

RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | APRIL 2025

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PUBLIC EMPLOYEES RETIREMENT BOARD

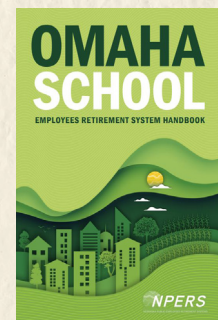
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It's *Different!*

One of the most common misconceptions among **OSERS plan members** is that it is the same as the **NPERS School Retirement Plan**. While both plans share some similarities, a major difference lies in the annuity options at retirement, which are **very** different.

OPS is a school system, so people often assume that the **OSERS plan** will be the same as the NPERS School Retirement Plan. It is also common for members to have contributed to both an OSERS account and an NPERS School account. Meaning they have two separate retirement accounts, both administered by NPERS. The NPERS takeover of OSERS administration **did not merge the two plans**—they are separate, each with its own rules.

If you are curious about the differences in annuity options, we encourage OSERS members to read the new OSERS handbook (annuity options details are on pages 22–25). The handbook provides a comprehensive, in-depth view of the OSERS plan, thoroughly explaining the annuity options and how they work, so members can make informed decisions about their retirement. [The handbook](#) can be found on the [OSERS plan page](#) of our website, [NPERS.NE.GOV](https://www.npers.ne.gov).



403(b) Contribution Limits 2025

The IRS has announced the **2025 maximum contribution limits** for 403(b) plans. The standard yearly maximum contribution has increased from **\$23,000 to \$23,500**. Individuals ages **50 or older** may contribute an additional **\$7,500** using the **Age 50 Catch-Up** provision, increasing their total limit to **\$31,000**.

Omaha School employees who have completed **15 or more years of service** with the same eligible employer and have contributed, on average, **less than \$5,000 per year** to their 403(b) may be able to contribute more under the **Lifetime Catch-Up** provision (also known as the **"Long Service" Catch-Up**). This allows eligible 403(b) participants to contribute up to an additional **\$3,000 per year**, with a **lifetime maximum of \$15,000**.

Under the **SECURE Act 2.0**, members who turn **60 to 63** in 2025 will be eligible to contribute an additional **Super Catch-Up** amount of **\$11,250** to their DCP account.

To be Super Catch-Up eligible you must attain the age of 60, 61, 62, or 63 in 2025. Examples:

- **Member A** is turning **60** in 2025. Member A is **eligible**.
- **Member B** is turning **64** in 2025. Member B is **NOT eligible** for the Super Catch-up of **\$11,250** but would still be able to contribute the **regular Catch-Up of \$7,500**.

2025 limits for School employees participating in a 403(b)				
TAX YEAR	STANDARD MAXIMUM CONTRIBUTION	IF YOU QUALIFY FOR THE \$3,000 LIFETIME CATCH-UP	IF YOU QUALIFY FOR THE AGE 50 CATCH-UP	IF YOU QUALIFY FOR BOTH THE AGE 50 AND THE LIFETIME CATCH-UP*
2025	\$23,500	\$26,500	\$31,000	\$34,000

*The first \$3,000 of contributions in excess of the standard \$23,500 limit will apply to the Lifetime Catch-Up and reduce the \$15,000 Lifetime Catch-Up limit. For more information on 403(b) limits, please refer to [IRS publication 571](#).

NPERS does not administer any 403(b) plans. This article is for informative purposes only. School employees who wish to participate in a 403(b) should contact their HR department for plan and enrollment information.

Ready...Set... RETIRE!

Knowing your retirement benchmarks and flags can help speed your way to the retirement victory of your dreams.

One Last Stretch Before the Race: Your Effective Date – A very important date, indeed! Your effective date is the starting line for receiving your monthly benefit. The application process depends on the **effective date**, which is always the first of the month. We use your age as of this date to calculate your benefit. For example, if your effective date is July 1, we calculate your benefit based on your age on that day, and you will be eligible to receive your first benefit at the beginning of the following month ([benefit payment schedule](#)). To establish your effective date, you must complete all the necessary steps listed below! Let's run that race!

