

RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | APRIL 2025

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It's Great to Get Super Caught-up with DCP Super Catch-up in 2025!

NPERS is pleased to announce an exciting new update for 2025! Yearly contribution maximums for the Deferred Compensation Plan (DCP) are set by the federal tax code. Under the SECURE Act 2.0, members turning 60 to 63 in 2025 will be eligible to make a Super Catch-Up contribution to their DCP account.

2025 IRS Contributions Limits		
IF YOU'RE UNDER AGE 50	CATCH-UP AGE 50-59 OR AGE 64 AND OLDER	SUPER CATCH-UP (ATTAINING THE AGE OF 60, 61, 62, OR 63 IN 2025)
\$23,500	$\$23,500 + \$7,500 = \mathbf{\$31,000}$	$\$23,500 + \$11,250 = \mathbf{\$34,750}$

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.

To access the Deferred Compensation Super Catch-Up, **State of Nebraska employees** must use Workday. By using Workday you can enroll or update your deferred compensation amounts at any time — no need to wait until Open Enrollment. **County employees** can enroll or make changes to their Deferred Compensation Plan using the new [DCP enrollment/change form](#) on our website.

If you are eligible for the new Super Catch-Up, the plan will automatically populate when you launch and complete the *Deferred Compensation Enroll/Change event*. When switching to the new plan option, Deferred Compensation will initially display as "Waived." You must select the plan and enter your Super Catch-Up amount. If you do not wish to increase your maximum contribution and are satisfied with your current amount, you may remain in your existing deferred compensation plan.

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1. When switching to the new plan option, Deferred Compensation will initially display as "Waived." You must select the plan and enter your Super Catch-Up amount.
2. Enter the "Per Paycheck Contribution" amount.

Benefit Plan	*Selection	Contribution Type	Amount
Nebraska Public Employees Retirement Systems DCP Deferred Compensation Super Catch-Up	<input checked="" type="radio"/> Select <input type="radio"/> Waive	Per Paycheck Contribution (\$)	<input type="text" value="500.00"/>
		Minimum Amount:	\$25.00
		Maximum Amount:	\$34,750.00

Projected Total Cost Per Paycheck
\$500.00

Selected Benefits 1 item

Plan	Coverage Begin Date	Deduction Begin Date
Deferred Compensation (NPERS)	02/04/2025	02/04/2025
Nebraska Public Employees Retirement Systems DCP Deferred Compensation Super Catch-Up		

For questions regarding this use the [DAS Workday users guide](#).

IMPORTANT: Members of plans who have access to DCP, but **do not** use Workday to make contribution elections (County employees), must use the new [DCP enrollment/change form](#) on our website. If you are eligible, you may still access the Super Catch-Up using this form to make changes to your current contribution amounts or enroll.

Investigating Vesting

Understanding vesting is crucial when making employment decisions. Why? Because vesting determines whether you can retain employer contributions and earnings upon leaving your job. If you don't meet the vesting requirements, you could be forfeiting a significant amount of money. Keep in mind that the employer match in the State plan is 156%, while in the County plan, it is 150%. Vesting occurs **after** a total of three years of employment—including vesting credit—and 36 months of contributions.

You may be wondering, aren't these the same thing? Not quite—you must meet **BOTH** requirements to be vested. Your hire date and termination date must indicate a total three-year period.

Example:

- ✓ Hire date: **04/01/2025** | Termination date: **04/01/2028** → YES (vested)
- ✗ Hire date: **04/01/2025** | Termination date: **03/31/2028** → NO (not vested)

In addition, you must also have 36 months of contributions. However, most employees don't receive their first paycheck on their first day of work. There is typically a short delay between hiring and receiving the first paycheck, which can cause individuals to mistakenly believe they are vested when they have not yet met the contribution requirement.

You can become vested in less than three years if you:

1. Attain age 55 **before** terminating employment
2. Die before terminating employment
3. Qualify for disability

If you are hired as a full-time employee by the State or County, you may be eligible for vesting credit if you previously participated in another Nebraska governmental plan as a full-time employee. If eligible, this prior participation will count toward the three years required for vesting in the Plan. To qualify, [your completed application](#) must be received by NPERS within 180 days of your hire date. There are no exceptions. If you fail to apply within this timeframe, you will not be eligible for vesting credit.

Some examples of Nebraska governmental employment include municipal government, public power district, law enforcement, county government, Nebraska Public Schools, state university or state college. (Examples of employment that would NOT qualify would be federal employment, out-of-state university or college, and any non-governmental employment.)



