



The Quarterly Report of Contributions

Information for:
Employers of All Funds

OVERVIEW

The defined benefit plans administered by the New Jersey Division of Pensions & Benefits (NJDPB) — the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Police and Firemen's Retirement System (PFRS), State Police Retirement System (SPRS), and Judicial Retirement System (JRS) — require that employee contributions be remitted regularly to the NJDPB.

- State employers that use the State Centralized Payroll system have employee contributions remitted for them by Centralized Payroll.
- All other employers that use their own payroll methods must report and reconcile employee pensionable service and salary each calendar quarter through the quarterly Report of Contributions and remit employee contributions through the Transmittal Electronic Payments System (TEPS).

This fact sheet contains information on the reporting of employee pensionable service and salary to the NJDPB, and the completion of the quarterly *Report of Contributions*.

NOTIFICATION AND REPORTING DEADLINES

Employers that report and reconcile employee pensionable service and salary each calendar quarter are notified by email from the NJDPB when the *Report of Contributions* is available for completion. The deadlines for filing the *Report of Contributions* are as follows:

1st Calendar Year Quarter	Due no later than April 7
2nd Calendar Year Quarter	Due no later than July 7
3rd Calendar Year Quarter	Due no later than October 7
4th Calendar Year Quarter	Due no later than January 7

Should the report not be received within 15 days of the due date, it may not be used to update member accounts and interest penalties will begin to accrue.

INTERNET-BASED REPORT OF CONTRIBUTIONS (IROC)

Reporting is made using the IROC application that allows employers to view, update, and submit the quarterly *Report of Contributions* online. The IROC is accessed through the Employer Pensions and Benefits Information Connection (EPIC). Visit www.nj.gov/treasury/pensions to log on to EPIC, and to review the *IROC Users Guide* and the *Employers Pensions and Benefits Administration Manual* (EPBAM).

When notified that the quarterly IROC is available, review it immediately. If you expect any problems in meeting the filing deadline, or if there is anything that you do not understand, contact the NJDPB's Audit/Billing Section at (609) 777-2115.

Normally, reporting inquiries can be resolved with a telephone call. If other arrangements need to be made to assist you, the sooner you request assistance, the better we can accommodate your needs.

CONTRIBUTION RATE CHANGES

P.L. 2011, c. 78 (Chapter 78) required increased employee contributions for all members of the State-administered retirement systems. The contribution increases were applicable to the PERS, TPAF, and PFRS as indicated in the following chart:

Retirement System	Effective Date	Change in Rate	
		From	To
PERS/TPAF	10/01/2011	5.50%	6.50%
	07/01/2012	6.50	6.64
	07/01/2013	6.64	6.78
	07/01/2014	6.78	6.92
	07/01/2015	6.92	7.06
	07/01/2016	7.06	7.20
	07/01/2017	7.20	7.34
	07/01/2018	7.34	7.50
PERS Prosecutors Part	10/01/2011	8.50	10.00
PFRS	10/01/2011	8.50	10.00

RETIREMENT PLAN LIMITS

The Internal Revenue Code (IRC) limits applicable to pension and other retirement plans are noted here for your reference:

- **Annual compensation limit.** The maximum amount of annual compensation that can be taken into account for the purpose of determining benefits and contributions under IRC Section 401(a)(17) is \$360,000 for 2026. Retirement plans administered by the NJDPB affected by this limit include the PERS, TPAF, PFRS, Supplemental Annuity Collective Trust (SACT), Alternate Benefit Program (ABP), Additional Contributions Tax-Sheltered (ACTS) Program, Defined Contribution Retirement Program (DCRP), and the New Jersey State Employees Deferred Compensation Plan (NJSEDCP).
- **P.L. 1997, c. 113 (Chapter 113).** N.J.S.A. 43:3C-9.3 & 43:3C-9.4 permits higher annual compensation limits for members of the PERS, TPAF, PFRS, and ABP enrolled prior to July 1, 1996, if, prior to July 1, 1997, the employer certified to the NJDPB Director that the employer will pay the additional cost for not applying the lower IRC Section 401(a)(17) Annual Compensation Limit to these members. If you are such an employer, you may report pensionable salary in excess of the IRC Section 401(a)(17) limits mentioned earlier for those employees in the affected class. The higher limit permitted for members of the PERS, TPAF, PFRS, and ABP enrolled prior to July 1, 1996, under the provisions of Chapter 113 increases to \$535,000 in 2026.
- **Defined contribution plans.** The limitation on the annual additions to a participant's defined contribution account under IRC Section 415(c)(1)(A) has increased as the lesser of \$72,000 or 100 percent of the participant's compensation for 2026. Annual additions are the sum for any year of all employer and employee

