

**POLICIES OF THE BOARD OF TRUSTEES FOR THE  
OMAHA SCHOOL EMPLOYEES' RETIREMENT  
SYSTEM**

May 6, 2021

**OMAHA SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM  
BOARD POLICIES**

Contents

<a href="#"><u>POLICY 1 – BOARD DUTIES AND GOVERNANCE</u></a> .....	1
<a href="#"><u>POLICY 2 – BOARD CODE OF CONDUCT</u></a> .....	10
<a href="#"><u>POLICY 3 – EXECUTIVE DIRECTOR’S DUTIES AND LIMITATION OF AUTHORITY</u></a> .....	11
<a href="#"><u>POLICY 4 – LEGAL COUNSEL AND AUDITOR</u></a> .....	13
<a href="#"><u>POLICY 5 – REVIEWING DISABILITY RETIREMENT APPLICATIONS</u></a> .....	15
<a href="#"><u>POLICY 6 – TRAVEL/REIMBURSEMENT POLICY</u></a> .....	16
<a href="#"><u>POLICY 7 – FUNDING POLICY</u></a> .....	18
<a href="#"><u>POLICY 8 – CALCULATION OF BENEFITS</u></a> .....	22
<a href="#"><u>POLICY 9 – PUBLIC PARTICIPATION AT BOARD MEETINGS</u></a> .....	23
<a href="#"><u>POLICY 10 – POLICY AND PROCEDURES 10 - QUALIFIED DOMESTIC RELATIONS ORDERS</u></a> .....	25
<a href="#"><u>POLICY 11 – UNCASHED CHECKS AND UNCLAIMED BENEFITS OF MISSING MEMBERS</u></a> .....	29

## **POLICY 1 – BOARD DUTIES AND GOVERNANCE**

**1. Duties** - The Board of Trustees of the Omaha School Employees Retirement System (the “Board” or “Retirement Board”) will perform the duties outlined in its enabling legislation. (Neb. Rev. Stat. § 79-980, et. seq.)

### **2. Board Governance**

(a) **Board Members** – The Board’s officers consist of a President and Vice-President. The Executive Director shall serve as the meeting Secretary. The Board members will serve from the date elected or appointed, as applicable, until the conclusion of the member’s term.

(b) **Board Composition** – The Board shall be comprised as follows:

1. Two business members recommended by the Board and approved by the OPS Board of Education
2. Two certificated employees elected by its membership
3. One classified employee elected by its membership
4. One annuitant member elected by its membership
5. The Superintendent (or his/her designee) as an ex-officio voting member

(c) **Election Policy**

The Board shall ensure the annual election of trustees to the Retirement Board in accordance with the Nebraska Revised Statutes (the “Statutes”). This policy and the procedures set forth herein shall be interpreted in a manner consistent with the Statutes; in the event of an inconsistency between the policy and procedures and the Statutes, the Statutes shall control. The elections of the trustees who are members of the retirement system shall be arranged for, managed, and conducted by the Board of Trustees and shall be for terms of four years.

In the event of a vacancy to a trustee seat, the Board of Trustees shall appoint a replacement to said seat in accordance with the Statutes.

In January of each year, the Executive Director of the Omaha School Employees’ Retirement System (“OSERS”) shall provide the Retirement Board with an election calendar for the current year to outline the key milestone dates to ensure the election process is completed and the election ratified by the June Board meeting. This will permit the elected candidate to be seated as a trustee effective July 1<sup>st</sup> as prescribed in the Statutes.

The Retirement Board shall issue a call for candidates at the February meeting of the Retirement Board. The nomination period shall be open to the Members for seven calendar days. The Retirement Board shall cause notice of such meeting to be posted on the retirement system website [ [www.osers.org](http://www.osers.org) ] and, to the extent possible in other print format and/or social media outlets to all members eligible to vote in the election approximately 30 days prior to the February Retirement Board meeting. The list of eligible candidates will be ratified at the March meeting.

In the event only one candidate is nominated for an elected trustee seat, the Retirement Board reserves the right to not conduct an election process for the open seat that year and to declare the nominated person elected to the Board of Trustees.

All nominations shall be made in writing and filed at the OSERS' administration offices, located at the Teacher Administrative Center, 3215 Cuming Street, Omaha, NE. Electronic, facsimile, and U.S. mail or other courier services will not be acceptable for the nomination process. The Executive Director of OSERS shall be responsible for overseeing the integrity of the nomination process.

The Retirement Board shall certify the nominated candidates are eligible to run for the trustee seat for which they have been nominated. If the Retirement Board determines a person(s) nominated for a Retirement Board seat is not eligible to run for said board seat, the person nominated shall be notified and the nomination will be considered an invalid nomination and the person will not be listed on an election ballot.

The Board will recognize the employment status of a Member as of March 31 to determine their eligibility status for being nominated to run for election to the Retirement Board.

(d) ***Election Procedures Overview***

The elected Retirement Board member shall serve a four (4) year term based on the following rotating schedule:

Order of Elections

(2017) Certificated Staff Member Seat #1

(2018) Certificated Staff Member Seat #2

(2019) Classified Staff Member Seat

(2020) Annuitant Member Seat

and will follow this schedule on an annual basis hereafter.

The position and/or membership status for an elected trustee will determine whether the elected trustee shall be eligible to remain serving in his/her elected trustee seat. A trustee shall serve until a successor qualifies, except that a trustee (or their designee) who is a member of the retirement system shall be disqualified as a trustee immediately upon ceasing to be a member of the retirement system.

**IMPORTANT NOTE:** Beneficiaries and deferred vested members and former members with employee contributions still held with OSERS are not eligible to vote in trustee elections. Surviving spouses and joint annuitants are not eligible to vote in trustee elections. Only active members of OSERS are eligible to vote for active-member trustees. Only retired OSERS members receiving a retirement allowance are eligible to vote for the annuitant-member trustee.

(e) ***Election Procedures Details***

### **Section 1. Retirement Board Trustee Member Elections**

The OSERS trustee member elections shall be conducted in accordance with Statute § 79-980, and the OSERS Election Policy.

### **Section 2. Categories of Elections**

Separate elections are conducted for each category of member trustees:

- 1) Certificated Trustees (2)
- 2) Classified Trustee (1)
- 3) Annuitant Trustees (1)

In order to become a candidate for OSERS Trustee, individuals must meet the qualifications for the respective position. The qualifications to be a candidate are:

- 1) For the Certificated Trustee: the candidate must be an active member of OSERS and be employed by a Nebraska Class V School District in a position which is designated by the School District as a certificated position.
- 2) For the Classified Trustee: the candidate must be an active member of OSERS and be employed by a Nebraska Class V School District in a position which is designated by the School District as a classified position.
- 3) For the Annuitant Trustee: the candidate must be a retired member of OSERS and must be receiving a retirement allowance from OSERS.

