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Omaha School Employees' Retirement System

COVID-19 Update as of April 10, 2020

As we all navigate through COVID-19 and the nation implements necessary public health actions, the board and staff at the Omaha School Employees' Retirement System (OSERS) want to ensure our members we are working to make sure your questions regarding your pension can be answered.

Below are some resources to assist our members with questions you may have regarding your Omaha School Employees' Retirement System. As always, our priority is to protect our members and our staff as we perform our daily business. In the current environment, we are following guidance from health experts and elected officials at the state and local levels to stop the spread of germs and reduce risk.

Here are some of the actions we have taken to date:

- First, during the District closure the OSERS physical office located in the Teachers Administration Center will be closed to in person contact. Keep in mind, it is not necessary to meet with us in person for your retirement. Staff is working remotely through email and telephone calls with our members.
- Second, due to the restrictions of large group gatherings, the OSERS Members Retirement Workshops scheduled for March and April will be postponed. With time we will work on other means of getting this information to our members. Your understanding and patience are appreciated.

***** Questions & Answers *****

THIS GUIDANCE IS SUBJECT TO CHANGE BASED UPON CHANGES IN FEDERAL AND/OR STATE LAW AND/OR REGULATIONS & POLICIES!

1. What Nebraska Revised Statutes govern the administration of OSERS?

The OSERS plan is administered pursuant to Nebraska Revised Statutes, sections 79-978 through 79-9,118. You can visit the statutes on line at:

https://nebraskalegislature.gov/laws/display_html.php?begin_section=79-978&end_section=79-9,118

2. Will monthly pension payments from OSERS be deposited during this national emergency?

During this national pandemic emergency, please be advised - your monthly direct deposits will be sent from OSERS for payment on the 3rd of each month as usual. However, mailing and delivery of your monthly OSERS pension statements will be delayed. Please do not expect to receive the pension payment statement in your home mail on the 3rd. It could take days for the mail to catch-up. This does not mean your direct deposit payment will be delayed.

The OSERS and OPS administration are working via remote access. Manual processes (such as processing physical mail) are not being handled daily. Since we do not know how long the "social distancing" and the District closure will be in place, below are the payment schedules for April, May, and June 2020.

Pension Payment Schedule

- April pension payment was deposited April 3rd.
- May pension payment will be deposited May 1st (b/c May 3 is on the weekend)
- June pension payment will be deposited June 3

3. Will I receive creditable service in the OSERS pension plan during the District closure?

Teachers and the effect of Neb. Rev. Stat., sec. 79-8,106.

Neb. Rev. Stat., sec. 79-8, 106 states:

“In case of epidemic sickness prevailing to such an extent that the school or schools in any school district shall be closed, teachers shall be paid their usual salaries in full for such time as the school or schools shall be closed.”

OSERS would consider this a form of paid time off. If the teacher is paid regular wages during a period of school closure due to this epidemic, the teacher will continue to accrue creditable service credit for their pension. The District will continue to report hours, compensation, and contributions tied to this leave to OSERS through the normal reporting process. This situation should not have a negative impact on retirement benefit amounts.

Please note: Neb. Rev. Stat., sec. 79-8, 106 does not define “teachers.” It is our understanding that individuals within the school community are looking into whether this section also applies to non-teacher staff. OSERS does not take a position on this point.

Administrators

If you are being required to render active service and are receiving compensation, your hours and compensation and contributions will be reported to OSERS.

Classified Staff

If you are being required to render active service and are receiving compensation, your hours and compensation and contributions will be reported to OSERS.

Example 1: No pay during time off.

OSERS Response to Example 1: if an employee (member of OSERS) is not rendering service and is not receiving compensation, they are not making contributions to OSERS and therefore are not receiving creditable service for that time period. This reduction in creditable service and compensation could impact employees' retirement benefits in the future. The member's compensation for the fiscal year could be less than expected and could impact what a member was considering for "final average compensation."

How the District categorize this stoppage of service and compensation will be important to ensuring the accuracy of OSERS records, and the determination whether a member may utilize certain purchase of service options.

Example 2: Allow staff to use sick leave, vacation leave, compensatory time, or other paid time off.

OSERS Response to Example 2: Working days, sick days, vacation days, holidays, or any other leave days for which the member is paid regular wages as part of the agreement with the District constitutes creditable service for retirement purposes. Therefore, if a member is using leave, the District will report the hours and compensation, and contributions to OSERS that correspond with the used leave.

If the individual uses enough leave to cover the entire absence, then there should be no impact on the member's retirement calculation.

If the individual does not have enough leave to cover the entire absence, there could be an impact on the member's retirement calculation in the future.

Example 3: Require or allow staff to work limited hours.

OSERS Response to Example 3: The District will report a member's hours, compensation, and contributions to the time worked just like any other form of service rendered by the member. A member's retirement benefit could be impacted due to the lower hours worked, and smaller compensation and contributions reported.

Example 4: Provide all staff an amount of paid leave.

OSERS Response to Example 4: Compensation is defined for the OSERS plan as "gross wages or salaries payable to the member during a fiscal year ..." See definition of "Compensation" in Neb. Rev. Stat., sec. 79-978 (9). <https://nebraskalegislature.gov/laws/statutes.php?statute=79-978>

4. What is a year of creditable service?

A year of creditable service in the OSERS plan is 1,000 hours of paid compensation and contributions to the OSERS plan within a fiscal year. The fiscal year is the period of September 1 through August 31. See Neb. Rev. Stat., sec. 79-978 (20) for a full definition of "Membership" which outlines a year of creditable service. <https://nebraskalegislature.gov/laws/statutes.php?statute=79-978>

5. Can I take a loan from my OSERS account?

You cannot take a loan from your OSERS account. There are no provisions in the statutes to permit loans from your OSERS pension plan.

