

## Business Services

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### EXTERNAL PAYROLL AND FINANCE UPDATES

**DBUG MEETING: *June 20, 2024***

#### Reminders and Updates

##### **Business Calendar for 2024-25 updated**

- ❖ [Calendar Link](#)
- ❖ Please always refer to the live version as it will be the most up to date

##### **CDTFA (California Department of Tax and Fee Administration) website change**

- ❖ Effective July 2, 2024, CDTFA will be discontinuing the use of limited access codes
- ❖ Each LEA will be required to have a designated individual sign up for an account directly with the CDTFA
- ❖ [YouTube Tutorial Link](#)
- ❖ For further information and access to the signup portal see visit the CDTFA website - [CDTFA Website Link](#)
- ❖ I recommend starting this process as soon as possible
  - Once an account is created, it takes 7-10 days to receive a code to finalize the account

##### **State Social Security Administrator Fees – CalPERS**

- ❖ Administrative fees effective July 1, 2024
- ❖ See attached [CalPERS circular 200-030-24](#)
- ❖ Two types of fees
  - *First* is a contracting fee of \$650.00 to establish a new section 218 agreement
  - *Second* is an annual maintenance fee for all employees that have an existing section 218 agreement. This is based off of the number of employees in each LEA
  - These invoices need to be paid directly by each individual LEA

##### **Temporary AV delivery schedule change (July – November - Estimate)**

- ❖ Sarah Graves' – Maternity leave
  - Only 1 driver available
  - New schedule will be emailed out shortly – *deliveries will span Monday-Friday*

#### Retirement

##### **Maria Aguayo is currently out of the office through June 30, 2024(Estimated)**

- ❖ Please direct all CalPERS retirement emails to Christy Arend and Jing Liu
- ❖ Continue to include Maria in these emails for history

##### **CalSTRS Reduced Workload Paperwork due to Alli Britton by June 30, 2024**

### Dates to Remember

- ✓ *Positive cash in ALL FUNDS by June 30, 2024*
- ✓ *Use Tax Due July 31, 2024*
- ✓ *Retirement User Group / Workshop scheduled for August!*
- ✓ *Happy New Fiscal Year – July 9<sup>th</sup> 10:00AM – 1:00PM*

**See the next few pages for the [End of June Checklist for Payroll](#), plus instructions for providing [Contracts and Salaries](#) information.**

End of June Checklist

- ❖ **June Regular**
  - Submitted \_\_\_\_\_
  - Run Pay01, Pay22, Pay99, Pay15, Retire25 (STRS Errors) reports \_\_\_\_\_
  - Certification form \_\_\_\_\_
  - CBO/Business Manager signature \_\_\_\_\_
- ❖ **July prior**
  - Do NOT submit \_\_\_\_\_
  - Run Pay01, Pay22, Pay99, Pay15 Retire25 (STRS Errors) reports \_\_\_\_\_
  - Certification form \_\_\_\_\_
  - CBO/Business Manager signature \_\_\_\_\_
- ❖ **August prior**
  - Do NOT submit \_\_\_\_\_
  - Run Pay01, Pay22, Pay99, Pay15 Retire25 (STRS Errors) reports \_\_\_\_\_
  - Certification form \_\_\_\_\_
  - CBO/Business Manager signature \_\_\_\_\_
- ❖ **Email Pay01 & certification form for all 3 payrolls to production@scoe.org in the same email but separate attachments \_\_\_\_\_**  
**Due July 1<sup>st</sup>**
- ❖ **Signature Authorization Form \_\_\_\_\_**
  - **Permissible to send payroll AV? \_\_\_\_\_**
  - **Superintendent signature and date \_\_\_\_\_**  
**July submission with first payroll**  
**(Please send in separate email from payroll)**
- ❖ **Contracts & Salaries, Please do not send Escape snapshot**
  - **Superintendent \_\_\_\_\_**
    - **Name of employee \_\_\_\_\_**
    - **Placement on salary schedule \_\_\_\_\_**
    - **if annual amount, indicate number of paychecks will be spread over \_\_\_\_\_**
    - **if hourly, indicate number of days employee will be paid \_\_\_\_\_**
    - **include any additional, monthly pay \_\_\_\_\_**
  - **CBO \_\_\_\_\_**
    - **Name of employee \_\_\_\_\_**
    - **Placement on salary schedule \_\_\_\_\_**
    - **if annual amount, indicate number of paychecks will be spread over \_\_\_\_\_**
    - **if hourly, indicate number of days employee will be paid \_\_\_\_\_**
    - **include any additional, monthly pay \_\_\_\_\_**
  - **Payroll Technician \_\_\_\_\_**
    - **Name of employee \_\_\_\_\_**
    - **Placement on salary schedule \_\_\_\_\_**
    - **if annual amount, indicate number of paychecks will be spread over \_\_\_\_\_**
    - **if hourly, indicate number of days employee will be paid \_\_\_\_\_**
    - **include any additional, monthly pay \_\_\_\_\_**

## Contracts & Salaries 2024-2025

1. When sending the salary schedule please include:

- the name of the employee
  - placement on salary schedule
  - if an annual amount, indicate the number of paychecks the annual amount will be spread over
  - if an hourly rate, indicate the number of days the employee will be paid for
  - include any additional, monthly pay the employee will be receiving
- In essence, everything that tells you what to pay the employee each month.

