



# NPERS

Nebraska Public Employees  
Retirement Systems

**402-471-2053 or 800-245-5712 Fax: 402-471-9493**  
**[npers.ne.gov](http://npers.ne.gov)**

**2016**

**School Employer Workshops**

**□ Cheryl Mueller**

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**NPERS Accountant**

# How To Contact Us

## Nebraska Public Employees Retirement Systems

*Located at:*

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# Agenda

- **Legislation**
- **How well do you know YOUR Plan?**
  - **Eligibility**
  - **Employer Reporting**
  - **Reemployment**
- **Manual Revisions**
- **Internal Auditing**
- **Things and Stuff / Reminders**
- **Retirement 101 (Optional)**

# Legislation—LB 447

Effective 7/1/2016

## Disability

- ❑ Reverses LB449 from 2009 that allowed members to continue drawing retirement disability benefits and return to service as long as they stayed below retirement eligibility requirements
- ❑ Disability retirement benefits cease if a member returns to active service as a school employee after receiving disability retirement benefits or if a physician certifies the member is no longer disabled for service as a school employee.

# Legislation—LB 447

Effective 7/1/2016

## Vesting

- ❑ Removes the ½ year of service vesting for members who are actively employed on or over age 65.
- ❑ All members regardless of age are required to have a minimum of five years of service credit to vest in the plan.
  - ❑ Applies to members beginning new employment/membership on or after 7/1/2016.
  - ❑ Also members who have taken a refund or retirement benefit and begin new/returned membership on or after 7/1/2016.

# Legislation—LB 447

Effective 7/1/2016

## Transfer of Authority

- ❑ Transfers investment authority from the OSERS Board of Trustees to the Nebraska Investment Council and makes the Public Employees Retirement Board/NPERS the pass through agency for OSERS transactions.

# Eligibility

## Mandatory Participation

- Age 18 or older
- Full-time contract
- Permanent position(s) working 20 hrs/wk or more with “same employer” (effective 4/25/2013)
- Avg. hours increase to 20 hrs/wk or more with the “same employer” for any 3 calendar months in a plan year (July 1–June 30)
- Temporary averages 20 or more per week in position lasting more than one year

# Eligibility

## Who Cannot Participate

- Employee under the age of 18 years
- Employees averaging less than 20 hours/week with the “same employer”
- Temporary and substitutes-unless already eligible due to another position(s) with the same school district
- Temporary residents of the United States who do not have permanent resident alien status
- Non-certificated employees who hold a VALID election of non-membership

# Employer Reporting

## Compensation Includes

- Overtime or extra duty
- Member Retirement Contributions
- Wages ordered paid in legal proceedings
- Amount contributed by the member to:
  - 125 – Cafeteria Plans
  - 403(b) – Tax Sheltered Annuities
  - 457 – Deferred Compensation Plans

# Employer Reporting

## Compensation Does Not Include

- Fraudulently Obtained Amounts
- Unused leave converted to cash
- Insurance premiums converted to cash
- Expense reimbursements
- Fringe benefits
- Donated leave
- Per Diems for expense reimbursement
- Bonuses

# Employer Reporting

## 2016-2017 Contribution Rates

- ❑ Member – 9.78%
- ❑ Employer Match – 101% (9.8778)
- ❑ State Contribution – 2%

# Due Date 10<sup>th</sup>

**Wage & Contribution Report & payment due 10th of each month**

- The next business day if the 10<sup>th</sup> falls on a weekend/holiday**
- If late, contact us prior to due date – NPERS will work with you!**
- Why isn't my report "posted"?* NPERS must receive funds and accept the report first.**

# Benefit Based On

Formula:

- Salary (compensation)
- Creditable Service
- Formula Factor
- Option Factor

Age (reduced/unreduced)

# Creditable Service



- 1,000 or more hours in a plan year = 1 year
- Statute 79-902 -  
Creditable service means all service rendered while a contributing member of the retirement system

# **Contributions Remitted in Error**

- Deducted from future report
- Adjustments must be made within one year of the date the excess contributions were received by NPERs
- If more than one year...excess contribution shall not be adjusted

# Termination after Age 65

- Members contact NPERS prior to termination
  - Are they eligible to receive a benefit?
  - When can they begin receiving a benefit?
  - Options
- After age 70.5
  - Complete and submit non-con ASAP
  - Notify NPERS even if they are not currently contributing
  - Required to begin distributions from retirement accounts (RMD's)
  - IRS penalties

# How to Apply

- Not required to attend a seminar

Member allowed to attend two and get the day off with pay.

- Not required to have a one-on-one appointment

No paid leave to attend a one-on-one NPERS appointment

- Call NPERS - Up to six, but preferably no less than one month prior to retirement.

