



NPERS

School Employer Reporting Webinar

“Eligibility & Compensation”

NE School Plan Design Elements

Defined Benefit

&

Tax Deferred



Tax Deferred

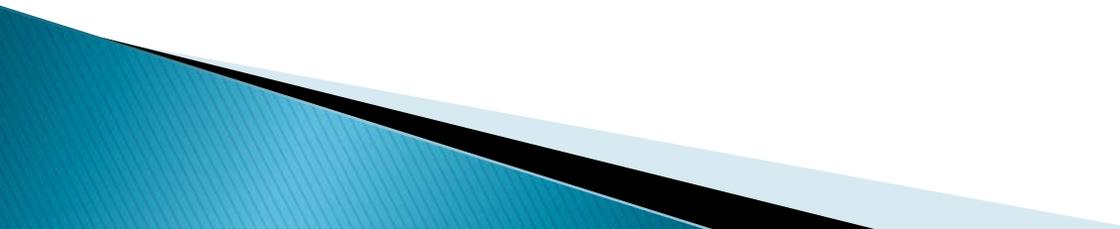
- Contributions are “pre-tax”
 - Increases member benefits
- Plan is subject to federal regulations
 - & Nebraska statutes
- Non compliance...
 - Penalties including fines & termination of tax preferred status!

Defined Benefit

- Benefits based on a formula that includes
 - Salary
 - Service Credit
- Improper reporting/administration...
 - Loss or reduction of benefits
 - Non compliance – state & federal laws
 - Penalties!

Today's Topics

Eligibility
&
Compensation



Initial Eligibility Criteria

Must be...

- At least 18 years of age
 - US citizen or qualified alien under the federal Immigration and Nationality Act
- 

Plan Definitions - Eligibility

School Employee

Regular Employee

Temporary Employee

Substitute Employee

Member



Words have meaning!

Please be mindful that when NPERS uses a term defined by the law, it uses the definition assigned to that term in the retirement statutes.

NPERS understands that the Schools and ESUs may assign a different meaning to the same term for HR, Payroll, Health Care, or other purposes.

School Employee (part 1)

“School employee means a contributing member who earns service credit pursuant to section 79-927. ...”

School Employee (part 2)

“... For purposes of this section, contributing member means the following persons who receive compensation from a public school: (a) Regular employees; (b) regular employees having retired pursuant to the School Employees Retirement Act who subsequently provide compensated service on a regular basis in any capacity; and (c) regular employees hired by a public school on an ongoing basis to assume the duties of other regular employees who are temporarily absent....”



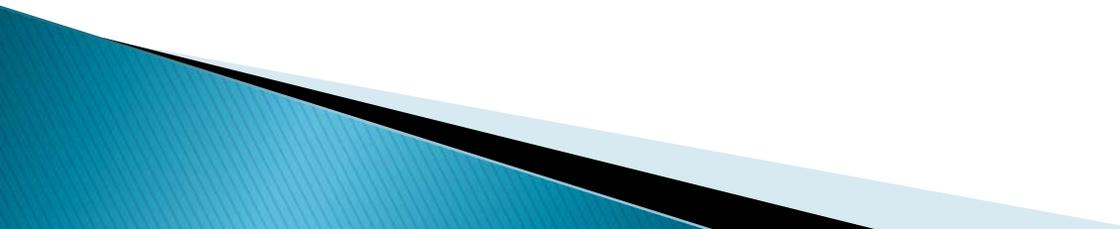
School Employee (part 3)

“...Substitute employees, temporary employees, and employees who have not attained the age of eighteen years shall not be considered school employees.”

Neb. Rev. Stat. § 79-902(10)

Regular Employee (part 1)

“Regular employee means an employee hired by a public school or under contract in a regular full-time or part-time position who works a full-time or part-time schedule on an ongoing basis for twenty or more hours per week. ...”



Regular Employee (part 2)

“... An employee hired as described in this subdivision to provide service for less than twenty hours per week but who provides service for an average of twenty hours or more per week in each calendar month of any three calendar months of a plan year shall, beginning with the next full payroll period, commence contributions and shall be deemed a regular employee for all future employment with the same employer.”

Neb. Rev. Stat. § 79-902(40)

Temporary Employee

“Temporary employee means an employee hired by a public school who is not a regular employee and who is hired to provide service for a limited period of time to accomplish a specific purpose or task. When such specific purpose or task is complete, the employment of such temporary employee shall terminate and in no case shall the temporary employment period exceed one year in duration.”