There shall be no more than one election annually for member trustees.

If a seat is up for election with only one valid candidate, the Retirement Board reserves the right not to run an election and the sole candidate will be declared elected to the seat for which he or she has been nominated.

If there is no valid nomination for a board seat in any given year, the seat will be declared vacant and the Board will fill the vacancy in accordance with the Statutes.

### **Section 3. Election Procedures**

All election ballots for a Retirement Board seat on the OSERS Board shall be counted by either: (1) an independent election voting service company, (2) a CPA firm, or (3) a law firm approved by the Retirement Board

The candidate who receives a plurality of votes cast in the election will be declared the winner of the election.

No Retirement Board member or OSERS staff member will engage in counting election ballots in order to maintain an "arms-length" relationship to the process to ensure transparency and good governance.

The results of the election will be certified by the processing company/firm and reported in writing to the Executive Director who will report the results to the Retirement Board. The Retirement Board will accept and certify the results of the election no later than the designated June Retirement Board meeting for each calendar year.

## Section 4. Guidelines

### OMAHA SCHOOL EMPLOYEES' RETIREMENT SYSTEM ELECTION GUIDELINES

#### Section 4.1. Date of Elections

1. Each year an election for a board seat shall be conducted in a manner to ensure the results of the election are verified by the service company conducting the election on a date that is no later than the Friday before the regular June Retirement Board meeting.
2. The actual voting period shall be conducted over a period not to exceed 14 calendar days.
3. Voting ballots shall be mailed to eligible Members at least five calendar days prior to the opening of the election voting period.
4. Election Voting Period shall be the calendar days during which time Members may cast their ballots online or the election service company can receive ballots cast by mail.
  - a. If a Member is voting online, his/her ballot must be voted online by the date and time indicated as the online voting closing date and time.
  - b. If a Member is voting by mail, his/her ballot must be postmarked by the Postmark Date and received by the election service company by the Received Date
  - c. Each year's Election Calendar will indicate the prescribed dates for voting online, and the Postmark and Received dates.

#### Section 4.2. Notice of Election

The Notice of Election shall contain the date of each election, eligibility criteria for candidates and voters, information on how to obtain a candidate nomination packet, instructions on the nomination process, election guidelines, and the schedule of election events. The Executive Director shall cause to be distributed the Notice of Election within seven business days following the February Retirement Board meeting in each calendar year.

#### Section 4.3. Candidate Statements

Each candidate for election may submit a Candidate Statement. The statement shall be submitted in electronic form and emailed to the Executive Director or typed, double spaced and delivered to the Executive Director. The candidate statement is limited to 300 words, and should, at a minimum, contain the following information:

- 1) Candidate's full name
- 2) Recent photo (optional) – Head shot with a plain background is best.
- 3) Member status (i.e. teacher, administrator/supervisor, classified staff, or annuitant)
- 4) Statement of the nominee's position and understanding of the role of a trustee.

A candidate's statement cannot exceed 300 words and shall be truncated at the word limit. Candidate statements cannot contain inaccurate, misleading or inflammatory language. Once filed, statements may not be changed or withdrawn. Information contained in the statement is the responsibility of the candidate and OSERS shall not be held responsible for the validity of any candidate statement or the contents thereof.

Write-in candidates will not be permitted on the election ballot.

**Section 4.4. Voter Eligibility**

Eligibility to vote in each election shall be based on the Members' membership status in OSERS at close of business on March 31<sup>st</sup> of each year.

Terminated Members, deferred non-vested, and deferred-vested members will not be eligible to vote in annual elections.

Beneficiaries, surviving spouses and surviving joint annuitants of deceased members who are in payment status will not be eligible to vote in trustee elections.

**Section 4.5. Form of Ballots**

Voting shall be by secret ballot. Names of the candidates for each election shall be rotated on the ballots so that each candidate's name appears to the extent possible at the top of the list an equal number of times.

**Section 4.6. Election Results**

The election will be determined by a plurality of the votes cast in the election. The election service company or firm shall transmit the election results to the Executive Director. The Executive Director shall report the election results to the Board of Trustees at the June Board meeting. The results of the election will be certified at the June Retirement Board meeting.

Following the certification of the election by the Board of Trustees, the Executive Director shall notify all candidates, and other interested parties of the certified results.

Newly elected Board member shall receive a copy of the Statutes applicable to the Retirement System of a Class V School District and other materials as determined by the Executive Director.

The results of the election shall be made public at the office of OSERS and on the OSERS web page on the day the final results are certified by the Retirement Board. The results shall remain on display at the Retirement Office and on the OSERS web page for 14 calendar days following the date the Retirement Board certifies the election results.

The term of office begins July 1 the year of the election.

**Section 4.7. In The Event of a Tie Election**

In the event an election results in a tie the method used to determine the winner of the election will be the flip of a coin.

**Section 4.8. Retention of Election Materials**

The Executive Director shall preserve the election materials for fifty (50) days following the close of each election period unless a request for a recount or a protest of the election has been filed. After the fifty (50) day period has lapsed, the ballots will be destroyed.

If the Executive Director is aware of proceedings pending in any court in which such ballots

or other material may be required as evidence, the ballots shall not be destroyed until such proceedings are finally adjudicated.

**Section 4.9. Recount of an Election**

A candidate in the election may request the recount of an election when the difference in the number of votes cast for the candidate requesting the recount is less than 2% of the total vote count awarded the winner.

To request a recount, the candidate in the affected election must file a written request with the Executive Director by 5:00pm of the third (3rd) business day following the certification of the election results.

The written request for a recount shall be signed by the candidate requesting the recount, and shall specify any other relevant material to be examined. The Executive Director shall notify the Board of the request for a recount and shall set a date for the recount upon receipt of the written request. The recount shall be held within 15 calendar days of the request.

The expense of one recount shall be borne by the Retirement System.

The Board shall hold a Special Meeting to consider the results of the requested recount.

**Section 4.10. Protest of an Election**

A valid protest must be based on evidence that the Board adopted election procedures were not substantially followed and that such errors would have materially affected the outcome of the election.

A candidate in the affected Board member election may file a written protest with the Executive Director prior to the election and under no circumstances no later than three (3) business days following the certification and notification to the candidates of the election results. The written protest shall be identified using the word “protest”, shall specify the election which the candidate is protesting, and shall state the specific grounds of the protest and provide any evidence (including witnesses) in support of its protest.

Upon receipt of a valid and timely protest, the Executive Director shall mail a copy of the protest to all candidates in the election and shall notify the Board and other interested parties that a protest has been filed. The Retirement Board shall investigate the protest and determine what remedy, if any, shall be granted to the candidate filing the protest. No Board member who is a candidate in the election under protest may participate in the Board’s deliberation.

