

Omaha School Employees'

3215 Cuming Street
Omaha, NE
68131-2024

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Omaha
Retirement
System

State
Service
Annuity

Social
Security
System

Omaha School Employees' Retirement System

3215 Cuming Street
Omaha, Nebraska 68131-2024
(402) 557-2102
www.osers.org

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Omaha Public Schools 2012

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Foreword

The Retirement plan for the employees of the School District of Omaha has three components,

1. Omaha School Employees' Retirement System
2. State Service Annuity
3. Social Security

Each is discussed; however, detailed social security information is available only through the Social Security Administration by calling 1-800-772-1213.

This brochure was prepared to inform all Omaha Public Schools' employees of the provisions of the Omaha School Employees' Retirement System (OSERS) for retirements on or after September 1, 2011.

OSERS provides a "Final Average Salary" plan. All creditable retirement service allowable in the provisions of the law is included in the most current formula.

Employees are advised to read the entire brochure before making any decisions which may affect their ultimate benefit.

Any questions which remain unanswered after a careful reading of the provisions set forth in this brochure should be directed to the **Executive Director of the Retirement System, 3215 Cuming Street, Omaha, Nebraska 68131-2024, telephone number (402) 557-2102.**

Component I

Omaha Retirement System



Component I

Omaha School Employees' Retirement System

Major Plan Changes

The Omaha Retirement System for school employees is one of the earliest formal retirement programs in the Midwestern United States. It began in 1909 with benefits for teachers only. In its present stage, it provides benefits for all full-time school employees.

1909 – Teachers' Retirement System established.

1943 – All other school employees were included in retirement plans.

1951 – Omaha retirement systems were revised and State Service Annuity incorporated.

1955 – Social security coverage was begun by Omaha school employees.

1963 – Omaha retirement system was amended to improve benefits and integrate the following three Omaha systems into one system:

I – Teachers

II – Employees

III – Food Services

Effective September 1, 1963, all full-time employees were required to belong to the amended Omaha System.

1982 – “Final Average Salary” concept replaced the “Career Average Salary” concept in determining benefits. Early retirement at age 55 with actuarially reduced Omaha benefits was permitted. Unreduced Omaha benefits were permitted at age 62.

1983 – Cost of Living increase was provided to existing retirees.

1985 - Removal of the 30 year cap on years of service allows all years of service to count toward retirement. Employee contributions were changed to a pre-tax basis through an employer “pick up” provision.

1986 – Cost of Living increase was provided to existing retirees.

- 1989 – Increased formula factor, expanded joint and survivor options, increased employee/employer contributions, cost of living increase for existing retirees and use of prudent person rule to govern investments were added to statute.
- 1992 – Increased formula factor, automatic preretirement survivor’s annuity, cost of living increase for existing retirees and ability to purchase outside service through a tax deferred “roll-over” were added to statute.
- 1995 – Increased formula factor, expanded early retirement options (including the rule of 85), ability to purchase outside service through tax deferred payroll deductions, cost of living increase for existing retirees and increased employee/employer contributions were added to statute.
- 1997 – Opportunity to purchase up to 5 years service credit at the full actuarial cost without previous qualifying service was added to statute.
- 1998 – Increased formula factor, cost of living increase for existing retirees, future automatic annual cost of living increases for all retirees were added to statute.
- 2000 – Increased formula factor, employer contributions defined in statute, significant improvements to the disability retirement provisions.
- 2001 – Medical Cost of Living increase for all members that commences 10 years after retirement.
- 2005 – Creditable service calculation based on hours and uniform for all employees.
- 2007 – Increased employee/employer contributions were added to statute.
- 2009 – Increased employee/employer contributions were added to statute.
- 2011 – Increased employee/employer contributions were added to statute.

Administration

The Board of Education of the School District of Omaha establishes policies, rules and regulations in discharging its responsibility for the general administration of the retirement system.

The Board of Trustees, appointed by the Board of Education, serves in an advisory capacity according to the provisions of the law. Subject to approval of the Board of Education, the Board of Trustees invests all funds not required for current payments, supervises the financial affairs of the system and recommends changes essential to the actuarial requirements governing the funds.

The Executive Director of the Retirement System is Secretary of the Board of Trustees and is in charge of the detailed day-to-day operations of the system.

The actuary, an independent firm, is the technical advisor and conducts evaluations of the assets and liabilities of the system and provides other actuarial studies.

The attorneys for the Board of Education prepare legislative materials, deliver all legal interpretations and represent the Board of Trustees in any litigation.

Certified public accountants, of an independent firm, make an annual audit of all financial transactions which involve the retirement fund.

Cost of Administration

Members of the Board of Education and the Board of Trustees serve without compensation.

Cost for actuarial and disability determinations, investments, the salary of the Executive Director of the system, selected personnel and other expenses incurred by the Board of Trustees, are borne by the retirement system.

