

MEMORANDUM

TO: Board of Trustees
FROM: Cecelia M. Carter, Executive Director
DATE: August 30, 2019
RE: 2019 / 2020 Regular Interest on Non-Retiree Members' Account Balances

Regular Interest is the rate by which a non-retired members' account balance is credited with interest on the employee contributions contributed to the OSERS pension plan. This rate is reviewed annually. For purposes of the Class V School Employees Retirement Act, Section 79-978 (25) of the Nebraska Revised Statutes defines "Regular Interest" as:

"(25) Regular interest means interest (a) on the total contributions of the member prior to the close of the last preceding fiscal year, (b) compounded annually, and (c)(i) beginning September 1, 2016, at a rate equal to the daily treasury yield curve for one-year treasury securities, as published by the Secretary of the Treasury of the United States, that applies on September 1 of each year and (ii) prior to September 1, 2016, at rates to be determined annually by the board, which shall have the sole, absolute, and final discretionary authority to make such determination, except that the rate for any given year in no event shall exceed the actual percentage of net earnings of the system during the last preceding fiscal year."

September 1, 2019 is a Sunday and Monday, September 2, 2018 is the holiday observing Labor Day; therefore, the "daily treasury yield curve rate" as of Tuesday, September 3, 2019 will be available at the Board of Trustees meeting on Wednesday, September 4th.

The Retirement Board of Trustees of the Retirement System for the Douglas County School District 0001 are hereby notified the "regular interest" to be credited to OSERS non-retired members' accounts (i.e., all members' accounts not in retiree payment status) will be ### basis points for the period of September 1, 2019 – August 31, 2020.

Regular Interest History since September 1, 2016

2016 = 60 bps

2017 = 124 bps

2018 = 249 bps

PLEASE NOTE: THE SEPTEMBER 1, 2019 RATE WILL NOT BE AVAILABLE UNTIL SEPTEMBER 3rd. UPDATE AT THE BOARD MEETING ON THE 4th