



The NPERS online account access is available for members of ALL the plans administered in our office. Creating an NPERS online account allows members to access and update the membership data we maintain "in-house."

RETIRED MEMBERS MAY:

- Change tax withholding on annuity payments.
- View annuity payment information.
- View and print annual tax statements (1099R).
- Change email addresses.
- Review beneficiary information (see note below).

NOTE: Beneficiary information may not display for individuals who have beneficiary forms on file that are more than ten years old. These forms are still valid but not yet entered into our computer system. If you wish to enable online review, please submit a new beneficiary form to our office. Currently, the only method to change beneficiaries is via submission of the completed, signed, and notarized form.

To create a new NPERS online 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.



Address Change/Request Form

Please use this form to notify NPERS of any change to your 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

Understanding Your 1099-R

VOID CORRECTED

BOX 1

Box 1 shows everything NPERS paid to you in 2010.

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.

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution	OMB No. 1545-0119	
		\$ 1	2012	
		2a Taxable amount	Form 1099-R	
		\$ 2a	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S federal identification number	RECIPIENT'S identification number	2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	Copy 1 For State, City, or Local Tax Department
		3 Capital gain (included in box 2a)	4 Federal income tax withheld 4	
RECIPIENT'S name		5 Employee contributions / Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities	
Street address (including apt. no.)		7 Distribution code(s)	8 Other	
City, state, and ZIP code		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 12	13 State/Payer's state no.	14 State distribution \$
Account number (see instructions)		15 Local tax withheld	16 Name of locality	17 Local distribution \$
				18 Total distribution \$

Form 1099-R

www.irs.gov/form1099r

Department of the Treasury - Internal Revenue Service

NOTE:

Box 1

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Box 2a

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Box 5

Watch Your Mail for Form 1099-R

NPERS will mail your IRS Form 1099-R tax statement by the end of January 2013. **Be sure NPERS has your current address** so you receive your 1099-R in a timely fashion.

The information on Form 1099-R should be used to file your 2012 federal and state tax returns. Your 1099-R will show the gross benefits you received from NPERS in 2012. 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.

Direct questions about individual tax liability to your accountant, tax professional, the Internal Revenue Service, or your state Department of Revenue.

2012 Legislation



During the 2012 legislative session, one bill impacting Nebraska retirement plan benefits was passed. LB 916 allows retirement benefits to be awarded by a court to victims of specific crimes committed by a plan member. Benefits can be awarded when a plan member is convicted of or pleads no contest to a felony defined as assault, sexual assault, kidnapping, child abuse, false imprisonment, or theft by embezzlement and is subsequently found liable for civil damages. Benefits may be awarded following a retirement distribution to a member and the bill exempts any benefit or annuity payments "reasonably necessary for the support of the employee or any of his or her beneficiaries."

Stay In Touch with NPERS



- Read Our Newsletters
- Download Forms
- Follow Retirement Board News
- Track Legislation that Affects Your Retirement
- Access Your Account

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PH: 402-471-2053 TOLL FREE: 800-245-5712
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