Learning from History – NPERS Form Updates, & How to Avoid the Most Common Mistakes

RANDY GERKE, NPERS DIRECTOR

ORRON HILL, NPERS DEPUTY DIRECTOR/LEGAL COUNSEL

Early Retirement Inducement (ERI) & Termination Certification Forms

COMMON MISTAKES, AND HOW TO AVOID THEM

ERI Forms

- In 2017 the Legislature inserted into LB415 a requirement that School Plan employers and members must certify:
 - Whether an employee took an ERI at termination, and, if so, describe the nature of the ERI; and
 - That there was no Prearranged Return to Work (PRW)
- ▶ LB415 charged NPERS with collecting this info
- NPERS developed the ERI forms (a.k.a. LB415 Forms) to satisfy these requirements

History of ERI Form Revisions

In December 2017, NPERS published the first version of the ERI Forms

We received feedback from various schools and members about how to improve the forms

After approximately 90 days, NPERS revised the forms in response to feedback from the stakeholders

Revised ER Form

Employer Certification: School Plan members are required by law to experience a 180-day bona fide separation from service employers participating in the School Plan 1 to be considered "terminated" and eligible to receive a refund or retriement benefit to prea return to work. Employers participating in the School Plan must disclose any early retirement inducements paid to School Plan members. "Ear retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payme linked to a member's termination, except for payments of accrued unused leave converted to cash. 2 Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-849, I certify that: 1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was employer of the above-named member of the School Plan. 2. The member beld the position of 3. Check one of the following: The member DID NOT accept, has not received, and will not receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and a. Attach a written description of the early retirement inducement? \$ c. What is the dollar value of the early retirement inducement? \$ c. What is the final disbursement date of the early retirement inducement? 1. There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service 1. There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service 1. There WAS NO prearranged agreement with the member to have the member return to service in any capa with my employer following the member's termination of employment except intermittent substitute service 2. Complete a. & 3. Attach a writt			mbe me	T'S	Last	First		Middle	Member's Date of Birth							
Employer Cell Phone EMPLOYER - SCHOOL PLAN EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION Employer Certification: School Plan members are required by law to experience a 180-day bona fide separation from service employers participating in the School Plan members are required by law to experience a 180-day bona fide separation from service employers participating in the School Plan must disclose any early retirement inducements paid to School Plan members. "Ear retirement inducements paid to School Plan members." "Ear retirement inducements paid to School Plan members." "Ear retirement inducements to inducements inducements contained to any benefit, brown; insurance payment, or wage payme linked to a member's termination, except for payments of accrued unused leave converted to cash." Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that: 1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was employer of the above-named member of the School Plan. 2. The member held the position of 3. Check one of the following: The member DID accept, has not received, and will not receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. A strach a written description of the early retirement inducement? \$ C. What is the final disbursement date of the early retirement inducement? 4. Check one of the following: There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. There WAS a prearranged agreement with the member to have the member return to service in any capa with my employer following the member's termination of employment except intermittent substitute service. Check one of the following: I under							Member's Email Add	ress								
EMPLOYER - SCHOOL PLAN EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION Employer Certification: School Plan members are required by law to experience a 180-day bona fide separation from service employers participating in the School Plan it to be considered "terminated" and eligible to receive a refund or retirement benefit to prea return to work. Employers participating in the School Plan must disclose any early retirement inducements paid to School Plan members. "Ear retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payme linked to a member's termination, except for payments of accrued unused leave converted to cash. 2 Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that: 1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was employer of the above-named member ber of the School Plan. 2. The member held the position of 3. Check one of the following: The member DID NOT accept, has not received, and will not receive, an early retirement inducement. Complete a, b and a. Attach a written description of the early retirement inducement? \$ c. What is the dollar value of the early retirement inducement? \$ c. What is the final disbursement date of the early retirement inducement? 4. Check one of the following the member's termination of employment except intermittent substitute service that my employer following the member's termination of employment except intermittent substitute service that my employer following the member's termination of employment except intermittent substitute service that have a written description of the prearranged agreement to return to service in any capa with my employer following the member's termination of employment except intermittent substitute service complete a. & a. Attach a written description of the prearranged agreement to return to service in any capa with my employer following the member's termina		M	embe	r's Address			City			te	Zip					
Employer Certification: School Plan members are required by law to experience a 180-day bona fide separation from service employers participating in the School Plan 1 to be considered "terminated" and eligible to receive a refund or retriement benefit to prea return to work. Employers participating in the School Plan must disclose any early retirement inducements paid to School Plan members. "Ear retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payme linked to a member's termination, except for payments of accrued unused leave converted to cash. 2 Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-849, I certify that: 1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was employer of the above-named member of the School Plan. 2. The member beld the position of 3. Check one of the following: The member DID NOT accept, has not received, and will not receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and a. Attach a written description of the early retirement inducement? \$ c. What is the dollar value of the early retirement inducement? \$ c. What is the final disbursement date of the early retirement inducement? 1. There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service 1. There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service 1. There WAS NO prearranged agreement with the member to have the member return to service in any capa with my employer following the member's termination of employment except intermittent substitute service 2. Complete a. & 3. Attach a writt								Employer								
