AUDIT REPORT
OF THE
NEBRASKA PUBLIC EMPLOYEES
RETIREMENT SYSTEMS – STATE AND
COUNTY EMPLOYEES RETIREMENT PLANS

PENSION TRUST FUNDS
OF THE STATE OF NEBRASKA

JANUARY 1, 2024, THROUGH DECEMBER 31, 2024

Issued on October 14, 2025

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

BACKGROUND

The Nebraska Public Employees Retirement Board (Board) was created in 1971 to administer Nebraska retirement plans for school employees, State employees, judges, and the State Patrol. The Board assumed administration of the retirement system for Nebraska county employees in 1973.

The Board has nine members appointed by the Governor, with legislative approval, to five-year terms. Seven of the appointed members must be active or retired participants in the retirement system. Those seven members include the following:

- Two participants in the Nebraska School Employees Retirement System, consisting of one administrator and one teacher;
- One participant in the Nebraska Judges Retirement System;
- One participant in the Nebraska State Patrol Retirement System;
- One participant in the Nebraska County Employees Retirement System;
- One participant in the State Employees Retirement System; and
- One participant, who is a teacher, in the Omaha School Employees Retirement System, effective September 1, 2024.

Two appointed members must meet the following requirements:

- Cannot be an employee of the State of Nebraska or any of its political subdivisions; and
- Must have at least 10 years of experience in the management of a public or private organization or at least 5 years of experience in the field of actuarial analysis or the administration of an employee benefit plan.

Furthermore, the State Investment Officer serves as a nonvoting, ex-officio Board member, and the OSERS participant served as a nonvoting, ex-officio Board member from March 19, 2024, through August 31, 2024.

All appointed Board members must be Nebraska citizens. Members of the Board, excluding the State Investment Officer, are paid a $75 per diem, and all members are reimbursed for actual and necessary expenses in accordance with Neb. Rev. Stat. § 84-1502(3) (Reissue 2024). The Board hires a director to manage the day-to-day operations. Expenses are equitably distributed among the retirement systems. All expenses must be provided from investment income earned by various retirement funds, unless other fund sources to pay expenses are specified by law.

The following Mission Statement, Vision, and Organizational Chart were taken from the Nebraska Public Employees Retirement Systems 2025 Annual Report to the Legislative Retirement Committee, available on the Nebraska Public Employees Retirement Systems webpage, npers.ne.gov, under the "Member Info" and "Publications" sections.

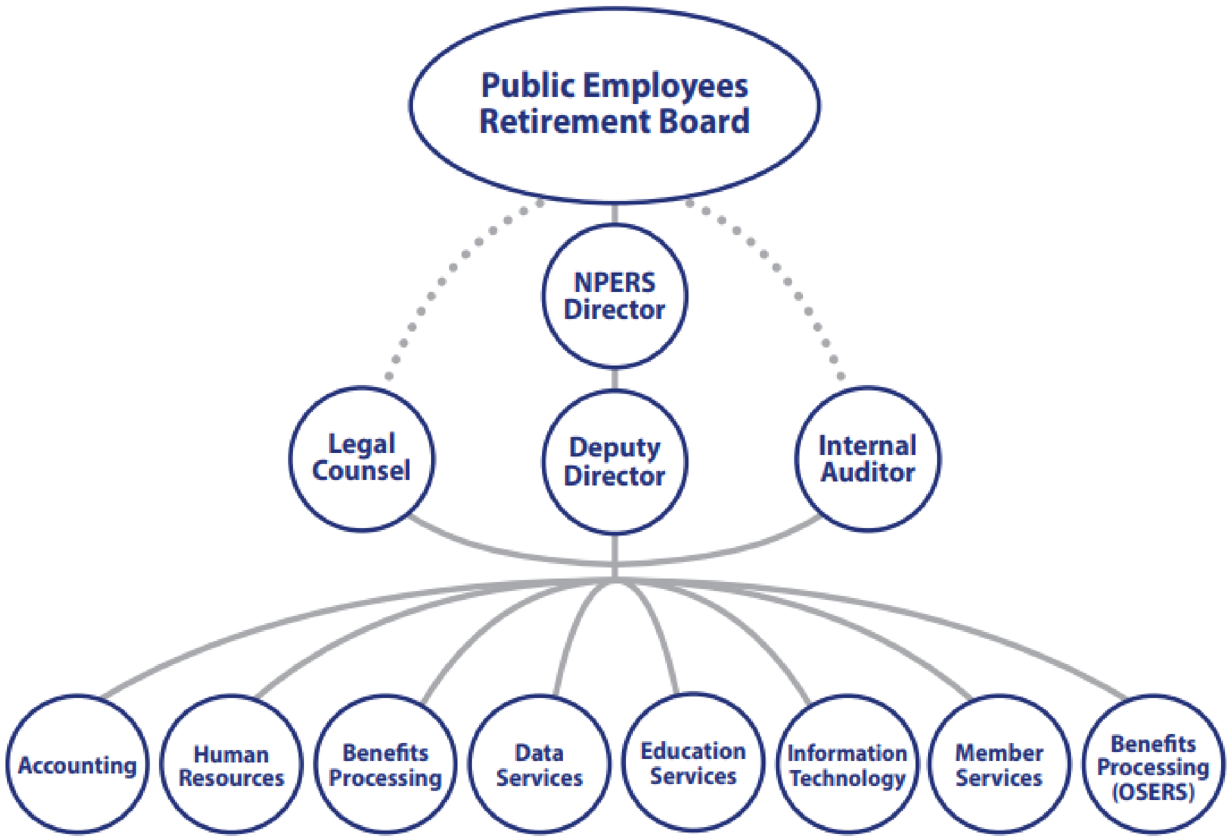
MISSION STATEMENT

The Nebraska Public Employees Retirement Systems recognizes the importance of a successful retirement and is dedicated to providing the highest quality service necessary to assist members in achieving this goal.

VISION

The Nebraska Public Employees Retirement Systems seeks to administer the retirement systems with exceptional service, integrity, and commitment for the exclusive benefit of our plan members and to ensure retirement security for their future.

ORGANIZATIONAL CHART



KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Public Employees Retirement Board Members
As of December 31, 2024

Kelli Ackerman
Chair – School Member
Term Ended January 1, 2025

Janis Elliott
Vice Chair – School Member
Term Ending January 1, 2029

Allen Simpson
State Member
Term Ending January 1, 2025
(Resigned April 2025)

Thomas Zimmerman
Judge Member
Term Ending January 1, 2026

Luke Splattstoesser
State Patrol Member
Term Ending January 1, 2028

Gerald Clausen
Public Member
Term Ending January 1, 2028

Patrick Bourne
Public Member
Term Ending January 1, 2027
(Appointed February 2025)

Charles Neumann
County Member
Term Ending January 1, 2026
(Appointed February 2024)

Vacant
Omaha School Member
Ex-Officio until September 1, 2024
Term Ending January 1, 2029

Ellen Hung
Ex-Officio (State Investment Officer)
(Appointed February 2024)

Nebraska Public Employees Retirement Systems Executive Management

John Murante
Director
(Resigned December 2024)

Tyler Cummings
Deputy Director/
Interim Director

Teresa Zulauf
Controller

Tag Herbek
Legal Counsel

Nebraska Public Employees Retirement Systems
1526 K Street, Suite 400
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Lincoln, NE 68509
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COMMENT AND RECOMMENDATION

During our audit of the Nebraska Public Employees Retirement Systems (NPERS) – State and County Employees Retirement Plans, we noted a certain matter involving the internal control over financial reporting and other operational matters that are presented here.

Non-Interest-Bearing Fund Balances

NPERS lacked adequate procedures to ensure that State Employees Retirement Plan (State Plan) member balances held in a non-interest-bearing fund were reviewed timely, and funds were either forfeited, refunded, or transferred to the interest-bearing fund. As a result, we identified $39,475 of unpaid interest and dividends that are owed to four members.

In 2020, NPERS reviewed the immigration statuses of current State Plan members and requested immigration documentation from State agencies to determine certain members' eligibility to participate in the State Plan. If a member was not a U.S. citizen or lawful permanent resident, NPERS removed the member from the State Plan and transferred his or her retirement account balance to Fund 51, a non-interest-bearing fund.

After receiving inquiries from nonimmigrants who were removed from the State Plan, including H-1B visa holders, NPERS submitted a request to the Nebraska Attorney General (Attorney General) for a legal opinion on the interpretation of the eligibility requirements for the retirement systems. At that time, Neb. Rev. Stat. § 84-1307(3) (Cum. Supp. 2020) stated, in part, the following:

> *On and after July 1, 2010, no employee shall be authorized to participate in the retirement system provided for in the State Employees Retirement Act unless the employee (a) is a United States citizen or (b) is a qualified alien under the federal Immigration and Nationality Act, 8 U.S.C. 1101 et seq., as such act existed on January 1, 2009, and is lawfully present in the United States.*

According to Op. Att'y Gen. No. 22-006 (Aug. 19, 2022), the opinion request from NPERS asked the Attorney General the following:

> *[W]hether the Nebraska statutes should be interpreted to limit eligibility to citizens and individuals identified as qualified aliens under other federal statutes or should be interpreted to not limit the eligibility of certain visa holders with work authorization.*

The Attorney General's opinion responded with the following conclusion:

> *Based on the foregoing, we interpret the INA [Immigration and Nationality Act] and PRWORA [Personal Responsibility and Work Opportunity Reconciliation Act of 1996] to <u>put in doubt the State's authority to limit the eligibility for retirement benefits of certain nonimmigrants who hold federal visas with work authorization</u>. While Nebraska has general authority to regulate eligibility for most state and local public benefits, that term as used in PRWORA does not apply to some contracts with and benefits for certain classifications of nonimmigrants. And, as shown in Beltagui [Beltagui v. Nebraska Dept. of Health and Hum. Servs., 2018-LCA-00004, *23 (Nov. 16, 2018)], <u>application of the statutes in question to a particular subset of employees of those employers participating in the retirement plans you administer will likely not be upheld</u>.*

(Emphasis added.) As a result of the Attorney General's Opinion, NPERS issued Immigration Eligibility Guides, which explained that only U.S. citizens and certain qualified aliens who are lawfully present in the U.S. may participate in the retirement systems, including members with valid H-1B visas. Subsequently, the Nebraska Legislature revised Neb. Rev. Stat. § 84-1307(3) (2025 Neb. Laws, L.B. 295, § 21), which currently states, in part, the following:

COMMENT AND RECOMMENDATION
(Continued)

No employee shall be authorized to participate in the retirement system provided for in the State Employees Retirement Act unless the employee is a United States citizen or is lawfully present in the United States. The employing state agency and the employee shall maintain at least one of the following documents, which shall be unexpired if applicable to the particular document or which has an expiration date that has been extended by the United States Department of Homeland Security or the United States Citizenship and Immigration Services so that such document is still valid, to demonstrate United States citizenship or lawful presence in the United States as of the employee's date of hire and produce any such document so maintained upon request of the retirement board or the Nebraska Public Employees Retirement Systems:

* * * *

(k) A United States Citizenship and Immigration Services Employment Authorization Document, Form I-766;

(l) A United States Citizenship and Immigration Services Permanent Resident Card, Form I-551; or

(m) Any other document issued by the United States Department of Homeland Security or the United States Citizenship and Immigration Services <u>granting employment authorization</u> in the United States and approved by the retirement board.

(Emphasis added.) We reviewed members of the State Plan, including the State Cash Balance Plan and State Defined Contribution Plan, who were not rehired and whose contributions were posted to the non-interest-bearing fund. The following issues were noted with five State Cash Balance Plan members:

	Retirement Number	Balance as of 12/31/2024	Estimated Unpaid Interest	Estimated Unpaid Dividends	Estimated Balance as of 12/31/2024
Member #1	448333	$ 39,624	$ 8,987	$ 7,027	$ 55,638
Member #2	450483	28,555	8,831	6,080	43,466
Member #3	452412	16,245	4,964	3,488	24,697
Member #4	448067	4,303	33	65	4,401
Member #5	451739	294	-	-	294
Total		**$ 89,201**	**$ 22,815**	**$ 16,660**	**$ 128,496**

<u>Member #1</u>

The member was hired by the State in November 2015 and began contributing to the State Plan immediately thereafter. In 2020, the member's employer provided NPERS with a copy of his valid H-1B visa and U.S. Citizenship and Immigration Services (USCIS) Employment Eligibility Verification Form I-9. However, NPERS transferred the member's retirement account balance of $39,709 to the non-interest-bearing fund in April 2020 because he was neither a U.S. Citizen nor a lawful permanent resident.

According to Op. Att'y Gen. No. 22-006 (Aug. 19, 2022), "[E]mployees on H-1B visas cannot be excluded from eligibility from the retirement plans administered by NPERS." Further, as noted above, NPERS Immigration Eligibility Guides stated clearly that members with H-1B visas are eligible to participate in the retirement systems.

Despite being aware of the Attorney General's opinion, as well as having been provided with his immigration documents, NPERS continued to hold the member's balance in the non-interest-bearing fund for almost three years after the opinion was issued.