The clerical work incurred in connection with maintenance of records and payment of benefits are the responsibility of the School District.

Participation

Membership: All employees except part-time employees, temporary and permanent substitutes are members. Membership is compulsory.

Contributions

Employees: Contributions since September 1, 2011 are at a rate of 9.3% of the total amount of the employee's earnings.

Salary Covered: Contributions are made on all earnings of a member from the School District of Omaha.

Deductions: Beginning with the first pay period, the employee's contributions to the system are automatically deducted and accounted for on the check stub. Equal monthly deductions are not allowed under the required procedures.

Employer: By statute, monthly contributions must be the greater of 101% of the employees' contributions or the amount sufficient to **insure actuarial soundness** based upon the annual actuarial valuation.

Computation of Benefits

Basic Benefit Formula: For employees who retire on or after April 1, 2000 the formula is as follows:

2.0% of the average salary of the three highest years' annual wages multiplied by the number of years of service divided by 12 to obtain the monthly amount. (See illustration on page 26 for further details).

- PLUS -

All state service annuity benefits

- PLUS -

All Social Security Benefits

Cost of Living Adjustment (COLA): On January 3rd of each year a cost of living adjustment will be made to each retirement benefit being paid. The COLA will be 1-1/2 percent of the retirement benefit, not to exceed the increase on the consumer price index over the preceding year. If the consumer price index has increased more than 1-1/2 percent and if the Board of Trustees determines that a supplemental COLA is prudent and actuarially permissible, then upon the recommendation of the Board of Trustees, the Board of Education may authorize a supplemental COLA payment.

Medical Cost of Living Adjustments (Medical COLA): On October 3rd of each year, a medical cost of living adjustment will be made, but only to members who have been retired at least 10 years as of September 1st. If you had 20 or more years of service when you retired, your medical COLA will begin at \$100 per month and then increase by \$10 per month for each additional year of retirement. If you had less than 20 years of service, your medical COLA will be calculated by multiplying the unreduced medical COLA by the fraction that results when your years of service are divided by twenty.

Ways To Retire

Normal Retirement is at age 65 with 5 or more years of Omaha service.

Employees are encouraged to complete their contract. However the effective retirement date will be the first of the month following the last day of employment.

A member is a participating member during all full-time

employment.

Early Retirement may occur after 10 years of creditable service, 5 years of which must be Omaha Public Schools service, provided the employee has reached age 55. Early retirement benefits earned to the effective date of retirement are subject to reduction if benefit payments begin before age 62 unless the member's age and years of creditable service (each counted in 1/2 year increments) at such time total 85 (the "Rule of 85"). If benefits begin prior to attainment of age 62 or satisfaction of the Rule of 85, the reduction in the retirement benefit shall be 0.25% for each month or partial month that the annuity precedes the member's 62nd birthday, subject to the following percentage reduction limits when the member's age and service (counted in 1/2 year increments) satisfy:

Rule of 84 - 3% - maximum reduction

Rule of 83 - 6% - maximum reduction

Rule of 82 - 9% - maximum reduction

Disability Retirement requires 5 or more years of creditable Omaha Public Schools' service.

The individual must be totally disabled for any further performance of her/his duties.

Disability is established at the time the Board of Education officially accepts the certification of at least two licensed and practicing physicians.

The disability benefits continue until disability ceases.

Disability retirement benefits can be deferred up to 30 years. During the period of deferral, the member's creditable service will increase one year for each year of deferral and the member's final average salary at the date of disability will be increased by the cumulative percentage of the cost-of living adjustments provided to the retirees during the period of deferral.

The formulas used for regular retirement are also used when computing disability benefits.

Disability retirement benefits are reduced by the amount of any and all periodic payments from the Nebraska Worker's Compensation Act.

Termination Benefits

Vesting means a member has acquired the right for a monthly annuity payment. Vesting does not entitle a member to the school district contributions in the event of a refund. Vesting occurs when a member has five or more years of creditable Omaha Public Schools' service. Following that time, a member may, upon severance, leave his/her accumulated contributions in the system and receive at his/her retirement the annuity earned through the date of the severance. A member with vested service may elect to

receive a retirement allowance at an early retirement age if such member qualifies for early retirement. However, all benefits will be reduced unless, at the time benefits commence, the member is 62 or older, or the member has satisfied the Rule of 85. A vested member has the right to choose a Refund or a Rollover at any time prior to receiving a retirement annuity, as outlined below.

Refund: If an employee resigns employment and is not vested, a refund of the employee's contributions plus the accrued interest will be provided. A letter describing the amount of the employee's contributions and interest will be sent to the departing employee. Upon receipt of the employee's request to receive a refund, the Retirement Office will process the request. If the Retirement Office does not receive a reply from the departing employee, the Retirement Office will establish a non-interest bearing account into which the funds will be placed until the departing employee responds. Upon payment of the refund, the employee thereby relinquishes all further benefits from the retirement system.

