

# Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

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## **STATUTORY AUTHORITY:**

The laws governing the Public Employees Retirement Board and each Retirement Plan under its administration are as follows:

- Retirement Board - 84-1501 to 84-1513
- County Employees Retirement Act - 23-2301 to 23-2334
- Judges Retirement Act - 24-701 to 24-714
- School Employees Retirement Act - 79-901 to 79-977.03
- Nebraska State Patrol Retirement Act - 81-2014 to 81-2041
- State Employees Retirement Act - 84-1301 to 84-1333
- State Deferred Compensation Fund - 84-1504 to 84-1506.01
- Spousal Pension Rights Act - 42-1101 to 42-1113
- Related Laws: Nebraska Investment Council - 72-1237 to 72-1260

## **VISION:**

The Nebraska Public Employees Retirement System seeks to administer the various retirement systems with exceptional service, integrity, and commitment for the exclusive benefit of our plan members today and in the future.

## **MISSION AND PRINCIPLES:**

The Nebraska Public Employees Retirement Systems (NPERS) recognizes the importance of a successful retirement and is dedicated to providing the highest quality service necessary to assist members in achieving that goal.

The agency exists to administer pension benefits for 115,000 active, inactive and retired public employees who have dedicated many years of service to the citizens of Nebraska. NPERS operations are funded by pension assets with funding authority from the Legislature. NPERS' focus is to seek continuous improvement in the service to members through timely benefit processing, accurate accounting and maintenance of records, and retirement education services. The most valuable resource NPERS has is the people employed at NPERS.

## **GOALS:**

Our Agency Goals are:

1. To operate the agency efficiently and responsibly in order to maintain the trust of the members, the plan employers, the separate branches of government and the public as a whole.
2. To guard the integrity of the system's assets and the accuracy and security of all data systems.
3. To provide ongoing informational and educational opportunities for the members.
4. To administer each retirement plan in full compliance with applicable federal and state laws.
5. To Continue to improving our technology in order to achieve the highest level of service possible.

# Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Financial Data

|                           | FY12 Actual       | FY13 Approp       | FY14 Request      | FY14 Recomm       | FY15 Request      | FY15 Recomm       |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Operations Funding</b> |                   |                   |                   |                   |                   |                   |
| General Fund              | 10,000            | 0                 | 0                 | 0                 | 0                 | 0                 |
| Cash Fund                 | 4,457,393         | 5,026,088         | 5,203,374         | 5,121,673         | 5,168,374         | 5,163,997         |
| Federal Fund              | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| Revolving Fund            | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| Other Fund                | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| <b>Total Operations</b>   | <b>4,467,393</b>  | <b>5,026,088</b>  | <b>5,203,374</b>  | <b>5,121,673</b>  | <b>5,168,374</b>  | <b>5,163,997</b>  |
| <b>Aid Funding</b>        |                   |                   |                   |                   |                   |                   |
| General Fund              | 28,344,698        | 29,991,325        | 62,366,580        | 22,127,704        | 83,999,580        | 21,724,580        |
| Cash Fund                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| Federal Fund              | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| Revolving Fund            | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| Other Fund                | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| <b>Total Aid Funding</b>  | <b>28,344,698</b> | <b>29,991,325</b> | <b>62,366,580</b> | <b>22,127,704</b> | <b>83,999,580</b> | <b>21,724,580</b> |
| <b>Total Funding</b>      |                   |                   |                   |                   |                   |                   |
| General Fund              | 28,354,698        | 29,991,325        | 62,366,580        | 22,127,704        | 83,999,580        | 21,724,580        |
| Cash Fund                 | 4,457,393         | 5,026,088         | 5,203,374         | 5,121,673         | 5,168,374         | 5,163,997         |
| Federal Fund              | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| Revolving Fund            | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| Other Fund                | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| <b>Total Agency</b>       | <b>32,812,091</b> | <b>35,017,413</b> | <b>67,569,954</b> | <b>27,249,377</b> | <b>89,167,954</b> | <b>26,888,577</b> |

# Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Program 041 - RETIREMENT/DEFERRED COMP ADM

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### **PROGRAM DESCRIPTION:**

The program is used for the administration of expenses for the Retirement Systems and Deferred Compensation plans administered by the Nebraska Public Employees Retirement Systems.

