

# NEBRASKA STATE & COUNTY EMPLOYEES RETIREMENT NEWS

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | JULY 2025

## IN THIS ISSUE

- Pg. 1 - Changes to LifePath Index Funds
- Pg. 3 - LifePath Index Funds: Asset Allocations
- Pg. 4 - Cash Balance Rate
- Pg. 4 - LB295: Impact on State/County Plans

## PUBLIC EMPLOYEES RETIREMENT BOARD

<b>Chair</b> <b>JANIS ELLIOTT</b> School Member	<b>Michael Donley</b> State Member	<b>GERALD CLAUSEN</b> Public Member
<b>Vice-Chair</b> <b>THOMAS ZIMMERMAN</b> Judge Member	<b>LUKE SPLATTSTOESSER</b> Patrol Member	<b>BRENT LARSON</b> Omaha School Member
<b>Jake Curtiss</b> School Member	<b>CHARLES NEUMANN</b> County Member	<b>ELLEN HUNG, CFA</b> Ex-Officio (State Investment Officer)
	<b>PAT BOURNE</b> Public Member	<b>TYLER CUMMINGS</b> NPERS Interim Director

# CHANGING PATHS

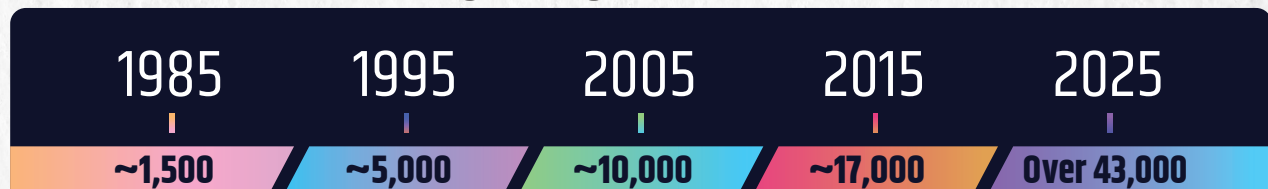
## *Upcoming Changes to the LifePath Index Fund Options*

For members making investment choices for their Defined Contribution Plan, Voluntary Deferred Compensation Plan, and/or Patrol DROP account, it's important to stay informed and review your options carefully.

### WHAT ARE INDEX FUNDS?

**Index funds** are a type of investment fund designed to mirror the performance of a specific market index, such as the S&P 500 or the Dow Jones Industrial Average. This can be a smart investment strategy, because historically, the overall market has shown steady growth over time. For example, looking at the Dow Jones in 10-year snapshots reveals consistent upward trends.

#### *Long-term growth in action!*



### WHAT ARE LIFEPATH INDEX FUNDS?

**LifePath Index Funds** are a specific type of index fund with a target retirement date. They're designed to automatically adjust their mix of investments based on your age and expected retirement year shifting from more aggressive growth strategies to more conservative allocations as you approach retirement.

CONTINUED ON PAGE 2

- **Younger investors** start with a more aggressive portfolio by holding a higher percentage of stocks to maximize growth potential.
- **As you approach retirement**, the fund gradually shifts to more conservative investments (like bonds), helping to reduce risk and protect your savings from market volatility.



It's a "set it and forget it" approach to investing that becomes more conservative as you near retirement. When your fund reaches the target date, the assets are transferred into the LifePath Retirement Fund.

The LifePath Retirement Fund is the most conservative LifePath (Target Date) fund and is designed to help preserve capital while still seeking growth for a retirement that lasts decades.

## WHAT'S CHANGING?

With the LifePath Index 2025 Fund reaching its target date and member assets being transferred into the LifePath Index Retirement Fund, we're excited to announce the release of the LifePath Index 2070 Fund. **The new fund will become available to the Defined Contribution Plan, Voluntary Deferred Compensation Plan, and Patrol DROP accounts effective September 22, 2025.**

**That's not the only good news.** We're also pleased to share that members may expect to see reductions in their investment management fees on select funds, meaning more of your hard-earned savings stays with you. The following fee reductions are scheduled to take effect:

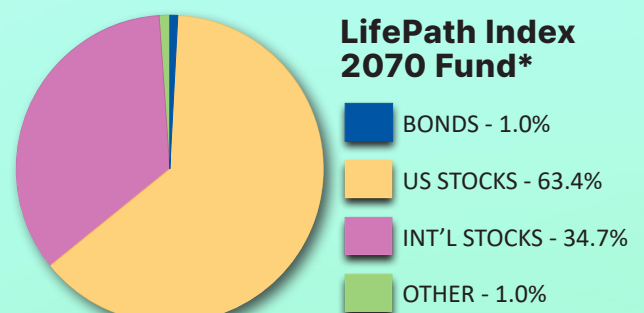
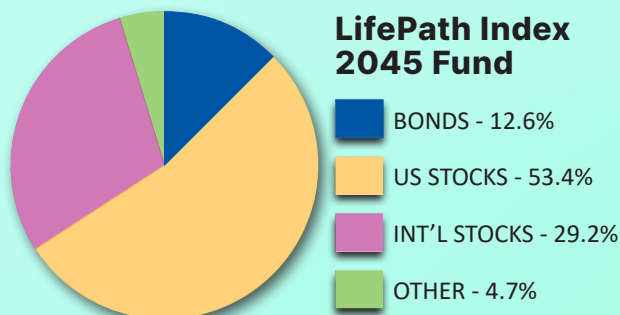
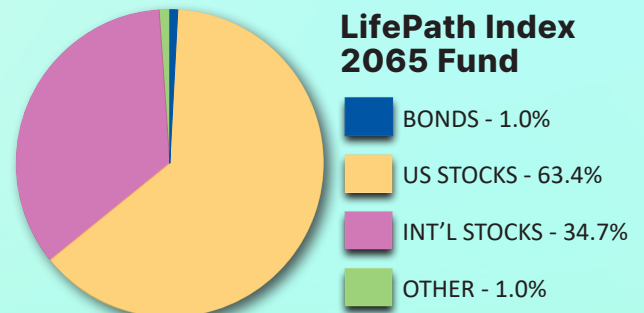
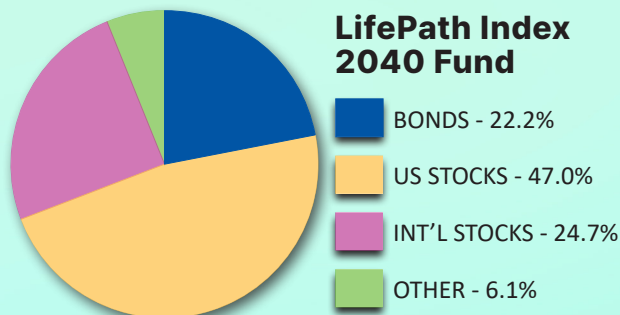
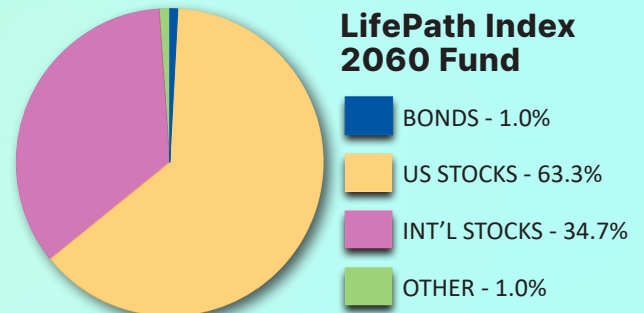
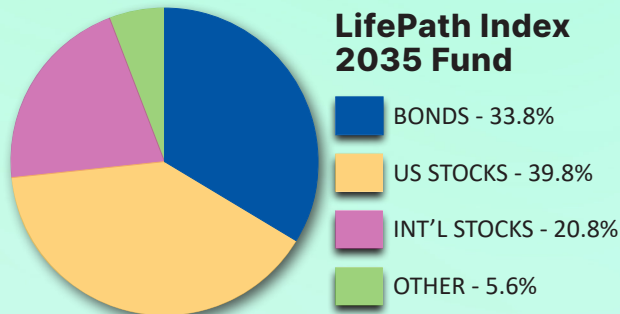
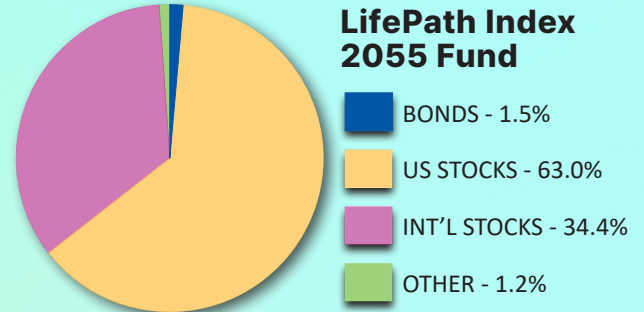
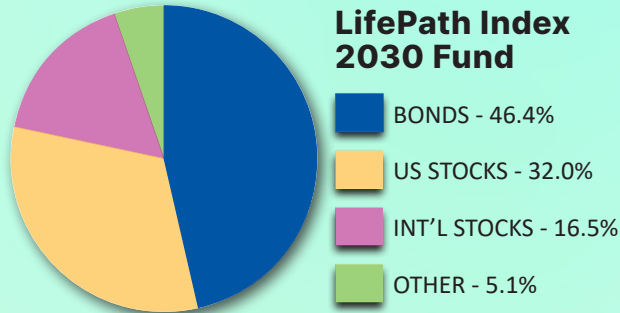
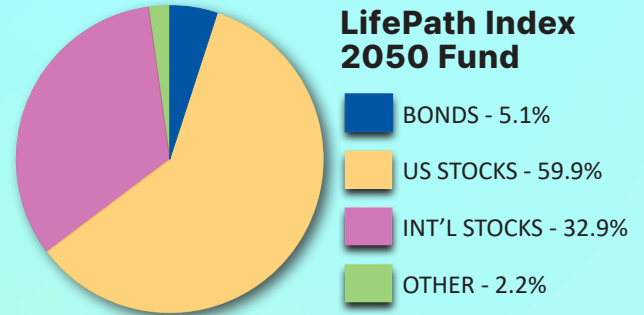
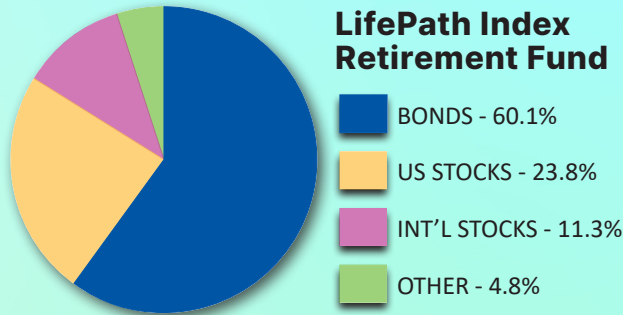
- **U.S. Bond Index Fund:** from 0.02% to 0.01%
- **International Stock Index Fund:** from 0.04% to 0.035%
- **U.S. Total Stock Market Index Fund:** from 0.015% to 0.01%