employers participating in the School Plan 1 to be considered "terminated" and eligible to receive a refund or retirement benefit to prea return to work. Employers participating in the School Plan must disclose any early retirement inducements paid to School Plan members. "Ear retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payme linked to a member's termination, except for payments of accrued unused leave converted to cash. 2 Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that: 1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was employer of the above-named member of the School Plan. 2. The member held the position of 3. Check one of the following: The member DID NOT accept, has not received, and will not receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and a. Attach a written description of the early retirement inducement? 5. What is the dollar value of the early retirement inducement? 4. Check one of the following: There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. 8 a. Attach a written description of the prearranged agreement to return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. 8 a. Attach a written description of the prearranged agreement to return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Com		EMPLOYER - SCHOOL PLAN EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION														
retirement inducements' include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payme linked to a member's termination, except for payments of accrued unused leave converted to cash. **Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that: 1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was employer of the above-named member of the School Plan. 2. The member held the position of 3. Check one of the following: The member DID NOT accept, has not received, and will not receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and a Attach a written description of the early retirement inducement to this form. b. What is the dollar value of the early retirement inducement? \$ c. What is the final disbursement date of the early retirement inducement? 4. Check one of the following: There WAS No prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. There WAS No prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. & Attach a written description of the prearranged agreement to return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. & Attach a written description of the prearranged agreement to return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. & Attach a written description of the prearranged agreement to return to service in any caps with my employer following the member's termination. I understand this f		Employer Certification: School Plan members are required by law to experience a 180-day bona fide separation from service with all employers participating in the School Plan¹ to be considered 'terminated' and eligible to receive a refund or retirement benefit. In addition, the Internal Revenue Code does not allow individuals who terminate and receive a refund or retirement benefit to prearrange a return to work.														
1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was employer of the above-named member of the School Plan. 2. The member held the position of		Employers participating in the School Plan must disclose any early retirement inducements paid to School Plan members. "Early retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payment linked to a member's termination, except for payments of accrued unused leave converted to cash. ²														
3. Check one of the following: The member DID NOT accept, has not received, and will not receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and a. Attach a written description of the early retirement inducement to this form. b. What is the dollar value of the early retirement inducement? \$ c. What is the final disbursement date of the early retirement inducement? d. Check one of the following: There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. There WAS a prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. 8 a. Attach a written description of the prearranged agreement to return to service to this form. I understand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. I understand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature		1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was, the														
The member DID NOT accept, has not received, and will not receive, an early retirement inducement. The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and a. Attach a written description of the early retirement inducement to this form. b. What is the dollar value of the early retirement inducement? c. What is the final disbursement date of the early retirement inducement? 4. Check one of the following: There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. There WAS NO prearranged agreement with the member to have the member return to service in any capa with my employer following the member's termination of employment except intermittent substitute service. Complete a. 3 a. Attach a written description of the prearranged agreement to return to service to this form. Lunderstand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. Lunderstand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature		2.	Th	e member he	eld the position	of										
The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and a. Attach a written description of the early retirement inducement to this form. b. What is the dollar value of the early retirement inducement? \$ c. What is the final disbursement date of the early retirement inducement? 4. Check one of the following. There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. There WAS NO prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. 8 a. Attach a written description of the prearranged agreement to return to service to this form. Lunderstand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. Lunderstand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature		3.														
a. Attach a written description of the early retirement inducement to this form. b. What is the dollar value of the early retirement inducement? \$ c. What is the final disbursement date of the early retirement inducement? 4. Check one of the following: There WAS Deprearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. There WAS a prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. 8 a. Attach a written description of the prearranged agreement to return to service to this form. I understand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. I understand this form must be completed, signed, and received by NPERS writhin twenty (20) calendar days of the member's termination. Employer Signature			_						,							