### **PROGRAM OBJECTIVES:**

Our program objectives center around the goal to be trustworthy fiduciaries of the pension plan assets needed to pay benefits and expenses for the plans. Detailed program objectives are listed in the supporting information.

### **PERFORMANCE MEASURES:**

Based on our agency/program objectives we have the following performance measures in place:

1. Process member retirement benefits within 60-90 days of final pay, per statutes and rules and regulations.
2. Work closely with agencies & employers to maintain accurate data within our computer system.
3. Continue member/employer training seeking efficiencies throughout our training programs.
4. Improve financial audits; review internal controls; complete written procedures; reduce audit points and resolve prior audit findings.
5. Continue our effort to control agency expenses without compromising service to members.

**Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Program 041 - RETIREMENT/DEFERRED COMP ADM**

**Financial Data**

|                           | <b>FY12 Actual</b> | <b>FY13 Approp</b> | <b>FY14 Request</b> | <b>FY14 Recomm</b> | <b>FY15 Request</b> | <b>FY15 Recomm</b> |
|---------------------------|--------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| <b>Operations Funding</b> |                    |                    |                     |                    |                     |                    |
| General Fund              | 10,000             | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 4,439,109          | 4,991,476          | 5,168,762           | 5,087,061          | 5,133,762           | 5,129,385          |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Operations</b>   | <b>4,449,109</b>   | <b>4,991,476</b>   | <b>5,168,762</b>    | <b>5,087,061</b>   | <b>5,133,762</b>    | <b>5,129,385</b>   |
| <b>Aid Funding</b>        |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Aid Funding</b>  | <b>0</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>           | <b>0</b>            | <b>0</b>           |
| <b>Total Funding</b>      |                    |                    |                     |                    |                     |                    |
| General Fund              | 10,000             | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 4,439,109          | 4,991,476          | 5,168,762           | 5,087,061          | 5,133,762           | 5,129,385          |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Program</b>      | <b>4,449,109</b>   | <b>4,991,476</b>   | <b>5,168,762</b>    | <b>5,087,061</b>   | <b>5,133,762</b>    | <b>5,129,385</b>   |

# Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Program 042 - BOARD MEMBER EXPENSES

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### **PROGRAM DESCRIPTION:**

This program is used to separately account for the operating expenses incurred by Public Employee Retirement Board (PERB) members in the performance of their duties.

### **PROGRAM OBJECTIVES:**

The primary objective of this program is to separately account for the expenses incurred by Retirement Board members in the performance of their duties. These include, travel as well as board and lodging expenses associated with our monthly board meetings and a per Diem for their services during board meetings and other board committee work required. The Board consists of eight voting members and one non-voting, ex-officio member, the State Investment Officer.

### **PERFORMANCE MEASURES:**

1. The PERB recognizes their fiduciary responsibility and the importance of being educated and informed regarding public pensions. The PERB will seek to educate board members within reasonable budget guidelines.
2. When new members are appointed, they will be encouraged to attend a conference for public pension trustees.
3. All conference travel requests must be approved by affirmative majority vote of members of the Board and shall be submitted 30 days in advance when possible.
4. Any Board member who attends a conference paid for in whole or in part by the Retirement System funds shall present a written or oral report to the Board at the next regular meeting following the member's return.

**Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Program 042 - BOARD MEMBER EXPENSES**

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**Financial Data**

|                           | <b>FY12 Actual</b> | <b>FY13 Approp</b> | <b>FY14 Request</b> | <b>FY14 Recomm</b> | <b>FY15 Request</b> | <b>FY15 Recomm</b> |
|---------------------------|--------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| <b>Operations Funding</b> |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 18,284             | 34,612             | 34,612              | 34,612             | 34,612              | 34,612             |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Operations</b>   | <b>18,284</b>      | <b>34,612</b>      | <b>34,612</b>       | <b>34,612</b>      | <b>34,612</b>       | <b>34,612</b>      |
| <b>Aid Funding</b>        |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Aid Funding</b>  | <b>0</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>           | <b>0</b>            | <b>0</b>           |
| <b>Total Funding</b>      |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 18,284             | 34,612             | 34,612              | 34,612             | 34,612              | 34,612             |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Program</b>      | <b>18,284</b>      | <b>34,612</b>      | <b>34,612</b>       | <b>34,612</b>      | <b>34,612</b>       | <b>34,612</b>      |

# Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Program 515 - PUBLIC EMPLOYEES RETIREMENT

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### **PROGRAM DESCRIPTION:**

State law requires ongoing appropriations to the three defined benefit plans under our administration as well as funding for the State Service Annuity for the separate Omaha Public Schools Retirement Plan, which passes through our agency before being paid to Omaha. This program is for this purpose.

### **PROGRAM OBJECTIVES:**

The law stipulates the annual rate of pension funding required by the State:

1. State Service Annuity - Sections 79-966 and 79-9,100 - School and Omaha Retirement Plans.
2. COLA benefits - Sections 79-940 - 79-947.02; 79-975; 81-2017 (1); 81-2027.03 & 81-2027.04; 81-2035; 81-2036; 24-703 (9); 24-710 (4); 24-710.07 & 24-710.08 - School, Patrol and Judges Retirement Plans.
3. Additional contributions by the State may be required if actual investment returns or actuarial assumptions are not what are expected during a given year. We have included an estimate of additional funds that may be needed for School Plan and the Patrol Plan, pending the outcome of the annual Actuarial Reports due in late November of 2012.

### **PERFORMANCE MEASURES:**

Each year the actuary under contract to the Retirement Board completes a valuation of the plan assets & liabilities for the School, Judges & Patrol plans as well as the State & County Cash Balance plans. The actuary relies on member data and financial statements provided him by the Retirement Office after the plan year ends. We do not expect the final Actuary Reports to be available before mid to late November of 2012. We will update our estimates once these reports are released and approved by the Retirement Board. This same process will occur in 2013 for the funding needed for the fiscal year beginning July 1, 2014.

**Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Program 515 - PUBLIC EMPLOYEES RETIREMENT**

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**Financial Data**

|                           | <b>FY12 Actual</b> | <b>FY13 Approp</b> | <b>FY14 Request</b> | <b>FY14 Recomm</b> | <b>FY15 Request</b> | <b>FY15 Recomm</b> |
|---------------------------|--------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| <b>Operations Funding</b> |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Operations</b>   | <b>0</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>           | <b>0</b>            | <b>0</b>           |
| <b>Aid Funding</b>        |                    |                    |                     |                    |                     |                    |
| General Fund              | 28,344,698         | 29,991,325         | 62,366,580          | 22,127,704         | 83,999,580          | 21,724,580         |
| Cash Fund                 | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Aid Funding</b>  | <b>28,344,698</b>  | <b>29,991,325</b>  | <b>62,366,580</b>   | <b>22,127,704</b>  | <b>83,999,580</b>   | <b>21,724,580</b>  |
| <b>Total Funding</b>      |                    |                    |                     |                    |                     |                    |
| General Fund              | 28,344,698         | 29,991,325         | 62,366,580          | 22,127,704         | 83,999,580          | 21,724,580         |
| Cash Fund                 | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Program</b>      | <b>28,344,698</b>  | <b>29,991,325</b>  | <b>62,366,580</b>   | <b>22,127,704</b>  | <b>83,999,580</b>   | <b>21,724,580</b>  |