

DETERMINING NEEDS/RESOURCES

Q. How much money will I need to retire?

- A. Experts say that you will need anywhere from 70% (high wage earners) to 90% (lower wage earners) of your preretirement income during retirement.

Q. How can I estimate the retirement income I can expect from my State or School Retirement account?

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- A. Use the benefits estimators on the Nebraska Public Employees Retirement Systems (NPERS) website. The benefit estimators calculate monthly pension amounts for School Plan members. State Plan members who are considering purchasing an annuity can use the estimator to determine monthly benefits under each of the annuity options.

[School Plan Benefit Estimator](#)

[State Plan Benefit Estimator](#)

Q. How is my retirement benefit determined?

- A. For a member of the School Plan, once your effective date is established, your benefit is calculated using:
- ◆ The average of your salary for your three highest 12-month periods established by the date of your last contribution ;
 - ◆ Your total years of service credit;
 - ◆ The annuity (pension) option selected – your beneficiary’s age is also used if you select a joint and survivor option; and
 - ◆ The laws in effect at the time you cease or ceased employment, which determines the formula factor to be used in your benefit calculation.

If you are a member of the State Plan, your account balance at retirement is what is considered. You may defer all or part of your account until a later date, roll it over to another qualified account or IRA, or use all or part of your account to purchase an annuity. (Some restrictions apply to Cash Balance where if you withdraw part of the account you must use the remainder to purchase an annuity.) If you choose to purchase an annuity, it is based on:

- ◆ The total dollars in your retirement account and how much of it you decide to use when purchasing the annuity;
- ◆ The annuity option selected -- your beneficiary’s age is also used if you select a joint and survivor option; and
- ◆ The laws in effect at the time you cease or ceased employment.