

## Business Services

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### EXTERNAL PAYROLL AND FINANCE UPDATES

**DBUG MEETING: *September 26, 2024***

#### Payroll

#### **New Hire Reporting Requirement for EDD (Employment Development Department)**

- ❖ All California employers must report all of their new or rehired employees who work in California to the New Employee Registry within 20 days of their start of work date
- ❖ Any employee that is rehired after a separation of at least 60 days would also need to be reported within 20 days of rehire
- ❖ See **below** documentation regarding this process
  - [New Hire Reporting Process](#)

#### **Deceased Employee Final paycheck steps updated**

##### *Possible Affidavits*

- ❖ [Warrant Recipient Designation](#)
- ❖ [Affidavit to collect compensation of deceased \(up to \\$5,000 net\)](#)

#### **Direct Deposit Reminder**

- ❖ Do not accept emailed direct deposit changes without confirming in person or through a trusted phone number
- ❖ Fraud is on the rise

#### **Domestic Partner Health Insurance Tax**

- ❖ Federal law does not recognize domestic partners as having the same standing as a spouse or qualified dependent when it comes to the taxation of an employee's benefits
  - **Federal law** requires the employer compute the fair market value of domestic partner benefits and include this in the gross income of the employee's compensation.
  - This income must be reported in the employee's W-2 and is subject to withholding for Federal Income Tax/State Income Tax/Social Security and Medicare Taxes
    - **If the employee has a registered domestic partner, then this does not apply to State Income Tax.** California recognizes registered domestic partners in the same way they would see a married couple.
- ❖ There is a special add-on in *Employee Management* that needs to be used for both of these situations (Registered and Non-Registered)

- Please note this add-on needs to be updated each year for changes in rates
- ❖ See [Domestic Partner set up in Frontline](#)
- ❖ **It is recommended that an audit be performed for this.** Please be aware that if you find someone who has a domestic partner on their benefits and the taxes were not applied it is required that you correct the taxes for this employee going back 3 calendar years
- ❖ Contact [Carend@scoe.org](mailto:Carend@scoe.org), [Jliu@scoe.org](mailto:Jliu@scoe.org) or [Helpdesk@scoe.org](mailto:Helpdesk@scoe.org) if you have any questions regarding this process

### Finance

#### **October 1, 2024 – sales tax increasing for some cities**

- ❖ Mark your calendar to make this change **ON** October 1st if applicable. The sales tax rate cannot be updated before this date.
- ❖ It is important to check your LEA's address at the below link to make sure you have the proper rate for your location
  - <https://maps.cdtfa.ca.gov/>

#### **EDD 3rd Quarter Tax Reminder**

- ❖ September 30<sup>th</sup> is the due date for filing 3<sup>rd</sup> Quarter taxes to EDD
  - Delinquent if not filed by October 31, 2024
  - Please note – Do not start this process until regular payroll is finalized at the end of September
  - The 3<sup>rd</sup> Quarter EDD filings need to include the payroll information for regular payroll
  - Recommended to start this process on Wednesday, September 25<sup>th</sup> at the earliest
- ❖ Reference the Quarterly Return Process flow chart and documentation through [this link](#)
  - Helpful documents under External Payroll section:
    - District Quarter Return Flowchart Revised
    - Quarterly Return Process
    - Examples for Quarterly return filing with negative amounts

### Retirement

#### **CalPERS rates**

##### **Actual and Projected Employer Contribution Rates by Fiscal Year**

Actual	Projected				
2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
27.05%	27.4%	27.5%	28.5%	28.2%	27.8%

**CalSTRS rates did not change**

<b>Fiscal year creditable service was performed</b>	<b>Defined Benefit member contribution rate CalSTRS 2% at 60</b>	<b>Defined Benefit member contribution rate CalSTRS 2% at 62</b>	<b>Defined Benefit employer contribution rate</b>
<b>2024–25</b>	<b>10.25%</b>	<b>10.205%</b>	<b>19.10%</b>

# New Hire Reporting for Employment Development Department

## Reporting Requirements

All California employers must report all of their new or rehired employees who work in California to the New Employee Registry within 20 days of their start-of-work date, which is the first day of work. Any employee that is rehired after a separation of at least 60 consecutive days must also be reported within 20 days. Employers who report electronically must submit two files each month that are not less than 12 days and not more than 16 days apart. No report should be submitted if there are no new or rehired employees to report.

You are required by law to report the following:

- **Employer's:**
  - California employer payroll tax account number
  - Federal employer identification number
  - Business name and address
  - Contact person and phone number
- **Employee's:**
  - First name, middle initial and last name.
  - Social Security number
  - Home address
  - Start-of-work date

## Escape Report

### Employee06 – Monthly Employment Development Department

This report is to help you prepare for submission of monthly data to the EDD. It prints all necessary information, such as the district name & address, federal and state tax ID and district contact name. It prints the following information for new hires and rehires for a month: name, social security number, home address and hire date.

*Go to HR/Payroll – Reports – Employee – Employee06*

**Create a Favorite and schedule Report to Save Time!**

**Use mnemonics instead of dates for Favorite**

Request	
1 - Report	
Report Number	Employee06
Description	Monthly Employment Development Department
Report Sample	Employee06
Report Favorite ID	EDD New Hire List
2 - User Options	
Starting Date	6/1/2017 {BCM}
Ending Date	6/30/2017 {ECM}
Date To Use	Hire/Rehire date
3 - Report Options	
First Paid?	Yes - show the First Paid date column
General	

# New Hire Reporting for Employment Development Department

## Report Options

### User Options

- Starting hire date : Enter a date or use mnemonics
- Ending hire date: Enter a date or use mnemonics
- Date to Use: Hire/Rehire Date (default) or First Paid Date
- First Paid Date: Use the lookup to decide if you want the First Paid Date column to show on the report

### Sort Options

- a) Employee Name – Sorted by employee name, then date hired/rehired
- b) Excel Extract — Sorted by last name. Creates a simple list that can be saved as an Excel file. The list includes org ID, emp ID, employee name, the FULL social security number, street, city, state, zip, hire/rehire date and the first paid date. It lists the header once: no breaks or subtotals.

**Do not press GO for an Excel Export. Instead, choose the Excel Data option from the Go/Export task to launch Microsoft Excel with the data from the report.**

### Special Considerations

**This report may show the FULL social security number**

The ability to view the full social security number is controlled by user permissions. If you have user permissions to the View SSN task in the HR/Payroll-Employment-Employee Management activity, then you have the permissions necessary to see the full SSN. If you do not have access to this task, the report will not show the full SSN regardless of what you select in the SSN report parameter.

The contact name and phone number on this report comes from the Organization record.

If you select Hire/Rehire Date for the Date to Use, the later of two will be used to determine if the employee meets the selection criteria. On the report, next to the Last Hired column is an indicator showing if the date displayed is the hire date (H) or the rehire date (R).

Employee06a		EDD New Hire					
New Hires 06/01/2017 through 06/30/2017							
Employee	SS#	Street	City	State	Zip	First Paid	Last Hired
Contact Linda Daugherty Sonoma County Office of Education 5340 Skylane Blvd Santa Rosa, CA 95403			Federal Id# 946002635 State Id# 8004219-5				
El			Petaluma	CA	94952		06/12/2017(H)
Fe			Santa Rosa	CA	95401		06/13/2017(H)
Ru			Forestville	CA	95436		06/12/2017(H)
Se			Santa Rosa	CA	95403		06/05/2017(H)
Wa			Rohnert Park	CA	94928		06/12/2017(H)

**Scheduled Reports can be found *in HR/Payroll-My Reports***

## REPORTING NEW EMPLOYEES AND INDEPENDENT CONTRACTORS

As a business or government entity doing business in California, you are required to report certain information on employees and independent contractors you hire to the Employment Development Department (EDD).

This information will assist in locating parents who are delinquent in their child support payments.

The reporting requirements for both new employees and independent contractors are listed below.

### NEW EMPLOYEE REPORTING

#### Background

In 1996, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act, requiring all employers to report certain information on newly hired and rehired employees. The federal requirement was implemented by California effective July 1, 1998.

#### Reporting Requirements for California Employers

California employers are required to report information on newly hired or rehired employees **who work in California** to the EDD's New Employee Registry (NER). However, multistate employers may elect to report electronically all newly hired or rehired employees to one state in which they have employees. The State of California encourages multistate employers to report California employees to the California NER.

#### Who Must Be Reported

**NEWLY HIRED EMPLOYEES** are those individuals who have not previously been included on your payroll.

**REHIRED EMPLOYEES** are those individuals who were previously included on your payroll, left your employment, and were rehired after a separation of at least 60 consecutive days.

An individual is considered a new hire or rehire on their first day of work.

#### When to Report

Information on newly hired or rehired employees must be reported within 20 days of their start-of-work date.

Employers who choose to report electronically must submit two transmissions each month that are not less than 12 or more than 16 days apart.

### INDEPENDENT CONTRACTOR REPORTING

#### Background

In 1999, California enacted a law requiring businesses and government entities to report similar information on independent contractors. This requirement was effective January 1, 2001.

#### Reporting Requirements for Businesses and Government Entities Doing Business in California

Any business or government entity (defined as a "service-recipient") that is required to file federal Form **1099-MISC** for services performed by an independent contractor (defined as a "service-provider") must report. A service-recipient means any individual, person, corporation, association, or partnership, or agent thereof, doing business in California, deriving trade or business income from sources within this state, or in any manner in the course of trade or business subject to the laws of this state. An independent contractor is defined as an individual who is not an employee of the business or government entity for California purposes and who receives compensation or executes a contract for services performed for that business or government entity either in or outside of California.

#### Who Must Be Reported

Any individual whom the business or government entity is required to provide a federal Form 1099-MISC for services performed as an independent contractor. This does not include an independent contractor who is a corporation, general partnership, limited liability partnership, or limited liability company. In general, independent contractors who are sole proprietors are to be reported.

#### When to Report

You must report independent contractor information to the EDD within 20 days of EITHER making payments totaling \$600 or more for services performed OR entering into a contract for \$600 or more for services performed, whichever is earlier. If the threshold is met, reporting is required in each calendar year, but only once in a calendar year.

## NEW EMPLOYEE REPORTING

(continued)

### Required Information

The following information must be reported to the EDD:

#### Employer Information

- Business name, address, and phone number
- EDD employer payroll tax account number
- Federal employer identification number
- Contact person

#### Employee Information

- First name, middle initial, and last name
- Social Security number
- Address
- Start-of-work date

#### Reporting Methods

Employers may elect any of the following methods to report new employee information to the EDD:

- File online using any of the options available with the EDD e-Services for Business. Visit the website at [www.edd.ca.gov/e-Services\\_for\\_Business](http://www.edd.ca.gov/e-Services_for_Business) to choose the option best for you.
- File a *Report of New Employee(s)*, DE 34, form.
- File a copy of the employee's Form W-4. You must add the date the employee started working for you, your California employer payroll tax account number, and Federal employer identification number to the Form W-4.

#### Where to Send Reports

Employment Development Department  
PO Box 997016, MIC 96  
West Sacramento, CA 95799-7016  
Fax: 916-319-4400

#### Additional Information

For further assistance, please contact the Taxpayer Assistance Center at 888-745-3886, or visit the nearest Employment Tax Office listed in the *California Employer's Guide*, DE 44, or access the EDD website at [www.edd.ca.gov/Payroll\\_Taxes/](http://www.edd.ca.gov/Payroll_Taxes/).

## INDEPENDENT CONTRACTOR REPORTING

(continued)

### Required Information

The following information that applies must be reported to the EDD:

#### Business or Government Entity Information

- Business name, address, and phone number
- Federal employer identification number, EDD Employer payroll tax account number, and/or Social Security number

#### Independent Contractor Information

- First name, middle initial, and last name
- Social Security number
- Address
- Start date of contract or date \$600 or more is paid
- Amount of contract (including cents)
- Contract expiration date
- Ongoing contract (check box if applicable)

#### Reporting Methods

Business and government entities may elect any of the following methods to report independent contractor information to the EDD:

- File online using any of the options available with the EDD e-Services for Business. Visit the website at [www.edd.ca.gov/e-Services\\_for\\_Business](http://www.edd.ca.gov/e-Services_for_Business) to choose the option best for you.
- File a *Report of Independent Contractor(s)*, DE 542, form.

#### Where to Send Reports

Employment Development Department  
PO Box 997350, MIC 96  
Sacramento, CA 95899-7350  
Fax: 916-319-4410

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, and/or alternate formats need to be made by calling 888-745-3886 (voice) or TTY 800-547-9565.

This information sheet is provided as a public service and is intended to provide nontechnical assistance. Every attempt has been made to provide information that is consistent with the appropriate statutes, rules, and administrative and court decisions. Any information that is inconsistent with the law, regulations, and administrative and court decisions is not binding on either the Employment Development Department or the taxpayer. Any information provided is not intended to be legal, accounting, tax, investment, or other professional advice.

## **Deceased Employees: Checklist (UPDATED 09/2024)**

It is necessary for LEAs to use the correct process for paying and reporting compensation for deceased employees. Guidelines can be found in IRS Publication 15 and in the Instructions for Form W2.

**Step 1:** The employee record will need to be updated and final compensation calculated. It is recommended to review and end tabs *left to right* in Employee Management

### **Employee Management Tabs:**

- Pay Cycle** – Should be ended the last day of the pay period
- Retirement** – Should be ended the last day of the month of death
- ACH** – Should be ended prior to pay date
- Deductions** – Should be ended in the current period, with the exception of Union Dues. Union dues should not be deducted in the month of death. (End union dues prior month)
- Assignment** – Must be ended effective the date of death
- Add-ons** – Review add-ons to determine if any stipends are owed
- Leaves** – Enter final leaves taken. Make certain the employee has enough sick leave to be in paid status, or else Payroll should enter a dock. Payroll should adjust leave balance to zero.
- Benefit Providers** – Determine the appropriate end date for Benefit Providers. Typically, this is the last day of the pay period which the employee passed away. Refund any additional amounts taken from the start of the fiscal year to the date of death that would have covered any future months of coverage (i.e. July and August premiums).

**Step 2:** Final Payment Adjustments in Adjust Payroll

- When final payment is made in the SAME year of death:**
  - Calculate pay in Frontline on the next (final) regular payroll, triggering a DNP payout if applicable
  - Zero out Gross Pay by using the Regular Addon to reverse compensation
  - Add **Z-MEDI, Z-SUI, ZWC, ZSDI, and Z-OASDI** Add-ons to report Gross earnings and deductions for Medicare, State Unemployment Insurance, Workers Compensation, State Disability Insurance and OASDI. Please note SDI and OASDI only apply to certain employees. (*Christy Arend and Jing Liu need to be notified anytime these Z-addons are used*)
  - Add **Z-STRS or Z-PERS** add-on if applicable (Make sure to notify Alli Britton and Maria Aguayo if you are using these add-ons)
    - Contact CalSTRS directly to report deceased employee. Final sick leave will need to be reported.
    - Fill out CalPERS Change form and turn into Maria Aguayo – the CalPERS appointment will need to be ended with the reason being deceased.
  - Enter REPAY deduction to zero out net pay

- **When final payment is made AFTER the year of death:**
  - Calculate pay in Frontline on the next (final) regular payroll, triggering a DNP payout if applicable
  - Zero out Gross Pay by using the Regular Addon to reverse compensation
  - **Do not** withhold **any** taxes
  - Add **Z-STRS** or **Z-PERS** add on if applicable (Make sure to notify Alli Britton and Maria Aguayo if you are using these add-ons)
    - Contact CalSTRS directly to report deceased employee. Final sick leave will need to be reported.
    - Fill out CalPERS Change form and turn into Maria Aguayo – the CalPERS appointment will need to be ended with the reason being deceased.
  - REPAY deduction code needed to zero out DNP if applicable

**Step 3:** Create a New vendor to the Estate **or** Next of Kin (*Affidavit to Collect Compensation of Deceased needed, up to \$5,000.00 net*)

- Have the family complete a W9 in order to obtain the TIN or SSN for the beneficiary or estate
  - It is best to have a [Designation of Beneficiary for Pay Warrant form](#) on file for all employees as provided by Government Code 53245:
  - In the event of death, the employee may designate a beneficiary to receive all warrants or checks that will be payable to the employee
  - Payments under \$5,000.00 can be collected using an Affidavit to Collect Compensation of Deceased – [attached](#)
- Finance → Purchasing → Vendors → Section 6: **1099 Form: 3 {Other Income}**
- **1099: YES**

**Step 4:** Update Department Record under **Finance – Setup – Department – Departments**

- Make sure **Account Object Code Filter** is set up to allow salary accounts (1XXX and 2XXX object codes)
- When payment is made, change settings back to exclude these objects

**Step 5:** Create a Vendor Requisition

- Create vendor requisition with the Direct Payment Type to issue the warrant to the new vendor “Estate of \_\_\_\_\_ (Employee name) or next of kin”
- Process payment using object code 9213, for net pay (*entered as a negative for REPAY amount*) and object 1XXX (certificated) or 2XXX (classified) for gross pay (*entered as a positive*)
- The warrant should be issued no later than the date of the next payroll

**NOTE:** It is recommended to process the final payment through AP rather than out of the district’s revolving account. However, should the district decide to pay the final payment outside of Frontline, using the district’s revolving account, **you will need to manually enter the vendor and payment information for 1099 reporting at calendar year end.** Put a tickler in your calendar year end 1099 file as a reminder.



## Taxation of Payments after Death

### Paid in Same Year as Death

#### PAYROLL PROCESS

Social security and Medicare withheld and reported as SS/Medi wages on Employee Form W-2

Amount is not reported as federal income taxable wages

#### ACCOUNTS PAYABLE

Gross amount of payroll check is reported on Form 1099-MISC.(Box 3) of the employee's estate or to the beneficiary who received the payment

### Paid in the Next Calendar Year after Death

- No social security or Medicare tax withheld or
- No reporting on Form W-2

Gross amount of payroll check is reported on Form 1099-MISC.(Box 3) of the employee's estate or to the beneficiary who received the payment

**Make sure to get Beneficiary TIN**



See treatment for tax purposes for California at the below EDD link(Deceased employee wages)

[https://edd.ca.gov/siteassets/files/pdf\\_pub\\_ctr/de231TP.pdf](https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de231TP.pdf)

*Please Notify Christy Arend([Carend@scoe.org](mailto:Carend@scoe.org)) and Jing Liu([Jliu@scoe.org](mailto:Jliu@scoe.org)) if you have a deceased employee. This process affects taxes and needs to be verified before finalized in Frontline.*



**CDTFA**  
CALIFORNIA DEPARTMENT OF  
TAX AND FEE ADMINISTRATION

# SPECIAL NOTICE

New City of Mountain House in  
San Joaquin County

New Sales and Use Tax Rates  
Effective October 1, 2024

## New City of Mountain House in San Joaquin County

In March 2024, voters approved the creation of a new city, the City of Mountain House in San Joaquin County, effective July 1, 2024. The City of Mountain House will begin imposing Bradley-Burns Uniform Local Sales and Use Taxes on **October 1, 2024**. The total sales and use tax rate for the City of Mountain House will be 7.75 percent. If you are filing a sales and use tax return, you should allocate your Mountain House sales to *San Joaquin County–Unincorporated* on Schedule A.

## New Sales and Use Tax Rates Effective October 1, 2024

California voters approved the district tax changes listed below in the March 2024 election, except as noted. The tax rate changes apply only within the indicated city or county limits. The new tax rates, tax codes, and expiration dates will be available to view and download as a spreadsheet on September 1, 2024, on our webpage, *California City & County Sales & Use Tax Rates* (scroll down to *Download* for the spreadsheet).

To find the specific tax rate for your area or business location on our website, from the *Tax & Fee Rates* section, select *See Tax Rates*, and then select *Sales and Use Tax Rates*. You will then be on the *California City & County Sales & Use Tax Rates* webpage. Select *Find a Sales and Use Tax Rate by Address* under the *Current Tax Rates* section, enter the address, and select *Search*. The new rates will be displayed on the webpage on October 1, 2024.

If you have questions about this notice, please call our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

### DISTRICT TAX RATES CHANGING

Citywide	New Code	Prior Rate	New Rate
City of Benicia (located in Solano County)	B02	8.375%	9.125%
City of Grass Valley (located in Nevada County)	A81	8.500%	8.875%
City of La Cañada Flintridge (located in Los Angeles County)	A97	9.500%	10.250%
Town of Truckee (located in Nevada County) <sup>1</sup>	A99	8.250%	8.500%

<sup>1</sup> Approved by voters in the June 2022 election, the existing city tax of 0.25 percent, set to expire September 30, 2024, increased to 0.50 percent and extended indefinitely. We issued a new code for the city.

**DISTRICT TAX RATES CHANGING**

<b>Countywide</b>	<b>New Code</b>	<b>Prior Rate</b>	<b>New Rate</b>
Calaveras County	A94	7.250%	8.250%
City of Angels Camp	A95	7.750%	8.750%
Sonoma County	B04	8.500%	9.000%
City of Cotati	B05	9.500%	10.000%
City of Healdsburg	B06	9.000%	9.500%
City of Petaluma	B07	9.500%	10.000%
City of Rohnert Park	B08	9.000%	9.500%
City of Santa Rosa	B09	9.250%	9.750%
City of Sebastopol	B10	9.250%	9.750%
City of Sonoma	B11	9.000%	9.500%

**CURRENT DISTRICT TAXES EXTENDED**

<b>County/City</b>	<b>Code</b>	<b>Tax Rate</b>	<b>Expiration Date</b>
City of Pomona (located in Los Angeles County) <sup>2</sup>	668	10.250%	NONE

<sup>2</sup> The existing city tax of 0.75 percent, set to expire on March 31, 2029, was extended indefinitely by voters in the March 2024 election.



## Frontline Tips – Update Sales Tax

### Sales Tax Rates Effective October 1, 2024



Do you know where to update this in Escape?

- **Go to Finance – Setup – General – Fiscal**
  - Be careful when making the change because it's not date driven
  - You will need to make the change **on October 1, 2024**

Description	ABC
State Tax Rate	8.625
County Tax Rate	0.000
Local Tax Rate	0.000

For Districts with multiple Sales Tax Rates, the override is in the **Locations** in the Organizations record. This is read only for most Districts, please send email to [helpdesk@scoe.org](mailto:helpdesk@scoe.org) to update.

- **Go to System – Setup – Organizations**

1 - Location Information	
Location	0001
Location Name	ABC District Office
Short Location Name	District Office
CDS Code	
Contact	
Contact Title	
Phone #	(707) 522-3120
Phone Extension	
Override Tax Rate	8.250

**California Sales and Use Tax Rates by County and City\***  
*Operative October 1, 2024 (includes state, county, local, and district taxes)*

<p><b>ALAMEDA COUNTY 10.25%</b>                      City of Alameda 10.75%                      City of Albany 10.75%                      City of Emeryville 10.50%                      City of Hayward 10.75%                      City of Newark 10.75%                      City of San Leandro 10.75%                      City of Union City 10.75%</p> <p><b>ALPINE COUNTY 7.25%</b></p> <p><b>AMADOR COUNTY 7.75%</b></p> <p><b>BUTTE COUNTY 7.25%</b>                      City of Chico 8.25%                      City of Oroville 8.25%                      Town of Paradise 7.75%</p> <p><b>CALAVERAS COUNTY 8.25%</b>                      City of Angels Camp 8.75%</p> <p><b>COLUSA COUNTY 7.75%</b>                      City of Colusa 8.75%                      City of Williams 8.25%</p> <p><b>CONTRA COSTA COUNTY 8.75%</b>                      City of Antioch 9.75%                      City of Concord 9.75%                      City of El Cerrito 10.25%                      City of Hercules 9.25%                      City of Martinez 9.75%                      Town of Moraga 9.75%                      City of Orinda 9.75%                      City of Pinole 9.75%                      City of Pittsburg 9.25%                      City of Pleasant Hill 9.25%                      City of Richmond 9.75%                      City of San Pablo 9.50%                      City of Walnut Creek 9.25%</p>	<p><b>DEL NORTE COUNTY<sup>1</sup> 7.25%</b>                      City of Crescent City 8.25%                      Del Norte (Unincorporated Area)<sup>2</sup> 8.25%</p> <p><b>EL DORADO COUNTY 7.25%</b>                      City of Placerville 8.25%                      City of South Lake Tahoe 8.75%</p> <p><b>FRESNO COUNTY 7.975%</b>                      City of Coalinga 8.975%                      City of Fowler 8.975%                      City of Fresno 8.35%                      City of Huron 8.975%                      City of Kerman 8.975%                      City of Kingsburg 8.975%                      City of Mendota 9.225%                      City of Parlier 8.975%                      City of Reedley 9.225%                      City of Sanger 8.725%                      City of Selma 8.475%</p> <p><b>GLENN COUNTY 7.25%</b>                      City of Orland 7.75%</p> <p><b>HUMBOLDT COUNTY 7.75%</b>                      City of Arcata 8.50%                      City of Blue Lake 8.75%                      City of Eureka 9.25%                      City of Ferndale 8.50%                      City of Fortuna 8.50%                      City of Rio Dell 8.75%                      City of Trinidad 8.50%</p> <p><b>IMPERIAL COUNTY 7.75%</b>                      City of Calexico 8.25%                      City of El Centro 8.25%</p>	<p><b>INYO COUNTY 7.75%</b>                      City of Bishop 8.75%</p> <p><b>KERN COUNTY<sup>3</sup> 7.25%</b>                      City of Arvin 8.25%                      City of Bakersfield 8.25%                      City of Delano 8.25%                      City of McFarland 8.25%                      City of Ridgecrest 9.25%                      City of Taft 8.25%                      City of Tehachapi 8.25%                      City of Wasco 8.25%                      Kern (Unincorporated Area)<sup>4</sup> 8.25%</p> <p><b>KINGS COUNTY 7.25%</b>                      City of Avenal 8.25%                      City of Corcoran 8.25%</p> <p><b>LAKE COUNTY 7.25%</b>                      City of Clearlake 8.75%                      City of Lakeport 8.75%</p> <p><b>LASSEN COUNTY 7.25%</b>                      City of Susanville 8.25%</p> <p><b>LOS ANGELES COUNTY 9.50%</b>                      City of Alhambra 10.25%                      City of Arcadia 10.25%                      City of Avalon 10.00%                      City of Azusa 10.25%                      City of Baldwin Park 10.25%                      City of Bell Gardens 10.25%                      City of Bellflower 10.25%                      City of Burbank 10.25%                      City of Carson 10.25%                      City of Commerce 10.25%                      City of Compton 10.25%                      City of Covina 10.25%                      City of Cudahy 10.25%                      City of Culver City 10.25%</p>	<p>City of Downey 10.00%                      City of Duarte 10.25%                      City of El Monte 10.00%                      City of Gardena 10.25%                      City of Glendale 10.25%                      City of Glendora 10.25%                      City of Hawaiian Gardens 10.25%                      City of Hawthorne 10.25%                      City of Huntington Park 10.25%                      City of Inglewood 10.00%                      City of Irwindale 10.25%                      City of La Cañada Flintridge 10.25%                      City of La Puente 10.00%                      City of La Verne 10.25%                      City of Lakewood 10.25%                      City of Lancaster 10.25%                      City of Lawndale 10.25%                      City of Lomita 10.25%                      City of Long Beach 10.25%                      City of Lynwood 10.25%                      City of Malibu 10.00%                      City of Monrovia 10.25%                      City of Montebello 10.25%                      City of Monterey Park 10.25%                      City of Norwalk 10.25%                      City of Palmdale 10.25%                      City of Paramount 10.25%                      City of Pasadena 10.25%                      City of Pico Rivera 10.25%                      City of Pomona 10.25%                      City of San Fernando 10.25%                      City of San Gabriel 10.25%                      City of Santa Fe Springs 10.50%                      City of Santa Monica 10.25%                      City of Sierra Madre 10.25%                      City of Signal Hill 10.25%                      City of South El Monte 10.25%                      City of South Gate 10.25%                      City of South Pasadena 10.25%                      City of Torrance 10.00%</p>
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\*For more details, refer to [www.cdtfa.ca.gov/taxes-and-fees/sales-use-tax-rates.htm](http://www.cdtfa.ca.gov/taxes-and-fees/sales-use-tax-rates.htm).

Note: Some communities located within a county or a city may not be listed. If you are in doubt about the correct rate or if you cannot find a community, please call our toll-free number at 1-800-400-7115 (TTY:711). You may also call the local California Department of Tax and Fee Administration office nearest you for assistance.

<sup>1</sup> This county tax rate applies to areas that are within the boundaries of any incorporated city within the county of Del Norte.

<sup>2</sup> This county tax rate applies to areas that are not within the boundaries of any incorporated city within the county of Del Norte.

<sup>3</sup> This county tax rate applies to areas that are within the boundaries of any incorporated city within the county of Kern.

<sup>4</sup> This county tax rate applies to areas that are not within the boundaries of any incorporated city within the county of Kern.

City of Vernon 10.25%  
 City of West Hollywood  
 10.25%  
 City of Whittier 10.25%

**MADERA  
 COUNTY 7.75%**

City of Chowchilla 8.75%  
 City of Madera 8.25%

**MARIN  
 COUNTY 8.25%**

Town of Corte Madera 9.00%  
 Town of Fairfax 9.00%  
 City of Larkspur 9.25%  
 City of Novato 8.50%  
 Town of San Anselmo 9.25%  
 City of San Rafael 9.25%  
 City of Sausalito 9.25%

**MARIPOSA  
 COUNTY 8.75%**

**MENDOCINO  
 COUNTY 7.875%**

City of Fort Bragg 8.875%  
 City of Point Arena 8.375%  
 City of Ukiah 8.875%  
 City of Willits 9.125%

**MERCED  
 COUNTY 7.75%**

City of Atwater 8.75%  
 City of Gustine 8.25%  
 City of Los Banos 8.75%  
 City of Merced 8.25%

**MODOC  
 COUNTY 7.25%**

**MONO  
 COUNTY 7.25%**

Town of Mammoth Lakes  
 7.75%

**MONTEREY  
 COUNTY 7.75%**

City of Carmel-by-the-Sea  
 9.25%  
 City of Del Rey Oaks 9.25%  
 City of Gonzales 8.75%  
 City of Greenfield 9.50%  
 City of King City 8.75%  
 City of Marina 9.25%

City of Monterey 9.25%  
 City of Pacific Grove 9.25%  
 City of Salinas 9.25%  
 City of Sand City 9.25%  
 City of Seaside 9.25%  
 City of Soledad 9.25%

**NAPA  
 COUNTY 7.75%**

City of St. Helena 8.25%

**NEVADA  
 COUNTY 7.50%**

City of Grass Valley 8.875%  
 City of Nevada City 8.875%  
 Town of Truckee 8.50%

**ORANGE  
 COUNTY 7.75%**

City of Fountain Valley  
 8.75%  
 City of Garden Grove 8.75%  
 City of La Habra 8.25%  
 City of La Palma 8.75%  
 City of Los Alamitos 9.25%  
 City of Placentia 8.75%  
 City of Santa Ana 9.25%  
 City of Seal Beach 8.75%  
 City of Stanton 8.75%  
 City of Westminster 9.25%

**PLACER  
 COUNTY 7.25%**

Town of Loomis 7.50%  
 City of Roseville 7.75%

**PLUMAS  
 COUNTY 7.25%**

**RIVERSIDE  
 COUNTY 7.75%**

City of Blythe 8.75%  
 City of Cathedral City 8.75%  
 City of Coachella 8.75%  
 City of Corona 8.75%  
 City of Hemet 8.75%  
 City of Indio 8.75%  
 City of La Quinta 8.75%  
 City of Lake Elsinore 8.75%  
 City of Menifee 8.75%  
 City of Murrieta 8.75%  
 City of Norco 8.75%  
 City of Palm Springs 9.25%

City of Riverside 8.75%  
 City of San Jacinto 8.75%  
 City of Temecula 8.75%  
 City of Wildomar 8.75%

**SACRAMENTO  
 COUNTY 7.75%**

City of Elk Grove 8.75%  
 City of Galt 9.25%  
 City of Isleton 8.75%  
 City of Rancho Cordova  
 8.75%  
 City of Sacramento 8.75%

**SAN BENITO  
 COUNTY 8.25%**

City of Hollister 9.25%  
 City of San Juan  
 Bautista 9.00%

**SAN BERNARDINO  
 COUNTY 7.75%**

City of Barstow 8.75%  
 City of Chino 8.75%  
 City of Colton 8.75%  
 City of Montclair 9.00%  
 City of Ontario 8.75%  
 City of Redlands 8.75%  
 City of San Bernardino  
 8.75%  
 City of Victorville 8.75%  
 Town of Yucca Valley 8.75%

**SAN DIEGO  
 COUNTY 7.75%**

City of Chula Vista 8.75%  
 City of Del Mar 8.75%  
 City of El Cajon 8.25%  
 City of Imperial Beach 8.75%  
 City of La Mesa 8.50%  
 City of National City 8.75%  
 City of Oceanside 8.25%  
 City of Solana Beach 8.75%  
 City of Vista 8.25%

**SAN FRANCISCO  
 COUNTY 8.625%**

**SAN JOAQUIN  
 COUNTY 7.75%**

City of Lathrop 8.75%  
 City of Lodi 8.25%  
 City of Manteca 8.25%

City of Stockton 9.00%  
 City of Tracy 8.25%

**SAN LUIS OBISPO  
 COUNTY 7.25%**

City of Arroyo Grande 7.75%  
 City of Atascadero 8.75%  
 City of Grover Beach 8.75%  
 City of Morro Bay 8.75%  
 City of Paso Robles 8.75%  
 City of Pismo Beach 7.75%  
 City of San Luis Obispo  
 8.75%

**SAN MATEO  
 COUNTY 9.375%**

City of Belmont 9.875%  
 City of Brisbane 9.875%  
 City of Burlingame 9.625%  
 City of Daly City 9.875%  
 City of East Palo Alto 9.875%  
 City of Pacifica 9.875%  
 City of Redwood City  
 9.875%  
 City of San Bruno 9.875%  
 City of San Mateo 9.625%  
 City of South San Francisco  
 9.875%

**SANTA BARBARA  
 COUNTY 7.75%**

City of Carpinteria 9.00%  
 City of Goleta 8.75%  
 City of Guadalupe 8.75%  
 City of Lompoc 8.75%  
 City of Santa Barbara 8.75%  
 City of Santa Maria 8.75%  
 City of Solvang 8.75%

**SANTA CLARA  
 COUNTY 9.125%**

City of Campbell 9.375%  
 City of Los Gatos 9.25%  
 City of Milpitas 9.375%  
 City of San Jose 9.375%

**SANTA CRUZ  
 COUNTY<sup>5</sup> 8.50%**

City of Capitola 9.00%  
 City of Santa Cruz 9.75%  
 City of Scotts Valley 9.75%  
 City of Watsonville 9.75%  
 Santa Cruz (Unincorporated  
 Area)<sup>6</sup> 9.50%

<sup>5</sup>. This county tax rate applies to areas that are within the boundaries of any incorporated city within the county of Santa Cruz.

<sup>6</sup>. This county tax rate applies to areas that are not within the boundaries of any incorporated city within the county of Santa Cruz.

**SHASTA**  
**COUNTY 7.25%**  
City of Anderson 7.75%

**SIERRA**  
**COUNTY 7.25%**

**SISKIYOU**  
**COUNTY 7.25%**  
City of Dunsmuir 7.75%  
City of Mount Shasta 7.50%  
City of Weed 7.50%  
City of Yreka 7.75%

**SOLANO**  
**COUNTY 7.375%**  
City of Benicia 9.125%  
City of Fairfield 8.375%  
City of Rio Vista 8.125%  
City of Suisun City 8.375%  
City of Vacaville 8.125%  
City of Vallejo 9.25%

**SONOMA**  
**COUNTY 9.00%**  
City of Cotati 10.00%  
City of Healdsburg 9.50%  
City of Petaluma 10.00%  
City of Rohnert Park 9.50%  
City of Santa Rosa 9.75%  
City of Sebastopol 9.75%  
City of Sonoma 9.50%

**STANISLAUS**  
**COUNTY 7.875%**  
City of Ceres 8.375%  
City of Modesto 8.875%  
City of Oakdale 8.375%  
City of Turlock 8.625%