Neb. Rev. Stat. § 79-902(41)

Substitute Employee

“Substitute employee means a person hired by a public school as a temporary employee to assume the duties of regular employees due to a temporary absence of any regular employees. Substitute employee does not mean a person hired as a regular employee on an ongoing basis to assume the duties of other regular employees who are temporarily absent.”

Neb. Rev. Stat. § 79-902(38)

Member

“Member means any person who has an account in the School Retirement Fund.”

Other Eligibility Factors

Rehires (same employer)

- Once a member... always a member!
 - Regardless of hours worked
 - Unless returning as a true sub, or...
 - Taking a refund or drawing a benefit

LB263

- Added “same employer” language
 - Refer to Fall 2014 ER Newsletter

Plan Definitions - Compensation

“Compensation means gross wages or salaries payable to the member for personal services performed during the plan year and includes (i) overtime pay, (ii) member retirement contributions, (iii) retroactive salary payments paid pursuant to court order, arbitration, or litigation and grievance settlements, and (iv) amounts contributed by the member to plans under sections 125, 403(b), and 457 of the Internal Revenue Code as defined in section 49-801.01 or any other section of the code which defers or excludes such amounts from income.”

Neb. Rev. Stat. § 79-902(35)(a)

Compensation (Part 2)

“Compensation does not include (i) fraudulently obtained amounts as determined by the retirement board, (ii) amounts for unused sick leave or unused vacation leave converted to cash payments, (iii) insurance premiums converted into cash payments, (iv) reimbursement for expenses incurred, (v) fringe benefits, (vi) per diems paid as expenses, (vii) bonuses for services not actually rendered, including, but not limited to, early retirement inducements, cash awards, and severance pay, or (viii) beginning on September 4, 2005, employer contributions made for the purposes of separation payments made at retirement and early retirement inducements as provided for in section 79-514.”

Neb. Rev. Stat. § 79-902(35)(b)

Compensation (Part 3)

“Compensation in excess of the limitations set forth in section 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01 shall be disregarded. For an employee who was a member of the retirement system before the first plan year beginning after December 31, 1995, the limitation on compensation shall not be less than the amount which was allowed to be taken into account under the retirement system as in effect on July 1, 1993.”

Neb. Rev. Stat. § 79-902(35)(c)

Other References

- School Manual for Employer Contacts, Chapter 3.
- Newsletters for Employer Reporting Contacts.
 - The Fall 2014 Newsletter has info on plan eligibility and the “same employer” language.
 - The July 2013 and July 2014 Newsletters have info on compensation.
- All can be found on NPERS’ School – Employer Reporting Website:

<http://npers.ne.gov/SelfService/public/otherInformation/employerReporting/erSchool.jsp>

Employer Reporting (ER) Page

npers.ne.gov

- ER Manual
- ER Newsletters
- Forms
- New Member Packet
- Workshop Info
- Eligibility Calculator

Logon Access...



Welcome Back,
Employer :

Search:

Employer Reporting Home Page

You have successfully logged into our web site.



[Retirement Plan Eligibility Calculator](#)

[School Manual for Employer Contacts \(pdf\)](#)

[Forms for School Employer Contacts](#)

[New Member Information Packet \(pdf\)](#)

[Newsletters & Summer Training Seminars](#)

Messages from NPERS

- Materials used at the 2015 summer workshops are now available - see above link.

Employer Information

Employer :

Employer Number :

e-mail Address :