contributions to the defined contribution plan. For purposes of applying the limitations, all defined contribution plans of an employer are to be treated as one defined contribution plan. Defined contribution plans include an employee annuity plan and an annuity contract described in IRC Section 403(b). The DCRP, ABP, SACT, and ACTS program are affected by this limit.

- **Elective deferrals.** The limitation under IRC Section 402(g)(1) on the exclusion for elective deferrals described in IRC Section 402(g)(3) has increased as the lesser of \$24,500 or 100 percent of the participant's compensation for 2026. The DCRP, ABP, SACT, and ACTS program are affected by this limit.
- **Deferred compensation plans.** The limit on deferrals under IRC Section 457(e)(15) concerning deferred compensation plans of State and local governments and tax-exempt organizations has increased as the lesser of \$24,500 or 100 percent of the participant's compensation for 2026. The NJSEDCP is affected by this limit and is available to employees of the State and other State-chartered commissions, authorities, and boards. Other governmental employers in the State may offer similar, self-administered programs.
- **Catch-up contributions.** The dollar limit under IRC Section 414(v)(2)(B)(i) for catch-up contributions to an applicable employer plan, other than a plan described in IRC Section 401(k) (11) or IRC Section 408(p) for individuals age 50 to 59 or 64 and older to contribute an additional \$8,000 for a cumulative total of \$32,500, and allows individuals age 60 to 63 to contribute an additional \$11,250 for a cumulative total of \$35,750 in 2026. The ABP, SACT, and ACTS program are affected by this limit.

PERS, TPAF, & PFRS

Maximum Compensation Limits for Tier 2 and Above

Maximum compensation limits are in place for the PERS and TPAF Tiers 2–5 (members enrolled on or after July 1, 2007) and for the PFRS Tier 2 or 3 (members enrolled after May 21, 2010). The annual base salary for these members is limited and may not exceed the amount of the Social Security Taxable Wage Base.

The Social Security Taxable Wage Base and the compensation limit for PERS, TPAF, and PFRS members in Tier 2 or higher is \$184,500 for 2026. Please refer to P.L. 2007, c. 103 (Chapter 103) and P.L. 2010, c.1 (Chapter 1) for details.

The capped base salary, the corresponding pension, and (when applicable) the contributory insurance deductions will be shown on the IROC, all in the quarter in which the members exceed the maximum allowable compensation.

Note: Reporting procedures are in place for PERS, TPAF, and PFRS members who exceed the Social Security maximum. Employers should not include DCRP-eligible salary on the IROC, nor should pension and contributory insurance contributions be submitted to the NJDPB for compensation above the capped amounts.

PERS & TPAF Tier 3 Minimum Annual Base Salary

Pursuant to the provisions of P.L. 2008, c. 89 (Chapter 89), the minimum annual base salary for participation in the PERS or TPAF for members enrolled under Tier 3 membership is \$9,900 for 2026.

Employees who fall below the PERS or TPAF Tier 3 minimum annual base salary amount in any calendar year may be eligible to participate in the DCRP. Please review the *Defined Contribution Retirement Program (DCRP) if Ineligible for PERS or TPAF* Fact Sheet for additional information.

IROC REPORTING FOR MEMBERS WITH MULTIPLE EMPLOYMENT

A PERS or TPAF multiple member is an individual who is employed by more than one employer who participates in the same retirement system — that is, more than one PERS or TPAF employer (as appropriate) reports salary and service for that employee concurrently.

