

Payroll FAQs: Pension/Deductions

What is “Back Pension”?

When you are hired, you must contribute to your state pension plan. However, there is a delay between the time that you started working and the time that the State of New Jersey enrolls you into the pension plan. Therefore, once you are enrolled, you must pay back the deductions for the time that you had already worked with the district.

What is my Pension number?

Your pension number is on the initial paperwork that you received when you were enrolled. Your pension number can be found on your paystub.

What percentage of my paycheck goes to pension?

If you are in TPAF or PERS, your contribution rate will increase each year. In accordance with New Jersey State Law Chapter 78, Public Law 2011, the percentage of each employee’s pension will be increased by .14% each year over a period of 7 years (2011-2018) until it reaches 7.5% in 2018. Please review the information below to find the percentage pertaining to the current year:

2017-2018= 7.34%	2018-2019= 7.5%
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If you are in DCRP, you currently contribute 5.5%.

What is GTL?

GTL stands for “Group Term Life”. It is a taxable fringe benefit based upon the value of your group life insurance with the pension system. The amount on your pay stub is not a deduction, but an amount of money that you are being taxed upon. The amounts vary by person, according to age, salary, whether TPAF or PERS, etc. Since the value of the life insurance is based upon salary, and the taxable fringe formula is graduated, based upon age, the taxable fringe benefit figure will increase accordingly over time.

Please See Division of Pensions Fact Sheet #58 for further information.

What health benefits will I be entitled to when I retire?

If you are eligible for health benefits upon retirement, they will be administered by the NJ Division of Pensions and Benefits. Any questions regarding this, or other retirement questions, should be directed to them. Basic information can be obtained on their website:

<http://www.state.nj.us/treasury/pensions>

Can I cancel my contributory life insurance? (TPAF and PERS only)

You may cancel the contributory portion of your life insurance after one year of employment. Please be advised that once you do cancel you cannot, under any circumstances, be reinstated.

How do I cancel?

Submit a completed copy of the form that pertains to your plan to the Division of Pensions, once it had been processed, Payroll will be notified.

TPAF: <http://www.state.nj.us/treasury/pensions/epbam/exhibits/pdf/ci05122.pdf>

PERS: <http://www.state.nj.us/treasury/pensions/epbam/exhibits/pdf/ci05111.pdf>

For more information: Please see one of the many fact sheets available online from the NJ Division of Pensions: <http://www.state.nj.us/treasury/pensions/fact-sheets.shtml>