6. Can I take a hardship withdrawal from my OSERS account?

You cannot take a hardship withdrawal from your OSERS account. There are no provisions in the statutes to permit hardship withdrawals from your OSERS pension plan.

7. What if I am called up to active military duty during this national emergency?

This Q&A is only with regards to your membership in the OSERS plan. For information concerning your employment position with Omaha Public Schools, please refer to the OPS District policies and consult with OPS Human Resources.

With regards to your OSERS pension account:

The provisions of the OSERS statutes are only applicable to “military service” as defined in 38 U.S.C. 4301 et seq. As of this date (03.19.2020) this section is not applicable to national guard deployment at the direction of the governor.

As you can imagine, things can change and as we learn information the OSERS board and staff will keep our members informed.

If you are called up for active military duty (as defined), upon your return to OPS employment you will be given the opportunity to buy-in the loss time so you do not have to lose the creditable service time in your pension. You will be contacted by OSERS staff when we receive notice of your return from active military duty.

Neb. Rev. Stat., sec. 79-978. Terms, defined.

For purposes of the Class V School Employees Retirement Act, unless the context otherwise requires:

(21) Military service means service in the uniformed services as defined in 38 U.S.C. 4301 et seq., as such provision existed on March 27, 1997;

Neb. Rev. Stat., sec. 79-990. Employees retirement system; time served in armed forces or on leave of absence; resignation for maternity purposes; effect.

To see the entire statute, go to: <https://nebraskalegislature.gov/laws/statutes.php?statute=79-990>

8. What if I decide to retire during the District closure?

If you decide you want to retire at the end of the 2019/2020 school or fiscal year, please send an email to osers@ops.org. A member of staff will contact you to arrange for the necessary documents. Please be sure to include your telephone number where OSERS staff can call you to work as efficiently as possible.

Remember, all retirements are effective at the earliest, the first of the month following the last day worked after making application for retirement.

9. What if I leave OPS employment during or following the District closure?

If you leave OPS employment during or following the District closure, when you are deemed *terminated* by the District, OSERS will receive a staff adjustment notice. Thirty days following our receipt of staff adjustments, OSERS will send you a letter with instructions on how to either receive payment of your employee contributions (plus interest) or rollover your employee contributions (plus interest).

After you return the form, OSERS will process your distribution as you have instructed. Understand, the entire process could take upwards of 60 – 90 days to fully process.

10. If I leave OPS employment during or following the District closure, may I leave my contributions with OSERS and make application for retirement later?

Yes, if leave OPS employment during or following the District closure, you are permitted to leave your employee contributions with OSERS and make application for a lifetime retirement benefit at a future date when you reach retirement eligibility.

Your personal letter from OSERS will outline the age(s) when you will be eligible for a retirement benefit and an estimate of how much the lifetime retirement benefit will be.

11. How are my employee contributions being invested during this national emergency?

The assets of the OSERS portfolio are managed by the Nebraska Investment Council (NIC). The State Investment Officer and staff of the Nebraska Investment Council along with the myriad of investment professionals hired by the NIC are all seasoned professionals. However, our portfolio will be impacted by the immediate volatility going on in the stock market. Remember, the OSERS portfolio is a long-term investment trust fund. The plan will be able to meet the pension obligations during this national emergency.

The Executive Director of OSERS is a non-voting ex-officio member of the Nebraska Investment Council and is receiving updates from the NIC as information is sent from the investment professionals.

To see the NIC web site for information on all the NIC funds (including OSERS) go to: <https://osers.org/AboutOSERS/Investments.aspx> Then click the link.

12. Will OSERS Board of Trustees hold public meetings during this national emergency?

The OSERS Board of Trustees meetings are subject to the Nebraska Open Meetings Act. However, on March 17, 2020, Nebraska Governor Pete Ricketts signed into effect Executive Order 20-03 [Corona Virus – Public Meetings Requirement Limited Waiver] To read the full order go to: <https://governor.nebraska.gov/press/gov-ricketts-issues-executive-order-give-public-boards-flexibility-hold-virtual-meetings>

The order permits public boards such as the OSERS Board of Trustees to hold *E-Meetings* so long as the public is given instructions on how to participate. The waiver is currently permitted through May 31, 2020. This will encompass OSERS board meetings scheduled for April 2, 2020 and May 7, 2020.

The OSERS web site will indicate whether the April and/or May board of trustees meeting will be postponed or conducted as an E-meeting. The OSERS web site can be found at www.osers.org

13. What if I need to report the death of a member to OSERS?

If you must report the death of an OSERS member to OSERS, please use the OSERS email box to report the information. The OSERS email box is osers@ops.org

14. What if I have further questions?

If you have further general questions, please email them to osers@ops.org The general email box is being monitored. We ask for your patience if you do not receive a response within 24 hours. Also, we will update these Q & A on our web site as more information is learned or changes.

These are unprecedented times for our district, state, our country and the world. We fully understand that members will be apprehensive about several things, including their retirement. Please be assured that OSERS has developed and practiced contingency plans for events such as this, and we are well prepared to maintain our core business functions, particularly to ensure the regular payment of retirement benefits.

The Board of Trustees and Staff of the Omaha School Employees' Retirement System are working to make sure you are kept informed regarding our pension plan. Thank you for your patience as we respond to the changing nature of this event. Thank you for your confidence in our administration of the plan.

Donald Erikson, Board President
Cecelia M. Carter, Executive Director
Omaha School Employees Retirement System