Account Links

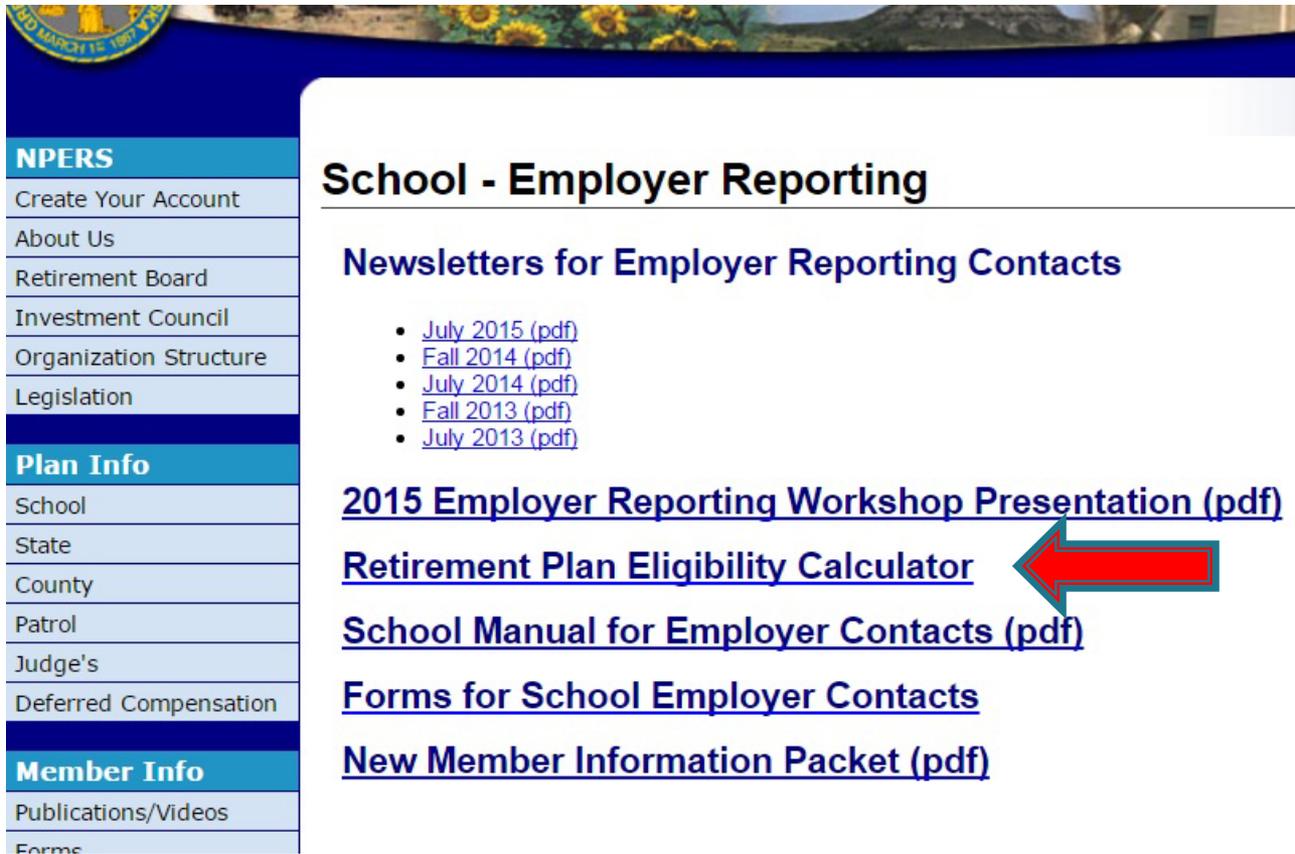
[Change Web Profile](#) - Click here to change your web profile.

[Work on ER Reports](#) - Click here to create /update your employer report.

[Work on Exmptn Info](#) - Click here to create /update your Salary Info report.

Eligibility Calculator

Direct Link Access...



The image shows a screenshot of the NPERS website. On the left is a vertical navigation menu with the following sections: NPERS, Plan Info, and Member Info. The main content area is titled "School - Employer Reporting" and contains several links and a list of newsletters. A red arrow points to the "Retirement Plan Eligibility Calculator" link.

NPERS

- Create Your Account
- About Us
- Retirement Board
- Investment Council
- Organization Structure
- Legislation

Plan Info

- School
- State
- County
- Patrol
- Judge's
- Deferred Compensation

Member Info

- Publications/Videos
- Forms

School - Employer Reporting

Newsletters for Employer Reporting Contacts

- [July 2015 \(pdf\)](#)
- [Fall 2014 \(pdf\)](#)
- [July 2014 \(pdf\)](#)
- [Fall 2013 \(pdf\)](#)
- [July 2013 \(pdf\)](#)

[2015 Employer Reporting Workshop Presentation \(pdf\)](#)

[Retirement Plan Eligibility Calculator](#) 

[School Manual for Employer Contacts \(pdf\)](#)

