NEBRASKA ADMINISTRATIVE CODE

TITLE 303, NEBRASKA ADMINISTRATIVE CODE, CHAPTER 20

RETIREMENT SYSTEMS, PUBLIC EMPLOYEES
PUBLIC EMPLOYEES RETIREMENT BOARD

RULES AND REGULATIONS FOR
INVESTMENT ALLOCATIONS AND TRANSFERS

Last Revision: August 22, 2011
Current Revision: August 20, 2012
Effective Date:

NEBRASKA ADMINISTRATIVE CODE

TITLE 303 – PUBLIC EMPLOYEES RETIREMENT BOARD

CHAPTER 20 – INVESTMENT ALLOCATIONS AND TRANSFERS

NUMERICAL TABLE OF CONTENTS

SUBJECT	STATUTORY AUTHORITY	SECTION
Scope of the Rule	§§ 23-2309.01, 23-2310.05, 81-2041 84-1310.01, 84-1311.03, 84-1503	001
Allocation and Transfer of Employee Contributions	§§ 23-2309.01, 23-2310.05, 81-2041 84-1310.01, 84-1311.03, 84-1503	002
Allocation and Transfer of Employer Contributions	§§ 23-2309.01, 23-2310.05, 81-2041 84-1310.01, 84-1311.03, 84-1503	003
Excessive Trading Restriction	§§ 23-2309.01, 23-2310.05, 81-2041 84-1310.01, 84-1311.03, 84-1503	004

ALPHABETICAL TABLE OF CONTENTS

SUBJECT	STATUTORY AUTHORITY	SECTION
Allocation and Transfer of Employee Contributions	§§ 23-2309.01, 23-2310.05, 81-2041 84-1310.01, 84-1311.03, 84-1503	002
Allocation and Transfer of Employer Contributions	§§ 23-2309.01, 23-2310.05, 81-2041 84-1310.01, 84-1311.03, 84-1503	003
Excessive Trading Restriction	§§ 23-2309.01, 23-2310.05, 81-2041 84-1310.01, 84-1311.03, 84-1503	004
Scope of the Rule	§§ 23-2309.01, 23-2310.05, 81-2041 84-1310.01, 84-1311.03, 84-1503	001

NEBRASKA ADMINISTRATIVE CODE

TITLE 303 – PUBLIC EMPLOYEES RETIREMENT BOARD

CHAPTER 20 – INVESTMENT ALLOCATIONS AND TRANSFERS

001 Scope of the Rule

The provisions of this rule apply to members of the Retirement System for Nebraska Counties and the State Employees Retirement System who participate in the defined contribution option, to members of the Deferred Compensation Plan, and to members of the State Patrol Retirement System who have elected to participate in the Deferred Retirement Option Plan (DROP).

002 Allocation and Transfer of Employee Contributions

002.01 Members of the Retirement System for Nebraska Counties and members of the State Employees Retirement System who participate in the defined contribution option, members of the Deferred Compensation Plan, and members of the State Patrol Retirement System who have elected to participate in DROP, may allocate their employee contributions and/or transfer any portion of their employee account funds to the various investment options available under the retirement systems in increments of one whole percent (1%) in any proportion, including full allocation and/or transfer to any one option, or in a specific dollar amount.

002.02 The percentage of employee contributions allocated and/or transferred to the various investment options may be changed by the member by a secure electronic communications if sufficient proof of the member's identity is established through a personal identification number (PIN) or other industry-accepted means of verification, or by ~~written~~ request on forms prescribed by the Nebraska Public Employees Retirement Systems. Change requests received on a business day will be processed within three (3) business days of receipt.

002.03 Funds invested in the stable value fund ~~return~~ account shall be subject to restrictions on transfers depending upon the availability of liquid funds in such account. The Public Employees Retirement Board shall establish a percentage available for transfer each calendar quarter based upon information, advice and recommendations provided by the state investment officer. The percentage established by the Board shall be an amount which will permit the greatest amount of flexibility for all members of the retirement system whose contributions were invested in the stable return account to transfer funds out of the stable value fund ~~return~~ account. Such percentage shall be limited as necessary to prevent members from incurring any surrender charges or other penalties for early termination of the guaranteed investment contracts into which such funds were invested.

002.04 Members shall not make direct transfers from the stable value fund ~~return~~ account to the money market account or any comparable investment option established by the Board. Members wishing to move their funds between these accounts shall first pass them through one of the non-competing equity investment account options. The transferred funds must remain in a non-competing equity investment account for a minimum of three months.

003 Allocation and Transfer of Employer Contributions

003.01 Members of the Retirement System for Nebraska Counties and members of the State Employees Retirement System of the State of Nebraska who participate in the defined contribution option, may allocate their employer contributions and/or transfer any portion of their employer account funds among the investment options available under the retirement systems in increments of one whole percent (1%) in any proportion, including full allocation and/or transfer to any one option, or in a specific dollar amount.

003.02 The percentage of employer contributions allocated and/or transferred to the investment options may be changed by a secure electronic communication if sufficient proof of the member's identity is established through a personal identification number (PIN) or other industry-accepted means of verification, or by ~~written~~ request on forms prescribed by the Nebraska Public Employees Retirement Systems. Change requests received on a business day will be processed within three (3) business days of receipt.

004 Excessive Trading Restriction

004.01 Purpose. The excessive trading restriction found in this section limits the number of transfers permitted within a participant's account. Excessive trading by one or many participants can have a detrimental effect on other participants. In order to protect plan sponsors and participants, as well as meet regulatory guidelines and Mutual Fund Partner requirements, this section addresses this potential problem.

004.02 Only transactions that create the potential for market timing and excessive trading abuses will be subject to monitoring or trading restriction. Accordingly, only participant-initiated Exchange Purchases and Exchange Redemptions are monitored. The monitoring and trading restriction includes, but is not limited to, purchases and redemptions made as a result of a non-systematic reallocation or rebalancing transaction. The restriction is not affected by regular allocations of contributions, loans, or withdrawals.

004.03 An Exchange Redemption executed within sixty (60) days of an Exchange Purchase will result in monitoring of the participant's transactions for the Monitoring Period. A rolling sixty (60) day period begins immediately following a Round Trip (an Exchange Purchase followed by an Exchange Redemption).

004.04 A notice to the participant will be mailed after identifying an Exchange Purchase during the Monitoring Period. This notice will inform the participant that if the participant executes an Exchange Redemption during the remainder of the Monitoring Period, the participant will be subject to the trading restrictions.

004.05 Where a participant executes a Round Trip during the Monitoring Period, the participant will be prevented from initiating subsequent Exchange Purchases in that fund for a sixty (60) day period following the Exchange Redemption that violated this section.

004.06 All exchanges in other funds during the Purchase Restriction Period must be done via U.S. Mail. This provision excludes the use of phone, voice response, fax, web/internet, and hand-delivered means of executing trades.

004.07 The participant will be notified upon the imposition of the trading restrictions in this section.

004.08 Participant trading privileges will be restored automatically upon the expiration of the Purchase Restrictions Period.

004.09 NPERS' Mutual Fund Partners may have excessive trading policies that are more restrictive than this Excessive Trading Restriction. In the event there is a violation of such Mutual Fund Partner policy, additional restrictions may apply, as directed by the Mutual Fund Partner.

ENABLING LEGISLATION:

NEB. REV. STAT. §§ 23-2309.01, 23-2310.05, 81-2041, 84-1310.01, 84-1311.03, and 84-1503.