Rollover: If an employee resigns employment and is not vested, a rollover of the employee's contributions plus the accrued interest can be made to a plan chosen by the employee. A letter describing the amount of the employee's contributions and interest will be sent to the departing employee. Upon receipt of the employee's request to rollover the funds to a qualified retirement plan, the Retirement Office will process the request. If the Retirement Office does not receive a reply from the departing employee, the Retirement Office will establish a non-interest bearing account into which the funds will be placed until the departing employee responds. Upon payment of the rollover, the employee thereby relinquishes all further benefits from the retirement system.

The Retirement Office will automatically send a departing employee a letter detailing the amount of contributions and interest in her/his retirement account within 30 to 60 days after the employee has received his/her final payroll payment. If you are not Vested, you must respond to the Retirement Office letter within 60 days selecting either a Refund or a Rollover. If the Retirement Office does not receive a reply, after 60 days the Retirement Office will transfer your contributions and interest into a non-interest bearing account.

Interest is paid on Retirement System contributions if the employee worked for Omaha Public Schools for more than one year.

In order to expedite correspondence (particularly upon your departure), please insure that the Human Resources Department always has your current mailing address on file.

No refund can be provided until an employee has terminated her/his employment with Omaha Public Schools and remained terminated for not less than 30 days.

Death Benefits

Prior to Retirement

Option 1 - If a member has less than 20 years of creditable service, her/his contributions plus accrued interest, are refunded to the primary beneficiary (who can be anyone) or to the estate if no beneficiary was named.

Option 2 - If a member has 20 or more years of creditable service and has elected as sole primary beneficiary his/her spouse (of any age) or another individual that is not greater than 10 years less than the attained age of the member in any calendar year (IRS regulations) that one beneficiary is automatically provided a preretirement survivor's lifetime annuity benefit. The sole primary beneficiary has the right to receive a lifetime survivor's annuity or a refund as stated in Option 1. If the sole primary beneficiary does not qualify with the above conditions or if the member has listed multiple primary beneficiaries, a refund will be provided as stated in Option 1.

Although this benefit is automatic, the member still retains the right to have his/her sole primary beneficiary excluded from receiving the lifetime survivor's annuity by filing a form with the Executive Director of the Retirement System. The member also has the option to file a form with the Executive Director of the Retirement System requiring the sole primary beneficiary to accept the lifetime survivor's annuity.

After Retirement

Before the first Omaha System benefit payment is made, a member must elect the monthly annuity payment option desired. In the event of the member's death before 60 monthly payments (options A, C, D, E or F) or 120 monthly payments (option B) have been made, the monthly payments will be continued to his/her estate or to the beneficiary he/she has designated until the appropriate total number of monthly payments have been made.

A. Five Year Certain - This option provides monthly annuity payments for the lifetime of the retiree. In the event of the recipient's death before 60 monthly payments have been made, the monthly payments will be continued to her/his estate or to the beneficiary she/he has designated until a total of 60 monthly payments have been made.

B. Ten Year Certain - This option provides monthly annuity payments for the lifetime of the retiree. In the event of the recipient's death before 120 monthly

payments have been made, the monthly payments will be continued to his/her estate or to the beneficiary he/she has designated until a total of 120 monthly payments have been made. The amount of the annuity is reduced from the Five Year Certain amount to provide for the 10 year guarantee period.

Under the following Joint and Survivor annuity options the term “adjusted age” is the joint annuitant’s attained age in the calendar year in which the payment of the annuity commences plus the number of years, if any, by which the member’s attained age in the calendar year in which the payment of the annuity commences, is younger than age seventy (IRS regulations).

- C. 100% Joint and Survivor** - This option provides monthly annuity payments for the lifetimes of both the retiree and a joint annuitant. The joint annuitant can be the member’s spouse (of any age) or any other designated individual whose adjusted age in the calendar year in which the payment of the annuity commences is not more than 10 years less than the attained age of the member in such calendar year. The amount of the annuity is reduced from the Five Year Certain amount to provide for the two lifetime period. At the death of the retiree, if the joint annuitant is still living, the joint annuitant will continue to receive the same amount of monthly annuity for her/his lifetime.
- D. 75% Joint and Survivor** - This option provides monthly annuity payments for the lifetimes of both the retiree and a joint annuitant. The joint annuitant can be the member’s spouse (of any age) or any other designated individual whose adjusted age in the calendar year in which the payment of the annuity commences is not more than 19 years less than the attained age of the member in such calendar year. The amount of the annuity is reduced from the Five Year Certain amount to provide for the two lifetime period. At the death of the retiree, if the joint annuitant is still living, the joint annuitant will receive monthly, 75% of the amount of the previous annuity for his/her lifetime.
- E. 50% Joint and Survivor** - This option provides monthly annuity payments for the lifetimes of both the retiree and a joint annuitant. The amount of the annuity is reduced from the Five Year Certain amount to provide for the two lifetime period. At the death of the retiree, if the joint annuitant is still living, the joint annuitant will receive monthly, 50% of the amount of the previous annuity for his/her lifetime.
- F. “Pop-up” Joint and Survivor** - This option provides monthly annuity payments for the lifetimes of both the retiree and the joint annuitant. The joint annuitant

