

Retiree UPDATE

JANUARY 2015

Nebraska Public Employees Retirement Systems

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

Inaccurate Member Information Can Lead To Suspension of Benefits

It is essential that NPERS maintain accurate demographic information for retirees or beneficiaries receiving a retirement benefit. We periodically send correspondence by mail regarding account information, plan changes, annual tax documents, or other benefit information. Retirees who move and forget to update their address with NPERS run the risk of missing this important correspondence. In addition, returned mail may indicate benefits are no longer reaching the appropriate destination due to a change in bank accounts and/or member status.

To ensure benefit payments and correspondence are reaching the proper recipients; the Public Employees Retirement Board has revised Board Policy 12 regarding Electronic Disbursements. **The policy now includes a provision to suspend electronic benefit payments**, such as Direct Deposits or ReliaCard, when NPERS does not have an accurate and up to date address and/or bank account data for a retired member.

NPERS does not wish to suspend anyone's benefit; however, it is our responsibility to ensure accurate delivery of correspondence and benefit payments. Promptly informing us of any address changes during retirement will prevent disruption of benefit payments.

HAS YOUR ADDRESS CHANGED?

Retired members or beneficiaries receiving a monthly benefit should notify us *in writing* when they have a change of address.

If correspondence is designated as undeliverable and returned to our office, we will attempt to contact the benefit recipient. After 60 days, if we are unable to reach them and have not received written confirmation of the new address, NPERS will place a hold on benefit payments. Benefits will be resumed as soon as administratively possible upon receipt of written documentation confirming their address.

HAS YOUR BANK ACCOUNT CHANGED?

Retired members or beneficiaries who are receiving benefits via direct deposit should notify our office if they close out or switch bank accounts.

If we are alerted a direct deposit has been sent to an inactive account, we will attempt to contact the benefit recipient. If we are unable to reach them and have not received a new direct deposit form, NPERS will place a hold on deposits to the account. Benefits will be resumed as soon as administratively possible upon receipt of a properly completed NPERS Direct Deposit form.

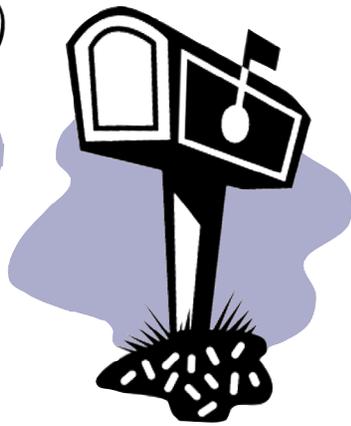
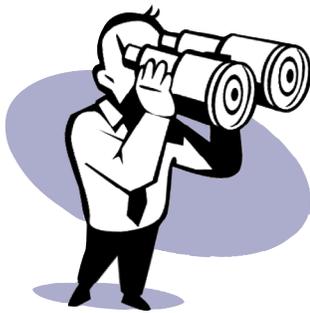
2015 ANNUITY PAYMENT SCHEDULE

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

NOTE

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

Use the form on page 4 to update your address or to request a new Direct Deposit form.



Watch Your Mail for Form 1099-R

NPERS will mail your IRS Form 1099-R tax statement by the end of January 2015.

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. All benefit recipients are strongly encouraged to read the companion article in this newsletter outlining the necessity to maintain an up to date address at NPERS.

The information on Form 1099-R should be used to file your 2014 federal and state tax returns. Your 1099-R will show the gross benefits you received from NPERS in 2014. 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.