Because the member should have been eligible to participate in the State Plan from the date he was hired, NPERS owed him approximately $16,014 in unpaid interest and dividends as of December 31, 2024. These amounts were calculated based on the member's retirement account balance had NPERS correctly transferred the balance to the interest-bearing fund when the Attorney General's opinion was issued.

COMMENT AND RECOMMENDATION
(Continued)

Subsequently, the member became a lawful permanent resident and provided a copy of his Permanent Resident card, valid from July 22, 2021, through July 22, 2031, to NPERS. However, in July 2025, after this finding was communicated to management, NPERS contacted Ameritas, the record keeper of the State and County Employees Retirement Plans, on three different occasions, initiating the following action on the member's retirement account: 1) transferring all funds posted to the interest-bearing fund from April 2020 through July 2021 to the non-interest-bearing fund; 2) removing the 2017, 2018, 2020, and 2021 dividends and interest earned on the dividends from the member's balance; 3) forfeiting the employer's share of retirement contributions held in the non-interest-bearing fund; 4) refunding the employee's share of retirement contributions held in the non-interest-bearing fund directly to the member; and 5) recalculating dividends issued in 2022 through 2025 based on the reduced retirement balance held in the interest-bearing fund.

As a result of these directives, $30,765 was wrongfully forfeited from the member's retirement account, and he received an unsought refund of $19,721.

Member #2

The member was hired by the State in November 2016 and immediately began contributing to the State Plan. In April 2020, NPERS was provided with a copy of the member's U.S. Citizenship and Immigration Services Employment Authorization Document (EAD), which was valid from April 3, 2018, through September 9, 2021. The EAD listed a category code C26, which is for an individual with an H-4 visa who is the spouse of an H-1B nonimmigrant visa holder. Determining that, despite holding a valid EAD, the member was ineligible to participate in the State Plan, NPERS transferred her $28,644 retirement account balance to the non-interest-bearing fund in April 2020.

According to Op. Att'y Gen. No. 22-006 (Aug. 19, 2022), the INA and PRWORA must be interpreted "to put in doubt the State's authority to limit the eligibility for retirement benefits of certain nonimmigrants who hold federal visas with work authorization." (Emphasis added.) As a result of this opinion, NPERS issued an Immigration Eligibility Guide in June 2023, which was subsequently revised in October 2023. Among other things, that administrative document declared H-4 visa holders eligible to participate in the retirement systems "as of the date the eligibility determination is made."

To determine eligibility, NPERS required employers to submit documentation to NPERS for review. However, the member terminated employment in September 2021, almost two years before the Immigration Eligibility Guide was issued, and almost a year before the Attorney General's opinion was issued.

Per both the Attorney General's opinion and NPERS' own guidance, the member was clearly eligible to participate in the State Plan during her entire employment with the State. As of December 31, 2024, therefore, the member was owed approximately $14,911 in unpaid interest and dividends for the balance that was wrongly held in the non-interest-bearing fund. Additionally, the member's entire balance held in the non-interest-bearing fund, totaling $28,555, should have been transferred to the interest-bearing fund.

In July 2025, after this finding was communicated to management, NPERS contacted Ameritas initiating the following action on the member's retirement account: 1) transferring all funds posted to the interest-bearing fund to the non-interest-bearing fund; 2) removing all dividends and interest earned; 3) forfeiting the employer's share of retirement contributions held in the non-interest-bearing fund; and 4) refunding the employee's share of retirement contributions held in the non-interest-bearing fund directly to the member.

As a result of these directives, $32,346 was wrongfully forfeited from the member's retirement accounts held in the interest-bearing and non-interest-bearing funds, and she received an unsought refund of $16,067.

COMMENT AND RECOMMENDATION
(Continued)

Member #3

The member was hired by the State in October 2016 but did not begin contributing to the State Plan until October 2017. The member became a lawful permanent resident on January 8, 2018. Prior thereto, she had a valid EAD with a category code C09P. That category code allows an individual to work in the U.S. while his or her Form I-485 ("Application to Register Permanent Residence or Adjust Status") is pending with the USCIS.

In April 2020, NPERS directed Ameritas, the Plans' record keeper, to transfer $1,781 of contributions deposited prior to when the member became a lawful permanent resident from his retirement account balance to the non-interest-bearing fund. NPERS then directed the employer to refund $1,781 of ineligible contributions to the employee and employer through the payroll process, which was completed in May 2020.

In attempting to follow those directions, however, Ameritas mistakenly transferred the member's entire balance, totaling $17,839 as of April 15, 2020, to the non-interest-bearing account.

NPERS lacked procedures for ensuring that the balances listed on the "Contributions in Fund 51 Report," provided by Ameritas, were reviewed properly. Consequently, NPERS has failed to correct the error and transfer the member's retirement contributions to the interest-bearing fund as of December 31, 2024, resulting in the loss of interest and dividends.

As of December 31, 2024, the member was owed approximately $8,542 of unpaid interest and dividends, and her entire balance held in the non-interest-bearing fund, totaling $16,245, should have been transferred to the interest-bearing fund.

In July 2025, after this finding was communicated to management, NPERS contacted Ameritas initiating the following action on the member's retirement account: 1) transferring all funds posted to the non-interest-bearing fund from January 2018 through July 2021 to the interest-bearing fund; 2) calculating interest earned for the transferred contributions; 3) forfeiting the 2018 dividend and any interest gained on the dividend; and 4) adjusting the 2020 through 2024 dividends as if the funds from January 2018 through July 2021 been properly posted to the interest-bearing fund.

As a result of these directives, in August 2025 the non-interest-bearing account balance, totaling $16,237, was correctly transferred to the interest-bearing fund, and the member's interest-bearing fund was credited for $5,260 of previously unpaid dividends and interest. However, it appears that the member has not yet received the full amount of the unpaid dividends or interest owed based on the approximate amounts calculated as of December 31, 2024.

Member #4

The member was hired by the State in October 2015 and immediately began contributing to the State Plan. When reviewing member immigration documentation in 2020, NPERS determined correctly that she was ineligible to participate in the State Plan. On June 2, 2020, the member's retirement contributions were transferred from the interest-bearing fund to the non-interest-bearing fund. NPERS then forfeited the employer's share of retirement contributions and refunded the employee's share of retirement contributions to the member. However, NPERS failed to ensure that the forfeiture and refund included all funds in the member's retirement account. Further, NPERS incorrectly paid a $342 dividend to the member in July 2020. As a result, a balance of ineligible contributions, totaling approximately $1,755, was held in the non-interest-bearing fund through December 31, 2024.

In May 2023, the member became a lawful permanent resident, meeting eligibility requirements to participate in the State Plan. Because NPERS neglected to notify Ameritas, the Plans' record keeper, that her contributions should be deposited to the interest-bearing fund, those funds were placed incorrectly in the non-interest-bearing fund.

COMMENT AND RECOMMENDATION
(Continued)

As noted above, NPERS lacked procedures for ensuring that the balances listed on the "Contributions in Fund 51 Report," provided by Ameritas, were reviewed properly. Not until June 2024, over a year later, did NPERS realize the member's contributions were deposited into the incorrect fund and directed Ameritas to transfer her eligible retirement contributions to the interest-bearing fund. However, NPERS's notification to Ameritas did not include a request that the member's future contributions be deposited into to the interest-bearing fund. Consequently, the member's contributions from June 2024 through December 2024 continued to be deposited into the non-interest-bearing fund.

As of December 31, 2024, NPERS owed the member approximately $98 in unpaid interest and dividends on the eligible balance held in the non-interest-bearing fund. Additionally, the member's eligible balance held in the non-interest-bearing fund, totaling approximately $2,548, should have been transferred to the interest-bearing fund. Further, of the remaining $1,755 balance in the non-interest-bearing fund, NPERS should have forfeited the employer's share and refunded the employee's share directly to the member.

In July 2025, after this finding was communicated to management, NPERS contacted Ameritas initiating the following action on the member's retirement account: 1) transferring all funds posted to the non-interest-bearing fund from June 2024 to July 2025 to the interest-bearing fund; 2) calculating interest earned for the transferred contributions; 3) ensuring future allocations are set to post to the interest-bearing fund; 4) issuing a refund of the employee's share of ineligible contributions directly to the member; 5) forfeiting the ineligible employer contributions; and 6) adjusting the 2024 and 2025 dividends amounts based on what the member's balance should have been had the funds been properly posted to the interest-bearing fund.

As a result of these directives, in August 2025 the eligible balance held in the non-interest-bearing fund, totaling $4,810, was correctly transferred to the interest-bearing fund, the member's $680 of ineligible contributions were correctly refunded to the member, the employer's $1,061 of ineligible contributions were properly forfeited, and the member's interest-bearing fund was credited for $149 of previously unpaid dividends and interest.

Member #5

The member was hired by the State in June 2017 and immediately began participation in the State Plan. When reviewing member immigration documentation in 2020, NPERS determined correctly that she was ineligible to participate in the State Plan due to holding a valid EAD with category code C33, which is for Deferred Action for Childhood Arrivals (DACA).

Due to her ineligibility, NPERS transferred the member's $12,659 retirement account balance to the non-interest-bearing fund in April 2020. NPERS then directed the member's employer to refund to her the employee's share of ineligible contributions. However, $322 of contributions were excluded from the refund. As a result, those unpaid funds have been held in the non-interest-bearing fund since 2020.

As of December 31, 2024, the balance held in the non-interest-bearing fund was $752, which included $294 of employee retirement contributions owed to the member and $458 of employer retirement contributions that should have been forfeited.

In July 2025, after this finding was communicated to management, NPERS contacted Ameritas initiating the following action on the member's retirement account: 1) transferring all funds held in the interest-bearing fund to the non-interest-bearing fund; 2) reversing the 2020 through 2024 dividends and interest earned on the dividends; 3) issuing a refund of the employee's share of contributions directly to the member; and 4) forfeiting the employer contributions held in the non-interest-bearing fund.

COMMENT AND RECOMMENDATION
(Concluded)

As a result of these directives, in July 2025 the employee retirement contributions held in the non-interest-bearing fund, totaling $351, were correctly refunded to the member, and the employer retirement contributions held in the non-interest-bearing fund, totaling $548, were properly forfeited.

Neb. Rev. Stat. § 84-1301(20) (Reissue 2024) states, "Member cash balance account means an account equal to the sum of the employee cash balance account and, if vested, the employer cash balance account and dividend amounts credited in accordance with subdivision (4)(c) of section 84-1319[.]"

Per Neb. Rev. Stat. § 84-1321(1)(b) (Reissue 2024), moreover, a vested member is entitled, upon termination of employment, to "a termination benefit equal to (i) the amount of his or her member cash balance account as of the date of final account value payable in a lump sum or an annuity . . . ."

A proper system of internal controls and sound accounting practices require procedures to ensure that member accounts are properly reviewed and transferred to an interest-bearing fund, when appropriate, and any interest and dividends owed are properly paid to the members.

> We recommend NPERS implement procedures to ensure an adequate and timely review of balances held in the non-interest-bearing fund is completed, and funds are properly transferred to the interest-bearing fund, when appropriate, including any interest or dividends payable to the member. Further, we recommend NPERS work with Ameritas, the Plans' record keeper, to correct all errors noted.

NPERS Management Response: NPERS will continue to strengthen procedures to ensure an adequate and timely review of balances held in the non-interest-bearing fund is completed, and funds are properly transferred to the interest-bearing fund, when appropriate, including any interest or dividends payable to the member. For the issues identified in this report, NPERS has already completed, or is finalizing completion of the appropriate corrections with Ameritas.

It should be noted this report is critical in nature, containing only our comment and recommendation on the area noted for improvement and does not include our observation of any strengths of the NPERS – State and County Employees Retirement Plans.

Draft copies of this report were furnished to NPERS to provide its management with an opportunity to review and to respond to the comment and recommendation contained herein. Any formal response received has been incorporated into this report. The response has been objectively evaluated and recognized as appropriate in the report. A response that indicates corrective action has been taken was not verified at this time, but it will be verified in the next audit.

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY RETIREMENT PLANS

INDEPENDENT AUDITOR'S REPORT

Nebraska Public Employees Retirement Board
Lincoln, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying Statements of Fiduciary Net Position and the related Statements of Changes in Fiduciary Net Position of the Nebraska Public Employees Retirement Systems (NPERS) – State and County Employees Retirement Plans, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the NPERS – State and County Employees Retirement Plans' basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the NPERS – State and County Employees Retirement Plans, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NPERS – State and County Employees Retirement Plans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the NPERS – State and County Employees Retirement Plans are intended to present the financial position and the changes in financial position of only that portion of the State that is attributable to the transactions of the NPERS – State and County Employees Retirement Plans. They do not purport to, and do not, present fairly the financial position of the State of Nebraska as of December 31, 2024, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the NPERS – State and County Employees Retirement Plans' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NPERS – State and County Employees Retirement Plans' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the NPERS – State and County Employees Retirement Plans' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the State Employer Net Pension Liability/(Asset), Schedule of Changes in the County Employers' Net Pension Liability/(Asset), Schedule of State Employer Contributions, Schedule of County Employer Contributions, Schedule of Investment Returns, and Notes to the Required Supplementary Information, on pages 40-50 herein, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board

who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted its Management Discussion and Analysis, which accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the NPERS – State and County Employees Retirement Plans' basic financial statements. The Schedule of Administrative Expenses and the Schedule of Investment-Related Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Administrative Expenses and the Schedule of Investment-Related Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Administrative Expenses and the Schedule of Investment-Related Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025, on our consideration of the NPERS – State and County Employees Retirement Plans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NPERS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NPERS' internal control over financial reporting and compliance.