can be the member's spouse (of any age) or any other designated individual whose adjusted age in the calendar year in which the payment of the annuity commences is not more than 10 years less than the attained age of the member in such calendar year. The amount of the annuity is reduced from the Five Year Certain amount to provide for the two lifetime period. At the death of the joint annuitant, if the retiree is still living, the retiree will receive a monthly annuity in an amount equal to the Five Year Certain annuity for her/his lifetime.

NOTE: To determine specific amounts for any of these options, contact must be made with the Retirement Office.

Designation of Beneficiary

At the time one becomes a member of the Omaha School Employees' Retirement System, a beneficiary card must be completed designating to whom retirement system benefits are to be paid at the death of the member. When a change of beneficiary or address change of a beneficiary is desired, a new beneficiary card must be completed and placed on file in the Retirement Office.

Purchase of Previous Omaha Service – "Buy-Back"

Upon reemployment, credit for past service in the Omaha Public Schools can be purchased. In accordance with State statute, the purchase must be fully completed within five years of the date of reemployment.

All accumulated contributions which were refunded at the time of resignation may be repaid to the system. Interest is charged on that amount for the period the money was out of the retirement system. This done, credit is reinstated for the past service.

Repayments can be made with a qualified rollover or in a lump sum or in equal installments over a period of up to five years from the date of reemployment. Additional interest is charged on installment payments.

The decision and arrangements concerning repayment should be made as soon as possible following the effective date of reemployment.

Purchase of "Outside" Service – "Buy-in"

Up to ten years of previous creditable experience in another public school system may be purchased at the time of initial employment by the Omaha Public Schools. Membership in the Nebraska School Employees Retirement System (which excludes Omaha employees) is considered "outside" service. In accordance with State statute, the purchase must be fully

completed within five years of the date of employment. Evidence must be provided that no retirement benefits are or will be paid for the years of service being purchased. Retirement service credit will be given for outside service only if it is equal to or less than years of service actually worked and credited with Omaha Public Schools. If more years of outside service were purchased than those worked and credited in Omaha Public Schools then a refund will be provided for the contributions and interest that represents the excess years of the buy-in.

The amount of the “buy-in” is calculated based on the salary received at the other public school (if that salary can be verified, otherwise the current salary of the employee in the Omaha Public Schools) and the Omaha School Employees’ Retirement System contribution rates in effect for those years of service. Interest is charged on that amount for the period of the years of service through the date of “buy-in”. Payments can be made with a qualified rollover, in a lump sum or in equal installments over a period of up to five years from the date of employment. Additional interest is charged on installment payments.

The cost to the employer is 101% to that paid by the employee.

The decision concerning “buy-in” and arrangements for paying for the “buy-in” should be made as soon as possible following the effective date of employment.

If the employee has more than ten years of membership in a retirement system elsewhere, it is suggested the employee investigate deferred retirement possibilities in that system before withdrawing his/her contributions from that system.

An illustration of the “buy-in” investment follows:

School Year	Annual Salary	OSERS Contribution Rate	Contribution Amount	Interest Rate	Interest Amount	Accumulated Total
2000-01	\$25,600	X 6.3%	\$1,612.80	7.0%	\$ 112.90	\$1,725.70
2001-02	26,500	X 6.3%	1,669.50	0.0%	0.00	3,395.20
2002-03	27,800	X 6.3%	1,751.40	0.0%	0.00	5,146.60
2003-04	29,100	X 6.3%	1,833.30	7.0%	488.59	7,468.49
2004-05	30,200	X 6.3%	1,902.60	7.0%	655.98	10,027.06
2005-06				7.0%	701.89	10,728.96
2006-07				7.0%	751.03	11,479.99
2007-08				7.0%	803.60	12,283.59
2008-09				0.0%	0.00	12,283.59
			\$8,769.60		\$3,513.99	12,283.59

Purchase of Service - “All-Purpose Buy-In”

A full-time vested member of the retirement system may purchase up to five years of service credit at any time prior to retirement. The member does **not** have to have any previous non-Omaha Public Schools work to qualify for this purchase. In accordance with State statute, payment for the purchase must be fully completed within five years of the

date of initiating the purchase.

The cost to purchase additional years of service is the present value of the added benefits that are anticipated to be provided as a result of the buy-in. This calculation is based on the member's salary (including actuarial assumptions for salary increases), the date the member would become eligible for unreduced retirement benefits, and the member's life expectancy (using the current actuarial tables). To help defray the cost to purchase the computer program needed to make this calculation, a \$25.00 charge is assessed to each member requesting an all-purpose buy-in calculation.