- A personalized retirement packet will be mailed

- Send completed retirement application to  
NPERS

# Reemploying Retirees

## In a Participating NE Public School

- ❑ No *regular service* until *after a 180 calendar day break* from termination date
  - ❑ *Cannot hold a position*
  - ❑ *Cannot sign a contract to return*
  - ❑ *Cannot “pre-arrange” return to employment*
  - ❑ *Cannot continue as an independent contractor or as an employee of an outside independent contractor providing service to the school*

# Reemploying Retirees

## In a Participating NE Public School

- ❑ If no *bona fide* break occurs, benefits stop, they must repay all payments received plus interest
- ❑ After a *bona fide* break occurs – they are now a new employee, determine eligibility, start contributions, new account, new service credit, new beneficiary form
- ❑ If employed after 7/1/2013 and eligible, accrue under Tier 2

# Subbing & Coaching

**Subbing** – allowed during 180-day bona fide break

- Intermittent only, not regular*
- Filling in – not their job*
- Number of hours is not defined in law
- If special situation, write to NPERS

**Coaching** – considered regular service

# **School Employer Manual**

- Email notifications when an updated version is available**
- Newest version available electronically – [npers.ne.gov](http://npers.ne.gov)**
- Located under Employer Reports - School in PDF format**
- Navigating the ER Manual online**

# Manual Revisions

## Chapter - 2

### Page 2-1 - Mandatory Membership

- deleted – ‘before completion of the agreement’

### Page 2-3 – Temporary/Substitute Employees

- replaced - ‘within a Nebraska Public School’ with ‘at the same employer’

# Manual Revisions

## Chapter - 3

- ❑ **Page 3-3 – Salary and Compensation**
  - ❑ added – ‘Donated Sick Leave’
- ❑ **Page 3-4 – Hours Worked**
  - ❑ added – ‘Used leave does not include...’

# Manual Revisions

## Chapter - 3

- Page 3-5 – Date of Hire**
  - removed – ‘If unknown, leave blank and provide for any new employee’
  
- Page 3-6 – Contributions Remitted in Error**
  - added – ‘Used sick leave donated to the member’
  - removed – ‘The member’s portion of contributions...will not be refunded.’

# Manual Revisions

## Chapter - 3

- Page 3-7 – 8% Compensation Cap**
  - updated – ‘No action is needed...’
- Page 3-9 Preparing Files for Upload**
  - updated section
- Page 3-41 – Paper Report**
  - removed – ‘copied from the forms section in Appendix B of this manual’

# Manual Revisions

## Chapter - 3

- ❑ **Page 3-42 – Makeup Contributions**
  - ❑ removed – ‘The employee must set up an agreement with NPERS’
- ❑ **Page 3-56 – Sample W-2 Form and Instructions**
  - ❑ removed section

# Manual Revisions

## Chapter - 4

### Page 4-1 – Service Credit Definition

- added – ‘Service credit does not include...by other employees’
- moved – ‘Includes/Does Not Include’ to compensation in chapter 3

### Page 4-3 – Military Service

- updated – After 1994 to match handbook

# Manual Revisions

## Chapter – 5 – Purchase of Service-Deleted

## Chapter – 6 (now chapter 5)

- ❑ **Page 6-1 to 6-3 Death Benefits**
  - ❑ updated section
  - ❑ Removed General Beneficiary's Options, Surviving Spouse's Options, and proof of death
- ❑ **Page 6-4 Reemployment after Disability Retirement**
  - ❑ updated due to LB 447

# Manual Revisions

## Chapter – 7 (now chapter 6)

- ❑ **Page 7-1 - Terminating Employment**
  - ❑ added – 1) ‘plan members must terminate...’ 2) ‘A member is not eligible...’ 3) ‘Warning: a member must repay...’
- ❑ **Page 7-5 thru 7-14**
  - ❑ Removed – Non-con examples, Terminating Service Before Qualifying for Retirement, Tax Information, Special Tax Notice (5 pages), and Retirement and Income Taxes.

