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DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
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July 2014

TO: Certifying Officers of the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund

FROM: New Jersey Division of Pensions and Benefits

SUBJECT: Pension Contribution Rate Change for the Public Employees' Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF)

As outlined in a May 2013 certifying officer letter, pursuant to Chapter 78, P.L. 2011, Pension and Health Benefit Reform, PERS and TPAF employee pension contribution rates should have increased from 6.78% to 6.92% of salary with the first paycheck on or after July 1, 2014.

- **State employees** paid through the Centralized Payroll Unit received check messages as notification of the contribution change which began as of the July 3, 2014 paycheck.
- **For all other employees**, the increase to 6.92% was to be effective with the first paycheck paid *on or after* July 1, 2014 (which is reported to the Division of Pensions and Benefits as compensation during the 3rd calendar quarter of 2014).

The change in the employee's contribution rate will also increase the minimum repayment amount for new pension loans or the cost for a purchase of service credit *if certified after* the increased contribution rate becomes effective.

Note: There is no additional increase for PERS Prosecutors Part members whose contribution rate increased to 10% in October 2011.

FUTURE INCREASES

July 2014 marks the **fourth** rate increase under the provisions of Chapter 78, which calls for PERS and TPAF employee pension contribution rates to increase over 7 years until the total pension contribution rate is **7.5%** of salary as of July 2018. The **fifth** contribution rate increase to **7.06%** will be effective July 2015.

ADDITIONAL INFORMATION

If you have questions regarding the information provided in this letter, contact the Division's Office of Client Services at (609) 292-7524, or e-mail the Division at: <https://www.state.nj.us/treas/pensions/pensionmail.shtml>

Enclosure

Centralized Payroll Check Messages — Pension Rate Change

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Centralized Payroll Check Messages — Pension Rate Change

Pay Period #13 (June 20, 2014)

Important Message regarding Pension and Health Benefit Reform:

For all PERS and TPAF members who were previously contributing 6.78% of salary, employee pension contribution rates will increase to 6.92% effective with the July 3, 2014 paycheck.

Pay Period #14 (July 3, 2014)

Important Message regarding Pension and Health Benefit Reform:

Effective with this paycheck, employee pension contribution rates increase to 6.92% for all PERS and TPAF members who were previously contributing 6.78% of salary.