Purchase of Military Service - "Buy-In"

A member of the Omaha School Employees' Retirement System who interrupts his/her career with the Omaha Public Schools for military service and is eligible for reemployment pursuant to 30 U.S.C. Chapter 43, as amended, is eligible for Retirement System "buy-in" of up to 5 years of that military service. In accordance with State statute, the purchase must be fully completed within five years of the date of reemployment. The amount of the "buy-in" is calculated based on the salary which would have been received during the period of military service and the OSERS contribution rates in effect for those years of service.

Payments can be made with a qualified rollover or in a lump sum or in equal installments over a period of up to five years from the date of reemployment.

The cost to the employer is the dollar amount necessary to provide for the increased benefit attributable to the increase in the member's creditable service.

The decision concerning "buy-in" and arrangements for paying for the "buy-in" should be made as soon as possible following the effective date of reemployment.

Purchase of Leave of Absence Time - "Buy-In"

A member who returns within one year of terminating their leave of absence may "buy-in" the time on leave of absence. The amount of the "buy-in" is calculated based on the salary at the level received immediately prior to the leave of absence and the Omaha School Employees' Retirement System contribution rates in effect for those years of service. The member must pay into the Retirement System an amount equal to the sum of the deductions from her/his salary plus any contributions which the School District would have made had he/she continued to receive salary at the level immediately prior to the leave of absence. Interest is charged on the amount for the period of the leave of absence year(s) through the date of "buy-in". Payments can be made with a qualified rollover or in a lump sum or in equal installments over a period of up to five years from

the date of reemployment. Additional interest is charged on installment payments. In accordance with State statute, the purchase must be fully completed within five years of the date of reemployment.

Interest on Member Contributions

Interest is earned monthly on the Retirement System account once a member has been a member for more than one year. This interest would be paid, along with contributions, if a member were to leave Omaha Public Schools employment and request a refund or rollover. In the event of the death of a member prior to retirement, a refund of the contributions and interest is one of the options (see Death Benefits).

Interest is computed on accumulated contributions made by the member since September 1, 1951, and prior to the close of the last preceding fiscal year (August 31).

Interest rates have varied over recent years. The rate is determined annually by the Board of Trustees. The interest rate cannot exceed the earnings of the system during the previous year.

Procedures at Retirement

Notice of Retirement: The employee must submit notice of her/his prospective retirement to the Office of the Superintendent of Schools and the Office of the Executive Director of the Omaha School Employees' Retirement System, no less than 60 days prior to the effective date of retirement. This is to facilitate the presentation of the application to the Board of Education for approval, thereby authorizing the Executive Director to make the necessary application within the time requirements.

All applications for retirement, except for Social Security, are made by the Executive Director of the Omaha School Employees' Retirement System on behalf of the employee.

Retirement Planning: Consideration of retirement should begin at least two years before the desired retirement date. The Executive Director of the Retirement System will determine whether retirement is possible at the time the employee suggests. This leaves ample time to get the records in proper order. Frequently this eliminates disappointment when retirement does arrive.

Each year Retirement Planning and Financial Planning workshops are held for eligible employees to assist them in their retirement planning. Any full-time, vested employee who is at least 50 years of age may attend one Retirement Planning workshop each school year. Leave with pay will be provided for attendance at a maximum of two Retirement Planning workshops attended during duty time. Additional Retirement Planning workshops may be attended during non-duty time or during duty time by using vacation or

emergency/personal leave. Any full-time employee who is less than 50 years of age may attend one Financial Planning workshop each school year. All Financial Planning workshops must be attended during non-duty time or by using a vacation or emergency/personal leave day.

Time of Payment: Omaha and State Service Annuities are paid to the retiree on the third day of each month, beginning the third day of the month following the first month of retirement.

Both Omaha and State Annuities are included in a unified payment issued by the Omaha School Employees' Retirement System, but each are listed separately on the payment advice.

Direct Deposit: Retirement benefits may be deposited directly in the financial institution of the member's choice through a Direct Deposit Program provided the financial institution participates in the National Automated Clearinghouse Electronic Direct Deposit Program (ACH). Application forms are available in the Compensation & Benefits Office at the Teacher Administrative Building.

Suspension of Annuities

Disability Retirement - Suspension of both Omaha and State Service Annuities occurs if disability ceases. At age 65 the retirement is changed to a designation of "retirement on account of age", however payments continue in the same amount.

Legal Status of Benefits

All annuities and other benefits, as well as accumulated contributions of members of the system, are not assignable or subject to execution, garnishment or attachment except by order of the court through qualified domestic relations orders and by the Federal Government.

Investments

Funds of the retirement system not required for current operations must be invested and reinvested.

Investments are made upon the recommendations of the Board of Trustees and are subject to the approval of the Board of Education. Investments shall be made in investments of the nature which individuals of prudence, discretion and intelligence acquire in dealing with the property of others.