Zachary Wells

September 22, 2025

Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE EMPLOYEES RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2024

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION
ASSETS		
Cash in State Treasury	$ 236,922	$ 79,500
Receivables:		
Contributions	6,134,832	656,315
Interest and Dividends	6,241,255	223,311
Other Investment Receivables (Note 4)	107,871,336	-
Receivable from Defined Contribution Plan	875,563	-
Total Receivables	121,122,986	879,626
Pooled Investments, at Fair Market Value (Note 4):		
Asset Backed Securities	23,659,444	-
Bank Loans	43,776,945	-
Commingled Funds	1,076,445,862	759,231,411
Corporate Bonds	210,671,253	-
Derivative Instruments	1,584,717	-
Equity Securities	551,582,632	-
Government Agency Securities	1,480,013	-
Government Agency Strips	29,162	-
International Government Agency Securities	6,176,618	-
International Notes and Bonds	22,630,819	-
Mortgages	125,029,172	-
Municipal Bonds	1,790,510	-
Opportunistic Credit	579,859	-
Private Equity	154,197,390	-
Private Real Estate	125,745,199	-
Short Term Investments	21,257,276	(512,703)
U.S. Treasury Notes and Bonds	86,511,910	-
U.S. Treasury Strips	274,440	-
Total Investments	2,453,423,221	758,718,708
Invested Securities Lending Collateral (Note 4)	174,155,123	-
Capital Assets (Note 8):		
Equipment	463,030	527,744
Less: Accumulated Depreciation	(462,518)	(527,617)
Total Capital Assets, Net	512	127
Total Assets	2,748,938,764	759,677,961
LIABILITIES		
Compensated Absences Payable (Notes 6)	63,372	8,280
Other Investment Payables (Note 4)	157,860,044	58,217
Benefits Payable	8,244,704	-
Obligations Under Securities Lending (Note 4)	174,155,123	-
Obligations Under Reverse Repurchase Agreements	7,184,158	-
Payable to Cash Balance Plan	-	875,563
Total Liabilities	347,507,401	942,060
Fiduciary Net Position - Restricted for Pension Benefits	$ 2,401,431,363	$ 758,735,901

The accompanying notes are an integral part of the financial statements.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2024

	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION
ASSETS		
Cash in State Treasury	$ 190,327	$ 78,384
Receivables:		
Contributions	2,405,064	238,719
Interest and Dividends	2,156,017	65,180
Other Investment Receivables (Note 4)	37,306,095	-
Total Receivables	41,867,176	303,899
Pooled Investments, at Fair Market Value (Note 4):		
Asset Backed Securities	8,067,198	-
Bank Loans	14,926,712	-
Commingled Funds	373,322,641	242,393,618
Corporate Bonds	71,832,909	-
Derivative Instruments	540,343	-
Equity Securities	188,073,385	-
Government Agency Securities	504,642	-
Government Agency Strips	9,943	-
International Government Agency Securities	2,106,051	-
International Notes and Bonds	7,716,468	-
Mortgages	42,631,371	-
Municipal Bonds	610,513	-
Opportunistic Credit	197,716	-
Private Equity	52,570,013	-
Private Real Estate	42,908,355	-
Short Term Investments	7,155,682	(146,248)
U.S. Treasury Notes and Bonds	29,498,090	-
U.S. Treasury Strips	93,576	-
Total Investments	842,765,608	242,247,370
Invested Securities Lending Collateral (Note 4)	59,421,156	-
Capital Assets (Note 8):		
Equipment	264,743	263,902
Less: Accumulated Depreciation	(264,406)	(263,829)
Total Capital Assets, Net	337	73
Total Assets	944,244,604	242,629,726
LIABILITIES		
Compensated Absences Payable (Notes 6)	30,488	4,528
Other Investment Payables (Note 4)	53,802,109	18,812
Benefits Payable	4,077,842	-
Obligations Under Securities Lending (Note 4)	59,421,156	-
Obligations Under Reverse Repurchase Agreements	2,449,594	-
Payable to Cash Balance Plan	-	525,000
Total Liabilities	119,781,189	548,340
Fiduciary Net Position - Restricted for Pension Benefits	$ 824,463,415	$ 242,081,386

The accompanying notes are an integral part of the financial statements.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE EMPLOYEES RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION
ADDITIONS		
Contributions:		
Member	$ 46,506,322	$ 5,299,640
Employer (Note 5)	72,580,197	8,267,439
Total Contributions	119,086,519	13,567,079
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	202,950,157	87,270,569
Interest and Dividends	50,085,943	2,867,287
Securities Lending Income	4,786,229	-
Total Investment Income	257,822,329	90,137,856
Investment Expenses:		
Investment Expenses	9,324,287	615,844
Securities Lending Expenses	4,577,914	-
Total Investment Expenses	13,902,201	615,844
Net Investment Income	243,920,128	89,522,012
Other Additions	8,400	2,865
Transfers In (Note 9)	5,724,179	-
Total Additions	368,739,226	103,091,956
DEDUCTIONS		
Benefits and Refunds	178,365,104	62,254,083
Administrative Expenses	1,994,344	228,150
Total Deductions	180,359,448	62,482,233
Transfers Out (Note 9)	-	5,724,179
Net Increase/(Decrease) in Fiduciary Net Position	188,379,778	34,885,544
Net Position - Restricted for Pension Benefits:		
Beginning of Year	2,213,051,585	723,850,357
End of Year	$ 2,401,431,363	$ 758,735,901

The accompanying notes are an integral part of the financial statements.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024

	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION
ADDITIONS		
Contributions:		
Member	$ 18,635,212	$ 1,932,720
Employer (Note 5)	27,308,848	2,804,308
Total Contributions	45,944,060	4,737,028
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	69,440,107	26,769,890
Interest and Dividends	17,205,661	821,591
Securities Lending Income	1,633,045	-
Total Investment Income	88,278,813	27,591,481
Investment Expenses:		
Investment Expenses	3,173,879	183,996
Securities Lending Expenses	1,561,969	-
Total Investment Expenses	4,735,848	183,996
Net Investment Income	83,542,965	27,407,485
Other Additions	3,550	800
Transfers In (Note 9)	2,697,920	-
Total Additions	132,188,495	32,145,313
DEDUCTIONS		
Benefits and Refunds	56,412,744	12,676,523
Administrative Expenses	932,269	114,108
Total Deductions	57,345,013	12,790,631
Transfers Out (Note 9)	-	2,697,920
Net Increase/(Decrease) in Fiduciary Net Position	74,843,482	16,656,762
Net Position - Restricted for Pension Benefits:		
Beginning of Year	749,619,933	225,424,624
End of Year	$ 824,463,415	$ 242,081,386

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements of the Nebraska Public Employees Retirement Systems (NPERS) – State and County Employees Retirement Plans have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The Legislature created the Public Employees Retirement Board (Board) in 1971 to administer the existing Nebraska retirement systems. Currently, the Board is responsible for the administration of six retirement plans and the Deferred Compensation Plan. The following are the six retirement plans administered: the School Employees, State Patrol, Judges, State Employees, County Employees, and the Omaha School Employees Retirement Plans.

The Board is comprised of nine members appointed by the Governor, with legislative approval, to five-year terms. Seven of the appointed members must be active or retired participants in the retirement system. Those seven members include the following: two participants in the School Retirement System, consisting of one administrator and one teacher; one participant in the Nebraska Judges Retirement System; one participant in the Nebraska State Patrol Retirement System; one participant in the Nebraska County Employees Retirement System; one participant in the State Employees Retirement System; and one participant, who is a teacher, in the Omaha School Employees Retirement System. Two appointed Board members must meet the following requirements: 1) not be an employee of the State of Nebraska or any of its political subdivisions; and 2) have at least 10 years of experience in the management of a public or private organization or at least 5 years of experience in the field of actuarial analysis or the administration of an employee benefit plan. The State Investment Officer serves as a nonvoting, ex-officio Board member. Prior to September 1, 2024, the Omaha School Employees Retirement System member was required to be a nonvoting, ex-officio member.

NPERS is a part of the State of Nebraska reporting entity. The six retirement plans and the Deferred Compensation Plan are classified as pension trust fund types in the State of Nebraska Annual Comprehensive Financial Report.

Separate reports have been issued for the School Employees, Judges, and State Patrol Retirement Plans for the fiscal year ended June 30, 2024, and the Deferred Compensation Plan for the year ended December 31, 2022.

The financial statements reflect only the State and County Employees Retirement Plans and do not reflect all activity of NPERS.

C. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Pension funds were reported using the economic resources measurement focus.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statements of Fiduciary Net Position.

The State and County Employees Retirement Plans' financial statements were prepared on the accrual basis of accounting. Under this measurement focus and basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

D. Cash in State Treasury

Cash in State Treasury represents the cash balance of a fund as reflected in the State's General Ledger and is under the control of the State Treasurer or other administrative bodies, as determined by law. This classification includes bank accounts and short-term investments. These short-term investments may have original maturities (remaining time to maturity at acquisition) greater than three months; however, cash is available and is considered cash for reporting purposes. Banks pledge collateral, as required by law, to guarantee State funds held in time and demand deposits.

All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State's Investment Council, which maintains an operating investment pool for such investments. Interest earned on these investments is allocated to funds based on their percentage of the investment pool.

E. Investments

Investments, as reported in the basic financial statements, include long-term investments. Law or legal instruments may restrict these investments. All investments are stated at fair value based on quoted market prices. For investments where no readily ascertainable fair value exists, management has received an estimate of fair value from the investment fund manager based, in part, on real estate appraisals. The State Treasurer is the custodian of all funds; however, investments are under the responsibility of the Nebraska Investment Council.

Although the investments of the plans are commingled, each plan's investments may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

F. Capital Assets

Capital assets consist of computer software and equipment. All capital assets are valued at cost when historical records are available and at estimated historical cost when no historical records exist.

Generally, equipment that has a cost in excess of $5,000 at the date of acquisition and an expected useful life of more than one year is capitalized. Equipment is depreciated over 3 to 10 years, using the straight-line method.

1. Summary of Significant Accounting Policies (Concluded)

G. Compensated Absences

All permanent employees working for NPERS earn sick and annual leave and are allowed to accumulate compensatory leave rather than being paid overtime. Temporary and intermittent employees and Board members are not eligible for paid leave. The liability has been calculated using the vesting method in which leave amounts, for both employees currently eligible to receive termination payments and other employees expected to become eligible in the future to receive such payments upon termination, are included.

NPERS' employees accrue vested annual leave at a variable rate based on years of service. Generally, accrued annual leave cannot exceed 35 days at the end of a calendar year. Employees accrue sick leave at a variable rate based on years of service. In general, accrued sick leave cannot exceed 180 days. There is no maximum limit on the accumulation of sick leave days for employees under certain labor contracts. Sick leave is not vested except upon death or upon reaching the retirement eligibility age of 55, or of a younger age, if the employee meets all criteria necessary to retire under the primary retirement plan covering his/her State employment, at which time the State is liable for 25 percent of the employee's accumulated sick leave.

The Plans' financial statements recognize the expense and accrued liability when annual and compensatory leave is earned or when sick leave is expected to be paid as termination payments.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at calendar year end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Plan Descriptions and Contribution Information

The following summary description of the plans is provided for general information purposes. Participants should refer to Neb. Rev. Stat. §§ 84-1301 through 84-1333 (Reissue 2014, Cum. Supp. 2024) for the State Employees Retirement Plan and Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022, Cum. Supp. 2024) for the County Employees Retirement Plan for more complete information.

A. Nebraska State Employees Retirement Plan

The single employer plan became effective by statute on January 1, 1964. The State Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. Each member employed and participating in the retirement system prior to January 1, 2003, elected either to continue participation in the defined contribution option or to begin participation in the cash balance benefit. The defined contribution option is closed to new entrants. On or after January 1, 2003, all new members of the State Plan become members of the cash balance benefit.

All permanent full-time employees are required to begin participation in the retirement system upon employment. Prior to April 2011, all permanent part-time employees who had attained the age of 20 could exercise the option to begin participation in the retirement system. Effective April 2011, the age requirement decreased to 18.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2. Plan Descriptions and Contribution Information (Continued)

Contributions. Per statute, each member contributes 4.8 percent of his or her monthly compensation. The State matches a member's contribution at a rate of 156 percent. The employee's and employer's contributions are kept in separate accounts.

The employee's account is fully vested. The employer's account is fully vested after a total of three years of participation in the system, including credit for participation in another Nebraska governmental plan prior to actual contribution to the State Plan.

When employees terminate and are not fully vested, the amount contributed by the State is forfeited and used to reduce NPERS expenses. When forfeitures are not sufficient to pay administrative expenses, NPERS may also assess a charge in the form of basis points against plan assets. NPERS also uses plan assets when forfeitures are not sufficient in the cash balance benefit.