b. What is the dollar value of the early retirement inducement? \$ c. What is the final disbursement date of the early retirement inducement? 4. Check one of the following: There WAS Do prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. There WAS a prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service. Complete a. 8 a. Attach a written description of the prearranged agreement to return to service to this form. I understand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. I understand this form must be completed, signed, and received by NPERS writhin twenty (20) calendar days of the member's termination. Employer Signature Title: Date: Printed Name: Printed Name: Title: Date: Printed Name: Printed Name: Printe Semployer Reporting Section at 402-471-5088 or 402-471-4847 with questions regarding the completion of this form "Employer participating in the School Plan" means any public school district (except Class V school districts). ESUs, and the Nebraska Depart Education (NDE) for those employees who are authorized by law to participate in the School Plan while working for NDE. Presser effect to Neb. Rev. State (40, 73-924), and 79-494, for more celedied information.		☐ The member <u>DID</u> accept and receive, or will receive, an early retirement inducement. Complete a, b and														
c. What is the final disbursement date of the early retirement inducement? 4. Check <u>one</u> of the following: There <u>WAS NO</u> prearranged agreement with the member to have the member return to service <i>in any cap</i> with my employer following the member's termination of employment except intermittent substitute service. There <u>WAS a</u> prearranged agreement with the member to have the member return to service <i>in any cap</i> with my employer following the member's termination of employment except intermittent substitute service. Complete a. 8. a. Attach a written description of the prearranged agreement to return to service to this form. I understand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. I understand this form must be completed, signed, and received by NPERS <u>writhin twenty (20) calendar days</u> of the member's termination. Employer Signature		a. Attach a written description of the early retirement inducement to this form.														
4. Check <u>one</u> of the following: There <u>WAS NO</u> prearranged agreement with the member to have the member return to service in any cap with my employer following the member's termination of employment except intermittent substitute service: There <u>WAS</u> a prearranged agreement with the member to have the member return to service in any capa with my employer following the member's termination of employment except intermittent substitute service. Complete a. 3 a. Attach a written description of the prearranged agreement to return to service to this form. Iunderstand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. Iunderstand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature	1			b. What is												
with my employer following the member's termination of employment except intermittent substitute service. There Waß a prearranged agreement with the member to have the member return to service in any capa with my employer following the member's termination of employment except intermittent substitute service. Complete a. a. Attach a written description of the prearranged agreement to return to service to this form. I understand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. I understand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature		4.	Ch													
with my employer following the member's termination of employment except intermittent substitute service. Complete a. 3 a. Attach a written description of the prearranged agreement to return to service to this form. I understand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. I understand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature				There <u>WAS NO</u> prearranged agreement with the member to have the member return to service in any capacit with my employer following the member's termination of employment except intermittent substitute service. ³												
a. Attach a written description of the prearranged agreement to return to service to this form. I understand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. I understand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature	1															
I understand and acknowledge that knowingly making a false statement, report, or representation to NPERS could recriminal prosecution. I understand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature																
criminal prosecution. I understand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the member's termination. Employer Signature		a. Attach a written description of the prearranged agreement to return to service to this form.														
Printed Name:Employer: Please contact the NPERS Employer Reporting Section at 402-471-6098 or 402-471-9497 with questions regarding the completion of this form "Employer participating in the School Plan" means any public school district (except Class V school districts), ESUs, and the Nebraska Depart Education (NDE) for those employees who are authorized by law to participate in the School Plan while working for NDE. "Please refer to Neb. Rev. Shia, §78-992(11), 84 (47), 92921, and 79-945, for more detailed information."		I understand this form must be completed, signed, and received by NPERS within twenty (20) calendar days of the														
Please contact the NPERS Employer Reporting Section at 402-471-8098 or 402-471-8497 with questions regarding the completion of this form 1°Employer participating in the School Plan¹ means any public school district (except Class V school districts), ESUs, and the Nebraska Depart Education (NDE) for those employees who are authorized by law to participate in the School Plan while working for NDE. 2° Please refer to Neb. Rev. Sha, §78-992(11), 84 (47), 92921, and 79-945, for more detailed information.		En	nploy	er Signature				Title:			Date:					
"Employer participating in the School Plan' means any public school district (except Class V school districts), ESUs, and the Nebraska Depart Education (NDE) for those employees who are authorized by law to participate in the School Plan while working for NDE. 3 Please refer to Neb. Rev. Shi. §§ 79-90(11), 84 (4), 79-921, and 79-945, for more detailed information.		Pri	nted	Name:			Employer:									
Education (NDE) for those employees who are authorized by law to participate in the School Plan while working for NDE. Please refer to Neb. Rev. Stat. §§ 79-902(11) & (44), 79-921, and 79-949, for more detailed information.		Please contact the NPERS Employer Reporting Section at 402-471-6098 or 402-471-9497 with questions regarding the completion of this form.														
Intermitted voluntees service of intermitted substance service may be performed during the 100-day period as only as a 15 no. prearlanged. NPERS2410 NPERS2412 Rev. 03/2018 P		² Please refer to Neb. Rev. Stat. §§ 79-902(11) & (44), 79-921, and 79-949, for more detailed information. ³ Intermittent volunteer service or intermittent substitute service may be performed during the 180-day period as long as it is not prearranged.														