When considering an election protest, the Board may consider written and/or oral arguments submitted by the candidate filing the protest and any other interested party. If the Board determines that a hearing is necessary, such hearing shall be open to the public. The Board shall determine the rules, regulations and process by which this proceeding shall gather evidence. The determination of the Retirement Board shall be rendered within 30 calendar days of the hearing.

If the Board sustains the protest, the election shall be void. The Retirement Board will



arrange for a new election. If the Board rejects the protest, then the certified results will stand as certified.

**Section 4.12. Use of Retirement System Vendors**

No candidate for trustee shall be permitted to engage the services of OSERS vendors or service providers for the purpose of printing, distributing or mailing campaign materials, or to secure monetary assistance for the candidate’s campaign. OSERS shall provide certified candidates with a list of OSERS vendors and service providers.

**Section 4.13. Request for Member mailing lists**

OSERS will not provide voting membership addresses and/or labels to candidates or supporting organizations.

**Section 5: Appointment of Business-Member Trustees**

Two members of the business community who are not Members of OSERS will serve as trustees. Selection of these business community members shall follow the following guidelines:

- a. Candidates for the two Business Member trustees will initially be identified in March of 2018 and 2020 for their respective terms of four years and every four-year term following.
- b. An incumbent business-member trustee can be recommended for an additional four-year term without seeking additional candidates for that position if the incumbent is recommended by a majority vote of the OSERS Board.
- c. If more than one business member trustee is identified for a term of office, interviews will be conducted by the OSERS Board in April of the year a new term will begin.
- d. The recommendation for a business-member trustee will be sent to the Omaha Public School Board of Education for consideration and approval in May of the year that a new term will begin.
- e. New business-member trustees will begin their four-year term of office on July 1 of the year the new term will begin.

**Section 6: Superintendent of a Nebraska Class V School District (or his/her designee)**

The Superintendent of a Nebraska Class V School District shall serve as an ex-officio, voting Trustee for OSERS unless he/she designates a specific individual to serve in that capacity.

(f) **Conduct of Meetings** – Board meetings are held in accordance with the Open Meetings Act and the Board’s enabling legislation. (Neb. Rev. Stat. §§ 84-1408 to 84-1414, and § 79-980, respectively.)

(i) Regular Meetings – The Board holds regular monthly meetings, and at such dates, times, and locations, as deemed appropriate by the Board. The Board will develop and adopt a tentative meeting schedule for the next calendar year during or before each December.

(ii) Special Meetings – The Board may hold special meetings when called by the Chairperson or at least three (3) Board members. The Executive Director will notify every Board member by telephone, electronic mail, and/or text message, of such special meetings at least three (3) days in advance of such special meetings’ start time(s).

(iii) Emergency Meetings – The Board may hold emergency meetings without reasonable advance public notice. The Executive Director will endeavor to provide reasonable advance notice to all Board members by telephone, electronic mail, and/or text message.

(iv) Quorum – Four (4) members of the Board constitutes a quorum. A quorum must be present for the Board to hold a meeting and conduct business.

(v) Meeting Attendance – All Board members must attend all Board meetings. A majority of the voting members present at a Board meeting may excuse a Board member’s absence from such meeting.

(vi) Motions – All motions before the Board will pass only upon the affirmative vote of a majority of the voting members present at the Board meeting, unless otherwise required by law, rules and regulations, or Board policy. Roll call vote elections are required unless otherwise authorized by law, rules and regulations, or Board policy.

(vi) Meeting Agenda(s) – The Executive Director, in consultation with the President, shall prepare the agenda for each Board meeting.

A. The Executive Director will publish a preliminary agenda at least four (4) days before each regular Board meeting.

B. The Executive Director will publish a final agenda at least twenty-four (24) hours before each regular or special Board meeting, and as soon as reasonably possible after an emergency Board meeting is called.

C. The Executive Director will keep the agenda continually current and available for public inspection at the OSERS’ offices during normal business hours. The Executive Director, in consultation with the President, will place items on the agenda, subject to the following:

(I) A Board member requests that an item be added to the agenda, and the President or Executive Director approves the request; and

(II) The agenda will not be altered within twenty-four (24) hours of a regular or special Board meeting start time, except for items of an emergency nature. For purposes of this section, an item is of an “emergency nature” only if a majority of the voting Board members present approves a motion that states the matter is of an emergency nature, it requires immediate Board action, and action on the matter cannot be delayed until the next regular or special Board meeting.

(g) **Meeting Notice** – The Board will provide adequate public notice of its meetings. Notice of the date, time, and place of the Board’s regular meetings will be posted to the OSERS’ website at least four (4) calendar days in advance of each meeting. Notice of each meeting will also be posted to the main entrance of the Teachers Administration Center.

(h) **Subcommittees (a.k.a. Committees)** – The Board uses subcommittees to efficiently carry out its duties. The President appoints subcommittee members, including the Chairperson of each

subcommittee. No subcommittee shall include more than three (3) Board members. No subcommittee meeting may include more than three (3) Board members because this would constitute a quorum of the Board. Subcommittees cannot take action for, or represent, the full Board. All subcommittee proposals, findings, recommendations, and reports must be submitted to the Board for formal action.

**POLICY 2 – BOARD CODE OF CONDUCT**

1. The Board expects ethical and business-like conduct of its individual members and the Board as a whole.
2. Board members will comply with their fiduciary duties and standard(s) as stated in Neb. Rev. Stat. § 79-982.01.
3. Board members are responsible for preparing for Board work.
4. Board members must avoid any actual or perceived conflict of interest with respect to their fiduciary responsibility.
5. Board members may not exercise individual authority over OSERS except as explicitly set forth in applicable statutes and Board policies.
6. The President shall be the ex-officio spokesperson of the Board on routine matters and when the circumstances prohibit the Board from convening and approving a policy or statement. The Board may designate a member or members of the Board to communicate a Board-approved policy or statement.
7. The Board will not have a duty to advocate for benefit improvements. The Board may comment and provide guidance on any proposed changes to the retirement systems it administers.

## **POLICY 3 – EXECUTIVE DIRECTOR’S DUTIES AND LIMITATION OF AUTHORITY**

The Board shall select, and set the salary for, an Executive Director to administer OSERS. The appointment shall comply with Neb. Rev. Stat. § 79-983 and the Executive Director shall serve as the administrator.

The Board shall be responsible for oversight of the Executive Director and the operation of the OSERS at a strategic level. The Executive Director is responsible for the day-to-day operations and decisions of OSERS.

### **1. Executive Director Duties and Responsibilities**

- (a) The Executive Director is the chief administrative officer of OSERS, and is responsible for the overall planning, organization, development, supervision, directing, and coordination of the on-going operations of OSERS.
- (b) The Executive Director must liaison with member groups, the Legislature, the Board, the attorney, the auditors, and the consulting actuary for the Board, and performs his or her duties with considerable latitude. The Executive Director serves as an ex-officio member of the Nebraska Investment Council.

