



STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: April 7, 2021
To: Chief School Administrators
Route To: School Business Administrators/Board Secretaries
From: Amanda Schultz, Division Director
Office of Budget and Accounting

**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: Starting 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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NJDOE Staff
Statewide Parent Advocacy Network
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