PRINT

26 K St., Ste. 400 PO Box 94816 Lincoln, NE 68509-4816 PHONE 402-471-2053 TOLL FREE 800-245-5712 FAX 402-471-9493

EMPLOYER - SCHOOL PLAN EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION

Employer Certification: School Plan members are required by law to experience a 180-day bona fide separation from service with all employers participating in the School Plan¹ to be considered "terminated" and eligible to receive a refund or retirement benefit. In addition, the Internal Revenue Code does not allow individuals who terminate and receive a refund or retirement benefit to prearrange a return to work.

Employers participating in the School Plan must disclose any early retirement inducements paid to School Plan members. "Early retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payment linked to a member's termination, except for payments of accrued unused leave converted to cash.²

Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that:

- 1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was, the employer of the above-named member of the School Plan.
- 2. The member held the position of _____
- Check <u>one</u> of the following:
 The member **DID NOT** accept, has not received, and will not receive, an early retirement inducement.
 - ☐ The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and c. ♣
 - a. Attach a written description of the early retirement inducement to this form.
 - b. What is the dollar value of the early retirement inducement? \$_____
 - c. What is the final disbursement date of the early retirement inducement?
- 4. Check one of the following:
 - There <u>WAS NO</u> prearranged agreement with the member to have the member return to service *in any capacity* with my employer following the member's termination of employment except intermittent substitute service.³
 - There <u>WAS</u> a prearranged agreement with the member to have the member return to service *in any capacity* with my employer following the member's termination of employment except intermittent substitute service.³

Complete a. 😃

a. Attach a written description of the prearranged agreement to return to service to this form.

