



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
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September 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, 3rd Quarter 2008 (July 1st to September 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 keyed in, if next quarters salary is the same as the current salary. This will save you time and aid you in submitting the report in a timely manner.

Reminder for Employers – Treatment of Retirees Returning to Employment

The Division is becoming increasingly aware of public employees returning to employment under circumstances that would make these individuals ineligible for continuing the receipt of their retirement benefit. We want to take this opportunity to review the employer’s responsibilities when making offers of employment to retirees from the any of the State’s retirement systems.

Retirees may not return to any State or Local government level public employment unless the retiree has at least a 30-day break in service after his or her retirement date or the date the retirement is approved by the respective Board of Trustees, whichever is the later. If you should employ a retiree prior to the end of this 30-day period, you must advise the retiree that his or her retirement may be considered invalid and notify the Division immediately of the re-employment. If after review by the Division it is determined the retirement is invalid, the retiree’s retirement system account will be reactivated and the retiree notified. Employers should ask the retiree to see the retiree’s

Board Approval Letter, which is sent to all new retirees, to determine the individual's board approval date.

If a retiree is re-employed subsequent to the 30-day break in service in a public position covered by the same retirement system from which he or she retired, the retiree will be subject to earnings limits. If the annual salary from public employment (or any combination of public employers) exceeds the limit, the retiree will be required to suspend his or her pension and re-enroll in the retirement system. If you should employ a retiree and his or her salary exceeds the annual limit, you must advise the retiree that his or her retirement may need to be suspended and notify the Division immediately for a review.

We request that employers notify the Division in writing when there is a question concerning a re-employed retiree and his or her eligibility for continued retirement benefits. Documentation provided by the employer should include the retiree's name, employment title (both current and former, if known), current job description and place of employment (both current and former, if known). This information should be mailed to:

NJ Division of Pensions & Benefits
Attn: Enrollment Bureau
PO Box 295
Trenton, NJ 08625-0295

For additional information, please refer to Fact Sheet #21, Employment After Retirement (Public Employees' Retirement System), Fact Sheet #28, Employment After Retirement (Teachers' Pension and Annuity Fund) and Fact Sheet #29, Employment After Retirement (Police and Firemen's Retirement System).

NEW LEGISLATION ALERT - PERS and TPAF Maximum Compensation

Chapter 103, P.L. 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 or contributory insurance. 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, continue to 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.

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

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 October 10, 2008. Should your report not be received by the close of business on October 24, 2008, interest penalties will begin to accrue and reports received after this date may not be used to update member accounts.**

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 November 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.