

Retiree Update

Nebraska Retirement Systems

December 1998

Record Number of New Retirements Processed

With the passage of LB822 this spring and the use of "retirement incentive" programs by many schools, the Retirement Office had a 51% increase in new retirements processed in 1998. Our total count was 999 new retirees compared to 662 in 1997 and 566 in 1996.

This big jump in the number of members applying for benefits seriously affected our ability to pay our new retirees in a timely manner. We also noticed that many of our requests from members wanting to retire came in large groups, which added to the delay.

We want to especially thank each of the newly retired members for your patience. It was a challenging year for all of us and we regret any inconvenience our delays may have caused you.

On a positive note, we hope you are enjoying your retirement and sincerely wish you the best in the coming years. As a new retiree you can expect to receive this "Update" every year as a reminder to keep your address current with us, to remind you of your right to change your tax withholding, and to up-date you on any other timely news.

1099-R Tax Statements Coming Soon

Watch your mail in mid to late January for an envelope marked **Important Tax Return Document Enclosed**. Inside you will find information on your retirement benefits, to be filed with your 1998 state and federal income tax returns.

Questions about individual tax liability should be directed to your accountant, the Internal Revenue Service or your state department of revenue. The Retirement Office staff are not qualified to handle tax inquiries or give personal tax advice.

Time To Review Your Tax Withholding

Once each year federal law requires our office 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, you may complete the "request form" below to obtain forms and instructions from our office. If you have questions, school retirees should call Diane Marks in our office, and judge and patrol retirees should call Tammy Lang. They can be reached at 1-800-245-5712 or 471-2053 for those of you living in the Lincoln area.

Notice: The federal income tax withholding tables for 1999 have changed. Therefore, if you have withholding based on the tax tables - your net January payment may change.

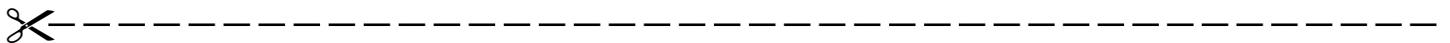
Web Site Up and Going!



We have established a home page on the World Wide Web. You can find us at <http://www.nol.org/home/pers> or if you sign onto the State of Nebraska's home page you can find us under "state agencies," and "r" for retirement.

Address Change/Request Form

Please use the form below to notify our office of a change of address OR to request any of the forms listed.



Please **print** address change below.

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
- Change of Beneficiary Form
- Other _____

Signature

New Phone System to Assist Members

In an effort to direct callers more efficiently, we have installed an Automated Attendant Mailbox phone system. When you call, simply follow the instructions given:

- ◆ If you are a retired School Member inquiring about your monthly check, **press number 2** then **press 1**.
 - ◆ If you are a retired Judge or State Patrol Officer, **press number 3** then **press 2**.
- OR
- ◆ If you are unsure of who you need to talk to or you need to schedule an appointment, **press 4**.

In some cases you may need to come into our office for information that can't be handled during a phone call. If this happens, it is a good idea to schedule an appointment with our receptionist. With an appointment, our staff will have your account information available when you arrive and will be able to assist you quickly and efficiently.

Retirees May Return To Work After One-Year Break

The law now allows retirees who return to work covered by the Retirement System to continue receiving retirement benefits. A retiree will be considered a "new employee" for purposes of retirement with no recognition of previous service. Careful examination of the law, combined with the definition of "termination of service," makes it clear that school retirees must have a minimum break in service encompassing at least one school year before they can return to work without interrupting their benefits.

If you have questions or are considering reemployment in a public school, please contact our office. **Note:** Work as a "substitute" will not affect your benefits.



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Address Correction Requested

Year 2000 Readiness

The Year 2000 (Y2K) problem arises when a computer performing date-dependent computations or operations produces erroneous results because its system recognizes years only by the last two digits, causing a "00" entry to be read as the year "1900" rather than "2000." Because the computer systems, both hardware and software, produced in the past have commonly used the two-digit date designation, virtually all businesses are now faced with the enormous task of determining the extent to which their systems will be affected by the Year 2000 problem.

The Retirement Office began addressing Y2K issues several years ago with our mainframe computer because of the need to recognize payments with a guarantee on or after Year 2000. We continued our work in 1996 and are now in the final stages of checking detailed programs and testing. Also, the State of Nebraska's main computer which operates the accounting system that actually prints your retirement checks is on record for having completed all Year 2000 work by July of 1998. The personal computers (PC's) we use to calculate benefits have been upgraded or replaced with compliant computers and we have also upgraded all of our PC software to meet Y2K requirements.

We feel confident in our Year 2000 readiness, and hope this gives you the assurance that your checks will not be interrupted when that big day arrives. Have a great 1999!



1999 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:

January 29	July 30
February 26	August 31
March 31	September 30
April 29	October 29
May 28	November 30
June 30	December 30

For those of you who receive your check by mail, your payment will be mailed on the second to the last business day of the month.

Bulk Rate
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