

# OPS retirees say Nebraska abruptly changed how adjustments to pension plan are made

- Luna Stephens      Omaha *World-Herald*, Jul 27, 2025

Retirees from the Omaha Public Schools say they will receive less in pension payments than expected this year due to abrupt changes after the state took over management of the district's retirement system last fall.

Roger Rea, who was an OPS teacher for 34 years, said he's received a cost-of-living adjustment payment on his January pension check for the past 25 years. Rea and other retirees say that adjustment didn't show up on their January check this year, and most weren't notified of the change ahead of time.

The Omaha School Employees' Retirement System was previously managed by the district. In September 2024, management of the system was transferred to the Nebraska Public Employees Retirement Systems, though the OPS plan remains separate from the plan for other teachers in the state.

A law passed in 1998 established automatic cost-of-living adjustments beginning in 2000 for OPS retirees as a way to address the affects of inflation on retirees' spending power.

The cost-of-living adjustment is based on the rate of inflation and is capped at 1.5% for those who retired before July 2013 and 1% for those who retired after.

Under the law, the "adjustment date" is Jan. 1, and the increase is based on the consumer price index on Aug. 31 of the previous year.

Rea, who served as a trustee for seven years while still teaching and then as a retired member on the trustees' board, said the intent of the law was to add the cost-of-living adjustment to each monthly check, beginning with January.

“That’s the way the law was implemented by OPS,” Rea said. “That’s the way the law was written, and that’s the way it happened for 25 years.”

This year, Rea and other retirees said they didn’t see the cost-of-living adjustment until their February check.

Tyler Cummings, the interim director of the state retirement system, said the agency interprets the law to mean the annual cost-of-living adjustment begins accruing Jan. 1, but is first paid in February.

“The February payment is made up of the amounts accrued for the month of January,” he said. “The COLA now reflects the proper intent and instructions of the legislative statutes, and this updated approach ensures compliance moving forward.”

Rea, who manages the newsletter for the district’s retirees, said he got many phone calls after retirees didn’t see the cost of living adjustment payment on their check on Jan. 3.

Rea said he received an email from the state a few days prior to Jan. 3 stating the cost of living adjustment would not be applied in January, but others said they weren’t notified at all. Some members received a letter three weeks after the fact.

Rea said he estimates about \$250,000 in cost-of-living adjustment payments were not given to the system’s approximately 5,000 retirees, or about \$50 per person. The payment is based on the teacher’s salary, so for some, the missed payment could have been more than \$100, he said.

“1.5% is not a lot, but 1.5% that you’re not getting is a lot, and that’s what they’re upset about,” he said. “I don’t blame them. I was upset too.”

Rea said he is now in conversations about the possibility of introducing a bill in the Legislature to amend the law to more clearly reflect when the cost-of-living payments should be issued.

Retirees who spoke at the OPS board meeting noted they were assured there would be no changes to their benefits after their retirement plan was transferred to the state.

Gwen Foxall, a retired OPS principal, urged the OPS board to demand that the state restore the previous system of issuing the cost-of-living adjustment.

“Living expenses are ongoing and increasing, and there was no forewarning,” she said. “There are increases in food, energy, housing, health care, taxes and retirees are not only dependent on COLA to maintain current standards of living, but also to budget for these rising costs.”

Faith Johnson, vice president of member benefits for the Omaha Education Association, told the board she worries issues with the retirement system could affect the district’s recruitment efforts.

“This matters because retirement is one of the top reasons educators choose to work in OPS,” she said. “It’s not just a financial issue, it’s a recruitment and retention issue.”