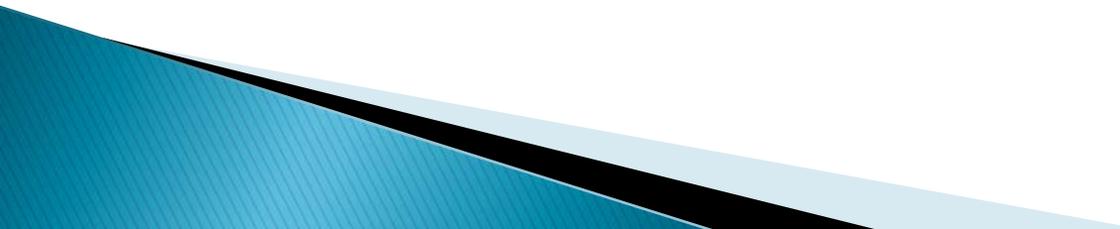
[Forms for School Employer Contacts](#)

[New Member Information Packet \(pdf\)](#)

Eligibility Calculator

Example One

“Common Enrollment”



School Eligibility Flow Chart

NOTE! This School Plan Eligibility Flow Chart is for illustrative purposes only. It is not intended to be, and shall not be, relied upon as either legal advice or an agency determination regarding actual school plan eligibility. The legal issues associated with school plan eligibility can be complex, and consultation with an NPERS staff member is strongly recommended.

School Plan eligibility is subject to change based upon laws enacted by the Nebraska State Legislature.

New/Rehired Employee

Is this individual age 18 or older?

YES

NO



School Eligibility Flow Chart

Is this individual a United States citizen or legally qualified alien?

YES

NO

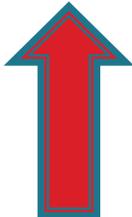


School Eligibility Flow Chart

Is the individual being hired/rehired as a true substitute?

YES

NO



School Eligibility Flow Chart

NOTE: An individual who previously participated in the plan, terminated employment, and is now returning to work for the *same employer* will resume plan participation regardless of hours worked. *Exception* - if following termination this individual has taken either a refund or a monthly retirement benefit, they are no longer considered an "active" plan member and must re-establish membership.

Is this individual receiving a monthly retirement benefit from the Nebraska Public School Retirement system?

YES

NO



School Eligibility Flow Chart

Has this employee previously participated in the Nebraska Public School Retirement Plan, then terminated employment and taken a refund of their retirement contributions?

YES

NO

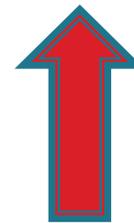


School Eligibility Flow Chart

Was this individual previously employed at YOUR school district (or ESU) and participating in the Nebraska Public School Retirement plan due to hours worked during that time?

YES

NO

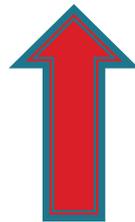


School Eligibility Flow Chart

Is the position they are being hired for considered "regular and ongoing?"

YES

NO



School Eligibility Flow Chart

Will this individual be working at your school district for 20 or more hours per week?

WARNING: Beginning 4/25/2013, service at *other* school districts, ESU's, or state agencies is no longer included when calculating the 20 hour requirement.

YES

NO



School Eligibility Flow Chart

Eligible!

Immediate plan participation is required.

Restart

Eligibility Calculator

Example Two

“Less Than 20 Hours”



School Eligibility Flow Chart

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New/Rehired Employee

Is this individual age 18 or older?

YES

NO



School Eligibility Flow Chart

Is this individual a United States citizen or legally qualified alien?

YES

NO

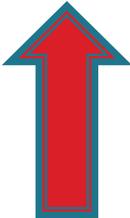


School Eligibility Flow Chart

Is the individual being hired/rehired as a true substitute?

YES

NO



School Eligibility Flow Chart

NOTE: An individual who previously participated in the plan, terminated employment, and is now returning to work for the *same employer* will resume plan participation regardless of hours worked. *Exception* - if following termination this individual has taken either a refund or a monthly retirement benefit, they are no longer considered an "active" plan member and must re-establish membership.

Is this individual receiving a monthly retirement benefit from the Nebraska Public School Retirement system?

YES

NO



School Eligibility Flow Chart

Has this employee previously participated in the Nebraska Public School Retirement Plan, then terminated employment and taken a refund of their retirement contributions?

YES

NO

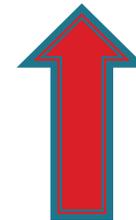


School Eligibility Flow Chart

Was this individual previously employed at YOUR school district (or ESU) and participating in the Nebraska Public School Retirement plan due to hours worked during that time?

YES

NO



School Eligibility Flow Chart

Is the position they are being hired for considered "regular and ongoing?"

YES

NO



School Eligibility Flow Chart

Will this individual be working at your school district for 20 or more hours per week?

WARNING: Beginning 4/25/2013, service at *other* school districts, ESU's, or state agencies is no longer included when calculating the 20 hour requirement.

