

# PERS NEWS

January 2017



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## PERS Retirees – Explanation of your 1099-R Tax Statement

In accordance with IRS rules, PERS must mail your 2016 benefit recipient 1099-R form on or before January 31, 2017. The 1099-R form is a federal income tax form used to provide year-end income and tax information for PERS Retirees. The 1099-R must be filed with your income tax return each year. Please promptly report any change of mailing address to PERS in writing so that you will receive your 1099-R in a

timely manner. After January 31st, you may also view your 1099-R form through the PERS website ([www.nvpers.org](http://www.nvpers.org)) by logging into the secure site with your user name and password.

Below is a blank 1099-R form with an explanation of how the form is used to report income and tax information.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 Gross distribution \$	OMB No. 1545-0119 <b>2016</b> Form <b>1099-R</b>		<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>
		2a Taxable amount \$			
		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>		<b>Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.</b>  This information is being furnished to the Internal Revenue Service.
PAYER'S federal identification number	RECIPIENT'S identification number	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$		
RECIPIENT'S name		5 Employee contributions /Designated Roth contributions or insurance premiums \$	6 Net unrealized appreciation in employer's securities \$		
Street address (including apt. no.)		7 Distribution code(s)	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other \$ %	
City or town, state or province, country, and ZIP or foreign postal code		9a Your percentage of total distribution %	9b Total employee contributions \$		
10 Amount allocable to IRR within 5 years \$	11 1st year of desig. Roth contrib.	FATCA filing requirement <input type="checkbox"/>	12 State tax withheld \$	13 State/Payer's state no.	14 State distribution \$
Account number (see instructions)			15 Local tax withheld \$	16 Name of locality	17 Local distribution \$

Form **1099-R** [www.irs.gov/form1099r](http://www.irs.gov/form1099r) Department of the Treasury - Internal Revenue Service

- **Box 1** – Gross Distribution – The total amount PERS paid you in 2016 before income tax or other deductions.
- **Box 2a** – Taxable Amount – If you paid contributions to PERS while you were working, a portion of your benefit may be non-taxable. Box 2a shows the amount of your gross distribution that is taxable.
- **PAYER'S name, address** – The payer is PERS, LRS, or JRS.

- **Federal identification number** – PERS, LRS, or JRS Federal Tax ID number.
- **Recipient's identification number** – Your Social Security number or other taxpayer identification number.
- **Box 4** – The amount of federal income tax withheld from your PERS benefit in 2016.
- **Box 5** – PERS uses this box to report employee contributions paid to you in 2016 that are non-taxable. Employee contributions are taxed before they are paid to PERS. When you retire, a percentage of these contributions are paid based on your anticipated lifetime benefit and are non-taxable. The amount in Box 5 is the difference between your Gross Distribution (Box 1) and the Taxable Amount (Box 2a). **PERS does not use Box 5 to indicate insurance premiums paid in 2015; that information is not included on the 1099-R form.**
- **Box 7** – Distribution Code – The IRS code used to determine what type of benefit you received.
- **Boxes 8 and 9a** – These boxes are blank.
- **Box 9b** – Total Employee Contributions – If this is your first year of retirement, Box 9b will show the total employee contributions paid to the system prior to your retirement. If you have been retired for more than one year, this box will be blank.
- **Account Number (optional)** – Identifies which PERS account the benefit was paid from.
- **Boxes 10-15** – These boxes are blank.

**If you do not receive your 1099R in the mail, contact our office at 1-866-473-7768 for a duplicate after February 15th**

## **PERS Investment Strategy Receives National Recognition**

Nevada PERS' simple, low cost investment approach and above average returns have been generating positive attention from the national news media. In 2015 Nevada's program was profiled in the New York Times and in October 2016, PERS' investment approach was featured on the front page of the Wall Street Journal. Also in October 2016, Market Watch published an article noting how Nevada PERS' common sense investment strategy has outperformed more complex and expensive programs such as the Harvard Endowment. And lastly, PERS' CIO Steve Edmundson was recently identified as one of the top 30 public pension fund Chief Investment Officers by the institutional investment network Trusted Insight. Links to both the Wall Street Journal and Market Watch articles can be found on Nevada PERS' website.

## **PERS' Limited Power of Attorney**

If a PERS member or benefit recipient becomes unable to handle his or her own affairs, the member/benefit recipient's family may need the legal right to manage their affairs. Unless PERS has a Power of Attorney document authorizing family members to manage such matters, these rights cannot be granted.