In the past, an employee already holding PERS or TPAF membership through one covered position could become a multiple member when taking additional covered positions.

Chapter 1 requires that an employee enrolled after May 21, 2010, be eligible for PERS or TPAF membership based upon only one position. It also requires the retirement system to designate the position providing the higher or highest compensation for the member from among any concurrently held positions. This position will be used as the basis for eligibility for membership, service credit, the compensation base for pension contributions, and for other pension calculations.

Therefore, multiple membership is only available to PERS and TPAF Tier 1, 2, and 3 members enrolled on or before May 21, 2010, in PERS- or TPAF-eligible positions, provided that there has not been any break in service in any concurrently held PERS- or TPAF-eligible position.

A break in service is any pension-reporting period without pay — a month or a biweekly pay period as appropriate to the employer's reporting method — with the exception of approved leaves of absence.

If there is a break in service with any concurrently held PERS- or TPAF-eligible position after May 21, 2010, that employer will no longer be permitted to submit pension contributions for the multiple member. Furthermore, service credit or salary from any future employment with that employer will not qualify

for the compensation base for pension contributions and calculation of retirement benefits for the multiple member.

In addition, for all membership tiers, any new, concurrently held PERS- or TPAF-eligible position begun after May 21, 2010, will not qualify for service credit or the compensation base for pension contributions and calculation of retirement benefits for any PERS or TPAF member.

REPORTING OF RETROACTIVE SALARY

In order to process a retroactive salary report, please submit a signed contract, resolution, ordinance, MOA, or board minutes with a salary guide attached approving the increase to the NJDPB's Audit Section. The document(s) should be sent by email as an attachment to pensions-audit@treas.nj.gov with "Retroactive Salary Report" in the subject line. In the body of your email, please provide the start and end date of the retroactive salary and location number(s). If you cannot send an attachment via email, you may mail it to:

**New Jersey Division of Pensions & Benefits
Audit Unit
P.O. Box 295
Trenton, NJ 08625-0295**

Once the documentation is approved by the Audit Section, the Certifying Officer will receive an email indicating that the report is available on EPIC and ready to complete. Once completed, make the TEPS payment and send the report back through the system for processing.

Any retroactive salary increase paid to employees is subject to the employee contribution rate in effect at the time the retroactive salary would have been paid if the contract had been ratified prior to its effective date. Therefore, any retroactive salary increase paid on or after October 1, 2011, is subject to the prevailing contribution rate for each period of service under the retroactive period covered by the lump-sum

payment of back wages (see the "Contribution Rate Changes" chart).

Example: For a 12-month retroactive salary increase paid on December 31, 2013, PERS employee pension contributions would be calculated using a rate of 6.64 percent of base salary covering the period of January 1 through June 30, 2013, and a rate of 6.78 percent of base salary covering the period of July 1 through December 31, 2013.

For more information, see the *Retroactive Salary Reporting User Guide* on our website.

THE EMPLOYER TRANSMITTAL ELECTRONIC PAYMENTS SYSTEM (TEPS)

The TEPS application allows employers to remit employee contributions electronically to the NJDPB. Employers may also view past payments that have been made through TEPS. The TEPS application is accessed through EPIC.

- To log on to EPIC, or for more information, visit the NJDPB website under "Pensions – Information for Employers" section.
- Detailed information on using TEPS can be found under the "Resources" tab.

Changing Banking Information for TEPS

If changing bank information used in TEPS on or after the date that a new checking account becomes effective, a *TEPS Employer Authorization and Change Form* should be faxed to 1-866-568-2495 or mailed to:

**New Jersey Division of Pensions & Benefits
P.O. Box 9581
Trenton, NJ 08650-9581**

Please call the TEPS Helpline at 1-888-835-3345 or 1-800-332-4125 if you have any questions regarding the status of your change, your TEPS password, or the status of your transmittal payment.

ADDITIONAL INFORMATION

Should you have any questions about the *Report of Contributions* or need assistance in completing the IROC, please refer to our website or contact the NJDPB's Audit/Billing Section at (609) 777-2115.

This fact sheet has been produced and distributed by:

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