### **2. Executive Director’s Specific Duties**

The Executive Director shall:

- (a) Oversee the analysis and drafting of proposed legislation, and the accompanying fiscal notes, and provide guidance and instruction on OSERS’ appearance before legislative committees during regular sessions and interim study periods;
- (b) Recommend all necessary rules and regulations relating to the administration, interpretation, and construction of the retirement laws;
- (c) Ensure compliance with Federal and State laws in the management and operation of the systems;
- (d) Coordinate with the consulting actuary regarding all required actuarial duties;
- (e) Establish the agenda and matters for consideration by the Board, and oversee the preparation and maintenance of the minutes of the meetings of the Board;
- (f) Perform public contact work in gathering information, resolving problems, engendering support, and providing information required by the Board and Legislature;
- (g) Prepare recommendations and justifications for changes in procedures, budget requests, personnel, and office activities;
- (h) Direct the preparation and conduct of research required in support of the Board’s mandates and Legislative matters;

- (i) Collect, interpret, analyze, and summarize information used as the basis for recommendations to the Board and Legislature;
- (j) Direct, manage, and supervise the internal operations of OSERS staff to achieve the primary objectives of the fund in accordance with procedures established by the Board;
- (k) Hire OSERS staff in accordance with the budget prescribed by the Board and in accordance with OPS policies;
- (l) Inform the Board of any development that may affect the Board and its operation; and
- (m) Recommend action on disability claims from the retirement plan.

### **3. Limitations of Authority**

The Board shall:

- (a) Approve all disability claims;
- (b) Approve Rules and Regulations;
- (c) Determine the funding policy for the plans as provided by statute;
- (d) Approve the OSERS budget;
- (e) At its discretion, authorize the Executive Director to execute such contracts as have been approved by the Board; and
- (f) At its discretion, authorize the Executive Director to amend existing contractual service contracts with providers when additional services are required of that provider to implement board or legislative initiatives.

### **4. Reimbursement for Executive Director Expenses**

The Board President must review, and approve payment of, any expense incurred by the Executive Director in the course of the Executive Director's official duties.

## **POLICY 4 – LEGAL COUNSEL AND AUDITOR**

1. **Legal Counsel** - The Board shall hire an attorney in accordance with, Neb. Rev. Stat. § 79-985.
  - (a) The attorney shall provide legal services for the Board and OSERS under the supervision of the Board and in consultation with the Executive Director. The attorney’s job duties include the following:
    - (i) Draft, revise, and ensure the compliance of the rules and regulations promulgated by the Board;
    - (ii) Review and make recommendations to the Board, Executive Director, and OSERS staff on retirement issues, including qualified domestic relations orders, member benefits, powers of attorney, beneficiaries, and employer reporting issues;
    - (iii) Research and interpret applicable laws, regulations, policies, procedures, and other guidance documents;
    - (iv) Determine the application of Internal Revenue Code to OSERS;
    - (v) Represent OSERS in administrative hearings;
    - (vi) Review and draft the Board’s and OSERS’ policies, procedural statements, and legal documents;
    - (vii) Respond to legal questions from outside entities;
    - (viii) Advise the Board and Executive Director on legal matters as they relate to the administration of the retirement systems, litigation, potential conflicts, and any other legal issue of interest.
  - (b) The attorney shall act in the best interest of the Board. The attorney shall have direct access to the Board or any subcommittee thereof.
  - (c) At least once per year, the attorney shall report to the Board any matters that in his/her professional judgment affects the Board’s role and duties.
2. **Auditor** - The Board shall hire an auditor in accordance with Neb. Rev. Stat. § 79-987. The auditor shall work for the Board and in consultation with the Executive Director.
  - (a) The Auditor’s role is to ensure OSERS employees are acting in accordance with the governing laws, rules, regulations, policies, and procedures. The Auditor’s duties and responsibilities must be consistent with the suggested standards for the professional practice of governmental auditing as adopted by the Government Auditing Standards in the United States, and include the following:
    - (i) Prepare an annual report and the Executive Director shall file the report with the Omaha Public Schools Board of Education and in accordance with the Class V Retirement

Act;

(ii) Conduct reviews of the internal procedures of OSERS and recommend improvements to the Board;

(iii) Ensure that OSERS' internal accounting and operational controls are appropriate and operating correctly, and report inconsistencies to the Board;

(iv) Examine and evaluate system records and operating procedures to verify compliance with established plans, policies, procedures, control systems, rules, regulations, laws and the generally accepted accounting and auditing principles and report inconsistencies to the Board;

(v) Perform internal auditing functions, including:

A. Reviewing contributions received and creditable service granted;

B. Reviewing benefit payments for completeness of information, appropriateness, accuracy, and timeliness;

C. Verifying the accuracy of data and financial information reported to the system's actuary for all applicable plans; and

D. Verifying the accuracy of data and financial information reported from the system's record keeper for all applicable plans; and

(b) The Auditor shall act in the best interest of the Board. The Auditor shall have direct and immediate access to the Board or any subcommittee thereof.

(c) At least annually, the Auditor shall report to the Board on any matters that, in his/her professional judgment, affect the Board's role and duties.



## **POLICY 5 – REVIEWING DISABILITY RETIREMENT APPLICATIONS**

1. The Board of Trustees will review disability retirement applications in a manner consistent with Neb. Rev. Stat. § 79-9105.
2. The Executive Director will ensure disinterested physicians have conducted a medical examination on any member of the Omaha School Employees' Retirement System ("OSERS") that applies for disability retirement benefits. The Executive Director shall present the physician's confidential report and accompanying documentation, and a recommendation on whether to approve the disability retirement application, to the Board.
3. The Board may re-evaluate any approved disability retirement application once per year from the disability retirement effective date; and every 18 months thereafter unless the Board wishes to re-evaluate an individual's disabled status more frequently. However, the Board may not require proof of disability more frequently than semiannually.
4. Information provided in disability retirement applications includes medical records and other personal and sensitive information that if released may do significant harm to an applicant's interests or needless harm to an applicant's reputation. Therefore, all reviews of members' disability applications shall take place in Executive Session. All information reviewed by the Board of Trustees or the Board's agents shall be kept confidential.
5. The Board will accept an application for disability retirement initiated by the member, or the member's legal representative.
6. The certification of disability shall be made by two licensed and practicing physicians who practice in the state of Nebraska. If at the time the Member is making application for a disability retirement is located outside of Nebraska, at the Board's discretion, the Board may engage the services of other licensed and practicing physicians to complete the process. The member making application for a disability retirement is responsible for the cost of the initial physician's examination. OSERS will contact a second physician to get an independent evaluation of the disability evaluation of the disability application. OSERS will be responsible for the cost of the Board's physician's examination.