Defined Contribution Option. Upon attainment of age 55, regardless of service, the retirement allowance is equal to the sum of the employee and employer accounts. Members have several forms of payment available, including withdrawals, deferrals, annuities, or a combination of these.

Cash Balance Benefit. Upon attainment of age 55, regardless of service, the retirement allowance is equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment in the normal form. The normal form of payment is a single-life annuity with five-year certain, payable monthly.

Members have the option to convert their member cash balance account to a monthly annuity with built-in cost-of-living adjustments of 2.5 percent annually. Also available are additional forms of payment allowed under the State Plan, which are actuarially equivalent to the normal form, including the option of a lump-sum or partial lump-sum.

State Plan membership consisted of the following at December 31, 2024:

	Defined Contribution	Cash Balance
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	-	2,880
Inactive Plan Members Entitled to but not yet Receiving Benefits	1,031	11,306
Active Plan Members	1,373	16,658
Total	2,404	30,844

The 2,880 retirees and beneficiaries receiving benefits include defined contribution members who elected an annuity. Defined contribution members may also choose from other forms of payment, such as withdrawal or lump-sum payment. Generally, these are one-time payouts. Therefore, these retired members are not shown above.

The NPERS employees are employees of the State of Nebraska and, therefore, participate in the State Plan. The following includes the defined contribution option and cash balance benefit contributions to the State Plan for the current and preceding two years for NPERS employees.

2. Plan Descriptions and Contribution Information (Continued)

Calendar Year	Employee Contributions	Employer Contributions
2024	$ 143,690	$ 224,157
2023	$ 128,497	$ 200,455
2022	$ 112,679	$ 175,778

B. Nebraska County Employees Retirement Plan

In 1973, the State Legislature brought the County Employees Retirement Plan under the administration of the Board. This multiple-employer plan covers employees of 91 of the State's 93 counties, 13 county health districts, and 3 other miscellaneous political subdivisions. Douglas and Lancaster counties have separate retirement plans for their employees, as allowed under Neb. Rev. Stat. § 23-1118 (Reissue 2022). As of December 31, 2024, there were 107 participating employers.

Prior to January 1, 2003, the County Plan consisted of a defined contribution plan. Effective January 1, 2003, a cash balance benefit was added to the County Employees Retirement Act. The cash balance benefit is a type of defined benefit plan. Each member employed and participating in the retirement system prior to January 1, 2003, elected either to continue participation in the defined contribution option or to begin participation in the cash balance benefit. The defined contribution option is closed to new entrants. On or after January 1, 2003, all new members of the County Plan become members of the cash balance benefit.

Participation in the County Employees Retirement Plan is required of all full-time employees upon employment and of all full-time elected officials upon taking office. Prior to April 2011, all permanent part-time employees could elect voluntary participation upon reaching age 20. Effective April 2011, the age requirement for permanent part-time employees decreased to age 18. Part-time elected officials may exercise the option to join.

Contributions. Per statute, county employees and elected officials contribute 4.5 percent of their total compensation, and the county contributes 150 percent of the member rate. Present and future commissioned law enforcement personnel employed by such counties make additional contributions to a supplemental retirement plan. Commissioned law enforcement personnel in participating counties with fewer than 85,000 inhabitants contribute an extra 1 percent, or a total of 5.5 percent of their total compensation, which increased to 2 and 6.5 percent, respectively, as of September 2, 2023. Commissioned law enforcement personnel in participating counties with a population in excess of 85,000 inhabitants contribute an extra 2 percent, or a total of 6.5 percent of their total compensation, which increased to 3 and 7.5 percent, respectively, as of September 2, 2023. The county contributes 150 percent for the first 4.5 percent, and the extra percent is matched at 100 percent. The employee's and employer's contributions are kept in separate accounts.

The employee's account is fully vested. The employer's account is vested after a total of three years of participation in the system, including credit for participation in another Nebraska governmental plan prior to actual contribution to the County Plan.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2. Plan Descriptions and Contribution Information (Concluded)

When employees terminate and are not fully vested, the amount contributed by the county is forfeited and used to reduce NPERS expenses. When forfeitures are not sufficient to pay administrative expenses, NPERS may also assess a charge in the form of basis points against plan assets. NPERS also uses plan assets when forfeitures are not sufficient in the cash balance benefit.

Defined Contribution Option. Upon attainment of age 55, regardless of service, the retirement allowance is equal to the sum of the employee and employer accounts. Members have several forms of payment available, including withdrawals, deferrals, annuities, or a combination of these.

Cash Balance Benefit. Upon attainment of age 55, regardless of service, the retirement allowance is equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment in the normal form. The normal form of payment is a single-life annuity with five-year certain, payable monthly.

Members will have the option to convert their member cash balance account to a monthly annuity with built-in cost-of-living adjustments of 2.5 percent annually. Also available are additional forms of payment allowed under the County Plan that are actuarially equivalent to the normal form, including the option of a lump-sum or partial lump-sum.

County Plan membership consisted of the following at December 31, 2024:

	Defined Contribution	Cash Balance
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	-	1,028
Inactive Plan Members Entitled to but not yet Receiving Benefits	452	4,858
Active Plan Members	557	7,585
Total	1,009	13,471

The 1,028 retirees and beneficiaries receiving benefits include defined contribution members who elected an annuity. Defined contribution members may also choose from other forms of payment, such as withdrawal or lump-sum payment. Generally, these are one-time payouts. Therefore, these retired members are not shown above.

3. Funded Status and Funding Progress

The components of the net pension asset for each cash balance plan as of January 1, 2025, the most recent actuarial valuation date, were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a-b) Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)
State	$ 2,354,124,179	$ 2,401,431,363	$ (47,307,184)	102.01%
County	$ 800,210,053	$ 824,463,415	$ (24,253,362)	103.03%

3. Funded Status and Funding Progress (Continued)

The Total Pension Liability as of December 31, 2024, was determined based on an actuarial valuation prepared as of January 1, 2025. The key actuarial assumptions, as of the latest actuarial valuation date, are as follows:

	State Employees	County Employees
Valuation date	January 1, 2025	January 1, 2025
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed
Single equivalent amortization period	25 Years	25 Years
Asset valuation method	5-year smoothing	5-year smoothing
Actuarial assumptions:		
Inflation	2.35%	2.35%
Investment rate of return, net of investment expense and including inflation	6.95%	6.95%
Municipal bond index rate	4.04%	4.04%
Projected salary increases, including inflation	2.95% - 9.30%	2.95% - 9.45%
Interest credit rating	6.00%	6.00%
Cost-Of-Living Adjustments (COLA)	None, except 2.5% per year for retirees electing annuity payments with a COLA feature.	None, except 2.5% per year for retirees electing annuity payments with a COLA feature.

The State and County plans' pre-retirement mortality rates for active members were based on the Pub-2010 General Members (Above Median) Employee Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The State and County plans' post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

3. Funded Status and Funding Progress (Continued)

The State and County plans' post-retirement mortality rates for retired members were based on the Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The actuarial assumptions used in the valuation are based on the results of the actuarial experience study, which covered the four-year period ending December 31, 2023. The experience study report is dated February 19, 2025.

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, which is responsible for investing the pension plan assets. The long-term expected real rate of return and target asset allocation were also the result of the most recent experience study. The State and County plans commingle their investments; thus, the target allocations are the same for each of the plans. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation, as of the most recent experience study, (see the discussion of the pension plans' investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Equity	24.0%	4.5%
Non-U.S. Equity	11.5%	4.6%
Global Equity	22.0%	4.8%
Risk-seeking Fixed Income	10.0%	3.9%
Risk-reducing Fixed Income	20.0%	2.5%
Private Equity	5.0%	7.1%
Real Estate	7.5%	4.0%
Total	100.00%	

*Arithmetic mean, net of investment expenses.

Discount Rate. The discount rate used to measure the Total Pension Liability at December 31, 2024, was 6.95 percent, which is 0.05 percent less than the discount rate used to measure the Total Pension Liability at December 31, 2023. The discount rate is reviewed as part of the actuarial experience study, which was performed for the period January 1, 2020, through December 31, 2023. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate, and contributions from employers and non-employers will be made at the greater of the contractually required rates and the actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2124.

3. Funded Status and Funding Progress (Concluded)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension asset of the plans calculated using the discount rate of 6.95 percent, as well as what the plans' net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (5.95%) or one percentage point higher (7.95%) than the current rate.

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Net Pension Liability/(Asset):			
State	$ 183,802,520	$ (47,307,184)	$ (238,436,633)
County	$ 50,124,155	$ (24,253,362)	$ (86,503,295)

4. Investments

Investments. Listed below is a summary of the investment portfolio that comprises the Investments on the Statements of Fiduciary Net Position. All securities purchased or held must be in the custody of the State or deposited with an agent in the State's name. Neb. Rev. Stat. § 72-1239.01(3) (Cum. Supp. 2024) directs the appointed members of the Nebraska Investment Council to do the following:

> *[A]ct with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims by diversifying the investments of the assets of the retirement systems . . . .*

The pension plans' policy regarding the allocation of invested assets is established and may be amended by the Nebraska Investment Council. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. During the year, the Nebraska Investment Council's target investment allocation was:

Asset Class	Target Allocation
U.S. Equities	24.0%
International Equities	11.5%
Global Equities	22.0%
Risk-reducing Fixed Income	20.0%
Risk-seeking Fixed Income	10.0%
Private Equity	5.0%
Real Estate	7.5%
Total	100.00%

The table below presents all investments stated at fair value using valuation techniques to measure fair value, followed by a table presenting investments at fair value for financial statement purposes, with debt securities presented with effective duration.

The Plans utilize a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the Plans have the ability to access at the measurement date. Instruments categorized in Level 1 consist primarily of a broadly traded range of equity and debt securities.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset and/or uncorroborated.

Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications, is used. If pricing information from external sources is not available or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value using discounted cash flows and other income valuation approaches.

Plan Investments at December 31, 2024, at Fair Value Measurement Using:

	Fair Value	Level 1	Level 2	Level 3
Debt Securities				
U.S. Treasury Notes and Bonds	$ 116,010,000	$ -	$ 116,010,000	$ -
U.S. Treasury Strips	368,016	-	368,016	-
Government Agency Securities	1,984,655	-	1,984,655	-
Government Agency Strips	39,105	-	39,105	-
Corporate Bonds	282,504,162	-	282,201,390	302,772
International Notes and Bonds	8,282,669	-	8,282,669	-
International Government Agency Securities	30,347,287	-	30,347,287	-
Asset Backed Securities	31,726,642	-	31,726,642	-
Bank Loans	58,703,657	-	58,703,657	-
Short Term Investments	27,125,463	2,271,229	24,854,234	-
Commingled Funds	369,233,741	256,212,173	113,021,568	-
Derivative Instruments	(245,719)	(245,719)	-	-
Mortgages	167,660,543	-	167,660,543	-
Municipal Bonds	2,401,023	-	2,401,023	-
	1,096,141,244	258,237,683	837,600,789	302,772
Other Investments				
Equity Securities	739,656,017	730,919,064	8,246,676	490,277
Commingled Funds	2,082,159,791	2,082,147,564	-	12,227
Derivative Instruments	2,370,779	305,553	2,063,495	1,731
Total Investments Measured at Fair Value	3,920,327,831	$ 3,071,609,864	$ 847,910,960	$ 807,007
Investments Measured at the Net Asset Value (NAV):		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Real Estate:				
Core	106,561,469	-	Quarterly	90 days
Non-Core	62,092,085	37,509,668		
Opportunistic Credit	777,575	-		
Private Equity	206,767,403	61,286,069		
Short Term Investments	628,544	-		
Total Investments Measured at NAV	$ 376,827,076	98,795,737		
Total	$ 4,297,154,907			
Securities Lending Collateral	233,576,279			
Total Investments at Fair Value	$ 4,530,731,186			

4. Investments (Continued)

Debt securities and other investments classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities and other investments classified in Level 2 are valued using the following approaches:

- U.S. Treasury Notes and Bonds, U.S. Treasury Strips, Government Agency Securities, Government Agency Strips, and Short Term Investments: quoted prices for identical securities in markets that are not active.
- Corporate Bonds, International Notes and Bonds, Municipal Bonds, and Equity Securities: quoted prices for similar securities in active markets.
- Asset Backed Securities, Bank Loans, and Mortgages: matrix pricing, based on accepted modeling and pricing conventions, of the securities' relationship to benchmark quoted prices.
- Commingled Funds: published fair value per share (unit) for each fund.

Debt securities and other investments, including Asset Backed Securities, Corporate Bonds, International Notes and Bonds, and Mortgages, classified in Level 3, are valued using unobservable inputs, such as reviews, recommendations, and adjustments made by portfolio management, or the use of internal data to develop unobservable inputs if there is no objective information available without incurring undue cost and effort.

Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) have not been categorized in the fair value hierarchy. The fair value amounts at NAV presented in the above table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the consolidated statements of financial position. Investments valued using the net asset value per share are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The Plans value these investments based on the partnerships' audited financial statements. If December 31 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than December 31. If December 31 valuations are not available, the value is progressed from the most recently available valuation, taking into account subsequent calls and distributions. The NAV table also presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the Plans' alternative investments. Investments measured by NAV are either short term in nature or intended to be held to maturity. Therefore, they do not bear a significant risk of being sold at amounts different than the NAV.

Other investments not classified. The $233,576,279 in Securities Lending Short Term Collateral Investment Pool Investments, which are investments loaned to broker-dealers and banks under the securities lending program, were not classified for fair value measurement purposes.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

State and County Employees Retirement Plan Investments at December 31, 2024

	State and County Cash Balance Benefit		State and County Defined Contribution	
	Fair Value	Effective Duration	Fair Value	Effective Duration
Debt Securities				
U.S. Treasury Notes and Bonds	$ 116,010,000	8.38	$ -	
U.S. Treasury Strips	368,016	16.96	-	
Government Agency Securities	1,984,655	9.14	-	
Government Agency Strips	39,105	5.26	-	
Corporate Bonds	282,504,162	4.65	-	
International Government Agency Securities	8,282,669	6.20	-	
International Notes and Bonds	30,347,287	6.97	-	
Asset Backed Securities	31,726,642	1.79	-	
Bank Loans	58,703,657	0.06	-	
Short Term Investments	27,125,463	0.02	-	
Commingled Funds	247,842,390	3.84	121,391,351	3.83
Derivative Instruments	(245,719)	0.00	-	
Mortgages	167,660,543	5.74	-	
Municipal Bonds	2,401,023	7.41	-	
	974,749,893		121,391,351	
Other Investments				
Opportunistic Credit	777,575		-	
Private Equity	206,767,403		-	
Equity Securities	739,656,017		-	
Commingled Funds	1,201,926,113		880,233,678	
Short Term Investments	1,287,495		(658,951)	
Derivative Instruments	2,370,779		-	
Private Real Estate	168,653,554		-	
Total Investments	3,296,188,829		1,000,966,078	
Invested Securities Lending Collateral	233,576,279		-	
Total	$ 3,529,765,108		$ 1,000,966,078	

4. Investments (Continued)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The State has contracts with investment managers that limit the effective duration compared to that of the portfolio's benchmark.

Credit Risk of Debt Securities. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State has contracts with investment managers that set minimum average quality ratings for its core fixed income accounts at an A. The maximum exposure to any single investment grade issuer, excluding the U.S. government, its agencies or instrumentalities, is five percent, and the maximum exposure to a single issuer below investment grade is three percent. The minimum credit rating of a derivatives counterparty is A. NPERS' rated debt investments, as of December 31, 2024, were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented on the following table using the Standard and Poor's rating scale.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. **Investments** (Continued)

NPERS – State and County Employees Retirement Plan Investments at December 31, 2024

		Quality Ratings				
	Fair Value	**AAA**	**AA**	**A**	**BBB**	**BB**
Cash Balance Benefit:						
Asset Backed Securities	$ 31,726,642	$ 17,171,469	$ 401,752	$ 738,691	$ 3,002,664	$ 2,799,754
Bank Loans	58,703,657	-	-	-	465,391	8,646,682
Mortgages	167,660,543	25,652,419	1,563,322	303,634	199,866	257,382
International Government Agency Securities	8,282,669	-	1,406,798	1,070,978	2,098,962	1,287,819
International Notes and Bonds	30,347,287	613,807	2,208,342	1,611,032	6,665,057	8,491,149
Corporate Bonds	282,504,162	876,266	2,290,548	42,665,129	139,027,298	53,900,455
Government Agency Securities	1,984,655	205,298	1,751,590	-	-	-
Government Agency Strips	39,105	-	39,105	-	-	-
Municipal Bonds	2,401,023	558,264	1,206,082	18,927	568,861	48,889
Short Term Investments	27,125,463	-	-	-	-	-
Commingled Funds	247,842,390	-	-	-	-	-
Derivative Instruments	(245,719)	-	-	-	-	-
Defined Contribution:						
Commingled Funds	121,391,351	-	-	-	-	-

		Quality Ratings				
	B	**CCC**	**CC**	**C**	**D**	**Unrated**
Cash Balance Benefit:						
Asset Backed Securities	$ 425,257	$ 118,584	$ 326,409	$ 196,622	$ 857,241	$ 5,688,199
Bank Loans	32,834,782	3,292,199	289,958	-	-	13,174,645
Mortgages	168,890	177,801	273,185	-	259,017	138,805,027
International Government Agency Securities	2,263,298	-	-	-	-	154,814
International Notes and Bonds	4,345,825	3,139,013	37,229	-	-	3,235,833
Corporate Bonds	28,343,907	9,760,602	1,816,213	125,884	-	3,697,860
Government Agency Securities	-	-	-	-	-	27,767
Government Agency Strips	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-
Short Term Investments	-	-	-	-	-	27,125,463
Commingled Funds	-	-	-	-	-	247,842,390
Derivative Instruments	-	-	-	-	-	(245,719)
Defined Contribution:						
Commingled Funds	-	-	-	-	-	121,391,351

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The State has contracts with investment managers that limit the maximum amount for an issuer, excluding U.S. Treasury, U.S. Agency, mortgages, and non-U.S. sovereign issuers, to five percent of the total account.

At December 31, 2024, the State and County Defined Contribution and Cash Balance Benefit Plans had no debt security investments, from a single entity, that comprised more than five percent of total investments.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The State does not have a formal policy to limit foreign currency risk. At December 31, 2024, the State and County Defined Contribution Plans did not have exposure to foreign currency risk. The State and County Cash Balance Benefit Plans' exposure to foreign currency risk is presented on the following table.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

Cash Balance Benefit Plans' Foreign Currency at December 31, 2024

	Australian Dollar	Brazilian Real	British Pound Sterling	Canadian Dollar	Chilean Peso	Chinese Yuan Renminbi	Colombian Peso
Asset Backed Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank Loans	-	-	973,502	-	-	-	-
Corporate Bonds	-	-	3,183,336	-	-	-	-
Derivative Instruments	(506,391)	292,706	(6,017,248)	(1,260,266)	-	-	-
Equity Securities	499,004	4,968,345	34,489,198	12,600,491	57,437	15,559,520	10,079
International Government Agency Securities	-	-	162,751	-	-	-	-
International Notes and Bonds	-	-	1,744,526	613,807	-	-	-
Mortgages	-	-	947,683	-	-	-	-
Municipal Bonds	-	-	-	452,947	-	-	-
Private Equity	-	-	-	-	-	-	-
Short Term Investments	54,587	5,094	310,250	103,957	-	(734)	-
Total	$ 47,200	$ 5,266,145	$ 35,793,998	$ 12,510,936	$ 57,437	$ 15,558,786	$ 10,079

	Czech Koruna	Danish Krone	Euro Currency	Hong Kong Offshore Chinese Yuan Renminbi	Hong Kong Dollar	Hungarian Forint	Indian Rupee
Asset Backed Securities	$ -	$ -	$ 3,483,607	$ -	$ -	$ -	$ -
Bank Loans	-	-	17,496,083	-	-	-	-
Corporate Bonds	-	-	15,431,475	-	-	-	-
Derivative Instruments	(10,516)	(24,135)	(40,825,608)	(1,171,615)	-	-	1,821,566
Equity Securities	-	9,856,109	67,122,403	13,216,299	12,760,248	73,031	-
International Government Agency Securities	-	-	867,266	-	-	-	-
International Notes and Bonds	-	-	3,509,543	-	-	-	-
Mortgages	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-
Private Equity	-	-	14,582,922	-	-	-	-
Short Term Investments	16,239	895,255	1,370,503	536,916	19,779	1,827	-
Total	$ 5,723	$ 10,727,229	$ 83,038,194	$ 12,581,600	$12,780,027	$ 74,858	$1,821,566

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

Cash Balance Benefit Plans' Foreign Currency at December 31, 2024
(Continued)

	Indonesian Rupiah	Japanese Yen	Kuwaiti Dinar	Malaysian Ringgit	Mexican Peso	New Israeli Shekel	New Taiwan Dollar
Asset Backed Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank Loans	-	-	-	-	-		-
Corporate Bonds	-	-	-	-	-		-
Derivative Instruments	811,596	171,769	-	-	(316,713)	(392,705)	(1,500,772)
Equity Securities	126,600	29,452,455	590,268	844,660	235,967	2,085,195	-
International Government Agency Securities	-	-	-	-	80,641		-
International Notes and Bonds	1,005,213	-	-	-	610,820	302,029	-
Mortgages	-	-	-	-	-		-
Municipal Bonds	-	-	-	-	-		-
Private Equity	-	-	-	-	-		-
Short Term Investments	-	18,784	-	-	15,925	15,900	-
Total	$1,943,409	$29,643,008	$ 590,268	$ 844,660	$ 626,640	$ 2,010,419	$ (1,500,772)

	New Zealand Dollar	Norwegian Krone	Peruvian Nuevo Sol	Philippine Peso	Polish Zloty	Singapore Dollar	South African Rand
Asset Backed Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank Loans	-	-	-	-	-	-	-
Corporate Bonds	-	-	-	-	-	-	-
Derivative Instruments	82,933	(41,403)	(532,620)	-	757,393	(77,253)	(129,162)
Equity Securities	-	1,744,949	-	158,975	1,590,029	640,413	921,184
International Government Agency Securities	-	-	-	-	-	-	-
International Notes and Bonds	-	-	282,079	-	-	-	1,816,840
Mortgages	-	-	-	-	-	-	-
Municipal Bonds	-	-	286,324	-	-	-	-
Private Equity	-	-	-	-	-	-	-
Short Term Investments	19	80,481	4,960	-	3,672	76,793	140,123
Total	$ 82,952	$ 1,784,027	$ 40,743	$ 158,975	$2,351,094	$ 639,953	$ 2,748,985

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

Cash Balance Benefit Plans' Foreign Currency at December 31, 2024
(Concluded)

	South Korean Won	Swedish Krona	Swiss Franc	Thailand Baht	Turkish Lira	United Arab Emirates Dirham	Total
Asset Backed Securities	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,483,607
Bank Loans	-	-	-	-	-	-	18,469,585
Corporate Bonds	-	-	-	-	-	-	18,614,811
Derivative Instruments	(1,022,382)	-	(768,582)	-	1,055,882	-	(49,603,526)
Equity Securities	3,884,836	1,524,570	8,293,734	706,734	132,080	2,069,810	226,214,623
International Government Agency Securities	-	-	-	-	-	-	1,110,658
International Notes and Bonds	-	-	-	-	111,150	-	9,996,007
Mortgages	-	-	-	-	-	-	947,683
Municipal Bonds	-	-	-	-	-	-	739,271
Private Equity	-	-	-	-	-	-	14,582,922
Short Term Investments	-	2,812	80,774	1,022	19,453	-	3,774,391
Total	$2,862,454	$ 1,527,382	$ 7,605,926	$ 707,756	$1,318,565	$ 2,069,810	$ 248,330,032

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

Securities Lending Transactions. The State participates in securities lending transactions, where securities are loaned to broker-dealers and banks with a simultaneous agreement to return the collateral for the same securities in the future. The State's securities-lending agent administers the State's securities lending program and receives collateral in the forms of cash, United States government or government agency obligations, sovereign debt rated A or better, or convertible bonds at least equal in value to the market value of the loaned securities. Securities on loan at year-end consisted of United States government obligations, equity securities, corporate bonds, and non-US fixed income. At year-end, the State had no credit risk exposure to borrowers because the amounts the State owes the borrowers exceed the amounts the borrowers owe the State. The collateral securities cannot be pledged or sold by the State unless the borrower defaults. There are no restrictions on the amount of securities that can be loaned, and there were no losses resulting from borrower default during the year.

Either the State or the borrowers can terminate all securities loans on demand. Cash collateral is invested in one of the lending agent's short-term investment pools that had an average duration of nine days as of June 30, 2024. Because loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The custodian indemnifies the State against default by the borrower of securities, but it does not indemnify against the default by an issuer of a security held in the short-term investment funds where cash collateral is invested.

Derivative Instruments. Derivative instruments are financial contracts whose underlying values depend on the values of one or more underlying assets, reference rates, or financial indices. These instruments are used primarily to enhance performance and reduce the volatility of the portfolio, in accordance with the Nebraska Investment Council-approved Derivatives Policy.

The State invests in futures contracts, options, and swaps. Futures represent commitments to purchase or sell securities or money market instruments at a future date and at a specific price. Options represent the right, but not the obligation, to purchase or sell securities at a future date and at a specific price. The State invests in these contracts related to securities of the U.S. government or Government Agency obligations based on reference notes, which are traded on organized exchanges, thereby minimizing the State's credit risk. The net change in the contract value is settled daily in cash with the exchanges. Swaps represent an exchange of streams of payments over time according to specified terms.

