



Millville Board of Education
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June 13, 2016

To: ALL

Re: Pension Contribution Rate Changes Under Chapter 78, P.L. 2011

This letter is to inform you of upcoming changes in Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF) contributions. Under the provisions of Chapter 78, P.L. 2011, the employee pension contribution rates will be increased in two phases. The first phase has been completed; we will be entering year five of the second phase with your first pay of the 2016-2017 school year.

During the 2016-2017 school year, your pension contribution will be 7.20% of your contractual salary.

Phase Descriptions:

Phase 1 - PERS and TPAF contributions will increase from 5.5% to **6.5%** of your contractual salary. This change will become effective on the October 15th payroll, which will be distributed on October 14th. **Completed June 28, 2012.**

Phase 2 – PERS and TPAF contributions will increase from 6.5% to **7.5%** of your contractual salary. This change will be phased in over a 7-year period beginning July 2012. This phase will result in a .14% increase in the pension contribution rate each school year until the 7.5% contribution rate is reached in July 2018. (2012-2013 – 6.64%; 2013-2014 – 6.78%; 2014-2015 – 6.92%, 2015-2016 – 7.06%, 2016-2017 – 7.20%, etc.)

For more information regarding Chapter 78, P.L. 2011, please visit the State of NJ Pension website at <http://www.nj.gov/treasury/pensions/reform-2011.shtml>.

Thank you,

Terri Whildin

Terri Whildin
Payroll Supervisor