YES

NO



School Eligibility Flow Chart

In order to participate, an individual must be working in a position requiring an average of at least 20 hours per week on an ongoing regular basis.

Monitor all hours worked at your school district. If the position of an employee initially hired to work less than 20 hours per week changes to a position requiring 20 or more hours per week, the employee should be enrolled in the plan. If an employee initially hired to work less than 20 hours per week starts working an average of 20 hours or more per week in each calendar month of any three calendar months during a retirement plan year (July 1-June 30), they must be enrolled in the plan. The 3 calendar months do not have to be consecutive. The "mandatory effective date of participation" in the plan is the next pay period following the pay period where the employee worked an average of 20 hours or more per week for each of 3 calendar months during the plan year.

[Restart](#)

Eligibility Calculator

Example Three

“Prior Member”



School Eligibility Flow Chart

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School Plan eligibility is subject to change based upon laws enacted by the Nebraska State Legislature.

New/Rehired Employee

Is this individual age 18 or older?

YES

NO



School Eligibility Flow Chart

Is this individual a United States citizen or legally qualified alien?

YES

NO



School Eligibility Flow Chart

Is the individual being hired/rehired as a true substitute?

YES

NO



School Eligibility Flow Chart

NOTE: An individual who previously participated in the plan, terminated employment, and is now returning to work for the *same employer* will resume plan participation regardless of hours worked. *Exception* - if following termination this individual has taken either a refund or a monthly retirement benefit, they are no longer considered an "active" plan member and must re-establish membership.

Is this individual receiving a monthly retirement benefit from the Nebraska Public School Retirement system?

YES

NO



School Eligibility Flow Chart

Has this employee previously participated in the Nebraska Public School Retirement Plan, then terminated employment and taken a refund of their retirement contributions?

YES

NO



School Eligibility Flow Chart

Was this individual previously employed at YOUR school district (or ESU) and participating in the Nebraska Public School Retirement plan due to hours worked during that time?

YES

NO



School Eligibility Flow Chart

Eligible!

Immediate plan participation is required.

Restart

Eligibility Calculator

Example Four

“Prior Member – Retired”



School Eligibility Flow Chart

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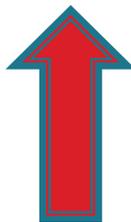
School Plan eligibility is subject to change based upon laws enacted by the Nebraska State Legislature.

New/Rehired Employee

Is this individual age 18 or older?

YES

NO



School Eligibility Flow Chart

Is this individual a United States citizen or legally qualified alien?

YES

NO



School Eligibility Flow Chart

Is the individual being hired/rehired as a true substitute?

YES

NO



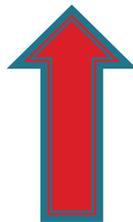
School Eligibility Flow Chart

NOTE: An individual who previously participated in the plan, terminated employment, and is now returning to work for the *same employer* will resume plan participation regardless of hours worked. *Exception* - if following termination this individual has taken either a refund or a monthly retirement benefit, they are no longer considered an "active" plan member and must re-establish membership.

Is this individual receiving a monthly retirement benefit from the Nebraska Public School Retirement system?

YES

NO



School Eligibility Flow Chart

Have 180 calendar days elapsed since this individual terminated their prior employment in order to begin drawing their retirement benefit?

YES

NO



School Eligibility Flow Chart

Caution!

Individuals who have starting drawing a retirement benefit must incur a 180 calendar day, bona fide break in service at ALL participating school districts, ESU's, and state agencies. During this 180 day period, retirees can only provide "unpaid voluntary" or "substitute" service on a limited and intermittent basis. Failure to meet this criteria will result in cessation of benefits and repayment of any benefits issued.

If any service provided prior to the 180 day break fails to meet the above criteria, you **MUST** notify NPERS.



Eligibility Calculator

Example Five

“Prior Member – Refund”



School Eligibility Flow Chart

NOTE! This School Plan Eligibility Flow Chart is for illustrative purposes only. It is not intended to be, and shall not be, relied upon as either legal advice or an agency determination regarding actual school plan eligibility. The legal issues associated with school plan eligibility can be complex, and consultation with an NPERS staff member is strongly recommended.

School Plan eligibility is subject to change based upon laws enacted by the Nebraska State Legislature.

New/Rehired Employee

Is this individual age 18 or older?

YES

NO



School Eligibility Flow Chart

Is this individual a United States citizen or legally qualified alien?