Revised EE Form

	26 K	St., S	te. 40		Box 9		blic I Syster Line			9-481	6 рн	ONE 40	2-471-2	2053	OLL FREE	800-2	45-571	2 1	ax 402	-471-949
Van	ne.	La	st				First					Middle		Date o	f Dieth					
		curi	y Nu	mher		_				Em	ail Ad	dress		Date	LDIIII			_		
	ress		.,	moei					City	12111		cu coo		State		Zi	n			
		one	or C	ell Pho	ne.				0.11.5			Empl	over	51010			P			
101						. PL#	N EA	RLY	RETIR	REME	NT IN			AND 1	ERMII	NATIO	ON CE	RTIF	ICATI	ION
emp add etu Sch	oloye ition rn to ool F	rs pa the worl	rticipa Intern c nemb	ating in al Rev ers m	the Seenue C	chool ode d discl	Plan ¹ does no	to be on tot allow ceipt o	conside w indivi of any e	red "te iduals early re	ermina who te tireme	ted" an erminat ent indu	d eligib e and re cemen	le to rec eceive a ts. "Ear	eive a r refund ly retire	efund or reti ment i	or retire rement nducem	bene bene	it benef efit to p	e with all fit. In rearrange de, but ar xcept for
					sed lea						,	,	g = p =).							
	-						tion u	nder	Neb. F	Rev. S	tat. §	79-949	, I cert	tify that	:					
1.	_		_		ollowing	-	t roooi	vod s	and will	I not re	20011/0	an o	arly roti	rement	induos	mont				
														nt. Cor			nd c.	n.		
	~													to this		u, D u				
					dollar v		,													
													duceme	ent?						
2.	Che	eck o	ne of	the fo	llowing	1:														
														service				th an	y emp	loyer
														ce <i>in ar</i> Comple			vith any	/ em	oloyer	
		a. A	ttaci	a w	itten d	lescr	iption	of the	e prea	rrang	ed ag	reeme	nt to re	eturn to	servio	e to t	his for	m.		
					nust n the 18							service	in any	capaci	y with a	any er	nployer	par	iicipatii	ng in the
4.														der a pe						ing as ar ination.
5.	age	псу,	or an	y othe		, and	l my e	mploy	ment r	equire										ry staffing School
I understand and acknowledge that knowingly making a false statement or representation to NPERS could result in criminal prosecution and/or recoupment of distributions made from my NPERS retirement account. I understand this form should be completed, signed, and received by NPERS before NPERS will distribute any retirement benefits from my NPERS retirement account. To minimize processing delays I understand this form must be received by NPERS within 20 days of my																				
ter	mina	tion.	ioilt		101		E3 Proc	- ooi115	, amay	o i uniu	o. o.all	G tino It	m m/u:	J. De 160	o.veu Dy	.41-21	· · · · · · · · · · · · · · · · · · ·	. 20	ayo UI	,
														_						
Иe	mbe	r Sig	natu	e										[Date: _					
Plea	se co	ontact	NPER	S Call	Center	at 1-80	00-245-	5712 o	r 402-47	71-2053	if you	have a	ny quest	ions abo	ıt comple	eting th	is form.			
	nplov													school di				Nebra	ska Dep	partment o
Edu Ple	cation	efer t	o Neb.	Rev. S	Stat. §§	79-902	2(11) &	(44), 7	9-921, a	and 79-	949, fo	r more o	detailed i	informatio 180-day p	on. eriod as	long a		t pres	rranged	i.





MEMBER – SCHOOL PLAN EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION

Member Certification: School Plan members are required by law to experience a 180-day bona fide separation from service with all employers participating in the School Plan¹ to be considered "terminated" and eligible to receive a refund or retirement benefit. In addition, the Internal Revenue Code does not allow individuals who terminate and receive a refund or retirement benefit to prearrange a return to work.

School Plan members must also disclose receipt of any early retirement inducements. "Early retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payment linked to a member's termination, except for payments of accrued unused leave converted to cash.²

Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that:

- 1. Check **one** of the following:
 - DID NOT accept, have not received, and will not receive, an early retirement inducement.
 - I DID accept and receive, or will receive, an early retirement inducement. Complete a, b and c . 1
 - a. Attach a written description of the early retirement inducement to this form.
 - b. What is the dollar value of the early retirement inducement? \$___
 - c. What is the final disbursement date of the early retirement inducement?