Ready: Contact the Retirement Office – You can contact NPERS to begin the process up to six months in advance, but preferably no less than one month before retirement. Take this time to explore the [educational resources](#) available on the NPERS website. Read your [plan handbook](#) to understand the nuances of your retirement plan, or [watch videos](#) about Social Security, estate planning, Medicare, and elder financial fraud to get a well-rounded view of your retirement path.

Set: Patience is a Virtue – You will need to complete and return your Application for Retirement to NPERS. Once we receive your application, we will review your work history to verify your salaries and years of service to ensure an accurate retirement benefit. A benefit estimate will be created, and your retirement packet will be mailed approximately 30 to 45 days before your effective date.

The Starting Pistol: BANG! It may seem obvious, but one of the most crucial steps to receiving your benefit is **stopping work for OPS before your effective date!** To be eligible for a retirement benefit, you must cease employment. If you provide **more than eight days a month** of either substitute or voluntary service, temporary service within the first 30 days after termination, any regular service, or if you accept pay for contractual time periods **after** your effective date, you will not be eligible. Your effective date will need to be pushed back. However, if you stop working but receive delayed pay over the summer months, you can still establish an effective date—provided the delayed pay is for service performed before your effective date.

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Are You Thinking of Coming Back?

When a member **terminates** their regular employment with an employer participating in the **Omaha School Retirement Plan**, they face a significant decision: **Will they take their benefit or not?** LB198 changed **reemployment** rules last year, impacting how members move forward with their decision.

Reemployment occurs when a member terminates regular employment and then returns to work at an OSERS employer.

If a member decides to take their benefit (or a distribution), they **must establish a 180-day separation from service**, which indicates to the IRS that they have fully terminated their employment. **During this 180-day separation period (you may provide true unlimited temporary service that is NOT an extension of their regular service after 30 days), the member may still provide substitute service for Omaha Public Schools for up to 8 days per calendar month.**

If a member decides **not** to take a benefit or distribution from their account, **under the newest rules**, they may provide **unlimited substitute, voluntary, or temporary services**. However, their **180-day separation from service period will not**

begin until they apply to take a benefit or distribution. The rules for the **180-day period** remain the same: they may still provide **up to 8 days of substitute and/or voluntary service, or unlimited true temporary service after at least 30 days of separation service per calendar month** during this time.

Members who are close to or working past their **Required Minimum Distribution (RMD)** age should pay close attention, as **RMD deadlines are enforced as soon as regular employment ceases.** Some members have ceased regular employment and then begun to provide unlimited substitute services, mistakenly believing this qualifies as “still working” under IRS guidelines—it does not. **Missing your RMD deadline in the OSERS plan could mean losing the opportunity to claim a lifetime benefit.**

If you are unsure about the appropriate timing for taking your RMD, review the [RMD handout](#) on your plan page, and if you have questions, call NPERS.

Not establishing a proper termination can result in a termination violation. Consequences may include delays in processing or a full and immediate repayment of all funds.

And They're Off: Running the Retirement Race Together with NPERS! Processing time for your first benefit may take around three months after your effective date, depending on when we receive your application and any required paperwork from your employer—especially during the summer months. Some retirements may take longer if there are discrepancies or if we are waiting for information from you or your employer. If payment is delayed past the first benefit period (benefits are issued at the beginning of each month), your first check will be retroactive and include all months you were eligible.

Crossing that Finish Line: You made it! You've retired and are living the good life! Be sure to keep your address up to date with NPERS, as we will send you an annual 1099-R tax form each year.



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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

RETIREMENT NEWS

OMAHA SCHOOL EMPLOYEES | APRIL 2025

OSERS Spring in-Person Seminars

Both our April 8 (rescheduled from March 5) and May 12 seminars are full. We are thrilled with the response to our pre-retirement seminars and look forward to providing more educational opportunities for OSERS members in the future!

