

Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

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 Plan - 84-1504 to 84-1506.01
- Spousal Pension Rights Act - 42-1101 to 42-1113
- Related Laws: Nebraska Investment Council - 72-1237 to 72-1269

VISION:

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

MISSION AND PRINCIPLES:

The Nebraska Public Employees Retirement Systems 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 approximately 125,000 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:

Agency Goals

1. To administer each retirement plan in full compliance with applicable federal and state laws.
2. To operate our agency efficiently and responsibly in order to maintain the trust of our members, our plan employers, the separate branches of government, and the public as a whole.
3. To guard the integrity of our systems' assets and the accuracy of the data systems
4. To provide ongoing informational and educational opportunities for the members.
5. To monitor benefit patterns and funding levels of the various retirement plans and advise policy makers of our observations.
6. To continue improving our technology in order to achieve the highest level of service possible.

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Financial Data

	FY16 Actual	FY17 Approp	FY18 Request	FY18 Recomm	FY19 Request	FY19 Recomm
Operations Funding						
General Fund	0	0	0	0	0	0
Cash Fund	4,696,338	5,569,442	5,853,249	5,393,930	5,994,210	5,451,647
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Operations	4,696,338	5,569,442	5,853,249	5,393,930	5,994,210	5,451,647
Aid Funding						
General Fund	47,477,438	47,303,239	64,056,935	48,469,886	65,372,896	51,200,000
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
Total Aid Funding	47,477,438	47,303,239	64,056,935	48,469,886	65,372,896	51,200,000
Total Funding						
General Fund	47,477,438	47,303,239	64,056,935	48,469,886	65,372,896	51,200,000
Cash Fund	4,696,338	5,569,442	5,853,249	5,393,930	5,994,210	5,451,647
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	52,173,776	52,872,681	69,910,184	53,863,816	71,367,106	56,651,647

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Program 041 - RETIREMENT/DEFERRED COMP ADM

PROGRAM DESCRIPTION:

The Retirement Administration program is used for the administrative and operational expenses for the School, Judges, State Patrol, State Employees and County Employees Retirement Systems and Deferred Compensation plans administered by the Nebraska Public Employees Retirement Systems. The agency also serves as a pass through for investments/cash being transferred to the Omaha School Retirement System from the Nebraska Investment Council.

PROGRAM OBJECTIVES:

The program objectives center around the goal to be trustworthy fiduciaries of the pension plan assets needed to pay benefits and expenses of the retirement plans.

PERFORMANCE MEASURES:

Based on the agency/program objectives the agency has the following performance measures in place:

- Process member retirement benefits within 60-90 days of final pay, per statutes and rules and regulations.
- Work closely with agencies and employers to maintain accurate data within the computer system.
- Continue member/employer training to reduce the number of employer reporting errors.
- Maintain good financial audits; monitor internal controls; maintain written procedures; and resolve prior audit findings.
- Continue efforts to control agency expenses without compromising service to members.

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

Financial Data

	FY16 Actual	FY17 Approp	FY18 Request	FY18 Recomm	FY19 Request	FY19 Recomm
Operations Funding						
General Fund	0	0	0	0	0	0
Cash Fund	4,675,449	5,534,830	5,818,637	5,366,318	5,959,598	5,424,035
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Operations	4,675,449	5,534,830	5,818,637	5,366,318	5,959,598	5,424,035
Aid Funding						
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
Total Aid Funding	0	0	0	0	0	0
Total Funding						
General Fund	0	0	0	0	0	0
Cash Fund	4,675,449	5,534,830	5,818,637	5,366,318	5,959,598	5,424,035
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Program	4,675,449	5,534,830	5,818,637	5,366,318	5,959,598	5,424,035

Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

Program 042 - BOARD MEMBER EXPENSES

PROGRAM DESCRIPTION:

The Board Member Expense 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 equipment and board supplies; food, mileage and lodging expenses associated with board meetings; a per diem for their services associated with board meetings and other board duties; and expenses and travel for retirement conferences and training. The Board consists of eight voting members and one non-voting, ex-officio member, the State Investment Officer. It is important that the PERB members have professional growth available so they can make informed decisions regarding retirement issues. The expenditures in this program are designed to accomplish this.

PERFORMANCE MEASURES:

The PERB recognizes their fiduciary responsibility and the importance of being educated and informed regarding public pensions.

1. 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 a 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

Financial Data

	FY16 Actual	FY17 Approp	FY18 Request	FY18 Recomm	FY19 Request	FY19 Recomm
Operations Funding						
General Fund	0	0	0	0	0	0
Cash Fund	20,888	34,612	34,612	27,612	34,612	27,612
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Operations	20,888	34,612	34,612	27,612	34,612	27,612
Aid Funding						
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
Total Aid Funding	0	0	0	0	0	0
Total Funding						
General Fund	0	0	0	0	0	0
Cash Fund	20,888	34,612	34,612	27,612	34,612	27,612
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Program	20,888	34,612	34,612	27,612	34,612	27,612

Agency 085 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

Program 515 - PUBLIC EMPLOYEES RETIREMENT

PROGRAM DESCRIPTION:

State law requires ongoing appropriations to the defined benefit plans and cash balance plans under NPERS' administration as well as funding for the State Service Annuity for the separate Class V School Retirement Plan, which passes through the agency.

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 - 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 and 24-710.08-School, Patrol and Judges Retirement Plans.
3. Additional contributions by the State may be required if investment returns or actuarial assumptions are not what are expected during a given year. NPERS has included an estimate of additional funds that may be needed for the School, Judges and Patrol Plans, pending the outcome of the Actuarial Reports, also an experience study is currently being completed that will effect the liability and contribution requirements..

PERFORMANCE MEASURES:

Each year the actuary under contract to the Retirement Board completes a valuation of the plan assets and liabilities for the School, Judges, and State Patrol defined benefit plans as well as the State and County Cash Balance plans. The actuary relies on member data and financial statements provided by the Retirement Office after the plan year ends. Final Actuary Reports were finalized in mid-November, 2016 and results are included in the budget.

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Program 515 - PUBLIC EMPLOYEES RETIREMENT

Financial Data

	FY16 Actual	FY17 Approp	FY18 Request	FY18 Recomm	FY19 Request	FY19 Recomm
Operations Funding						
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
Total Operations	0	0	0	0	0	0
Aid Funding						
General Fund	47,477,438	47,303,239	64,056,935	48,469,886	65,372,896	51,200,000
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
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Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Program	47,477,438	47,303,239	64,056,935	48,469,886	65,372,896	51,200,000