## **POLICY 6 – TRAVEL/REIMBURSEMENT POLICY**

### **1. Introduction:**

Members of the OSERS Board in fulfillment of their fiduciary responsibilities are encouraged to seek outside training and educational opportunities as part of their board duties. The retirement obligations incurred and the administration of the plan are complex matters, and education in employee benefit matters is necessary. It is important for the Board members to be educated in issues relating to the plan they administer. The following policy guidelines are adopted to address travel expenses related to educational conference attendance.

### **2. Approved Travel Overview:**

- (a) The Board of Trustees will approve a budget for travel related expenses as part of the annual budget process. Generally, each Board member and the Executive Director are permitted to attend two conferences and/or workshops annually that would require travel related reimbursements. The Board Chairperson, Vice President and Executive Director may approve exceptions to the number of reimbursable events attended by individual Board members during the fiscal year.
- (b) OSERS will provide reimbursement for OSERS staff employees/trustees for expenses related to attendance at conferences, workshops and travel related expenses. These types of expenses would include registration fees, transportation, lodging, miscellaneous tips, and meals. These expenses must be reasonable and necessary, as well as being related to responsibilities as a Trustee and Executive Director.
- (c) OSERS will only reimburse for approved conference attendance and travel related expenses when the individual provides documentation of the expense with receipts or invoices from purchases or other verifiable documentation.
- (d) Board members seeking reimbursement must complete the "OSERS Conference & Travel Reimbursement Request Form." The completed form must be submitted to the Executive Director within 30 days of incurring the expense or upon returning to Nebraska, whichever is greater. All receipts should be scanned/attached and submitted with the form. Reimbursement for meals will be at a per-diem rate approved by the Board.
- (e) Each attendee will make a report, either verbal or written, to the Board of Trustees following attendance at such an event. The event agendas and meeting materials will be made available for public inspection in the retirement office following each event.
- (f) Special consideration will be given for the support of an organization's annual meeting or workshops sponsored by organizations in which OSERS holds memberships, including the following:
  1. NCTR (National Council of Teacher Retirement)
  2. NASRA (National Association of State Retirement Administrators)
  3. NCPERS (National Council Public Employee Retirement Systems)

4. NIRS (National Institute on Retirement Security)
5. IFEBP (International Foundation of Employee Benefit Plans)

## **POLICY 7 – FUNDING POLICY**

### **1. Introduction and Background**

The Board administers a pre-funded defined benefit pension plans for all full-time employees of the Omaha Public Schools. The plan is funded with fixed, statutory contributions for the employer, employee, and state of Nebraska. If the total of the statutory contribution rates is less than the actuarial contribution rate, determined in the annual actuarial valuation and based on the funding policy established by the Board of Trustees, the school district is required to make an additional contribution to the plan to eliminate the contribution shortfall.

Additionally, the funding of the plan is supplemented by investment earnings which effective January 1, 2017 is managed by the Nebraska State Investment Officer (SIO) under the guidance of the Nebraska Investment Council (NIC). The transition of investment management to the SIO was the result of LB 447 (2016).

The purpose of this funding policy is to state the overall funding goals, identify the benchmarks that will be used to measure progress in achieving those goals, and disclose the actuarial methods and assumptions that will be employed to develop the benchmarks. In addition, this Policy will provide annual actuarial metrics to guide the OSERS Board when considering items such as discretionary COLAs, as well as whether to pursue or support proposed contribution and benefit legislation. Finally, the policy will include a brief list of governance responsibilities regarding the commissioning, collection, and review of actuarial information.

It is the intention of the Board that this funding policy be considered a working document, reviewed periodically and, as necessary, altered in the future through formal action of the Board.

### **2. Funding Goals**

The objective is to accumulate sufficient assets from the employer and member contributions to OSERS, and contributions from the State of Nebraska to fully finance the benefits the member receives throughout retirement. In meeting this objective, OSERS will strive to meet the following funding goals:

- To maintain an increasing ratio of assets to actuarial liabilities and reach a funded ratio of at least 100 percent;
- To maintain adequate asset levels to finance the benefits promised to members;
- To develop a pattern of stable contribution rates as a percentage of members' payroll. This goal is achieved by fixed contribution rates for the State of Nebraska, members of the System and the School District set out in state statutes. In order to evaluate whether the fixed contribution rates are sufficient, an Actuarial Recommended Contribution Rate (ARC) will be determined in the annual valuations of the System. Such valuations will be prepared in accordance with the principles of practice promulgated by the Actuarial Standards Board. The ARC will be determined as the normal cost rate plus the amortization payment on the unfunded actuarial liability, based on the amortization period set out in this funding policy. The ARC shall be determined by the actuary, engaged by the Board of Trustees, and

contributed to the plan as required under Nebraska Revised Statutes section 79-9, 113, and any applicable other statutory requirement thereafter.

- To provide intergenerational equity for members and taxpayers with respect to OSERS' contribution requirements.

### 3. **Benchmarks**

To track progress in achieving the previously outlined funding goals, the following benchmarks will be measured annually as of the actuarial valuation date (with due recognition that a single year's results may not be indicative of long-term trends):

- **Funded ratio** – The funded ratio, defined as the actuarial value of OSERS' assets divided by OSERS' actuarial liability, should be increasing over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial assumptions.
- **Evaluation of Fixed Contribution Rates** – The intent is to fund the System by maintaining the fixed contribution rates required by law. However, the Trustees recognize that the actuarial recommended contribution rate (ARC as defined earlier in this Policy) will fluctuate from year to year, at times significantly due to the volatility associated with investing in the financial markets. Therefore, valuation results which produce an ARC that is higher or lower than the fixed contribution rates in statute will not automatically indicate that immediate action must be taken to change the contribution rates or benefit structure. In evaluating the need for adjustments to the Systems' funding, the longer-term trends will first be analyzed and projections performed to determine the potential long term funded status of the System under alternative scenarios.
- **Unfunded Actuarial Liability (UAL) amortization base** – One amortization base shall be used in determining the amortization payment.
- **Unfunded Actuarial Liability (UAL) amortization period** – The amortization period for OSERS' UAL was set to 30 years in 2013 and was closed so it declined by one year each year until a funded ratio of 100 percent is reached. The Board of Trustees moved to layered amortization, effective with the January 1, 2017 actuarial valuation. The existing UAL as of January 1, 2017 remained on the initial amortization period (27 years remaining at that time) and new bases that were established as a result of assumption changes or experience gains/losses were amortized over closed 25-year periods. The amortization payment schedule for the UAL is developed using the level percent of payroll methodology.
- Understanding the fiscal impact of the closed 30-year amortization period set in 2013 on the District, the Board recognizes and grants the option to implement a 30-year layered amortization schedule beginning with the January 1, 2019 valuation report to alleviate the financial pressure, yet ensure the long-term funding objective of the OSERS Board of Trustees.
- The Board commits to reviewing this policy at a date in the future when the funding ratio of the plan is at least 85%, with the goal of reducing the 30-year layered amortization schedule

to 25-years the first valuation report following the attainment of 85% funded ratio.