At December 31, 2024, the State and County Defined Contribution Plans did not invest in derivative financial instruments. All changes in fair value of derivatives are reflected in Investment Income and the fair value of derivatives at December 31, 2024, is reflected in Investments. The fair value balances and notional amounts of investment derivative instruments for the year then ended for the State and County Cash Balance Benefit Plans are as follows:

4. Investments (Continued)

DERIVATIVE INVESTMENTS AT DECEMBER 31, 2024

Derivative	Change in Fair Value	Fair Value	Notional
Credit Default Swaps	$ 583,064	$ 446,517	$ 14,799,322
Credit Default Swaption	290	-	-
Fixed Income Futures	(1,034,735)	(244,985)	44,828,583
Fixed Income Options	81,426	(1,008)	(114,113)
Foreign Currency Options	4,607	(6,436)	202,049
FX Forwards	3,792,512	510,366	-
Interest Rate Swaps	347,502	1,133,838	2,282,354
Interest Rate Swaption	161,215	(19,059)	1,519,306
Rights	2,994	-	-
Return Swaps	2,555	-	-
Warrants	(16,431)	305,827	-

The change in fair value denotes the net realized and unrealized gains and losses recognized during the period. The fair value of the derivative instruments at December 31, 2024, denotes the market value, with the exception of FX Forwards, which denotes the net realized and unrealized gains and losses recognized during the period. Furthermore, the notional amount for Futures and Options was calculated as contract size times the number of contracts.

The State and County Cash Balance Benefit Plans are exposed to credit risk on derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the Nebraska Investment Council's policy to require counterparty collateral posting provisions in its non-exchange-traded derivative instruments. These terms require full collateralization of the fair value of derivative instruments in asset positions. Collateral posted is to be in the form of U.S. Treasury securities held by a third-party custodian. The Plans have never failed to access collateral when required.

The aggregate fair value of derivative instruments in asset positions at December 31, 2024, was $738,218. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. There is no collateral held or liabilities included in netting arrangements with those counterparties; therefore, the net exposure to credit risk is $738,218.

Although the State and County Cash Balance Benefit Plans execute derivative instruments with various counterparties, approximately 90 percent of the net exposure to credit risk is held with six counterparties. The counterparties are rated A, AA, or unrated.

The State and County Cash Balance Benefit Plans are exposed to interest rate risk on their interest rate swaps. Interest rate swaps are agreements between two counterparties to exchange future cash flows. These are generally fixed versus variable flows and can be either received or paid. These swaps are used to adjust interest rate and yield curve exposure and substitute for physical securities. Long swap positions (receive fixed) increase exposure to long-term interest rates; short positions (pay fixed) decrease exposure. Counterparty risk is limited to monthly exchanged or netted cash flows. All of the State and County Cash Balance Plans' interest rate swaps were fixed with a SOFR (Secured Overnight Financing Rate).

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Concluded)

Foreign currency risk for derivative instruments at December 31, 2024, are as follows:

Derivative Instruments Foreign Currency at December 31, 2024

Currency	Exchange Cleared Swaps	Foreign Exchange Contracts	Interest Rate Contracts	Margined Options	Swaps	Swaption
Australian Dollar	$ 29,393	$ 25,410	$ -	$ -	$ -	$ -
Brazilian Real	-	(20,721)	-	-	-	-
British Pound Sterling	(15,591)	20,861	(20,122)	-	-	(801)
Canadian Dollar	(54,801)	13,430	29,108	-	-	-
Czech Koruna	(3,344)	36	-	-	-	-
Danish Krone	-	422	-	-	-	-
Euro Currency	33,723	342,449	(10,670)	(1,008)	24,381	(7,720)
Indian Rupee	-	(24,615)	-	-	-	-
Indonesian Rupiah	-	(16,192)	-	-	-	-
New Israeli Shekel	-	(6,405)	-	-	-	-
Japanese Yen	180,700	2,626	-	-	-	-
Mexican Peso	-	6,667	-	-	-	-
New Taiwan Dollar	-	38,804	-	-	-	-
New Zealand Dollar	-	(4,221)	-	-	-	-
Norwegian Krone	-	1,039	-	-	-	-
Peruvian Nuevo Sol	-	3,096	-	-	-	-
Polish Zloty	-	(13,579)	-	-	-	-
Singapore Dollar	-	1,071	-	-	-	-
South African Rand	-	10,664	-	-	-	-
South Korean Won	-	53,457	-	-	-	-
Swiss Franc	-	22,063	-	-	-	-
Turkish Lira	-	39,775	-	-	-	-
Hong Kong Offshore Yuan Renminbi	-	14,228	-	-	-	-
Total	$170,080	$ 510,365	$ (1,684)	$ (1,008)	$ 24,381	$ (8,521)

Other Receivables/Other Payables. Other receivables consisted of receivables for investments sold, receivables for foreign exchanges, tax reclaim receivables, unrealized appreciation/depreciation on income receivables, unrealized appreciation/depreciation on investment receivables, unrealized appreciation/depreciation on foreign exchange receivables, and other receivables as recorded by the custodial bank. Other payables consisted of payables for investments purchased, payables for foreign currency purchased, unrealized appreciation/depreciation on investments payable, unrealized appreciation/depreciation on foreign exchange payables, and other payables as recorded by the custodial bank.

Securities are recorded on a trade date basis. On the trade date, the Plans own the asset. However, if the security has not settled, payment has not been received or made. Receivables and payables for investments sold and purchased represent securities in which the asset had been recorded as of December 31, 2024, but the security had not settled.

Money-Weighted Rate of Return. For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.15% for the State and 11.20% for the County Cash Balance Plans. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. Employer Contributions

Historically, employer contributions have been reported net of forfeitures. Forfeitures result when a member terminates prior to vesting in the employer contribution portion of his or her account. In accordance with Neb. Rev. Stat. § 23-2319.01(1) (Reissue 2022) and Neb. Rev. Stat. § 84-1321.01(1) (Reissue 2024) forfeitures are first used to pay administrative expenses of the Board. The balance of the Defined Contribution forfeiture accounts at December 31, 2024, was $0 for the State Plan and $0 for the County Plan. The balance of the Cash Balance Benefit forfeiture accounts was $1,298,675 for the State Plan and $329,485 for the County Plan.

6. Compensated Absences

The liability for the vested portion of compensated absences for each plan at December 31, 2024, was as follows:

	State Cash Balance Benefit Employees	State Defined Contribution Employees	County Cash Balance Benefit Employees	County Defined Contribution Employees
Beginning Balance	$ 65,651	$ 10,908	$ 51,321	$ 7,666
Increases	6,256	-	-	-
Decreases	8,535	2,628	20,833	3,138
Ending Balance	$ 63,372	$ 8,280	$ 30,488	$ 4,528
Amounts Due within One Year	$ 8,872	$ 1,159	$ 4,268	$ 634

7. Contingencies and Commitments

Risk Management. NPERS is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. NPERS, as part of the primary government for the State, participates in the State's risk management program. The Nebraska Department of Administrative Services is responsible for maintaining the insurance and self-insurance programs for the State. The State generally self-insures for general liability, motor vehicle liability and physical damage, employee health care, employee indemnification, and worker's compensation. The State has chosen to purchase insurance for the following:

A. Life insurance for eligible employees.

B. Crime coverage, with a limit of $11,000,000 per occurrence and a deductible of $1,000,000 per occurrence to specific conditions, limits, and exclusions.

C. Real and personal property on a blanket basis for losses up to $200,000,000 with an all other perils deductible of $1,000,000 per loss occurrence. Newly acquired properties are covered up to $10,000,000 for 90 days. If not reported after 90 days, the property is covered for $5,000,000 under the miscellaneous unnamed location coverage. There is a wind and hail limit on the real and personal property of $96,250,000. This coverage does not apply ground up. The perils of flood, earthquake, and acts of terrorism have various coverage, sub-limits, and self-insurance. State agencies have the option to purchase building contents and inland marine coverage.

Details of the various insurance coverages are available from Nebraska Department of Administrative Services – Risk Management Division.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

7. Contingencies and Commitments (Concluded)

In calendar year 2024, one settlement of $7,450,000 exceeded insurance coverage by $2,050,000. No other claims have exceeded coverage in the last three years. Workers' compensation is funded in the Workers' Compensation Internal Service Fund through assessments on each agency based on total agency payroll and past experience. Tort claims, theft of, damage to, or destruction of assets, errors or omissions, and natural disasters would be funded through the State General Fund or by individual agency assessments, as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the Board's financial statements. Health care insurance is funded in the Insurance Trust Funds through a combination of employee and State contributions.

Litigation. The potential amount of liability involved in litigation pending against the Board, if any, could not be determined at this time. However, it is NPERS' opinion that final settlement of those matters should not have an adverse effect on NPERS' ability to administer current programs. Any judgment against NPERS would have to be processed through the State Claims Board and be approved by the Legislature.

8. Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
State Defined Contribution				
Equipment	$ 527,744	$ -	$ -	$ 527,744
Less: Accumulated Depreciation	527,575	42	-	527,617
Capital Assets, Net	$ 169	$ (42)	$ -	$ 127
State Cash Balance Benefit				
Equipment	$ 463,030	$ -	$ -	$ 463,030
Less: Accumulated Depreciation	462,355	163	-	462,518
Capital Assets, Net	$ 675	$ (163)	$ -	$ 512
County Defined Contribution				
Equipment	$ 263,902	$ -	$ -	$ 263,902
Less: Accumulated Depreciation	263,805	24	-	263,829
Capital Assets, Net	$ 97	$ (24)	$ -	$ 73
County Cash Balance Benefit				
Equipment	$ 264,743	$ -	$ -	$ 264,743
Less: Accumulated Depreciation	264,298	108	-	264,406
Capital Assets, Net	$ 445	$ (108)	$ -	$ 337

NOTES TO THE FINANCIAL STATEMENTS
(Concluded)

9. Transfers

Transfer activity for the year ended December 31, 2024, was as follows:

	State Cash Balance Benefit	State Defined Contribution
Annuity Balances from Defined Contribution to Cash Balance Benefit	$ 5,380,786	$ (5,380,786)
Miscellaneous Transfers	343,393	(343,393)
Total Transfers	$ 5,724,179	$ (5,724,179)

	County Cash Balance Benefit	County Defined Contribution
Annuity Balances from Defined Contribution to Cash Balance Benefit	$ 2,174,870	$ (2,174,870)
Miscellaneous Transfers	523,050	(523,050)
Total Transfers	$ 2,697,920	$ (2,697,920)

The annuity balances represent the transfer of balances of members who elected an annuity in the defined contribution option. Since NPERS pays the annuities, the balances are transferred to the cash balance benefit in order for the annuity to be processed. Miscellaneous transfers consist of members who had previous balances in the defined contribution option but were rehired after January 1, 2003. They are required to be in the cash balance benefit; therefore, their defined contribution balance was transferred to the cash balance benefit.

10. Equal Retirement Benefit Fund

On January 1, 1984, the Equal Retirement Benefit Fund (ERBF) was created for the State and County Retirement Plans. Each State agency and county participating in the retirement system makes contributions to the fund at least annually, in addition to regular retirement contributions.

Upon retirement, members with an accumulated account balance based on contributions made prior to January 1, 1984, have the option to convert to an annuity, at which time they are eligible to receive a benefit from the fund. The ERBF benefit is included in the member’s regular retirement annuity and is included in the benefit payments reported in the financial statements. The balances of the funds are not included in the financial statements. As of December 31, 2024, there was $439,345 in the State ERBF and a balance of $528,190 in the County ERBF.