YES

NO



School Eligibility Flow Chart

Is the individual being hired/rehired as a true substitute?

YES

NO



School Eligibility Flow Chart

NOTE: An individual who previously participated in the plan, terminated employment, and is now returning to work for the *same employer* will resume plan participation regardless of hours worked. *Exception* - if following termination this individual has taken either a refund or a monthly retirement benefit, they are no longer considered an "active" plan member and must re-establish membership.

Is this individual receiving a monthly retirement benefit from the Nebraska Public School Retirement system?

YES

NO



School Eligibility Flow Chart

Has this employee previously participated in the Nebraska Public School Retirement Plan, then terminated employment and taken a refund of their retirement contributions?

YES

NO



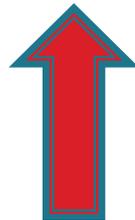
School Eligibility Flow Chart

NOTE: In order to take a refund a member must terminate employment with ALL employers participating in the Nebraska Public School Retirement Plan and incur a 180 day break in service.

Have 180 calendar days elapsed since this individual terminated their prior employment?

YES

NO

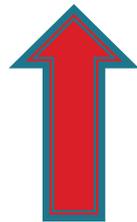


School Eligibility Flow Chart

Is the position they are being hired for considered "regular and ongoing?"

YES

NO



School Eligibility Flow Chart

Will this individual be working at your school district for 20 or more hours per week?

WARNING: Beginning 4/25/2013, service at *other* school districts, ESU's, or state agencies is no longer included when calculating the 20 hour requirement.

YES

NO



School Eligibility Flow Chart

Eligible!

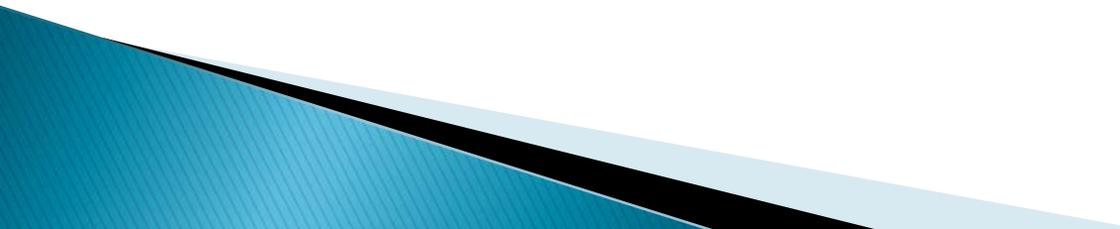
Immediate plan participation is required.

Restart

Eligibility Calculator

Example Six

“Temporary Hire”



School Eligibility Flow Chart

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School Plan eligibility is subject to change based upon laws enacted by the Nebraska State Legislature.

New/Rehired Employee

Is this individual age 18 or older?

YES

NO



School Eligibility Flow Chart

Is this individual a United States citizen or legally qualified alien?

YES

NO

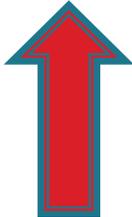


School Eligibility Flow Chart

Is the individual being hired/rehired as a true substitute?

YES

NO



School Eligibility Flow Chart

NOTE: An individual who previously participated in the plan, terminated employment, and is now returning to work for the *same employer* will resume plan participation regardless of hours worked. *Exception* - if following termination this individual has taken either a refund or a monthly retirement benefit, they are no longer considered an "active" plan member and must re-establish membership.

Is this individual receiving a monthly retirement benefit from the Nebraska Public School Retirement system?

YES

NO



School Eligibility Flow Chart

Has this employee previously participated in the Nebraska Public School Retirement Plan, then terminated employment and taken a refund of their retirement contributions?

YES

NO

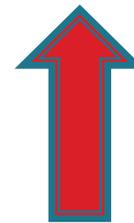


School Eligibility Flow Chart

Was this individual previously employed at YOUR school district (or ESU) and participating in the Nebraska Public School Retirement plan due to hours worked during that time?

YES

NO



School Eligibility Flow Chart

Is the position they are being hired for considered "regular and ongoing?"

YES

NO



School Eligibility Flow Chart

Temporary employees are not eligible to participate.

True substitutes are not eligible to participate.

*If hired as a temporary employee, monitor duration of service.
After one year of service return and answer yes to the question
"Is the position considered regular and ongoing?"*

[Restart](#)



NPERS

School Employer Reporting Webinar

“Eligibility & Compensation”