- If any future annual actuarial valuation indicates the plan has a negative UAL (a surplus), all existing amortization bases will be eliminated and a new base with a 30-year amortization period will be created.

#### 4. **Actuarial Methods and Assumptions**

- (a) **Actuarial Cost Method:** The actuarial cost method is the means by which the total present value of future benefits for current active and inactive members is allocated to each year of service, including past years. The individual entry-age cost method will be used.
- (b) **Asset Valuation Method:** The method of valuing assets is intended to recognize a “smoothed” value of assets that is market related. Asset smoothing methods reduce the effect of short-term volatility on contributions while still tracking the overall movement of the market value of assets by recognizing the effects of investment gains and losses over a period of years. The asset valuation method used to develop the actuarial value of assets first calculates the expected value of assets based on the prior year’s actuarial value of assets plus net cash flow (contributions minus benefit payments for the year) increased by the assumed rate of return and then adding to the expected value of assets 25% of the difference between the actual market value of assets and the expected value of asset (whether positive or negative). In addition, the asset valuation method will utilize a corridor of 80% to 120% of the market value of assets. The impact of the corridor is that the actuarial value of assets cannot exceed 120% of the market value of assets nor be less than 80% of the market value of assets. If the initial actuarial value of assets is outside the corridor, the actuarial value of assets will be set equal to the applicable endpoint of the corridor (80% or 120% of market value).
- (c) **Actuarial Assumptions:** The actuarial assumptions used will be those last adopted by the Trustees based upon the advice and recommendation of the actuary. A formal investigation into OSERS’ experience shall be conducted by the actuary at least every four years and the results of the investigation used to form the basis of the actuary’s recommendations. In addition, the actual experience compared to the actuarial assumptions will be monitored each year in the annual actuarial valuation by including an analysis of the actuarial gain or loss by source.

#### 5. **Other**

- (a) **Actuarial Audit:** The Trustees shall have an audit of OSERS’ actuarial valuation results conducted by an independent actuary periodically, but at least every ten years. The purpose of such a review is to provide a critique of the reasonableness of the actuarial methods and assumptions in use and to verify the resulting actuarially computed liabilities and contribution rates. The Board recommends an audit of the retained actuary in the year of the January 1, 2023 Valuation report, followed by every ten years thereafter.
- (b) **Benefit Changes:** An actuarial cost study shall be completed before any change to the benefit structure is made.

- (c) **Actuarial Projections:** The funded status of OSERS will be monitored on a regular basis, both on a snapshot basis in the actuarial valuation and on a projected basis. The Trustees will periodically have projections of funded status performed to assess the current and expected future progress toward the overall funding goals of OSERS.

In order to ensure all stakeholders of the plan are abreast of future funding needs, the Board will ensure a five-year projection of contributions is reported in the annual Valuation report.

#### **6. Funding Policy Review**

It is expected that the funding policy may need to be amended in future years as the funding of a retirement system is a dynamic process which is dependent on a number of variables. Therefore, the funding policy will be reviewed annually following the annual actuarial valuation and amended as necessary by the Trustees.

## **POLICY 8 – CALCULATION OF BENEFITS**

1. To accurately calculate a retirement benefit, OSERS needs all retirement compensation, contributions, and service credit to post to a member's account prior to calculating the member's final retirement benefit.
2. In order to provide a timely retirement benefit for retirees, OSERS may calculate an estimated benefit in accordance with the guidance provided below.
  - (a) A member's estimated retirement benefit will be based on the total service credit and compensation information for the fiscal year in which the calculation is being performed.
  - (b) OSERS will not project future years' compensation and service credit to project out a retirement estimate.
  - (c) Members will be encouraged to use the online calculator to estimate future retirement benefits for retirements effective on a date later than the current fiscal year.

OSERS will recalculate the member's final monthly benefit in the month of the member's retirement effective date. If the member's compensation, contributions, and service do not post to the member's account in a timely manner, OSERS will delay calculating the final benefit until the information posts to the member's account. OSERS will ensure the member's final retirement benefit is applied retroactively to the member's retirement effective date.

If OSERS discovers the member did not stop rendering services to OPS on his/her scheduled "last day work" and continued rendering services to OPS past the scheduled retirement effective date, OSERS will void the executed retirement application. The member will need to re-sign his/her retirement application acknowledging the new effective date. OSERS will only calculate and pay retirement benefits for services rendered prior to the "last day worked."



## **POLICY 9 – PUBLIC PARTICIPATION AT BOARD MEETINGS**

### ***1. Attendance by the Public***

All meetings of the OSERS' Board are open to the public in compliance with the Nebraska Open Meetings Act with the exception of the time the Board is in closed session. Members of the public shall be permitted to attend and to speak during public comment at board meetings. They will not be required to identify themselves as a condition for admission to the meeting. The Board may allow advisors, consultants, and other persons who are not Board members to appear at the meeting via telephone or other similar means.

The Chairperson has the authority to assure that people conduct themselves in an orderly manner at the meeting. Undue interruption or other interference with the orderly conduct of business will not be allowed. The President or meeting chair may order persons who are disorderly to be removed from the meeting.

**Legal Reference:** § 84-1411 (3) and (6); § 84-1412 (1) and (3)

### ***2. Right to Hear***

The Board will, upon request, make a reasonable effort to accommodate the public's right to hear the discussion and testimony presented at the meeting.

**Legal Reference:** § 84-1412 (7)

### ***3. Recording of Meetings***

Members of the public may use recording devices (tape recorder, video camera, etc.) to record any part of a meeting of a public body, except for closed sessions. No recording, other than note taking, shall be done without informing the Chairperson in advance. The Chairperson shall control the placement of the recording device so the device does not obstruct the view of Board members or other members of the public attending the meeting and does not otherwise interfere with the meeting.

**Legal Reference:** § 84-1412 (1)

### ***4. Access to Written Materials***

At least one copy of all reproducible written material to be discussed at an open meeting will be made available at the meeting for examination and copying by members of the public.

**Legal Reference:** § 84-1412 (8)

### ***5. Right to Speak***

Members of the public will be permitted to speak at Board meetings at which a public comment is on the Agenda and may speak during the time at which the public comment agenda item is being addressed. Members of the public may also speak when invited to make a presentation or when recognized by the Chairperson. The Board is not required to allow members of the public to speak at each meeting.

Members of the public will not be required to have their name placed on the agenda prior to the meeting in order to speak about items on the Agenda. Members of the public who desire to address the Board will be required to identify themselves.

Each speaker is to complete a Request to be Heard form which will be provided at the meeting. It is preferred that the form be submitted well prior to the meeting in order for meeting participants to make plans for the meetings. However, a member of the public will be permitted to speak if the form is submitted within at least five (5) minutes after the meeting has commenced.