11. Subsequent Events

The Board granted a 0.84% dividend for the State Cash Balance Benefit Plan and a 0.95% dividend for the County Cash Balance Benefit Plan for calendar year 2024 on May 19, 2025. All eligible State and County Cash Balance Benefit Plan members will receive the dividend on August 1, 2025. The dividend for the State Cash Balance Benefit Plan totaled $16,559,444 plus interest up to the date it was paid. The dividend for the County Cash Balance Benefit Plan totaled $5,545,517 plus interest up to the date it was paid.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

SCHEDULE OF CHANGES IN THE STATE EMPLOYER NET PENSION LIABILITY/(ASSET)

STATE EMPLOYEES CASH BALANCE RETIREMENT PLAN
AS OF DECEMBER 31, 2024
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 104,323,619	$ 97,639,148	$ 84,172,378	$ 77,800,741	$ 66,765,739	$ 61,853,977	$ 61,061,110	$ 64,050,683	$ 61,768,235	$ 57,304,924
Interest	149,104,230	145,257,062	134,353,270	126,535,395	121,384,492	116,719,477	108,435,469	102,758,618	98,053,908	89,967,248
Benefit term changes	39,035,162	-	107,253,060	68,135,274	33,745,768	-	56,311,516	31,484,516	-	35,892,320
Differences between expected and actual experience	(1,352,088)	(11,189,943)	(10,313,532)	(15,112,129)	(14,022,451)	(10,589,929)	(3,987,151)	(18,938,806)	(14,007,040)	720,728
Assumption changes	20,733,231	13,568,175	12,811,624	11,780,941	21,516,477	-	-	42,820,238	-	-
Transfers	5,724,179	8,387,489	5,848,530	6,512,820	9,317,802	5,371,677	7,735,118	3,591,366	5,115,400	5,849,328
Benefit payments, including member refunds	(178,365,104)	(158,272,678)	(152,819,703)	(132,839,323)	(112,330,647)	(113,827,088)	(121,911,299)	(94,358,979)	(84,773,402)	(85,278,057)
Net change in Total Pension Liability	139,203,229	95,389,253	181,305,627	142,813,719	126,377,180	59,528,114	107,644,763	131,407,636	66,157,101	104,456,491
Total Pension Liability - beginning	2,214,920,950	2,119,531,697	1,938,226,070	1,795,412,351	1,669,035,171	1,609,507,057	1,501,862,294	1,370,454,658	1,304,297,557	1,199,841,066
Total Pension Liability - ending (a)	$ 2,354,124,179	$ 2,214,920,950	$ 2,119,531,697	$ 1,938,226,070	$ 1,795,412,351	$ 1,669,035,171	$ 1,609,507,057	$ 1,501,862,294	$ 1,370,454,658	$ 1,304,297,557
Plan Fiduciary Net Position										
Employer contributions	$ 72,580,197	$ 66,349,931	$ 61,842,606	$ 52,713,963	$ 51,505,962	$ 48,889,798	$ 46,580,471	$ 45,437,713	$ 44,894,300	$ 43,339,706
Employee contributions	46,506,322	42,517,486	39,603,801	33,833,051	33,007,021	31,334,445	29,854,372	29,127,571	28,775,358	27,798,721
Net investment income	243,928,528	286,699,139	(262,554,721)	328,390,307	221,996,967	286,205,172	(63,590,687)	237,283,016	112,758,193	14,784,129
Benefit payments, including member refunds	(178,365,104)	(158,272,678)	(152,819,703)	(132,839,323)	(112,330,647)	(113,827,088)	(121,911,299)	(94,358,979)	(84,773,402)	(85,278,057)
Administrative expenses	(1,994,344)	(1,749,273)	(1,635,685)	(1,496,593)	(1,519,944)	(1,373,893)	(1,398,690)	(1,293,454)	(1,134,239)	(1,079,197)
Transfers	5,724,179	8,387,489	5,848,530	6,512,820	9,317,802	5,371,677	7,735,118	3,591,366	5,115,400	5,849,328
Net change in Plan Fiduciary Net Position	188,379,778	243,932,094	(309,715,172)	287,114,225	201,977,161	256,600,111	(102,730,715)	219,787,233	105,635,610	5,414,630
Plan Fiduciary Net Position - beginning	2,213,051,585	1,969,119,491	2,278,834,663	1,991,720,438	1,789,743,277	1,533,143,166	1,635,873,881	1,416,086,648	1,310,451,038	1,305,036,408
Plan Fiduciary Net Position - ending (b)	$ 2,401,431,363	$ 2,213,051,585	$ 1,969,119,491	$ 2,278,834,663	$ 1,991,720,438	$ 1,789,743,277	$ 1,533,143,166	$ 1,635,873,881	$ 1,416,086,648	$ 1,310,451,038
Net Pension Liability/(Asset) - ending (a) - (b)	$ (47,307,184)	$ 1,869,365	$ 150,412,206	$ (340,608,593)	$ (196,308,087)	$ (120,708,106)	$ 76,363,891	$ (134,011,587)	$ (45,631,990)	$ (6,153,481)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	102.01%	99.92%	92.90%	117.57%	110.93%	107.23%	95.26%	108.92%	103.33%	100.47%
Covered payroll	$ 969,286,819	$ 886,083,480	$ 825,889,503	$ 703,979,207	$ 687,846,715	$ 652,908,627	$ 622,068,256	$ 606,807,065	$ 599,549,947	$ 578,788,809
Employers' Net Pension Liability/(Asset) as a percentage of covered payroll	-4.88%	0.21%	18.21%	-48.38%	-28.54%	-18.49%	12.28%	-22.08%	-7.61%	-1.06%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

SCHEDULE OF CHANGES IN THE COUNTY EMPLOYERS' NET PENSION LIABILITY/(ASSET)

COUNTY EMPLOYEES CASH BALANCE RETIREMENT PLAN

AS OF DECEMBER 31, 2024

(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 40,805,082	$ 36,861,874	$ 34,513,169	$ 33,851,595	$ 27,295,084	$ 26,124,594	$ 25,625,451	$ 25,927,269	$ 24,325,759	$ 21,667,314
Interest	50,726,687	48,876,554	45,065,873	42,509,928	39,247,354	37,261,345	33,168,144	31,644,765	29,509,568	26,074,912
Benefit term changes	6,880,949	695,086	34,882,396	13,076,477	14,555,363	-	32,324,341	1,838,521	-	17,061,497
Differences between expected and actual experience	(891,590)	(2,939,837)	(7,950,766)	(9,140,951)	(4,950,342)	(4,751,826)	(2,191,990)	(7,230,377)	(5,428,286)	865,544
Assumption changes	5,333,624	4,511,819	4,290,014	4,002,909	13,301,086	-	-	7,781,664	-	-
Transfers	2,697,920	2,592,697	2,400,327	4,302,374	3,453,930	1,618,132	1,885,618	619,284	1,678,510	826,843
Benefit payments, including member refunds	(56,412,744)	(52,413,533)	(49,246,394)	(39,083,554)	(29,649,425)	(39,518,999)	(32,810,743)	(21,934,437)	(22,092,412)	(23,080,849)
Net change in Total Pension Liability	49,139,928	38,184,660	63,954,619	49,518,778	63,253,050	20,733,246	58,000,821	38,646,689	27,993,139	43,415,261
Total Pension Liability - beginning	751,070,125	712,885,465	648,930,846	599,412,068	536,159,018	515,425,772	457,424,951	418,778,262	390,785,123	347,369,862
Total Pension Liability - ending (a)	$ 800,210,053	$ 751,070,125	$ 712,885,465	$ 648,930,846	$ 599,412,068	$ 536,159,018	$ 515,425,772	$ 457,424,951	$ 418,778,262	$ 390,785,123
Plan Fiduciary Net Position										
Employer contributions	$ 27,308,848	$ 24,306,422	$ 22,583,699	$ 21,051,278	$ 20,161,779	$ 19,124,880	$ 18,289,442	$ 17,752,388	$ 16,935,811	$ 16,068,670
Employee contributions	18,635,212	16,432,364	15,238,007	14,234,691	13,625,158	12,923,475	12,368,734	12,000,061	11,352,667	10,966,403
Net investment income	83,546,515	94,917,879	(87,685,972)	107,453,528	73,218,241	91,644,439	(20,161,536)	72,075,672	33,115,136	4,846,001
Benefit payments, including member refunds	(56,412,744)	(52,413,533)	(49,246,394)	(39,083,554)	(29,649,425)	(39,518,999)	(32,810,743)	(21,934,437)	(22,092,412)	(23,080,849)
Administrative expenses	(932,269)	(1,106,922)	(875,824)	(889,862)	(811,821)	(755,388)	(728,112)	(750,056)	(649,709)	(545,137)
Transfers	2,697,920	2,592,697	2,400,327	4,302,374	3,453,930	1,618,132	1,885,618	619,284	1,678,510	826,843
Net change in Plan Fiduciary Net Position	74,843,482	84,728,907	(97,586,157)	107,068,455	79,997,862	85,036,539	(21,156,597)	79,762,912	40,340,003	9,081,931
Plan Fiduciary Net Position - beginning	749,619,933	664,891,026	762,477,183	655,408,728	575,410,866	490,374,327	511,530,924	431,768,012	391,428,009	382,346,078
Plan Fiduciary Net Position - ending (b)	$ 824,463,415	$ 749,619,933	$ 664,891,026	$ 762,477,183	$ 655,408,728	$ 575,410,866	$ 490,374,327	$ 511,530,924	$ 431,768,012	$ 391,428,009
Net Pension Liability/(Asset) - ending (a) - (b)	$ (24,253,362)	$ 1,450,192	$ 47,994,439	$ (113,546,337)	$ (55,996,660)	$ (39,251,848)	$ 25,051,445	$ (54,105,973)	$ (12,989,750)	$ (642,886)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	103.03%	99.81%	93.27%	117.50%	109.34%	107.32%	95.14%	111.83%	103.10%	100.16%
Covered payroll	$ 384,090,689	$ 350,236,628	$ 325,413,530	$ 303,332,536	$ 290,515,548	$ 275,574,640	$ 263,536,628	$ 255,798,098	$ 244,031,859	$ 231,537,032
Employers' Net Pension Liability/(Asset) as a percentage of covered payroll	-6.31%	0.41%	14.75%	-37.43%	-19.27%	-14.24%	9.51%	-21.15%	-5.32%	-0.28%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF STATE EMPLOYER CONTRIBUTIONS
STATE EMPLOYEES CASH BALANCE RETIREMENT PLAN
AS OF DECEMBER 31, 2024
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	$ 56,509,422	$ 53,962,484	$ 39,642,696	$ 36,466,123	$ 34,942,613	$ 36,171,138	$ 29,859,276	$ 29,915,588	$ 32,975,247	$ 28,476,409
Actual employer contributions	72,580,197	66,349,931	61,842,606	52,713,963	51,505,962	48,889,798	46,580,471	45,437,713	44,894,300	43,339,706
Annual contribution deficiency (excess)	$ (16,070,775)	$ (12,387,447)	$ (22,199,910)	$ (16,247,840)	$ (16,563,349)	$ (12,718,660)	$ (16,721,195)	$ (15,522,125)	$ (11,919,053)	$ (14,863,297)
Covered payroll	$ 969,286,819	$ 886,083,480	$ 825,889,503	$ 703,979,207	$ 687,846,715	$ 652,908,627	$ 622,068,256	$ 606,807,065	$ 599,549,947	$ 578,788,809
Actual contributions as a percentage of covered payroll	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

SCHEDULE OF COUNTY EMPLOYER CONTRIBUTIONS

COUNTY EMPLOYEES CASH BALANCE RETIREMENT PLAN
AS OF DECEMBER 31, 2024
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	$ 22,046,806	$ 20,103,582	$ 15,619,849	$ 16,258,624	$ 14,060,953	$ 14,384,996	$ 11,279,368	$ 12,303,889	$ 12,836,076	$ 10,419,166
Actual employer contributions	27,308,848	24,306,422	22,583,699	21,051,278	20,161,779	19,124,880	18,289,442	17,752,388	16,935,811	16,068,670
Annual contribution deficiency (excess)	$ (5,262,042)	$ (4,202,840)	$ (6,963,850)	$ (4,792,654)	$ (6,100,826)	$ (4,739,884)	$ (7,010,074)	$ (5,448,499)	$ (4,099,735)	$ (5,649,504)
Covered payroll	$ 384,090,689	$ 350,236,628	$ 325,413,530	$ 303,332,536	$ 290,515,548	$ 275,574,640	$ 263,536,628	$ 255,798,098	$ 244,031,859	$ 231,537,032
Actual contributions as a percentage of covered payroll	7.11%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF INVESTMENT RETURNS
AS OF DECEMBER 31, 2024
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense:										
State Employee Retirement Plan	11.15%	14.70%	-11.61%	16.61%	12.49%	18.87%	-3.93%	16.85%	8.61%	1.14%
County Employee Retirement Plan	11.20%	14.36%	-11.57%	16.40%	12.70%	18.89%	-3.96%	16.60%	8.40%	1.27%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

For the Last 10 Years

State Cash Balance Benefit Retirement Plan

The following changes were made by the Nebraska Legislature and reflected in the valuation performed as of January 1:

2025: The Board granted a dividend of 2.48% in 2024, which was first reflected in the January 1, 2025, valuation.

2023: The Board granted a dividend of 7.50% in 2022, which was first reflected in the January 1, 2023, valuation.

2022: The Board granted a dividend of 5.25% in 2021, which was first reflected in the January 1, 2022, valuation.

2021: The Board granted a dividend of 3.00% in 2020, which was first reflected in the January 1, 2021, valuation.

2019: The Board granted a dividend of 5.46% in 2018, which was first reflected in the January 1, 2019, valuation.

2018: The Board granted a dividend of 3.07% in 2017, which was first reflected in the January 1, 2018, valuation.

2016: The Board granted a dividend of 4.53% in 2015, which was first reflected in the January 1, 2016, valuation.

The following changes were made in the actuarial assumptions:

January 1, 2025, valuation:

- Investment return assumption was lowered from 7.00% to 6.95%.
- General wage inflation was increased from 2.85% to 2.95%.
- Retirement rates were adjusted to better reflect observed experience.
- The proportion of retirement benefits assumed to be paid out as a lump sum was lowered from 50.00% to 45.00%.

January 1, 2024, valuation:

- Price inflation assumption was lowered from 2.45% to 2.35%.
- Investment return assumption was lowered from 7.10% to 7.00%.
- Interest crediting rate on Cash Balance accounts decreased from 6.05% to 6.00%.
- General wage inflation was lowered from 2.95% to 2.85%.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

State Cash Balance Benefit Retirement Plan (Continued)

January 1, 2023, valuation:

- Price inflation assumption was lowered from 2.55% to 2.45%.
- Investment return assumption was lowered from 7.20% to 7.10%.
- Interest crediting rate on Cash Balance accounts decreased from 6.10% to 6.05%.
- General wage inflation was lowered from 3.05% to 2.95%.

