



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
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June 2008

TO: Certifying Officer
Autonomous State College/University/State Employers

FROM: John D. Megariotis
Deputy Director, Finance

SUBJECT: Report of Contributions, 2nd Quarter 2008 (April 1st to June 30th)

NEW LEGISLATION ALERT - PERS and TPAF Maximum Compensation

Chapter 103, PL of 2007, provides that new members of PERS and TPAF are subject to a maximum compensation limit for PERS or TPAF pension contributions and benefits. The maximum compensation is based on the annual maximum wage for Social Security.

Note: The PERS and TPAF maximum compensation limit does not apply to employees who were already members of the PERS or TPAF prior to July 1, 2007.

For calendar year 2008, the annual maximum wage for Social Security is \$102,000 and is subject to change at the start of each calendar year. Therefore, a new employee enrolled in the PERS or TPAF *on or after* July 1, 2007 who earns in excess of \$102,000 before the end of 2008 will have his or her TPAF or PERS base salary capped – limiting the amount used to calculate benefits and contributions to TPAF or PERS for pension, contributory insurance or the Supplemental Annuity Collective Trust. These individuals with earnings over the Social Security maximum wage base are also eligible for benefits under the Defined Contribution Retirement Program (DCRP).

Note: Until reporting procedures are developed for PERS and TPAF members' who exceed the social security maximum of \$102,000 for 2008, if you have any employees affected by the salary cap you must continue to collect and report the pension and contributory insurance for the excess salary as you did in the past. The Division will forward the pension contributions to the DCRP carrier. Excess contributory insurance payments will be refunded to the employee.

Benefits may be available to these individuals for base salary paid in excess of the annual compensation limit under the DCRP. DCRP information has been distributed to certifying officers earlier and is available on the Division's website at www.state.nj.us/treasury/pensions/dcrp1.htm .

Notice To Delinquent Report Of Contribution Filers

In the past I have written explaining the importance of all employers providing to the Division of Pensions and Benefits their quarterly Report of Contributions (ROC) in a timely fashion. As stated in the past, delays in receiving these reports affect the timeliness of the Division providing services to ALL pension plan members, not just your employees and retirees. Unfortunately, we continue to experience delays associated to employer late reporting. I must again ask for your help in avoiding these delays at all costs and remind you that the Division will utilize everything at its disposal in order to solicit timely reporting by the employers we work with to provide benefit services to the State's public employees.

Reporting And Payment Information

Your 2nd quarter 2008 tape ROC applicable to the Teachers' Pension and Annuity Fund, Public Employees' Retirement System, and Police and Firemen's Retirement System is due by **July 10, 2008**. Your July 2008 transmittal remittance, which represents the deductions due for the balance of the quarter, should be made through the Transmittal Electronic Payments System (TEPS). The portion of the remittance for total pension deductions should reflect the sum of normal pension contributions, back deductions, loan payments, and arrears/purchase deductions. Your TEPS remittance is also due by July 10, 2008.

With the ROC data file, you must complete and return the Transmittal Summary form for the 2nd quarter 2008. This document is used to assist your office and this Division in reconciling your transmittal remittances to the quarterly ROC. The Control and Certification form must also accompany your quarterly ROC data file. This is essential as it attests to the accuracy and validity of the submitted documentation.

If your quarterly ROC and total contributions are not received in a timely manner, we cannot update the pension accounts of your employees. This may adversely affect any claim for benefits, including loan applications, filed by your employees. Also, any delay affects our scheduling in posting contributions to all members' accounts as well as the mailing of ROC for the following quarter. A ROC data file will be considered received when it is submitted in an acceptable format, passes all data processing edits, and can be used to update members' accounts. Interest will be assessed, as prescribed by statute and administrative code, when monthly transmittal remittances and the quarterly ROC are not received within fifteen days of the due dates.

Should you have any questions or need assistance in completing the Report, please refer to <http://www.state.nj.us/treasury/pensions/epbam/finance/roc.htm>.

TEPS – Transmittal Shortage Payments

The Division sends transmittal shortage statements when the sum of the transmittal remittances does not equal the due figure on the quarterly ROC. Transmittal shortage statement payments can only be paid through TEPS. Checks received for payment of transmittal shortages will be returned. If you have questions related to TEPS, contact the TEPS Helpline at (888) 835-3345 or FAX your inquiries to the Audit/Billing Section at (609) 633-1708.

Changing Banking Information For TEPS

Notice of Changes for TEPS should be submitted to the Division of Pensions and Benefits on or after the date that the new checking account becomes effective. Every Notice of Change is verified to ensure that the Division has the correct banking information. This normally takes 12 to 15 days.