**And there's more.** On September 19, 2025, the LifePath Index Funds will undergo a share class exchange from O Shares to N Shares, resulting in a management fee reduction from 0.07% to 0.05%. The funds will continue to operate with their existing target date strategies—only now with lower fees and greater savings for you!

# LifePath Index Funds - Class O

## 12/31/24 ASSET ALLOCATIONS

Details about LifePath Index Funds  
 Click here → [NPERs Investment Report](#)



Asset allocation percentages for LifePath Index Funds Class O are rounded to the nearest tenth.

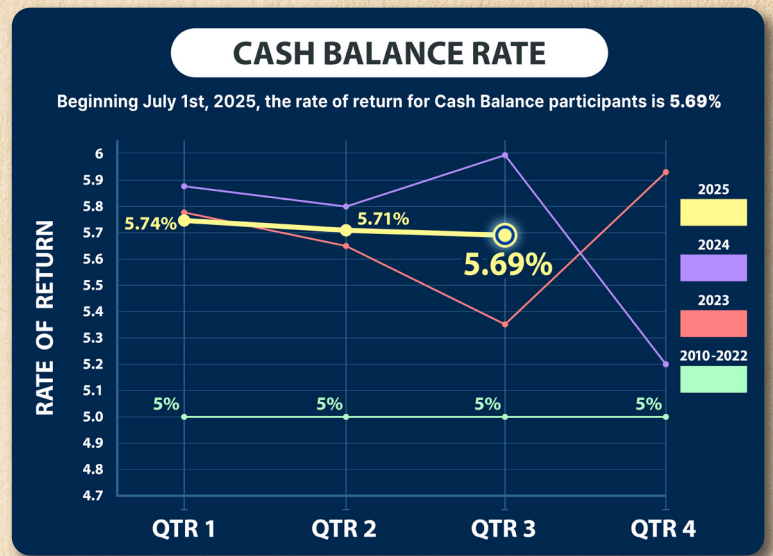
\* LifePath Index 2070 Fund available effective September 22, 2025

# Cash Balance Rate

**Effective July 1, 2025**, the rate of return for Cash Balance participants will be **5.69%**. Under the Cash Balance plan, your account earns interest based on the federal mid-term rate plus 1.5%, or a guaranteed minimum of 5%, whichever is greater.

In recent years, returns have remained strong and stable, with an average of **5.68%** in 2023, **5.72%** in 2024, and 2025 currently on pace to reach **5.71%**. These consistently high returns highlight the continued value of the Cash Balance benefit for plan members.

To view current and historical rates, visit [our website](#) and look for [Cash Balance Rates of Return & Dividends](#).



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## LB295: Impact on State and County Retirement Plans

Recent legislative changes under [LB295](#) will impact both the State and County Employees Retirement Plans.

- 1. Inadvertent Benefit Overpayments:** A member of a well-funded retirement system who ceases employment, receives benefits, and returns to service before the expiration of the 120 bona fide separation period, may not have to repay the distributed benefits if they were distributed inadvertently and repayment would create a significant hardship as solely determined by the Public Employees Retirement Board (PERB).
- 2. Public Employees Retirement Board (PERB) Operations:** The bill reforms PERB operations by modifying procedures for calling meetings and establishing guidelines for compensating board members. These changes aim to enhance the efficiency and governance of the retirement systems.
- 3. Citizenship Verification for Deferred Compensation Plans:** LB295 introduces additional means for verifying lawful presence for non-immigrants participating in deferred compensation plans. This measure ensures individuals may be able to participate in a retirement system if certain documentation is expired, but their participation is still lawful under other agency guidance.