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March 8, 2012

TO: Certifying Officers of the County Colleges

FROM: Joseph Zisa, Manager 1, Fiscal Resources
Division of Pensions and Benefits

SUBJECT: **Alternate Benefit Program – Reimbursement of Employer Contributions to ABP for Adjuncts and Part-Time Faculty Subsequent to the Enactment of Chapter 89, P.L. 2008**

Since the signing of Chapter 89, P.L. 2008, into law on September 29, 2008, administrators of the various county colleges have inquired of the Division as to whether or not adjunct and part-time faculty would be considered eligible for reimbursement of employer pension contributions from the State. The belief was that, in the same way the State provides for the reimbursement of the 8% employer pension contribution under the Alternate Benefit Program (ABP) for full-time faculty members of the ABP, these newly eligible faculty employees would be subject to the same State reimbursement of the employer ABP pension cost to the county college employers.

Since this was a fundamental change in the funding of pension costs for this group of employees, shifting the responsibility from the county colleges' budgets to the State's, and the enabling legislation was not clear on the intent of the statutory change in relation to this matter, the Division sought guidance from the Office of the State Attorney General. That guidance has confirmed that the State will assume responsibility for the employer ABP pension costs for these individuals. We have also received authorization from the Office of Management and Budget that funding will be made available during the current fiscal year to cover the reimbursements for the employer costs incurred from Fiscal Year 2009 through Fiscal Year 2012.

In order to facilitate the reimbursement of these employer costs to the county colleges for prior and current fiscal years and the future costs associated with these employees, the Division asks for your cooperation in satisfying the following reporting requirements. By doing so we will be able to more efficiently review and verify your reimbursement requests related to adjunct and part-time faculty and expedite the transfer of funds to your institution while at the same time providing a proper audit trail and sufficient documentation to support those reimbursements.

<u>Reporting Requirements for Prior Fiscal Years</u>

The Division will begin processing reimbursement requests by fiscal year beginning in March 2012. We ask that each county college employer report all adjunct and part-time faculty compensation and ABP contribution data, by fiscal year (July – June), beginning

with Fiscal Year 2009 using the attached spreadsheet format (Appendix A). We ask that Fiscal Year 2009 data be submitted no later than April 11, 2012. We ask that the same information be submitted in the same format for Fiscal Year 2010 no later than May 23, 2012 and Fiscal Year 2011 data by June 29, 2012. Employer submissions by these dates will be given priority processing. Those failing to meet those dates will be processed as resources become available to review those requests.

Reporting Requirements for Current and Future Fiscal Years

We believe the current reporting process used for reimbursement of employer ABP pension costs for full-time faculty, utilizing a process of reporting additions and deletions to payroll, would be cumbersome for adjunct and part-time faculty due to the manner in which the typical employment relationship operates between these employees and the institutions. Therefore, the Division is implementing a variation of the process described above for prior fiscal years to request reimbursement of current and future fiscal year employer ABP pension costs.

Employers are to request reimbursement of their ABP pension costs at the close of the fall and spring semesters (December and June each fiscal year). Using the same spreadsheet format (Appendix A) data is to be reported for each adjunct and part-time faculty ABP member showing data for the entire semester period covered by the semiannual report. Employer reimbursement requests for full-time faculty should continue to be submitted in the same fashion as is current practice for those individuals.

The Division thanks you for your patience and cooperation as we move forward processing these reimbursements to your institution. If you have any questions concerning the reporting process for your adjunct and part-time instructors, please contact us through our ABP/ACTS Helpline at (609) 777-0887.

Please direct your completed reports to us at: ***typabp1@treas.state.nj.us***

Enclosure

Appendix A — Sample Remittance Report Format

Appendix A - File Header

Header Field Name	Employer Name	Employer EIN
Example	ABC College	AB-1234567
Maximum Length	30	10
Data Type	Alphanumeric	Alphanumeric
Required/ Optional	Required	Required
Comments	The name of the Employer.	Identifies the Employer. The Employer EIN is used to tie multiple Plans of the same Employer together.

Appendix A - Member Detail

Data Field Name	Employee ID	Member ID	Employee Title	Employee First Name	Employee Middle Name	Employee Last Name	Employee Position Title	Annual Salary	Payroll Date
Example	PERSON176	123456789	MR. MS. MRS. PHD.	JOHN	B	SMITH	Administrative Analyst III	12345678.12	20100630
Maximum Length	20	9	5	35	35	35	35	11.2	8
Data Type	Alphanumeric	Numeric	Text	Text	Text	Text	Alphanumeric	Numeric	Date Format
Required/ Optional	Optional	Required	Optional	Required	Optional	Required	Optional	Optional	Required
Comments	Employee identification found on the Employer records; this field should not be provided or defaulted if it is not available.	The participant's benefit program number will be used to identify the participant.	The title used by the employee.	Employee First Name to be used for enrollment, research or other purposes related to benefit plan administration.	Employee Middle Name to be used for enrollment research or other purposes related to benefit plan administration.	Employee Last Name to be used for enrollment, research or other purposes related to benefit plan administration.	The employee's civil service title or non-civil service working title.	The employee's annual base salary used for benefit administration.	The ending date of the payroll period related to the submitted contributions (YYYYMMDD).

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Data Field Name	Contribution Source Code 1	Contribution Source Amount 1	Contribution Source Code 2	Contribution Source Amount 2	Investment Service Provider 1	Investment Service Provider 2	Investment Service Provider 3	Investment Service Provider 4	Investment Service Provider 5	Investment Service Provider 6
Example	021	12345678.12	021	12345678.12	001	001	001	001	001	001
Maximum Length	3	11.2	3	11.2	3	3	3	3	3	3
Data Type	Text	Numeric	Text	Numeric	Text	Text	Text	Text	Text	Text
Required/ Optional	Required	Required	Required	Required	Required	Optional	Optional	Optional	Optional	Optional
Comments	021 = ABP Mandatory employee contribution (414h)		021 = ABP Mandatory employer contribution (401a)		001 = TIAA 002 = AXA 003 = The Hartford 004 = ING 005 = MetLife 006 = VALIC 007 - 99 = reserved	001 = TIAA 002 = AXA 003 = The Hartford 004 = ING 005 = MetLife 006 = VALIC 007 - 99 = reserved	001 = TIAA 002 = AXA 003 = The Hartford 004 = ING 005 = MetLife 006 = VALIC 007 - 99 = reserved	001 = TIAA 002 = AXA 003 = The Hartford 004 = ING 005 = MetLife 006 = VALIC 007 - 99 = reserved	001 = TIAA 002 = AXA 003 = The Hartford 004 = ING 005 = MetLife 006 = VALIC 007 - 99 = reserved	001 = TIAA 002 = AXA 003 = The Hartford 004 = ING 005 = MetLife 006 = VALIC 007 - 99 = reserved