2. When sending an MOU please be sure it includes:

- the name of the employee
- what position(s) for which the employee is contracted for (i.e. CBO and Payroll Tech)
- if an annual amount, indicate the number of paychecks the annual amount will be spread over

In essence, everything that tells you what to pay the employee each month.

**\*Please do not send a snapshot of the employee's pay in ESCAPE. I will be referring to that to audit their contracts & salaries.**

**Let me know if you have any questions.**

[sgreenwood@scoe.org](mailto:sgreenwood@scoe.org)



# State Social Security Administrator Program Funding

## Announcement

This is an announcement from California's Official State Social Security Administrator.

June 17, 2024

Circular Letter: 200-030-24

**Topic: Announcements**

**To: Public Employers with an Existing Section 218 Agreement**

## Purpose

The purpose of this Circular Letter is to inform you of the implementation of administrative fees effective July 1, 2024, to cover the cost associated with administering the State Social Security Administrator (SSSA) program.

## Background

The Social Security Administration (SSA) requires each state to designate an official to act for the state in administering the Section 218 Agreement. A Section 218 Agreement is a voluntary agreement between the state and the SSA to provide Social Security and Medicare coverage for state and local government employees. In 1955, the governor's office designated the California Public Employees' Retirement Systems (CalPERS) as the SSSA, per Government (Gov.) Code section 22004 of the Public Employees' Retirement Law (PERL). As the official SSSA, we have the following roles and responsibilities:

- Serve as the liaison between SSA, Internal Revenue Service (IRS), public entities, and stakeholders
- Process modifications for public entities to provide coverage for their employees
- Maintain Section 218 related records
- Perform education and outreach including webinars about Social Security and Medicare coverage for public employers
- Conduct the Annual Information Request (AIR) to ensure tax compliance with respect to Social Security and Medicare withholding for all public entities in California

From 1955-1986, the SSSA was also responsible for collecting Social Security and Medicare withholdings for all public employers in California. The Omnibus Budget Reconciliation Act of 1986 moved the responsibility of collecting taxes from the SSSA to the IRS. The SSSA has been operating since 1987 using the interest that was earned from the Social Security and Medicare tax holding account. In 2019, the fund diminished and was no longer able to pay for the expenses required to continue to operate the SSSA program, so the SSSA started collecting the Annual Maintenance Fee. The fees collected exceeded the amount needed to fund the next fiscal year's expenditures. Therefore, we did not collect fees for

the 2021-22 and 2022-23 fiscal years. The SSSA has now reached its minimum fund threshold and will be assessing the Annual Maintenance Fees beginning July 1, 2024, at a reduced fee schedule to meet projected funding needs. The SSA does not provide any funding for the SSSA program. Additionally, per Gov. Code section 20176 of the PERL, we are prohibited from using any retirement funds to cover expenses not related to the cost of the administration of the retirement system. Gov. Code sections 22551 and 22552 authorize us to collect administrative and contracting fees.

## Fees

There are two types of fees that will be assessed. The first is a contracting fee of \$650 to establish a new Section 218 Agreement, or to amend an existing Section 218 Agreement, for Social Security and/or Medicare coverage. The second is an annual maintenance fee for all employers that have an existing Section 218 Agreement. This fee is based on the number of employees currently employed with your agency. Annual maintenance fees will be assessed using the criteria below. The invoice will be generated annually when the SSSA AIR is sent to your agency.

### Annual Maintenance Fees

Number of Employees	Fee
1-4	\$50
5-9	\$70
10-19	\$80
20-49	\$110
50-99	\$130
100-249	\$270
250-499	\$400
500-999	\$530
1,000 and over	\$670

## Payment of Fees

Payments can be submitted through the Electronic Funds Transfer (EFT) debit method, automated clearing house (ACH) method, by check, or online through the Electronic Payment Gateway. The EFT debit method is preferred and can be set up in myCalPERS [↗](#) at no additional charge. Refer to the myCalPERS Electronic Funds Transfer Student Guide (PDF) for instructions on setting up the EFT or ACH payment methods and making payments.

If you are submitting payments via check, attach the invoice and mail to:

California Public Employees' Retirement System  
 Cash & Payment Processing/FRAS  
 P.O. Box 942703  
 Sacramento, CA 94229-2703

## Questions

To learn more, visit [Understanding State Social Security Fees](#).

If you have questions, email the SSSA Office at [sssa@calpers.ca.gov](mailto:sssa@calpers.ca.gov), or call the SSSA directly at (916) 795-0810. You may also call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Brad Hanson, Chief  
Employer Account Management Division

Updated: June 17, 2024