Vesting does not occur upon reaching three years of participation—it happens **after** three years are completed.

- [Nebraska Revised Statute 84-1321\(3\)](#)
- [Nebraska Revised Statute 23-2319\(3\)](#)

Members are vested **after** a total of three years.

Basis Point Break 2025!

Observing and understanding fees—and how they are assessed—can help us avoid accounts that charge excessively high or frivolous fees. Not understanding the fee structure of a financial tool may lead to the loss of precious capital without even realizing it. NPERS works to keep fees low and remains transparent about what fees are assessed and why, so you can feel confident that your retirement is safe and sound.

Effective April 1st, 2025, administrative fees will be:

State Defined Contribution Plan	County Defined Contribution Plan	Deferred Compensation Plan
1.5 basis points	3.0 basis points	1.5 basis points + a \$2.00 flat fee

Fee Detail

These fees cover a portion of NPERS' operating expenses. Plan expenses are periodically evaluated by the Public Employees Retirement Board (PERB). Lower fees mean more of your money stays in your account to help it grow, keeping more funds in the pockets of our members at retirement. The PERB makes every effort to keep fees low and reasonable for plan participants.

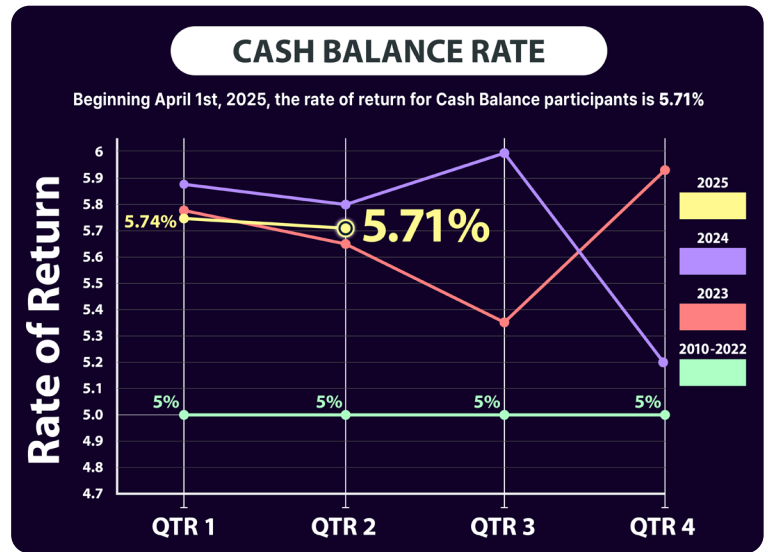
If you wish to review the fees assessed on your account, they are always listed in the "Fee Detail" section of your quarterly account statement. We keep fees low to keep hopes high!

Cash Balance Rate

For the quarter beginning April 1, 2025, the rate of return for Cash Balance participants is **5.71%**. The Cash Balance rate of return is calculated using the federal mid-term rate plus 1.5% or a guaranteed rate of 5%, whichever is greater.

Most people believe they are only getting the 5% guaranteed rate, but did you know that for the last two years Cash Balance has received a rate of return higher than 5%? The average rate of return for 2023 was 5.68%, and for 2024, it was 5.72%. The average rate of return for 2025 is 5.72%.

The current and historical Cash Balance rates of return are available via the "[Cash Balance Rates of Return & Dividends](#)" link on our website.



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NEBRASKA STATE & COUNTY EMPLOYEES | APRIL 2025

NPERS EXTRA - Reminders!

Quarterly Statements – One of the most important documents you receive from NPERS/Ameritas is your quarterly Account Statement. Be sure to review your statement carefully before filing it with your other important documents. If you believe there is an error, contact NPERS immediately. Even minor discrepancies should be reported in writing to ensure accuracy.

Current Address – Statements are mailed to members' home addresses each quarter unless you have opted to receive them electronically. To ensure timely delivery, notify your employer of any address changes, as they submit your updated information to

NPERS. (Members not currently working or who are receiving a retirement benefit must submit a written, signed [notice of address change](#) directly to NPERS.)

Beneficiary Designations – Your statement (page two) lists your current beneficiaries. If your beneficiary designation is more than 15 years old or if no beneficiaries are listed, this section will appear blank.

It is strongly recommended that you review and update your beneficiary designation every three to five years, especially after major life events that may affect your financial plans. [Beneficiary designation forms](#) are available at NPERS.NE.GOV.