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

FLORENCE J. SHEPPARD
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November 30, 2011

TO: Certifying Officers
FROM: Joseph Zisa, Manager 1, Fiscal Resources 
SUBJECT: Updates to Reporting through the Internet-based Report of Contributions – PERS – TPAF – PFRS

Effective immediately, and retroactively for the entire 4th calendar quarter of 2011, Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Police and Firemen's Retirement System (PFRS) pension contributions for members who are enrolled under Membership Tiers 2 or higher and earning in excess of the "maximum compensation" limits*, are to be based only on the "maximum compensation" amount on the Internet-based Report of Contributions (iROC). **Employers should not include Defined Contribution Retirement Program (DCRP) eligible salary on the iROC, nor should contributions be submitted to the Division of Pensions and Benefits for compensation above the capped amount.**

The Division of Pensions and Benefits has been working with the State's Office of Information Technology and is pleased to announce the first phase of changes in the way employers will report pension service, compensation, and contributions for members enrolled in PERS, TPAF, and PFRS whose eligible compensation for benefit purposes under those plans is limited following the enactment of pension reforms since 2007. Those reporting changes affect the use of the Internet-based Report of Contributions (iROC) and the remittance of pension contributions to the Division through the Transmittal Electronic Payment System (TEPS). This will only affect employer reporting of pension data for members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Police and Firemen's Retirement System (PFRS) who *earn in excess of the established annual "maximum compensation" limits** and who may be enrolled into the Defined Contribution Retirement Program (DCRP).

Employers should no longer include DCRP eligible salary on the iROC, nor should DCRP contributions be submitted to the Division of Pensions and Benefits as has been required in the past.

For employees enrolled in the DCRP, employers should make whatever adjustments are required to their payroll procedures to send the 5.5% employee contribution and the 3%

* For members of the PERS or TPAF enrolled on or after July 1, 2007 or members of the PFRS enrolled after May 21, 2010, the annual "maximum compensation" limits are \$106,800 in 2011 and \$110,100 in 2012.

matching employer contribution directly to the administrator of the DCRP — Prudential Retirement is acting as the administrative services provider for the Defined Contribution Retirement Program[†]. If you have remitted 4th quarter 2011 DCRP contributions to the Division through TEPS for any employee who has already reached the annual “maximum compensation” limit for 2011 please reduce a future TEPS remittance by that amount and forward it to the DCRP through Prudential Retirement. The Division will still adjust the records for and DCRP contributions remitted under PERS, TPAF, or PFRS up to and including the 3rd quarter of 2011.

Additional information on revised iROC and DCRP reporting will be distributed to employers when the 4th Quarter 2011 iROC becomes available in mid- to late-December 2011. Questions can also be addressed to the Division’s Employer Education Unit at: pensions.nj@treas.state.nj.us.

[†] For additional reporting and remittance instructions for the DCRP, please contact Prudential Retirement’s dedicated DCRP employer help center at 1-800-932-0342 ext. 13901 or ext. 13906.