January 1, 2022, valuation:

- Price inflation assumption was lowered from 2.65% to 2.55%
- Investment return assumption was lowered from 7.30% to 7.20%.
- Interest crediting rate on Cash Balance accounts decreased from 6.15% to 6.10%.
- General wage inflation was lowered from 3.15% to 3.05%.

January 1, 2021, valuation:

- Price inflation assumption was lowered from 2.75% to 2.65%.
- Investment return assumption was lowered from 7.50% to 7.30%.
- Interest crediting rate on Cash Balance accounts decreased from 6.25% to 6.15%.
- General wage inflation was lowered from 3.50% to 3.15%.
- Salary merit increases were adjusted to better reflect observed experience.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.21% of pay.
- Retirement and termination rates were adjusted to better reflect observed experience.
- Mortality assumptions were changed for active members to the Pub-2010 General Members (Above Median) Mortality Table (100% of male, 95% of female rates), set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- Mortality assumptions were changed for beneficiaries to the Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- Mortality assumptions were changed for retired members to the Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

State Cash Balance Benefit Retirement Plan (Concluded)

January 1, 2018, valuation:

- Investment return assumption was lowered from 7.75% to 7.50%.
- Price inflation assumption was lowered from 3.25% to 2.75%.
- General wage growth was lowered from 4.00% to 3.50%.
- Covered payroll growth assumption decreased from 4.00% to 3.50%.
- Individual salary increase assumption was lowered by 0.50% in order to remain consistent with the general wage growth assumption.
- Assumed cash balance interest crediting rate was lowered from 6.75% to 6.25%.
- Mortality assumption was changed to the RP-2014 White Collar Mortality Table, with adjustments made to better reflect observed experience. Generational mortality improvements are modeled using a System-specific projection scale.
- Retirement rates were adjusted to better reflect observed experience.
- Termination rates were changed to a service-based assumption.

County Cash Balance Benefit Retirement Plan

The following changes were made by the Nebraska Legislature and reflected in the valuation performed as of January 1:

2025: The Board granted a dividend of 1.20% in 2024, which was first reflected in the January 1, 2025, valuation.

2024: Legislative Bill 103 increased the additional contribution rates for commissioned law enforcement officers by 1%.

2023: The Board granted a dividend of 6.50% in 2022, which was first reflected in the January 1, 2023, valuation.

2022: The Board granted a dividend of 2.50% in 2021, which was first reflected in the January 1, 2022, valuation.

2021: The Board granted a dividend of 3.00% in 2020, which was first reflected in the January 1, 2021, valuation.

2019: The Board granted a dividend of 8.42% in 2018, which was first reflected in the January 1, 2019, valuation.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

County Cash Balance Benefit Retirement Plan (Continued)

2018: The Board granted a dividend of 0.51% in 2017, which was first reflected in the January 1, 2018, valuation.

2016: The Board granted a dividend of 5.81% in 2015, which was first reflected in the January 1, 2016, valuation.

2015: The Board granted a dividend of 0.29% in 2014, which was first reflected in the January 1, 2015, valuation.

The following changes were made in the actuarial assumptions:

January 1, 2025, valuation:

- Investment return assumption was lowered from 7.00% to 6.95%.
- General wage inflation was increased from 2.85% to 2.95%.
- Administrative expense assumption was increased from 0.27% to 0.29% of pay.
- Retirement rates were adjusted to better reflect observed experience.
- Termination rates were adjusted to better reflect observed experience.

January 1, 2024, valuation:

- Price inflation assumption was lowered from 2.45% to 2.35%.
- Investment return assumption was lowered from 7.10% to 7.00%.
- Interest crediting rate on Cash Balance accounts decreased from 6.05% to 6.00%.
- General wage inflation was lowered from 2.95% to 2.85%.

January 1, 2023, valuation:

- Price inflation assumption was lowered from 2.55% to 2.45%.
- Investment return assumption was lowered from 7.20% to 7.10%.
- Interest crediting rate on Cash Balance accounts decreased from 6.10% to 6.05%.
- General wage inflation was lowered from 3.05% to 2.95%.

January 1, 2022, valuation:

- Price inflation assumption was lowered from 2.65% to 2.55%.

County Cash Balance Benefit Retirement Plan (Continued)

- Investment return assumption was lowered from 7.30% to 7.20%.
- Interest crediting rate on Cash Balance accounts decreased from 6.15% to 6.10%.
- General wage inflation was lowered from 3.15% to 3.05%.

January 1, 2021, valuation:

- Price inflation assumption was lowered from 2.75% to 2.65%.
- Investment return assumption was lowered from 7.50% to 7.30%.
- Interest crediting rate on Cash Balance accounts decreased from 6.25% to 6.15%.
- General wage inflation was lowered from 3.50% to 3.15%.
- Salary merit increases were adjusted to better reflect observed experience.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.27% of pay.
- Retirement and termination rates were adjusted to better reflect observed experience.
- The lump sum election rate for retirees was decreased from 60% to 50%.
- Mortality assumptions were changed for active members to the Pub-2010 General Members (Above Median) Mortality Tables (100% of male rates, 95% of female rates), set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- Mortality assumptions were changed for beneficiaries to the Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- Mortality assumptions were changed for retired members to the Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

January 1, 2018, valuation:

- Investment return assumption was lowered from 7.75% to 7.50%.
- Price inflation assumption was lowered from 3.25% to 2.75%.
- General wage growth was lowered from 4.00% to 3.50%.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Concluded)

County Cash Balance Benefit Retirement Plan (Concluded)

- Covered payroll growth assumption decreased from 4.00% to 3.50%.
- Individual salary increase assumption was lowered by 0.50% in order to remain consistent with the general wage growth assumption.
- Assumed cash balance interest crediting rate was lowered from 6.75% to 6.25%.
- Mortality assumption was changed to the RP-2014 White Collar Mortality Table, with adjustments made to better reflect observed experience. Generational mortality improvements are modeled using a System-specific projection scale.
- Termination rates were changed to a service-based assumption.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION	TOTAL
Personnel					
Personal Services	$ 669,811	$ 85,275	$ 317,061	$ 47,012	$ 1,119,159
Travel	5,359	647	3,149	350	9,505
Professional and Technical Services					
Professional	5,476	665	2,138	319	8,598
Actuary	37,600	-	42,602	-	80,202
Computer Support Services	191,993	25,242	92,612	14,111	323,958
Accounting and Auditing	37,687	5,515	20,222	3,677	67,101
Communications					
Printing	26,948	3,175	11,698	1,560	43,381
Other Expenses					
Postage	17,315	2,381	9,029	1,372	30,097
Supplies	5,168	685	2,439	387	8,679
Hardware and Software	18,333	2,164	8,219	1,174	29,890
Rent	32,798	4,254	15,304	2,327	54,683
Record Keeping Fees	706,452	71,093	317,831	29,911	1,125,287
Check Charge and Distribution Fees	144,780	19,515	64,747	8,804	237,846
Statement Fees	50,137	4,107	23,230	1,855	79,329
Miscellaneous	44,487	3,432	1,988	1,249	51,156
Total Administrative Expenses	$ 1,994,344	$ 228,150	$ 932,269	$ 114,108	$ 3,268,871

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF INVESTMENT-RELATED EXPENSES
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION	TOTAL
BlackRock Financial Management, Inc.	$ 25,061	$ 36,935	$ 8,530	$ 10,862	$ 81,388
The Northern Trust Company	46,427	-	15,809	-	62,236
Total Domestic Equity	**71,488**	**36,935**	**24,339**	**10,862**	**143,624**
BlackRock Financial Management, Inc.	164,920	5,003	56,133	1,128	227,184
Robert W. Baird & Co. Incorporated	176,853	-	60,194	-	237,047
Barings LLC	291,773	-	99,311	-	391,084
Loomis, Sayles & Company, L.P.	201,352	-	68,533	-	269,885
Pacific Investment Management Company, LLC	454,432	34,019	154,670	8,140	651,261
T. Rowe Price Associates, Inc. (Stable)	-	142,039	-	42,619	184,658
Total Fixed Income	**1,289,330**	**181,061**	**438,841**	**51,887**	**1,961,119**
Arrowstreet Capital LP	869,902	-	296,101	-	1,166,003
Dodge & Cox	722,823	-	246,031	-	968,854
GQG Partners	557,059	-	189,609	-	746,668
T. Rowe Price Associates, Inc. (Global)	-	66,173	-	11,321	77,494
Wellington Management Company, LLP	355,760	-	121,087	-	476,847
Total Global Equity	**2,505,544**	**66,173**	**852,828**	**11,321**	**3,435,866**
BlackRock Financial Management, Inc.	101,258	8,410	34,466	1,843	145,977
Total International Equity	**101,258**	**8,410**	**34,466**	**1,843**	**145,977**
Almanac Realty Investors, LLC	150,196	-	51,142	-	201,338
Clarion Partners LLC	196,649	-	66,926	-	263,575
Goldman Sachs Asset Management, L.P.	-	7,656	-	1,475	9,131
Kayne Anderson Capital Advisors, L.P.	79,519	-	27,076	-	106,595
Ares Management, LLC (Formerly Known as Landmark Partners)	248,302	-	84,561	-	332,863
Morgan Stanley	57,025	-	19,407	-	76,432
Oaktree Capital Management, L.P.	119,738	-	40,762	-	160,500
PGIM, Inc.	298,794	-	101,709	-	400,503
Rockpoint Group, L.L.C.	379	-	129	-	508
Rockwood Capital Partners, LLC	113,645	-	38,698	-	152,343
Torchlight Investors, LLC	139,105	-	47,363	-	186,468
UBS Realty Investors, LLC	213,751	-	72,755	-	286,506
Total Real Estate	**1,617,103**	**7,656**	**550,528**	**1,475**	**2,176,762**
Ares Management, LLC	49,034	-	16,648	-	65,682
Beecken Petty O'Keefe & Company	740	-	252	-	992
Bridgepoint Advisers Limited	279,185	-	94,831	-	374,016
CVC Capital Partners	11,054	-	3,753	-	14,807
(The) Energy & Minerals Group	26,549	-	9,014	-	35,563
Francisco Partners	362,267	-	122,985	-	485,252
Genstar Capital Partners LLC	210,853	-	71,582	-	282,435
Leonard Green & Partners, L.P.	8,982	-	3,063	-	12,045
HarbourVest Partners, LLC	328,489	-	111,797	-	440,286
Lightyear Capital LLC	1,233	-	419	-	1,652
Lincolnshire Management, Inc.	197	-	67	-	264
McCarthy Capital Corporation	370,710	-	125,785	-	496,495
Merit Capital Partners	384	-	131	-	515
New Enterprise Associates	136,545	-	46,350	-	182,895
New Mountain Capital, LLC	222,133	-	75,394	-	297,527
Pathway Capital Management	19,978	-	6,799	-	26,777
Pine Brook Partners	22,910	-	7,776	-	30,686
Presidio Partners (formerly CMEA Capital)	7,816	-	2,654	-	10,470
Quantum Energy Partners	72,396	-	24,584	-	96,980
Sun Capital Partners, Inc.	417	-	142	-	559
(The) Jordan Company	252,541	-	85,749	-	338,290
The Rohatyn Group Management, L.P.	5,142	-	1,765	-	6,907
Wayzata Investment Partners, LLC	1,570	-	533	-	2,103
Wynnchurch Capital	139,389	-	47,336	-	186,725
Total Private Equity	**2,530,514**	**-**	**859,409**	**-**	**3,389,923**
BlackRock Financial Management, Inc.	-	265,296	-	91,026	356,322
Total Target Date Funds	**-**	**265,296**	**-**	**91,026**	**356,322**
Other Investment Expenses	1,209,050	50,313	413,468	15,582	1,688,413
Total Other Investment Expenses	**1,209,050**	**50,313**	**413,468**	**15,582**	**1,688,413**
Total Investment-Related Expenses	**$ 9,324,287**	**$ 615,844**	**$ 3,173,879**	**$ 183,996**	**$ 13,298,006**

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Nebraska Public Employees Retirement Board
Lincoln, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Nebraska Public Employees Retirement Systems (NPERS) – State and County Employees Retirement Plans, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the NPERS – State and County Employees Retirement Plans' basic financial statements, and have issued our report thereon dated September 22, 2025. The report was modified to emphasize that the financial statements present only the funds of the NPERS – State and County Employees Retirement Plans.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the NPERS – State and County Employees Retirement Plans' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NPERS – State and County Employees Retirement Plans' internal control. Accordingly, we do not express an opinion on the effectiveness of the NPERS – State and County Employees Retirement Plans' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the NPERS – State and County Employees Retirement Plans' financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the NPERS – State and County Employees Retirement Plans' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Additional items
We noted a certain additional item that we reported to management of the NPERS – State and County Employees Retirement Plans in the Comment Section of this report.

NPERS' Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on NPERS' response to the finding identified in our audit and described in the Comment Section of the report. NPERS' response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, not to provide an opinion on the effectiveness of the NPERS – State and County Employees Retirement Plans' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NPERS – State and County Employees Retirement Plans' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zachary Wells

September 22, 2025

Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska