

Business Services

EXTERNAL PAYROLL AND FINANCE UPDATES

DEBUG MEETING: November 21, 2024

Temporary AV Delivery extended through December 6, 2024

See attached for the current temporary schedule

- ❖ A notification will go out when the route will return to normal

Payroll

403B and 457 limit reviews for 2024 calendar year needed

- ❖ These limits need to be checked to make sure employees do not go over the limit
 - Email Helpdesk@scoe.org, Carend@scoe.org & Jliu@scoe.org for assistance with reviewing this
 - Current limit is \$23,000.00, Catch up contributions for individuals Age 50 or older: \$7,500.00
 - W-2 and payroll corrections needed if limit is exceeded
- ❖ This limit will be increasing January 1, 2025 to \$23,500.00
 - [IRS notice](#)

IRS Form 8821(Tax Information Authorization form)

- ❖ This form was sent out to each district's superintendent for signature in October
- ❖ In order for SCOE to work on the district tax returns, employee W-2s and vendor 1099s, this form needs to be signed
- ❖ Thank you to the districts who have already submitted this back to Jing. Please reach out if you do not know if this has been completed by your district.
 - This does not apply to Charter Schools as SCOE does not prepare the Quarterly tax returns on the Charter School's behalf

Minimum Wage increases January 1, 2025

- ❖ As of January 1, 2025, employees must be paid at least **\$16.50** per hour
- ❖ Review salary schedules for compliance

W-2 Error Report – Pay31

- ❖ Payroll should be checking this report after each payroll. Email helpdesk and cc' Jing and Christy for assistance with these errors

Retirement

Maria Aguayo on a temporary leave of absence as of 11/21/24 (*Estimated return January 2025*)

Continued on back

- ❖ Please include Christy Arend, Jing Liu and Sarah Graves on emails pertaining to CalPERS
 - Carend@scoe.org, Jliu@scoe.org, Sgraves@scoe.org

Recommended to sign up for CalPERS and CalSTRS alerts

- ❖ [CalPERS website](#) to sign up for alerts
- ❖ [CalSTRS website](#) to sign up for alerts
 - These alerts will include CalPERS circular letters and CalSTRS employer directives with important information

CalPERS Personal Addresses

- ❖ The CalPERS system has a mailing address for most people, but if the physical address is not entered this causes an error.
- ❖ This is a new requirement in the system. My staff is working to make sure each employee has a physical address to avoid this error.

ROUTES Monday-Friday

Coverage Route 1 & 2

Estimated July 01 - November 8, 2024

(Extended through December 6th)

Monday:

Village Charter (as needed)
Wright District Office
Roseland District Office
Bellevue District Office
Amarosa (SCOE site)
Labath (SCOE site)
Rincon Valley District Office
Bennett Valley District Office
Kid Street Charter
Piner-Olivet District Office
Mark West District Office

Tuesday:

Santa Rosa City District Office
Kenwood District Office
Woodland Star Charter
Sonoma Valley District Office
Old Adobe District Office
Live Oak Charter
Petaluma
Wilmar District Office
Cinnabar District Office
Waugh District Office
Cotati-Rohnert Park District Office
CREDO - as needed

Wednesday:

West Sonoma County Union High District
Sebastopol Union District Office
Sebastopol Charter
Twin Hills/SunRidge District Office
Gravenstein District Office
Dunham District Office
Liberty District Office
Two Rock District Office

ROUTES Monday-Friday

Coverage Route 1 & 2

Estimated July 01 - November 8, 2024

Thursday:

RESIG

Windsor District Office

West Side District Office

Healdsburg District Office

Alexander Valley District Office

Geyserville District Office

Cloverdale District Office

Friday:

Oak Grove District Office

Forestville District Office

Guerneville District Office

Monte Rio District Office

Montgomery District Office

Fort Ross District Office

Harmony District Office



401(k) limit increases to \$23,500 for 2025, IRA limit remains \$7,000

IR-2024-285, Nov. 1, 2024

WASHINGTON — The Internal Revenue Service announced today that the amount individuals can contribute to their 401(k) plans in 2025 has increased to \$23,500, up from \$23,000 for 2024.