ERI Form Statistics

- Employer (ER) Forms:
 - ▶ 678 ER forms have been received since December 2017
 - **22** ER forms had errors
 - ▶ The error rate on ER forms is only **3.24%**
- ► Employee (EE) Forms:
 - ▶ **506** EE forms have been received since December 2017
 - **26** EE forms had errors
 - ▶ The error rate on EE forms is only **5.14%**

ERI Form Statistics (continued)

- ▶ Totals for both EE and ER Forms
 - ▶ 1184 forms have been received since December 2017
 - ▶ 48 had errors
 - ▶ The overall error rate is **4.05**%
- Some forms had multiple errors
- Some ERs made consistent errors

Most Common ER Form Errors (in order of frequency)

- ▶ Failure to list member's position
- ▶ Failure to complete ERI section
- ► Failure to attach ERI explanation
- Included intermittent substituting as a Prearranged Return to Work (PRW)
- ▶ Failure to sign and/or date
- ▶ Failure to select PRW

ER Form Error Examples – Failure to list member's position

EMPLOYER - SCHOOL PLAN EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION

Employer Certification: School Plan members are required by law to experience a 180-day bona fide separation from service with all employers participating in the School Plan¹ to be considered "terminated" and eligible to receive a refund or retirement benefit. In addition, the Internal Revenue Code does not allow individuals who terminate and receive a refund or retirement benefit to prearrange a return to work.

Employers participating in the School Plan must disclose any early retirement inducements paid to School Plan members. "Early retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payment linked to a member's termination, except for payments of accrued unused leave converted to cash.²

Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that:

- 1. I am the administrator, or authorized designee, of an employer participating in the School Plan which is, or was, the employer of the above-named member of the School Plan.
- 2. The member held the position of

ER Form Error Examples – Failure to attach ERI explanation & complete ERI section

3. Check one of the following:

☐ The member DID NOT accept, has not received, and will not receive, an early retirement inducement.

☐ The member DID accept and receive, or will receive, an early retirement inducement. Complete a, b and c.
☐ a. Attach a written description of the early retirement inducement to this form.

☐ b. What is the dollar value of the early retirement inducement

☐ \$______.

☐ Check one of the following:

ER Form Error Examples – Failure to select PRW option & Included intermittent sub as PRW

4. Check one of the following:

There WAS NO prearranged agreement with the member to have the member return to service in any capacity with my employer following the member's termination of employment except intermittent substitute service.

There WAS a prearranged agreement with the member to have the member return to service in any capacity with my employer following the member's termination of employment except intermittent substitute service.

Complete a.

Attach a written description of the prearranged agreement to return to service to this form.

ER Form Error Examples – Failure to sign and date

NPERS2410

NPERS2412

Rev. 03/2018

Employer Signature	Title:	_ Date						
Printed Name:	Employer:							
Please contact the NPERS Employer Reporting Section at 402-471-6098 or	402-471-9497 with questions regarding the	completion of this form.						
1 "Employer participating in the School Plan" means any public school district (except Class V school districts), ESUs, and the Nebraska Department of Education (NDE) for those employees who are authorized by law to participate in the School Plan while working for NDE. Please refer to Neb. Rev. Stat. §§ 79-902(11) & (44), 79-921, and 79-949, for more detailed information.								

Page 1 of 1

³ Intermittent volunteer service or intermittent substitute service may be performed during the 180-day period as long as it is not prearranged.

Most Common EE Form Errors (in order of frequency)

- ► Failure to attach ERI explanation
- ▶ Failure to complete ERI section
- Failure to select PRW
- Failure to select ERI option
- Selected both ERI and PRW options

EE Form Error Examples – Failure to select ERI option, complete ERI section, & attach ERI explanation

MEMBER – SCHOOL PLAN EARLY RETIREMENT INDUCEMENT AND TERMINATION CERTIFICATION

Member Certification: School Plan members are required by law to experience a 180-day bona fide separation from service with all employers participating in the School Plan¹ to be considered "terminated" and eligible to receive a refund or retirement benefit. In addition, the Internal Revenue Code does not allow individuals who terminate and receive a refund or retirement benefit to prearrange a return to work.

School Plan members must also disclose receipt of any early retirement inducements. "Early retirement inducements" include, but are not limited to, any benefit, bonus, insurance payment, salary payment, or wage payment linked to a member's termination, except for payments of accrued unused leave converted to cash.²

Subject to the penalty of prosecution under Neb. Rev. Stat. § 79-949, I certify that:

1.	Che	eck <u>one</u> of the following:
		l <u>DID NOT</u> accept, have not received, and will not receive, an early retirement inducement.
		l <u>DID</u> accept and reœive, or will receive, an early retirement inducement. Complete a, b and c. 👵
·		a. Attach a written description of the early retirement inducement to this form.
		b. What is the dollar value of the early retirement inducement? \$
		c. What is the final disbursement date of the early retirement in ucement?