Component II

State Service Annuity



Component II

State Service Annuity

The State of Nebraska provides a **State Service Annuity** in which all Nebraska public school employees participate.

Membership: Omaha Public Schools' employees are participants in the State Service Annuity through their membership in the Omaha School Employees' Retirement System. They do not and may not make contributions to the Nebraska School Employees Retirement System.

Retirement Benefits

Service Retirement: The State Service Annuity provides \$3.50 per month times the number of years of service. If a member is less than age 65 at the time of retirement, the benefit is actuarially reduced. (There is no reduction if the member was hired prior to July 19, 1996 and has 35 years of creditable service.)

Disability Retirement: Disability retirement benefits are computed in the same manner as service retirement benefits, with the exception that no actuarial reduction is made due to age if the member was hired prior to July 19, 1996.

Out of State Service: Retirement credit is allowed for up to ten years of public school service outside the State of Nebraska, provided such service does not exceed the number of years of service within the state and provided the employee buys credit for those years into the Omaha School Employees' Retirement System.

Payments: State Service Annuity is payable monthly beginning the third day of the month following the first month of retirement. It is included in the payment the retired employee receives monthly from the Omaha School Employees' Retirement System. However, the amount is listed separately on the payment advice.

Eligibility for Retirement: Anyone who is qualified for retirement from a public school system in Nebraska and meets the following:

Regular –

- Age 65 with a minimum of 5 years of creditable service for unreduced benefits.
- After 35 years of creditable service regardless of age for unreduced benefits, if hired before July 19, 1996.

Early –

- After 5 years of creditable service provided the member is age 60 or older. Benefits are actuarially reduced for early retirement.
- After 35 years of creditable service unreduced benefits are received, if hired before July 19, 1996.
- After the sum of the member's age and creditable service total 85. (Rule of 85) Benefits are actuarially reduced for early retirement.

Disability –

- Must qualify under OSERS' disability rules (See page 8), if hired before July 19, 1996.

Application for Retirement: The application must be made by the Omaha School Employees' Retirement System. The application must be at the State Retirement Office 60 days prior to the effective date of retirement.

The only time a member of OSERS would make direct application to the Nebraska School Employees Retirement System, would be if that member:

1. Had previous service in Nebraska before coming to Omaha, and
2. Made contributions to the State System from that school district, and
3. Did not withdraw his/her contributions from the State System when he/she came to Omaha, and
4. Qualifies for retirement benefits from the State System for service other than Omaha service years.

Please visit with the Executive Director of the Retirement System prior to making a direct application.

Component III

Social Security System



Component III

Social Security System

Membership: All school employees are participants in the Social Security System.

Social Security Number: All employees must have their social security number on file in the Human Resource office at the Teacher Administrative Center.

If a change of name occurs, the employee must make this correction with the Social Security Administration and with the Human Resource Office.

Application forms for a Social Security number may be obtained from the Social Security Administration or online at www.ssa.gov.

Salary Covered: The current maximum taxable salary for Social Security is \$106,800 during 2011. This figure will rise in the future as the national average wage rises.

Contributions: Contributions are made by payroll deduction. In 2011 employees are paying 4.20% (down from the normal 6.20%) of earnings for Social Security and an additional 1.45% of earnings for Part "A" Medicare Hospital Insurance for a total deduction of 5.65% (normally 7.65%). The Medicare deduction applies to all covered earnings while the Social Security deduction applies to only the first \$106,800 of covered earnings. These deductions are matched at the normal rate of 7.65% by the Omaha Public Schools.

Benefits: To receive an estimate of benefits, call the Social Security Administration at 1-800-772-1213 and ask for a "Request for Earnings and Benefit Estimate Statement" (form SSA-7004-SM-OP1). By completing and mailing that form to Social Security, a member will receive a history of that member's Social Security contributions and an estimate of that member's Social Security benefits.

Payments: Monthly payments are made directly from the Social Security Administration.

Application for Retirement Benefits Under Social Security: Application for benefits must be made directly to Social Security Administration by the employee. As a general rule, employees age 62 or greater are eligible for Social Security benefits the first of the month following their final duty day. Application should be made with the Social Security

Administration approximately 60 days prior to the desired retirement date. In some instances, classified employees earning modest wages will find it beneficial to apply during December of the year preceding the year of retirement. Check with the Social Security Administration to see if this applies to you.

