



State of New Jersey

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DIVISION OF PENSIONS AND BENEFITS
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FLORENCE J. SHEPPARD
Acting Director

June 2017

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

FROM: The 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)

Pursuant to Chapter 78, P.L. 2011, Pension and Health Benefit Reform, PERS and TPAF employee pension contribution rates will increase from 7.2% to **7.34%** of salary with the first paycheck issued on or after July 1, 2017.

- **State employees** paid through the Centralized Payroll Unit will receive check messages as notification of the contribution change which will begin as of the July 14, 2017, paycheck.
- **For all other employees**, the increase to **7.34%** is to be effective with the first paycheck to be paid *on or after* July 1, 2017 (which is reported to the Division of Pensions and Benefits as compensation during the 3rd calendar quarter of 2017).

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.

NOTIFICATION TO EMPLOYEES

State biweekly employees paid through the State Centralized Payroll Unit will receive check messages with Pay Periods #13 (June 23, 2017) and #14 (July 14, 2017) to announce the PERS/TPAF contribution change. Copies of the check messages are attached for reference. State biweekly employers are encouraged to provide their employees with additional reminders of the coming rate change.

State monthly, local government, and local education employers are asked to provide payroll messages or other notifications to inform their employees of the coming rate change.

FUTURE INCREASES

July 2017 marks the **seventh** rate increase under the provisions of Chapter 78, which requires the PERS and TPAF employee pension contribution rates to increase until the total pension contribution rate is **7.5%** of salary effective in July 2018.

ADDITIONAL INFORMATION

If you have questions regarding the information provided in this letter, contact the Division's Employer Education Unit at (609) 292-7524, or e-mail the Division at: pensions.nj@treas.nj.gov

Enclosure

Centralized Payroll Check Messages — Pension Rate Change

Centralized Payroll Check Messages — Pension Rate Change

Pay Period #13 (June 23, 2017)

Under Pension and Health Benefit Reform, employee pension contribution rates will increase to 7.34% effective with the July 14, 2017, paycheck for all PERS and TPAF members who were previously contributing 7.2% of salary.

Pay Period #14 (July 14, 2017)

Under Pension and Health Benefit Reform and effective with this paycheck, employee pension contribution rates increase to 7.34% for all PERS and TPAF members who were previously contributing 7.2% of salary.