



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

TO: Certifying Officer — Teachers' Pension and Annuity Fund,
Public Employees' Retirement System &
Police and Firemen's Retirement System

FROM: John D. Megariotis
Deputy Director, Finance

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

This memorandum has pertinent information concerning the completion of your Report of Contributions (ROC). Please read this memorandum before you make any changes to the ROC. 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>.

NEW* IROC PREPARATION TIP**

Please be advised that when preparing the IROC, the projected salary for next quarter does not need to be entered if next quarter's salary is the same as the current quarter's salary. This should reduce your report completion time, and aid you in submitting the report in a timely manner.

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.

Deadline for Filing the Report of Contributions

Due to the overwhelming popularity of the I-ROC program and the time saved in preparing the report of contributions, the Division is updating member accounts as early as four weeks following the close of the calendar quarter. **All reports are due by July 10, 2008. Should your report not be received by the close of business on July 25, 2008, interest penalties will begin to accrue and reports received after this date may not be used to update member accounts which will delay the processing of benefits to your employees.**

Delays in receiving 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 with employer late reporting. This policy, of strict adherence to the established reporting deadline, will alleviate that problem.

When you receive your quarterly ROC, you should review it immediately. If you think you will have a problem in meeting the filing deadline, or if there is anything you do not understand, contact the Audit/Billing Section at (609) 292-3630. Normally, reporting inquiries can be resolved with a telephone call. If other arrangements need to be made to assist you in the completion of your ROC, the sooner you communicate that fact to the Division the better for everyone involved.

Procedure Change Reminder – Reports of Salary Change

The Division of Pension and Benefits is no longer providing to you reports of salary change. Now that the majority of employers are reporting through the I-ROC, we recommend that you use the "Projected Salary" field on the Member Update screen to submit these changes for the next calendar quarter. Should you need an alternative approach for reporting salary changes, please call (609) 292-3630 and speak with a representative. **This request should be made no later than August 1, 2008, to allow for processing time.**

TEPS - Transmittal Electronic Payment System

Please note that the only payments that should be submitted through TEPS are for monthly transmittal and annual appropriation payments. **Employee shortages are not to be submitted through TEPS, and payment should be made to the address on the shortage statement only.**

The fax number and address that you use to submit the Employer Authorization Forms to the Division of Pensions and Benefits is (866) 568-2495 or it may be mailed to State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 9581, Trenton, NJ 08650-9581.