Appendix



Estimating Your Retirement

1. Determine your final average salary by adding the salary you received for your three highest years and dividing by 3.
2. Multiply your final average salary by the formula factor of 0.02.
3. Multiply the answer in step 2 by the number of creditable years you have in the Retirement System.
4. If retirement benefit payments begin at or following age 62, or when age plus years of service will equal or exceed 85 ("Rule of 85"), there is no reduction for early retirement. If benefit payments begin prior to attainment of age 62 or satisfaction of the Rule of 85, the reduction in the retirement benefit shall be 0.25% for each month or partial month that the annuity precedes the member's 62nd birthday, subject to the following percentage reduction limits when the member's age and service satisfy:

Rule of 84 - 3% maximum reduction
Rule of 83 - 6% maximum reduction
Rule of 82 - 9% maximum reduction

Multiply the answer in step 3 by the appropriate early retirement factor.
5. Divide the answer in step 4 by 12 to calculate your approximate monthly Omaha retirement annuity.
6. Multiply the number of creditable years you have in the Retirement System by the State Annuity Factor of \$3.50.
7. Locate the appropriate early retirement factor by looking in the early retirement factor column to the right of the age at which you plan to retire. Multiply the answer in step 6 by the appropriate early retirement factor to calculate your estimated monthly State Service Annuity.
8. Add your monthly Omaha retirement annuity to your monthly State Service Annuity to determine your approximate total benefits.
9. To determine your Social Security benefits you must call the Social Security Administration at 1-800-772-1213.

Monthly Retirement

Omaha Retirement System					Calculations					
Age At Retire.	Avg. of 3 Highest Years		Formula Factor	Years of Retire. Service	Early 12 Factor		Months		Monthly Omaha Benefit	
65	50,000	X	0.02	X	35	X	1.000	÷	12 =	\$2,916.67
			0.02	X	30	X	1.000	÷	12 =	2,500.00
			0.02	X	25	X	1.000	÷	12 =	2,083.33
			0.02	X	20	X	1.000	÷	12 =	1,666.67
			0.02	X	15	X	1.000	÷	12 =	1,250.00
64	46,000	X	0.02	X	35	X	1.000	÷	12 =	\$2,683.33
			0.02	X	30	X	1.000	÷	12 =	2,300.00
			0.02	X	25	X	1.000	÷	12 =	1,916.67
			0.02	X	20	X	1.000	÷	12 =	1,533.33
			0.02	X	15	X	1.000	÷	12 =	1,150.00
63	42,000	X	0.02	X	35	X	1.000	÷	12 =	\$2,450.00
			0.02	X	30	X	1.000	÷	12 =	2,100.00
			0.02	X	25	X	1.000	÷	12 =	1,750.00
			0.02	X	20	X	1.000	÷	12 =	1,400.00
			0.02	X	15	X	1.000	÷	12 =	1,050.00
62	38,000	X	0.02	X	35	X	1.000	÷	12 =	\$2,216.67
			0.02	X	30	X	1.000	÷	12 =	1,900.00
			0.02	X	25	X	1.000	÷	12 =	1,583.33
			0.02	X	20	X	1.000	÷	12 =	1,266.67
			0.02	X	15	X	1.000	÷	12 =	950.00
61	34,000	X	0.02	X	35	X	1.000	÷	12 =	\$1,983.33
			0.02	X	30	X	1.000	÷	12 =	1,700.00
			0.02	X	25	X	1.000	÷	12 =	1,416.67
			0.02	X	20	X	0.970	÷	12 =	1,099.33
			0.02	X	15	X	0.970	÷	12 =	824.50
60	30,000	X	0.02	X	35	X	1.000	÷	12 =	\$1,750.00
			0.02	X	30	X	1.000	÷	12 =	1,500.00
			0.02	X	25	X	1.000	÷	12 =	1,250.00
			0.02	X	20	X	0.940	÷	12 =	940.00
			0.02	X	15	X	0.940	÷	12 =	705.00
59	26,000	X	0.02	X	35	X	1.000	÷	12 =	\$1,516.67
			0.02	X	30	X	1.000	÷	12 =	1,300.00
			0.02	X	25	X	0.970	÷	12 =	1,050.83
			0.02	X	20	X	0.910	÷	12 =	788.67
			0.02	X	15	X	0.910	÷	12 =	591.50
58	22,000	X	0.02	X	35	X	1.000	÷	12 =	\$1,283.33
			0.02	X	30	X	1.000	÷	12 =	1,100.00
			0.02	X	25	X	0.940	÷	12 =	861.67
			0.02	X	20	X	0.880	÷	12 =	645.33
			0.02	X	15	X	0.880	÷	12 =	484.00
57	18,000	X	0.02	X	35	X	1.000	÷	12 =	\$1,050.00
			0.02	X	30	X	1.000	÷	12 =	900.00
			0.02	X	25	X	0.910	÷	12 =	682.50
			0.02	X	20	X	0.850	÷	12 =	510.00
			0.02	X	15	X	0.850	÷	12 =	382.50
56	14,000	X	0.02	X	35	X	1.000	÷	12 =	\$816.67
			0.02	X	30	X	1.000	÷	12 =	700.00
			0.02	X	25	X	0.820	÷	12 =	478.33
			0.02	X	20	X	0.820	÷	12 =	382.67
			0.02	X	15	X	0.820	÷	12 =	287.00
55	10,000	X	0.02	X	35	X	1.000	÷	12 =	\$583.33
			0.02	X	30	X	1.000	÷	12 =	500.00
			0.02	X	25	X	0.790	÷	12 =	329.17
			0.02	X	20	X	0.790	÷	12 =	263.33
			0.02	X	15	X	0.790	÷	12 =	197.50

NOTICE: All benefit calculations on these pages are estimates and may not totally reflect your individual retirement benefits. For complete information contact the Executive Director of the Retirement System.