The Chairperson shall have the authority to establish reasonable time limits for individual speakers and for the duration of public comment sessions. The maximum permitted duration for individual speakers is five (5) minutes and the maximum permitted duration for the public comment session will be one (1) hour. The time limit may be extended by a plurality vote of the board members present at the meeting.

Speakers will be permitted to address the Board consistent with free speech rights. However, offensive language, defamatory remarks, and hostile conduct will not be tolerated. Further, charges or complaints against an Omaha Public School District employee, OPS Board of Education member or OSERS Board of Trustee member shall not be made for the first time at a public Board meeting without having followed the Board's complaint procedure.

**Legal Reference:** § 84-1412 (1) (2) and (3)

## **6. *Complaints Made to the Board***

Concerns or complaints may be made to the Board of Trustees at a duly called Board meeting at such time as the Agenda provides for public participation or comment. The Board will not engage in conversation/dialogue with members of the public during public comment to avoid violation of the open meetings law.

In the event the complaint involves a personnel matter relating to an employee of the Omaha Public School District, or an individual member of the Board of Trustees the individual raising the complaint shall be directed by the Board President (or meeting chair) to first exhaust the appropriate complaint or grievance procedure. The Board shall not respond or take action on such a complaint until such complaint or grievance procedure has been exhausted.

Individuals raising concerns or complaints involving non-personnel matters which may be the subject of a complaint or grievance procedure may also be directed to first use such complaint or grievance procedure.

## **7. *Complaint Procedure***

An individual seeking to file a complaint against an employee of the Omaha Public School District shall exercise the complaint in accordance with Omaha Public School District policy.

An individual seeking to file a complaint against a member of the Board of Trustees in their role as a Trustee shall submit a written document to the Executive Director outlining the offense being violated. The Executive Director shall immediately notify the Board's legal counsel for further disposition.



## 10. POLICY AND PROCEDURES 10 – QUALIFIED DOMESTIC RELATIONS ORDERS

The Board of Trustees (the “Board”) of the Omaha School Employees’ Retirement System (the “Plan” or “OSERS”) has adopted these procedures to determine the qualified status of domestic relations orders (“QDROs”) pursuant to the terms of the Plan and Section 414(p) of the Internal Revenue Code of 1986 (the “Code”).

### INTRODUCTION

A Member’s pension benefit under the Plan may be divided between the Member and an Alternate Payee *only* pursuant to a court order that satisfies the legal requirements for a QDRO. These QDRO Procedures are designed to assist the parties involved with satisfying the QDRO requirements of the Code and the Plan. It is the responsibility of the Member and/or the Alternate Payee to notify the Plan in writing that a QDRO may be issued. Until receipt of such **written notice** to the Executive Director (notice may be sent hard copy or electronically), the Plan is under no obligation with respect to a potential Alternate Payee. It is the Board’s policy that inquiry made to the Retirement Office about “divorce” does not constitute giving notice. In the event of any discrepancy between these procedures and the Plan, as set forth in the Class V School Employees’ Retirement Act, the Plan shall control.

The Executive Director or her/his delegate (“Executive Director”), with the assistance of legal counsel, will determine whether a domestic relations order is a QDRO. Legal counsel will review orders in draft form as well as orders that have been entered by a court.

### MODEL QDROS

The Executive Director will make available Model QDROs that may assist Members, prospective Alternate Payees, and their legal counsel in drafting orders to satisfy the QDRO requirements. **The Board would prefer that orders be submitted to OSERS in draft form before being submitted to a court.**

The Retirement Office shall make available a copy of the Model QDROs. When Model QDROs are provided to Members and Alternate Payees or their legal counsel. Members and Alternate Payees should be made aware the models do not constitute legal advice to the parties. The Board and staff shall not be responsible to interpret the division of pension benefit via a QDRO, and it is the responsibility of the Member and Alternate Payee, or their attorneys, to accurately articulate in the QDRO the intended division of assets between the parties.

The retirement staff can make available a pension estimate or a copy of the applicable Plan documents to a member. Absent a valid subpoena, OSERS cannot release pension values to potential Alternate Payees or any legal counsel.

**The Model QDROs for OSERS cannot be used to divide benefits under the OPS voluntary 403(b) plan.**

## REQUIREMENTS FOR A QDRO

Pursuant to the Code, an order will be approved as a QDRO only if it satisfies all of the following legal requirements:

### **The Order must be a Domestic Relations Order (“DRO”).**

- A DRO is defined as any judgment, decree, or order (including a property settlement agreement).
- The DRO must relate to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, or child or other dependent of a Member. These individuals are referred to as the “Alternate Payee.”
- The DRO must be made pursuant to a state domestic relations law (including community property law).
- The DRO must create or recognize the existence of an Alternate Payee’s right, or assign to an Alternate Payee the right, to receive all or part of the benefits otherwise payable to the Member.

### **A QDRO must state the following:**

- The name and last-known mailing address of the Member and each Alternate Payee covered by the order;
- For identification and benefit payment purposes, OSERS requires that the Social Security numbers and dates of birth for both the Member and Alternate Payee also be included in the DRO. For privacy purposes, the social security numbers and dates of birth for the parties may be provided on an exhibit or addendum to the QDRO;
- The amount or percentage of the Member’s benefit to be paid to each Alternate Payee or the manner in which such amount or percentage is to be determined;
- The number of payments or the period to which the order applies; and
- The name of the Plan to which the order applies. Acceptable Plan designations include: Employees' Retirement System of the School District of Douglas County 0001, or Omaha School Employees' Retirement System.

### **A QDRO may not provide for any of the following:**

- The DRO cannot require the Plan to provide any form of benefit that is not allowed under the Plan or that is not permitted by the Code;
- The DRO cannot require the Plan to pay increased benefits (other than retirement benefit cost-of-living increases) to the Member or any Alternate Payee; and

- The DRO cannot require the Plan to pay benefits to an Alternate Payee that are already required to be paid to another Alternate Payee.

#### **Other Considerations:**

- A DRO can be a QDRO even if it is issued after the Member's death, divorce, or pension benefit starting date.
- A DRO will not be approved as a QDRO unless it describes the intended division of benefits with sufficient clarity and detail. The DRO must contain all of the information necessary for the pension administration to divide and pay the benefits as described in the DRO.

#### **RECEIPT OF A DOMESTIC RELATIONS ORDER**

Domestic relations orders, whether in draft form or entered by a court, shall be submitted to the Plan in writing via U.S. postal service at the retirement office address: 3215 Cuming Street, Omaha, NE 68131. All notices concerning an order will be in writing and sent by first-class mail to the most current address on the books and records of the Plan. Each Member, Alternate Payee or designated representative must give prompt written notice to OSERS of any changes in address.