The IRS today also issued technical guidance regarding all cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2025 in [Notice 2024-80](#) [PDF](#), posted today on IRS.gov.

Highlights of changes for 2025

The annual contribution limit for employees who participate in 401(k), 403(b), governmental 457 plans, and the federal government's Thrift Savings Plan is increased to \$23,500, up from \$23,000.

The limit on annual contributions to an IRA remains \$7,000. The IRA catch-up contribution limit for individuals aged 50 and over was amended under the SECURE 2.0 Act of 2022 (SECURE 2.0) to include an annual cost-of-living adjustment but remains \$1,000 for 2025.


The catch-up contribution limit that generally applies for employees aged 50 and over who participate in most 401(k), 403(b), governmental 457 plans, and the federal government's Thrift Savings Plan remains \$7,500 for 2025. Therefore, participants in most 401(k), 403(b), governmental 457 plans and the federal government's Thrift Savings Plan who are 50 and older generally can contribute up to \$31,000 each year, starting in 2025. Under a change made in SECURE 2.0, a higher catch-up contribution limit applies for employees aged 60, 61, 62 and 63 who participate in these plans. For 2025, this higher catch-up contribution limit is \$11,250 instead of \$7,500.

The income ranges for determining eligibility to make deductible contributions to traditional Individual Retirement Arrangements (IRAs), to contribute to Roth IRAs and to claim the Saver's Credit all increased for 2025.

Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. (If neither the taxpayer nor the

spouse is covered by a retirement plan at work, the phase-outs of the deduction do not apply.) Here are the phase-out ranges for 2025:

- For single taxpayers covered by a workplace retirement plan, the phase-out range is increased to between \$79,000 and \$89,000, up from between \$77,000 and \$87,000.
- For married couples filing jointly, if the spouse making the IRA contribution is covered by a workplace retirement plan, the phase-out range is increased to between \$126,000 and \$146,000, up from between \$123,000 and \$143,000.
- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the phase-out range is increased to between \$236,000 and \$246,000, up from between \$230,000 and \$240,000.
- For a married individual filing a separate return who is covered by a workplace retirement plan, the phase-out range is not subject to an annual cost-of-living adjustment and remains between \$0 and \$10,000.
- The income phase-out range for taxpayers making contributions to a Roth IRA is increased to between \$150,000 and \$165,000 for singles and heads of household, up from between \$146,000 and \$161,000. For married couples filing jointly, the income phase-out range is increased to between \$236,000 and \$246,000, up from between \$230,000 and \$240,000. The phase-out range for a married individual filing a separate return who makes contributions to a Roth IRA is not subject to an annual cost-of-living adjustment and remains between \$0 and \$10,000.
- The income limit for the Saver's Credit (also known as the Retirement Savings Contributions Credit) for low- and moderate-income workers is \$79,000 for married couples filing jointly, up from \$76,500; \$59,250 for heads of household, up from \$57,375; and \$39,500 for singles and married individuals filing separately, up from \$38,250.
- The amount individuals can generally contribute to their SIMPLE retirement accounts is increased to \$16,500, up from \$16,000. Pursuant to a change made in SECURE 2.0, individuals can contribute a higher amount to certain applicable SIMPLE retirement accounts. For 2025, this higher amount remains \$17,600.
- The catch-up contribution limit that generally applies for employees aged 50 and over who participate in most SIMPLE plans remains \$3,500 for 2025. Under a change made in SECURE 2.0, a different catch-up limit applies for employees aged 50 and over who participate in certain applicable SIMPLE plans. For 2025, this limit remains \$3,850. Under a change made in SECURE 2.0, a higher catch-up contribution limit applies for employees aged 60, 61, 62 and 63 who participate in SIMPLE plans. For 2025, this higher catch-up contribution limit is \$5,250.

Details on these and other retirement-related cost-of-living adjustments for 2025 are in [Notice 2024-80](#) , available on [IRS.gov](https://www.irs.gov).

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