Members, retirees, and all other benefit recipients may designate a Limited Power of Attorney through PERS. This designation authorizes another person or organization to handle your PERS business while you are unavailable or unable to do so. This document is for the specific purpose of conducting PERS business which may include address, Federal Income Tax and direct deposit changes, as well as release of account information, etc. Once designated, a PERS Limited Power of Attorney will remain in effect until revoked by you.

The PERS Limited Power of Attorney document is available on the PERS website ([www.nvpers.org](http://www.nvpers.org)) or you may request a copy by contacting our office, toll free, at 1-866-473-7768.

## **Automatic Deposit is the way to go!**

Over 90% of our retirees and benefit recipients enjoy the advantage of automatic deposit every month. Automatic deposit is an electronic funds transfer of your monthly benefit. The funds go directly to your bank account and are available to you on the date monthly checks are being mailed. Automatic deposit is highly recommended because it is fast, safe and secure.

To get started with your automatic deposit, simply complete an Electronic Funds Transfer (EFT) Authorization form. The EFT Authorization form is available on our website ([www.nvpers.org](http://www.nvpers.org)) or you may request one by calling toll free 1-866-473-7768. You may also complete your EFT Authorization in your PERS secure on-line account.

If you already have automatic deposit, you can make changes if you need to by completing a new EFT Authorization form. Changes submitted to PERS before the 14th of any given month are processed that same month. Changes submitted after the 14th will be processed the following month.

## PERS' Reemployed Retiree Earnings Limitation for Fiscal Year 2017

The earnings limitation for retired employees returning to employment with a Nevada public employer in a non-eligible position for fiscal year 2017 is \$23,961.00. This is in accordance with NRS 286.520 (1)(b) which states: 'If a retired employee accepts employment or an independent contract with a public employer under the System more than 90 calendar days after the effective date of retirement in a position which is not eligible to participate in the System, the employee's allowance under this System terminates upon

the employee's earning an amount equal to one-half of the average salary for participating public employees who are not police officers or firefighters in any fiscal year, for the duration of that employment or contract.' The average salary of a regular public employee is determined by the annual valuation of the System by the Actuary. The 2017 fiscal year's earnings limit is \$23,961.00 beginning July 1, 2016 and ending June 30, 2017.

A retired employee who exceeds the earnings limitation in any fiscal year must have

his/her benefit suspended for the duration of the employment, independent contract, or any subsequent employment during the fiscal year, even if it extends into the next fiscal year. The overpaid retirement benefits will be calculated from the first month the earnings limit was exceeded and will need to be repaid to the System. Both the public employer and retired employee must notify PERS within ten days after the retired employee exceeds the earnings limitation.

## PERS Las Vegas office is relocating!

Earlier this year, we decided to consolidate the two Las Vegas PERS offices. Now, since we have one office in Las Vegas, we find it necessary to have a little more space. We hope to be in our new office by mid-January. We will still be on the corner of Eastern and Russell Road, just in a different building and on the first floor! Our new address will be 5740 South Eastern Avenue, Suite 120, Las Vegas, NV 89119.

### Holidays and Office Closures 2017

#### January 2

New Year's Day

#### January 16

Martin Luther King, Jr.'s Birthday

#### February 20

President's Day

#### May 29

Memorial Day

#### July 4

Independence Day

#### September 4

Labor Day

#### October 27

Nevada Day

#### November 10

Veterans' Day

#### November 23

Thanksgiving

#### November 24

Family Day

#### December 25

Christmas

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This publication is intended to provide general information. If there is any conflict between this information and Nevada law or PERS' policies, the laws and policies will supersede this information. *PERS News* is a newsletter for benefit recipients and members of the Public Employees' Retirement System of Nevada. Comments or suggestions may be directed to: PERS, Newsletter, 693 W. Nye Lane, Carson City, Nevada 89703.



693 W. Nye Lane  
Carson City, NV 89703

## Benefit Check Mail Dates for 2017

PERS benefits are mailed or electronically deposited to your bank account four working days before the end of each month.

Check mail dates can be found on the PERS website homepage under the Benefit Recipient link.

The check mail dates for 2017 are listed below:

January 26, 2017  
February 23, 2017  
March 28, 2017  
April 25, 2017

May 25, 2017  
June 27, 2017  
July 26, 2017  
August 28, 2017

September 26, 2017  
October 25, 2017  
November 27, 2017  
December 26, 2017