Revised – Federal Programs: Pension and Social Security Reimbursement to State of New Jersey for Contributions Paid by the State

The New Jersey Department of Education’s (NJDOE) Office of Budget and Accounting has been notified by the Division of Pensions and Benefits that the estimated State payment to the Teacher’s Pension and Annuity Fund for Fiscal Year 2021 will be 34.84%.

The NJDOE’s website will provide the reporting form for Title I and other Federal programs closer to July 2021. The form will show a 2019-2020 final pension rate and Social Security rate for calendar year 2020 of 7.65% of the first $137,700 and 1.45% of gross wages in excess of $137,700. For calendar year 2021, the rate is 7.65% of the first $142,800 and 1.45% of gross wages in excess of $142,800. (Note: The calendar year 2021 Social Security rate of $142,800 is a revised amount from the NJDOE’s March 31, 2021 Broadcast memo).

In accordance with N.J.S.A. 18A:66-90, the above rates must be used when budgeting for Title I and other Federal Programs for Fiscal Year 2021. Your school district will be notified by the Public Employees’ Retirement System (PERS) if a payment is due for its members. Please disseminate this information to your program directors so that the necessary budget revisions can be made prior to June 30, 2021.

Important: Staring this coming fiscal year, July 1, 2021, we will require that all payments to the State be made via electronic payment (ACH) and not via paper checks. ACH instructions will be provided to each district, so they can prepare for this change along with their respective bank.

Contact information
Should you have any questions, please contact the NJDOE Office of Budget and Accounting at TPAF@DOE.NJ.GOV.

c:  Members, State Board of Education
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