EE Form Error Examples – Failure to select PRW option



Non-Contributing Member Forms

COMMON MISTAKES, AND HOW TO AVOID THEM

Non-Con Form Common Errors

- Non-Cons must be submitted to NPERS within 20 days following the date of termination to ensure timely payment of benefits.
 - Some are coming in early, some late.
- Please check the termination dates being entered. Snow days have been problematic.
 - Please adjust the termination date for snow days.
 - ▶ If employees are required to work after the last regular school day listed in the contract due to snow days, the employer should adjust the termination date on the Non-Con.

LB1005 – Why is it needed, & what does it do?

RETIREMENT SYSTEMS COMMITTEE OF THE LEGISLATURE OMNIBUS BILL

LB1005 – Why is it needed?

- A national trend developed where employers withdraw from multi-employer or multiple employer pension plans entirely, or remove groups of individuals from plan eligibility
- ► This creates unfunded liabilities on the pension plan that impact the plan's ability to provide pension benefits
- Example Trouble in candy land: How Peeps, pensions and a lawsuit threaten to upend the American retirement system
 - https://www.msn.com/en-us/news/us/trouble-in-candy-land-how-peeps-pensions-and-a-lawsuit-threaten-to-upend-the-american-retirement-system/ar-AAvg7qx?li=BBnb7Kz

LB1005 – Why is it needed? The Peeps Case

- The company that makes Peeps was part of a 200-employer multi-employer pension system
- The company could not afford to keep operations open and pay for the pension benefits

- ▶ The company stopped new hires from joining the pension plan
 - ▶ This is a common practice in the private sector

LB1005 – Why is it needed? The Peeps Case (continued)

- The company is involved in a law suit to avoid paying the \$60 million fee required by federal law to:
 - Offset the plan for the loss of income due to the reduced contributions; and
 - Ensure current the plan has sufficient funds to pay for current members' retirement benefits

LB1005 – Why is it needed? The Peeps Case (continued)

- A different company (that makes Twinkies) left the pension plan in 2011/12 and successfully avoided paying a \$1 billion dollar fee
- The pension went from being one of the most healthy in the country prior to the 2011/12 company leaving, to one of the most at risk
- If changes aren't made, the plan will become insolvent, and members will just get pennies on the dollar when they retire
- Thus, either the remaining employers and employees must contribute more from their budgets, or benefits have to be reduced

LB1005 –Why is it needed? (continued)

- ▶ The School Plan is a multiple employer plan
- Employers in the School Plan are taking steps to manage their budgets that include:
 - Consolidation, merger, or unification; and
 - ► Terminating large groups of employees and contracting for those services (i.e., bus drivers, food service workers, paraeducators, maintenance workers, etc.)
- However, these steps are reducing contributions to the plan, and creating unfunded liabilities for the plan

LB1005 – What does it do?

► LB1005:

- Ensures the School Plan will not be financially liable for a school's business transaction, minimize the risk that the State, other employers in the School Plan, or plan members bear the cost of one school's business transaction; and
- Lays out a process to help schools learn the true cost of their business transaction, put schools on notice of what they must pay when contemplating a business transaction, and ensure that the retirement system is not financially harmed by a school's business transaction

LB1005 – The Steps to Learn the Costs

When a school contemplates a business transaction that could result in employees losing eligibility to participate in the School Plan, the school should notify the PERB/NPERS

The PERB/NPERS will get an estimate from our contracted actuary on the cost of an actuarial study to determine whether there will be any costs to the retirement system that must be passed on to the school, and the amount of the costs

LB1005 – The Steps to Learn the Costs (continued)

- If the school pays for the study, the actuary will conduct the study, and the PERB/NPERS will make findings on whether there is a cost, and the amount of the costs
- ▶ If the school engages in the business transaction, the school must pay the PERB/NPERS the costs
- If a school fails to timely notify the PERB/NPERS, and engages in a business transaction that creates cost for the School Plan, the school will be liable for all costs associated with calculating the cost and the actuarial costs incurred by the School Plan

Questions