#### **REVIEW OF THE DOMESTIC RELATIONS ORDER**

The Executive Director, in conjunction with legal counsel, will review the order and may request additional information from the Member, an Alternate Payee or their counsel to help in determining whether the order is qualified. Failure to timely submit any requested information will delay the decision.

If all requested information is timely provided (generally within 30 days), the Executive Director will complete its review of the order within 90 days from the date it is received. After completing its review, the Executive Director will notify the parties in writing whether or not the order meets the requirements for a QDRO. If the order does not satisfy these requirements, the notice will state the reasons and advise the parties of the necessary changes.

Upon receipt of a revised order, the Executive Director will review the order and notify the parties in writing within 90 days whether the order is qualified and, if it is not, what additional changes are necessary. If a draft order is submitted, the Executive Director will notify the parties in writing whether or not an actual order entered by a court would be qualified if it were identical to the draft.

In all instances, once the parties obtain a court-approved order, the file-stamped certified order must be submitted to the Executive Director for final approval. If the Executive Director determines that the order meets all of the qualifications for a QDRO, the parties will be notified by mail. In this regard, the Executive Director may rely on advice of legal counsel.

#### **RESTRICTIONS ON DISTRIBUTION OF BENEFITS**

**Administrative Hold.** If the Executive Director receives (a) written notice that a DRO will be submitted to the Plan, and (b) if the Member is eligible to obtain a distribution, the Executive Director may place an administrative hold on the Member's benefit. The hold will remain in place for a preliminary period of **180 days**. While the hold is in effect, the Member may not receive a distribution or make application for retirement, unless otherwise permitted by the Plan and either all prospective Alternate

Payees give advance consent in writing or the court hearing the divorce case consents to removing the hold.

A QDRO concerning a Member in pay status receiving an annuity form of payment cannot change the form of payment.

**Limits on Administrative Hold.** In no event will the Executive Director suspend payments for more than **18 months** from the date the first payment to the Alternate Payee would have been due under the order. If (a) an amount would have been payable to an Alternate Payee while the order was being reviewed; (b) 18 months have lapsed since the first payment was due to the Alternate Payee under the order; and (c) the order has not been qualified, the pension benefit will be distributed or payments may begin to the Member if the benefit is in pay status or restored if the Member is not currently receiving pension benefits.

#### **PAYMENT OF BENEFITS**

If a domestic relations order is determined to be a QDRO, the Executive Director will comply with the terms of the QDRO to the extent the order is consistent with the provisions of the Plan. Any form of payment to the Alternate Payee must be a permitted form of payment under the Plan.

If the order so provides, and if the Alternate Payee commences his or her benefits at the same time as the Member, the Alternate Payee shall share in any employer retirement subsidy attributable to the Member's benefits. However, if the order is silent on this matter, the Alternate Payee shall not receive any portion of such subsidy.

In the event the Plan inadvertently pays to the Member or Alternate Payee any benefits assigned to another party pursuant to the terms of a QDRO, the Member or Alternate Payee shall immediately reimburse the Plan. The Plan will pay the proper recipient to the extent the Member or Alternate Payee received such overpayments and shall pay such amounts so recovered directly to the proper recipient as soon as administratively practicable. The Plan may offset future benefits in order to recoup an overpayment.

If, or when, pursuant to the terms of the Plan and the QDRO, the Alternate Payee is or becomes eligible for benefit commencement, the Alternate Payee must contact the Plan at the following address to request benefit commencement information:

Omaha School Employees' Retirement System  
3215 Cuming Street  
Omaha, NE 68131-2024  
Phone: (531) 299-0239

The Member and the Alternate Payee must comply with OSERS' policies and procedures relating to administration of the Plan and complete all required forms.

## **11. UNCASHED CHECKS AND UNCLAIMED BENEFITS OF MISSING MEMBERS**

This Policy regarding Uncashed Checks and Unclaimed Benefits of Missing Members (the "Policy") is designed to identify Members and beneficiaries and provide them with benefits to which they are entitled to receive pursuant to the Omaha Schools Employees' Retirement System (the "Plan"). This Policy is not intended to be all inclusive outlining all possible actions to be taken by the Executive Director or her/his delegate (the "Executive Director") in connection with locating missing Members and pursuing cooperation on the part of the Member or beneficiary in the Plan's distribution process. Rather, this Policy serves as a general guideline in achieving such goals consistent with regulatory guidelines and best practices. The Executive Director shall consider the size of any accrued benefit involved and the cost of its efforts in applying this Policy. The Executive Director may elect to implement policies and procedures available through the Plan's vendors to the extent such policies and procedures are consistent with or augment this Policy.

### **Uncashed Benefit Checks**

The following applies with respect to uncashed benefits checks.

1. In an attempt to prevent checks from remaining uncashed, the Executive Director will send letters notifying the Member of the outstanding benefit check. The letters will be mailed once annually for any uncashed benefit check outstanding for greater than 180 days and where the net amount of the check is \$25 or greater. Members with uncashed benefit checks issued for less than \$25 will not receive a letter notifying the Member of the outstanding benefit check. Reoccurring letters shall be sent annually, until such time as the Plan receives a notice of "undeliverable" from the U.S.P.S.

2. On a quarterly basis, the Executive Director will update a report of uncashed benefit checks that have been outstanding greater than 180 days from the original date of issuance. [note to Peter: this gives OSERS time to 'work' the uncashed checks]

### **Unclaimed Benefits/Missing Members**

The following Policy Regarding Unclaimed Benefits of missing Members is hereby adopted by the Plan in accordance with industry standards.

Accordingly, it shall be the policy of the Plan with respect to Members for whom a current address is not available and who otherwise cannot be located, that the Plan shall proceed as follows:

1. The Plan shall search applicable Plan records for available alternative contact information. The Plan shall also search publicly available records or directories for alternative contact information and request records from Omaha Public Schools.

2. In addition to the above, the Plan shall attempt to contact, via first-class United States Postal Service mail to the last known mailing address and through other appropriate means for obtaining addresses. The Plan may also send certified mail to the last known address. In addition, the Plan will attempt to reach the missing Member via other contact information, including email addresses and telephone numbers.

3. The Plan may use any of the following search methods where the cost of the service is justified in light of the benefit involved:



- Commercial locator service; or
- A credit reporting agency.

4. Upon direction from the Executive Director, any assets attributable to a missing Member who cannot be located after a diligent search or attributable to uncashed benefit checks remaining outstanding for 181 days will be returned to the Plan (or such other account established under the Plan) and treated as a forfeiture if such amounts were transferred to a payable account. These amounts shall remain Plan assets until such time as distribution is made to the Member or beneficiary.

**Return to Class V School District Employment / Return to OSERS**

Any member who previously took a distribution from the OSERS plan and failed to negotiate the previous distribution check returns to employment with a Class V School District employer and resumes membership in OSERS will have the forfeited amount reinstated.