# Manual Revisions

## Chapter – 7 (now chapter 6)

- ❑ **Page 7-15 –**
  - ❑ **Reemployment after Retirement - updated and added “warning”**
  - ❑ **Retirees Substituting During the 180-day Break - updated first paragraph**
  - ❑ **Reemployment After Disability Retirement - moved to Chapter 5 ‘Death and Disability**
- ❑ **Pages 7-16 & 7-17 Deleted – Acceptable Methods of Proof**

# Manual Revisions

## Chapter – 8 (now chapter 7)

- ❑ **Page 8-1 – Retirement Planning Seminars**
  - ❑ added - ‘Attendance is not mandatory...’
  - ❑ added – ‘Note Employers are not required...’
  - ❑ removed – Topics Discussed at Seminars

# **Manual Revisions**

## **Appendix A – Misc. Information**

- NPERS Staff Listing**
  - Reporting Contact – Caleb Taylor**
  - Internal Auditor – Jenna Vandeventer**

# **Internal Auditing**

## **Audit Statistics FYE 6/30/16**

- ☐ 33 Schools Audited**
- ☐ 6,446 Contributing Members**
- ☐ 379 Active Members Tested (6%)**
- ☐ 1,564 Non-Contributing (all)**

# Internal Auditing

## Audit Findings FYE 6/30/16

- 3 Schools had no findings
- 33 Members had gross wage issues (9%)
- 37 Not properly enrolled on time (10%)
- 88 Had incorrect hours reported (23%)
- 25 Demographics were inconsistent with NPERS (7%)

# **Internal Audit Process**

## **When you are selected**

- Questionnaire**
- Payroll Register – with all employees listed (March 2016)**
- Master or Negotiated Agreement (2015-2016)**
- Employee Sampling**

# **Internal Audit Process**

## **Employee Sampling**

- Social Security Number**
- Demographic Information**
- Date of Birth**
- Date of Hire**
- Employment Information**

# **Internal Audit Process**

## **Employee Sampling**

- Employment Agreement – includes salary/hourly rates (2015-2016)**
- Hours worked (if hourly-include timecards for wages reported)**
- Any additional necessary information/documentation**

# **Internal Audit Process**

## **Non-Contributing Employees**

- Documentation supporting hours worked each month from July 1, 2015 through June 30, 2016**
  - Hours Report**
  - Time Cards**
  - Substitute Log**
- Must account for all months**

# **Internal Audit Process**

## **Completing the Process**

- Notification Letter Sent to School Identifying Results**
- Respond to NPERS within 20 days**
- Return documentation to NPERS ASAP supporting corrected Audit Points**
- Audit file cannot be closed until all audit points are resolved**

# Things n stuff...

- ✓ **Do not email confidential information**
- ✓ **Add only middle initial in the proper field**
- ✓ **Employers cannot pay the employee portion of retirement contributions**
- ✓ **NPERS no longer offers agents free attendance at retirement seminars**

# Things n stuff...

- ✓ **Provide clear explanations when using the “notes” section of reporting**
- ✓ **School officials/administration do not have authority when determining an employee’s eligibility to participate**
- ✓ **Facts and circumstances matter**

# Reminders...

For new and current employees

- ✓ Address updated through employer reporting
- ✓ Keep beneficiary forms up to date - NOTARIZE
- ✓ Vesting Credit Form – completed within 180 day of hire for prior Nebraska governmental retirement plan participation
- ✓ Contact NPERS with questions concerning the school retirement plan and their account

# Reminders...

For new and current employees

## Repayment of a refund...

- ✓ Restores Service Credit
- ✓ Must be actively employed with a participating employer and contributing to the plan
- ✓ Submit application & repay within 5 years of reemployment and prior to termination
  - ✓ 4/16/2020 deadline for members reemployed prior to 4/17/14
- ✓ Contact NPERS with questions

# Reminders...

**For terminating employees**

- ✓ **Update address with NPERS**
- ✓ **Keep beneficiary forms up to date**
- ✓ **Must contact NPERS to begin the retirement process**

# Reminders...

For reporting agents

New Hire Packet-

for new  
and  
returning  
employees

## Welcome, New School Plan Member!



Welcome to the School Employees Retirement Plan. Whether you are beginning your career or you previously worked in the Nebraska public schools, we welcome your membership and the opportunity to help you understand your retirement plan.

We have created this document to provide new members with important information regarding the retirement benefits offered to School employees. Click on the links or visit our website to obtain copies. **If you do not have internet access, your employer should provide these documents.** If you have questions about the materials, please feel free to contact us.

# Reminders...

## For reporting agents

### Keep Contact Info Current!

- Year round contact
- Online contact must be same as on Employer Contact Form
  - Form is in Manual or on website
- Click link “Change Web Profile”
- Call NPERS for assistance

# Reminders...

**For reporting agents**

## **Adjustment Reports!**

- You are adjusting a prior report that has already posted**
- Provide a detailed explanation for the adjustment**
- Contact Linda or Caleb for assistance**

# Contact NPERs

**800-245-5712 or 402- 471-2053**

**Fax: 402- 471-9493**



**Linda – 471-9497 [linda.turner-minchow@nebraska.gov](mailto:linda.turner-minchow@nebraska.gov)**

**Caleb – 471-6098 [caleb.taylor@nebraska.gov](mailto:caleb.taylor@nebraska.gov)**



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# NPER

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