

June, 2009

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

FROM: John D. Megariotis
Deputy Director, Finance

SUBJECT: Report of Contributions, 2nd Quarter 2009 (April 1st to June 30th)

REMINDER - PERS and TPAF Maximum Compensation

Chapter 103, PL of 2007, provides that new employees are subject to a maximum compensation limit for PERS or TPAF pension contributions. 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 2009, the annual maximum wage for Social Security is \$106,800 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 \$106,800 before the end of 2009 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 or contributory insurance.

Pension benefits may be available to these individuals for base salary paid in excess of the annual compensation limit under the newly created Defined Contribution Retirement Program (DCRP). DCRP plan materials, enrollment forms, and other program information are being developed and will be provided under a separate mailing.

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 2009 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, 2009**. Your June 2009, 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, 2009.

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 www.state.nj.us/treasury/pensions/epbam/finance/roc.htm.

SACT Tax-Sheltered Annuity – Remittance Of 403(b) Contributions

Chapter 247, P.L. 1999 requires 403(b) salary reductions on behalf of an employee to be transmitted and credited within five business days from the pay date.

Members of the Public Employees' Retirement System, Teachers' Pension and Annuity Fund and Police and Firemen's Retirement System in the Supplemental Annuity (SACT) Tax Sheltered Annuity Program are required to have 403(b) salary reductions remitted to the Division of Pensions and Benefits within the timeframes prescribed by law. Contributions for these members will be made through the Transmittal Electronic Payments System (TEPS).

Please note that the full quarterly SUPPLEMENTAL ANNUITY contribution must be submitted prior to the processing of your ROC. If the full contribution is not submitted, it may be necessary to refund any supplemental annuity contributions sent in for the quarter. This could adversely affect your employees' retirement savings.

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.