



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
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State Treasurer

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Director

February 24, 2009

TO: Certifying Officers – Teachers’ Pension and Annuity Fund,
Public Employees’ Retirement System &
Police and Firemen’s Retirement System

FROM: John D. Megariotis 
Deputy Director, Finance

SUBJECT: Future Reporting of Retroactive Salary Increases

As a result of the implementation of Chapter 103, PL 2007, and the establishment of maximum compensation limits for certain members of the Public Employees’ Retirement System (PERS) and the Teachers’ Pension and Annuity Fund (TPAF), the Division of Pension and Benefits has determined that retroactive salary increases can no longer be reported through the *Internet-based Report of Contributions* (IROC) if they affect reporting periods prior to the current reporting quarter. This reporting change will be effective with the first calendar quarter report for the period covering January 1, through March 31, 2009.

Although only the PERS and TPAF were affected by Chapter 103, PL 2007, the reports for the Police and Firemen’s Retirement System (PFRS) through the IROC may not include retroactive salary increases. The Division believes that the benefits provided as a result of segregating the reporting of retroactive salary payment data from normal, quarterly salary data will benefit all retirement programs.

At the current time the Division is developing a new mechanism for the future reporting of retroactive salary increases. For employers who are affected by this reporting change and are making retroactive salary payments to their employees in the 1st quarter of 2009 for periods prior to January 1, 2009, **please do not submit these pension and contributory insurance deductions through TEPS or attempt to report this data on the IROC.** This includes employers utilizing the *Report of Salary Change*.

Also, the Division is requesting, that upon the ratification of a new salary agreement, a copy of that agreement be forwarded to the Division prior to submission of any retroactive salary data or related contributions. Upon review of the new agreement, you will be contacted regarding when and how to submit your retroactive salary data.

If you have any questions concerning this matter, please contact the Division at (609) 777-2115. If you are forwarding a new salary agreement to the Division, please address it to:

NJ Division of Pensions and Benefits
Attn: Audit Section – Retro Salary Reporting
PO Box 295
Trenton NJ 08625-0295

Alternatively, questions or digital renderings (PDF file format preferred) of salary agreements may be directed to the Division at pensions.nj@treas.state.nj.us with “Retro Salary” in the subject line.