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**State of New Jersey**  
DEPARTMENT OF THE TREASURY  
DIVISION OF PENSIONS AND BENEFITS  
(609) 292-7524 TDD (609) 292-7718  
[www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

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*State Treasurer*

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*Acting Director*

July 2010

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

FROM: Joseph Zisa  
Manager 1, Fiscal Resources

SUBJECT: Report of Contributions, 2<sup>nd</sup> Quarter 2010 (April 1<sup>st</sup> to June 30<sup>th</sup>)

### **MULTIPLE MEMBERSHIP**

For current PERS or TPAF Tier 1, Tier 2, or Tier 3 multiple members, all presently held concurrent positions will continue to qualify for service credit and the compensation base for pension contributions and calculation of benefits, provided that the member continues to hold those positions without any break in service. However, provisions of Chapter 1, P.L. 2010, requires that any new concurrently held position begun after May 21, 2010, will not qualify for service credit or the compensation base for pension contributions and calculation of retirement for any PERS or TPAF multiple member.

Current multiple location relationships will be terminated following any "break in service" not supported by an employer approved leave of absence (LOA). For this purpose a "break in service" is being defined as any one reporting period (one month for employees reported on a monthly basis, one payroll period for employees reported by the biweekly payroll period) without service while not on an approved LOA. The Division may require recertification of these employment relationships following a break in service with an approved leave of absence.

The Division is aware that some adjunct faculty and part-time instructors are employed as multiple PERS members. As a result of Chapter 1, P.L. 2010, adjunct faculty with multiple member status will be unable to continue PERS membership if there is a break in service unless that adjunct is on an approved leave of absence.

### **Notice of PERS & TPAF Tier 3 - Increase in the Minimum Annual Base Salary**

As a result of Ch 89, PL 2008, the Director of the Division of Pensions and Benefits shall adjust each year the minimum annual base salary for participation in the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) for those members in Tier 3 service (Tier 3 service covers those individuals eligible to enroll in TPAF or PERS on or after November 2, 2008). The adjustment is made annually in accordance with changes in the Consumer Price Index, pursuant to

N.J.A.C. 17:3-2.1(g) for TPAF membership and N.J.A.C. 17:2-2.1(c) for PERS membership.

Please take note that, pursuant to these provisions, the Division of Pensions and Benefits is raising the annual base salary for participation in the TPAF and PERS from \$7,500 to \$7,700. This increase in the minimum annual base salary is effective January 1, 2010.

Employees who fall below the minimum annual base salary amount in calendar year 2010 may be eligible to participate in the Defined Contribution Retirement Program. Please review [Fact Sheet #82 - Defined Contribution Retirement Program \(DCRP\) If Ineligible for PERS or TPAF](#) for additional information.

### **PERS & TPAF Tiers 2 & 3 - 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 2010, 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 2010 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.

### **Reporting And Payment Information**

Your 2<sup>nd</sup>. Qtr. 2010 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 7, 2010**. Your June 2010 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 7, 2010**.

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>.

**Changing Banking Information For TEPS**

Notice of Changes for TEPS should be faxed to (866) 568-2495 or mailed to State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 9581, Trenton NJ 08650-9581 on or after the date that the new checking account becomes effective.