**SUTTER**  
**COUNTY 7.25%**

**TEHAMA**  
**COUNTY 7.25%**  
City of Corning 7.75%  
City of Red Bluff 7.50%

**TRINITY**  
**COUNTY 7.25%**

**TULARE**  
**COUNTY 7.75%**  
City of Dinuba 8.50%

City of Exeter 8.75%  
City of Farmersville 8.75%  
City of Lindsay 8.75%  
City of Porterville 9.25%  
City of Tulare 8.25%  
City of Visalia 8.50%  
City of Woodlake 8.75%

**TUOLUMNE**  
**COUNTY 7.25%**  
City of Sonora 8.75%

**VENTURA**  
**COUNTY 7.25%**  
City of Oxnard 9.25%  
City of Port Hueneme 8.75%  
City of Santa Paula 8.25%  
City of Ventura 7.75%

**YOLO**  
**COUNTY 7.25%**  
City of Davis 8.25%  
City of West Sacramento  
8.25%  
City of Woodland 8.00%

**YUBA**  
**COUNTY<sup>7</sup> 7.25%**  
City of Marysville 8.25%  
City of Wheatland 7.75%  
Yuba (Unincorporated Area)<sup>8</sup>  
8.25%

<sup>7</sup> This county tax rate applies to areas that are within the boundaries of any incorporated city within the county of Yuba.

<sup>8</sup> This county tax rate applies to areas that are not within the boundaries of any incorporated city within the county of Yuba.



# School Employer Projected Contribution Rates

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August 30, 2024

Circular Letter: 200-040-24

**Topic: Actuarial**

**To: All School Employers**

## Purpose

The purpose of this Circular Letter (CL) is to provide updated projections of the employer contribution rates that reflect the 9.3% CalPERS preliminary investment return for fiscal year (FY) 2023-24 (without reduction for administrative expenses). This CL also projects contribution rates under different investment returns in future years known as a “scenario test”.

## Employer Contribution

The school employer contribution rate for FY 2024-25 is 27.05% of payroll and is projected to increase in FY 2025-26 to approximately 27.4%. The actual school employer contribution rate will not be known until audited assets and demographic changes as of June 30, 2024, are measured as part of the next actuarial valuation. The actual FY 2025-26 school employer contribution rate will be presented to the CalPERS Board of Administration in April 2025 and will differ from the estimate shown here.

## Projected Future Contribution Rates

The table below shows the required and projected employer contribution rates for the current FY and the next five FYs. Projected results reflect an investment gain for FY 2023-24 based on preliminary investment return information released by the CalPERS Investment Office. Further, projected rates reflect the anticipated decrease in normal cost due to new hires entering the Public Employees' Pension Reform Act (PEPRA) benefit tier.

It is assumed that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. Projections, by their nature, are not a guarantee of future results. Future contribution requirements may differ, perhaps significantly, from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

### Actual and Projected Employer Contribution Rates by Fiscal Year

Actual	Projected				
2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
27.05%	27.4%	27.5%	28.5%	28.2%	27.8%

Under the CalPERS amortization policy, changes in the Unfunded Accrued Liability (UAL) due to investment gains or losses (actual return relative to assumed return for the year) are amortized using a five-year ramp up. This method attempts to mitigate employer cost volatility from year to year by phasing in the impact of investment experience over a five-year period. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is poor investment return, the relatively small amortization payments during the ramp-up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the investment loss is phased in. For more information, see the CalPERS Actuarial Amortization Policy (PDF).

### Future Investment Return Scenarios

To illustrate the sensitivity of contribution rates to investment return, analysis was performed to estimate the effects of various hypothetical future investment returns on required employer contributions. Projected results reflect an investment gain for FY 2023-24 based on preliminary investment return information released by the CalPERS Investment Office. The projected normal cost rates reflect that rates are anticipated to decline over time as new employees are hired into the PEPRA benefit tier. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur. The projection does not reflect any potential future change to the discount rate stemming from the CalPERS Funding Risk Mitigation Policy. Under this policy,

as amended in April 2024, a board review of the asset allocation and discount rate is triggered after a year when investment return outperforms the assumed rate by a specified margin; any change in discount rate is at the board's discretion.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually starting in FY 2024-25. These alternative investment returns reflect the 5th and 95th percentile returns of the fund's portfolio over a 20-year period based on stochastic analysis using capital market assumptions from the Asset Liability Management process completed in 2021.

### Projected Annual Contribution Requirements of Hypothetical Earnings From 2024-25 Through 2043-44

Assumed Annual Return	Current Rate	Projected Employer Contribution Rate				
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
3.0% (5th percentile)	27.05%	27.4%	27.9%	29.7%	30.5%	31.6%
10.8% (95th percentile)	27.05%	27.4%	27.1%	27.2%	25.6%	23.4%

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or more than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or more than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in a given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2024-25 on the FY 2026-27 required contribution. Note that a single-year investment gain or loss impacts the contribution rates for each of the next five years, not just one, due to the five-year ramp in the amortization policy. However, the contribution rates beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher-than-average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

## Effect of a One or Two Standard Deviation Investment Loss in FY 2024-25 on the FY 2026-27 Required Contribution

Assumed Annual Return	Current Rate	Projected Employer Contribution Rate	
	2024-25	2025-26	2026-27
-17.2% (2 standard deviation loss)	27.05%	27.4%	30.0%
-5.2% (1 standard deviation loss)	27.05%	27.4%	28.8%

Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next three years due to the continued phase-in of the impact of the illustrated investment gains and losses prior.

## Questions

If you have questions, call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Scott Terando, Chief Actuary  
Actuarial Office

Updated: August 30, 2024