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 State payment to the Teacher’s Pension and Annuity Fund for Fiscal Year 2020-21 will be 35.24%.

The NJDOE’s website, Office of School Finance, nj.gov/education/finance/ will provide the reporting form for Title I and other Federal programs under the section titled “Reimbursement of TPAF and Social Security - School Year 2020-21 - Report Form”. The form will show the 2020-21 final pension rate and Social Security rate for calendar year 2020 of 7.65% of the first $137,700 and 1.45% for gross wages in excess of $137,700. For calendar year 2021, the rate is 7.65% of the first $142,800 and 1.45% for gross wages in excess of $142,800.

In accordance with NJSA 18A:66-90, the above rates must be used when budgeting for Title I and other Federal Programs for FY 21. Your school district will be notified by the Public Employees’ Retirement System (PERS) if a payment is due for its members.

Important

Finally, beginning this year, we will require that all payments to the State be made via electronic payment (ACH) and not via paper checks. Please contact your County Office for ACH instructions.

Contact information

Should you have any questions, please contact the Office of Budget and Accounting at TPAF@doe.nj.gov.