Benefit Examples

State Service Annuity					Calculations		
Age at Retire.	Years of Service		Annuity Factor	Early Retirement Factor	Monthly State Benefit	Omaha Benefit plus State Benefit	
65	35	X	3.5	X	1.00000 =	\$122.50	\$3,039.17
	30	X	3.5	X	1.00000 =	105.00	2,605.00
	25	X	3.5	X	1.00000 =	87.50	2,170.83
	20	X	3.5	X	1.00000 =	70.00	1,736.67
	15	X	3.5	X	1.00000 =	52.50	1,302.50
64	35	X	3.5	X	1.00000 =	\$122.50	\$2,805.83
	30	X	3.5	X	0.90108 =	94.61	2,394.61
	25	X	3.5	X	0.90108 =	78.84	1,995.51
	20	X	3.5	X	0.90108 =	63.08	1,596.41
	15	X	3.5	X	0.90108 =	47.31	1,197.31
63	35	X	3.5	X	1.00000 =	\$122.50	\$2,572.50
	30	X	3.5	X	0.81344 =	85.41	2,185.41
	25	X	3.5	X	0.81344 =	71.18	1,821.18
	20	X	3.5	X	0.81344 =	56.94	1,456.94
	15	X	3.5	X	0.81344 =	42.71	1,092.71
62	35	X	3.5	X	1.00000 =	\$122.50	\$2,339.17
	30	X	3.5	X	0.73560 =	77.24	1,977.24
	25	X	3.5	X	0.73560 =	64.37	1,647.70
	20	X	3.5	X	0.73560 =	51.49	1,318.16
	15	X	3.5	X	0.73560 =	38.62	988.62
61	35	X	3.5	X	1.00000 =	\$122.50	\$2,105.83
	30	X	3.5	X	0.66628 =	69.96	1,769.96
	25	X	3.5	X	0.66628 =	58.30	1,474.97
	20	X	3.5	X	0.66628 =	46.64	1,145.97
	15	X	3.5	X	0.66628 =	34.98	859.48
60	35	X	3.5	X	1.00000 =	\$122.50	\$1,872.50
	30	X	3.5	X	0.60442 =	63.46	1,563.46
	25	X	3.5	X	0.60442 =	52.89	1,302.89
	20	X	3.5	X	0.60442 =	42.31	982.31
	15	X	3.5	X	0.60442 =	31.73	736.73
59	35	X	3.5	X	1.00000 =	\$122.50	\$1,639.17
	30	X	3.5	X	0.54908 =	57.65	1,357.65
	25	X	3.5	X	* =	0.00	1,050.83
	20	X	3.5	X	* =	0.00	788.67
	15	X	3.5	X	* =	0.00	591.50
58	35	X	3.5	X	1.00000 =	\$122.50	\$1,405.83
	30	X	3.5	X	0.49947 =	52.44	1,152.44
	25	X	3.5	X	* =	0.00	861.67
	20	X	3.5	X	* =	0.00	645.33
	15	X	3.5	X	* =	0.00	484.00
57	35	X	3.5	X	1.00000 =	\$122.50	\$1,172.50
	30	X	3.5	X	0.45492 =	47.77	947.77
	25	X	3.5	X	* =	0.00	682.50
	20	X	3.5	X	* =	0.00	510.00
	15	X	3.5	X	* =	0.00	382.50
56	35	X	3.5	X	1.00000 =	\$122.50	\$939.17
	30	X	3.5	X	0.41481 =	43.56	743.56
	25	X	3.5	X	* =	0.00	478.33
	20	X	3.5	X	* =	0.00	382.67
	15	X	3.5	X	* =	0.00	287.00
55	35	X	3.5	X	1.00000 =	\$122.50	\$705.83
	30	X	3.5	X	0.37866 =	39.75	539.76
	25	X	3.5	X	* =	0.00	329.17
	20	X	3.5	X	* =	0.00	263.33
	15	X	3.5	X	* =	0.00	197.50

The early retirement factors used in computing the State Service Annuity are provided by the State and are subject to change at its discretion. * Factor of 1 is only available to members hired prior to July 19, 1996.

* The State Service Annuity is available to employees who retire after 35 years of service, meet the Rule of 85 or become 60 or more years of age.

This booklet is designed only to provide an overview of the benefits available to members of the Omaha School Employees' Retirement System and is not intended to be a substitute for retirement counseling. There may be other benefits to which members are entitled. For complete information, contact the Executive Director of the Retirement System.