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

		<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
BOX 1 Box 1 shows everything NPERS paid to you in 2014.	PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 Gross distribution	2014		
			\$ 1	Form 1099-R		
BOX 2a This is the amount that is taxable to you.			2a Taxable amount			This information is being furnished to the Internal Revenue Service.
			\$ 2a	2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>		
BOX 4 This is the amount that was withheld for federal taxes.	PAYER'S federal identification number	RECIPIENT'S identification number	3 Capital gain (included in box 2a)	4 Federal income tax withheld		14 State distribution
			\$	\$ 4		
BOX 5 This is the amount that is not taxable.	RECIPIENT'S name		5 Employee contributions /Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities		17 Local distribution
			\$ 5	\$ 6		
BOX 12 This is the amount that was withheld for state taxes.	Street address (including apt. no.)		7 Distribution code(s)	8 Other		15 Local tax withheld
			\$	\$ 8		
City or town, state or province, country, and ZIP or foreign postal code		9a Your percentage of total distribution	9b Total employee contributions	13 State/Payer's state no.		16 Name of locality
		%	\$	\$		\$
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	12 State tax withheld	13 State/Payer's state no.		14 State distribution	\$
\$	\$	\$ 12	\$		\$	\$
Account number (see instructions)		15 Local tax withheld	16 Name of locality		17 Local 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



Secure Your Benefit *with Direct Deposit or ReliaCard*

Are you still receiving your monthly annuity payments in the mail? Now might be a good time to consider taking advantage of the electronic delivery methods offered by NPERS – direct deposit or the ReliaCard Visa debit card.

Direct Deposit will electronically transfer each annuity benefit directly into your checking or savings account. Direct deposit of funds can be made to any financial institution in the United States and ensures speedy and secure receipt of retirement benefits.

The **ReliaCard Visa** is a prepaid debit card issued by U.S. Bank. Annuity payments are automatically deposited into your account and the funds used to make purchases everywhere Visa debit cards are accepted.

With ReliaCard, you can also:

- Pay bills – using the bill pay feature.
- Make online, phone or mail order purchases.
- Withdraw cash from ATM's, banks or credit unions.
- Receive cash back with purchases.

A PIN is required for ATM withdrawals or when requesting cash back with a purchase. Participants will select their own PIN when calling to activate the card. Card holders may go online to view account balances, account activity, or change their PIN. If a PIN is lost or forgotten, members should call the ReliaCard member services number found on the back of the card.

If you're not already taking advantage of direct deposit or ReliaCard we encourage taking another look at these two options. Enrollment forms are available on our website (npers.ne.gov) or members may request one by calling our office.

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.

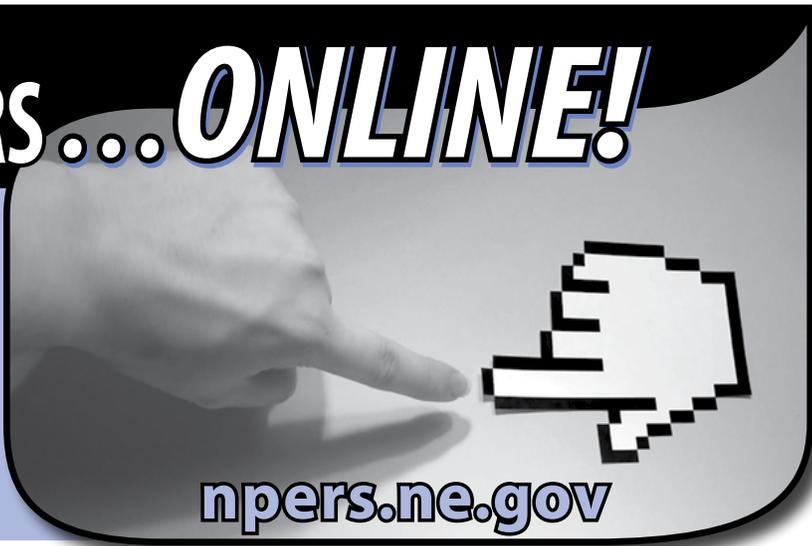
You are not required to have federal income tax withheld from your monthly annuity, however, the Internal Revenue Service (IRS) may assess interest or penalty charges if your estimated tax payments or withholding amounts fall short of your tax liability (certain restrictions apply if you have the 5-Year 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.

Stay In Touch with NPERS... **ONLINE!**

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



✂ 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.

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JANUARY 2015

Nebraska Public Employees Retirement Systems
 PROVIDING INFORMATION TO RETIREES
 OF NEBRASKA'S STATE AND COUNTY
 RETIREMENT PLANS

PH: 402-471-2053 TOLL FREE: 800-245-5712
 FAX: 402-471-9493
npers.ne.gov

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

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

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