

Business Services

EXTERNAL PAYROLL AND FINANCE UPDATES

DBUG MEETING: February 27, 2025

Miscellaneous items

Communication with SCOE when LEA is going to be closed for delivery

- Spring break [survey link](#)

IRS Form 2848

- The IRS requires [this form](#) to be signed to allow Jing/Christy to access and adjust the tax returns on behalf of districts.
- FYI – Form 2848 will be sent out periodically to districts for signature

SCOE Website changes coming

- Forms may be accessed differently. As soon as we have the information about this change it will be shared.

Finance

Sales and Use Tax Rates Increasing – April 1, 2025

- [Explanation of Tax Rate Changes](#)

Payroll

OASDI Audit Instructions

- Reminder – payroll staff should be running OASDI audits to ensure employees are setup properly for taxes
 - See **attached** documentation on how to run these audits

Payroll Rates revised 02/06/2025

- **NEW** – 403B and 457 Catch up contributions for individuals age 60-63 - \$11,250
 - [IRS link](#)

Retirement

CalPERS Retirees – Working after retirement

- Circular Letter: [200-035-24](#)
- Government Code sections 7522.56 and 21229 – Retired Annuitants (RAs) can be employed in temporary extra help appointments either during an emergency to prevent the stoppage of business or because the retired person has specific skills needed to perform work of limited duration
 - These appointments **cannot be indefinite**, regardless of the nature of the position or the terms of the employment agreement
 - RAs should not be considered permanent solutions to business needs
 - Be prepared to present adequate documentation that the RA's appointment complies with these limitations
- [Employment After Retirement – A Guide to CalPERS](#)



New Sales and Use Tax Rates Effective April 1, 2025

California voters approved the district tax changes listed below in the November 2024 election. These rate changes are the result of new citywide and/or countywide district taxes. Additionally, voters in certain areas have extended citywide district taxes that were set to expire.

The new tax rates, tax codes, and expiration dates will be available to view and download as a spreadsheet on our webpage, [California City & County Sales & Use Tax Rates](#) beginning March 1, 2025.

To find a specific tax rate for your area or business location on our website, select [Find a Sales and Use Tax Rate](#), enter the address, and select [Search](#). The new rates will be available to search beginning April 1, 2025. 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.

For a detailed explanation of the tax rate changes, see our [Explanation of Tax Rate Changes Operative April 1, 2025](#).

DISTRICT TAX RATES CHANGING BY CITY (Includes County Rate Changes if Applicable)

City	County	Current Code	New Code	Current Rate	New Rate
City of Alhambra	Los Angeles	780	B48	10.250%	10.500%
City of Arcadia	Los Angeles	754	B49	10.250%	10.500%
City of Arcata	Humboldt	425	B35	8.500%	10.250%
City of Arroyo Grande	San Luis Obispo	154	C59	7.750%	8.750%
City of Artesia	Los Angeles	594	B51	9.500%	10.500%
City of Avalon	Los Angeles	595	B52	10.000%	10.250%
City of Azusa	Los Angeles	782	B54	10.250%	10.750%
City of Baldwin Park	Los Angeles	A27	B55	10.250%	10.500%
City of Bell Gardens	Los Angeles	840	B56	10.250%	10.500%
City of Bellflower	Los Angeles	842	B57	10.250%	10.500%
City of Benicia	Solano	B02	C72	9.125%	9.625%
City of Blue Lake	Humboldt	A17	B36	8.750%	9.750%
City of Brawley	Imperial	029	B43	7.750%	8.750%
City of Buena Park	Orange	037	C33	7.750%	8.750%
City of Burbank	Los Angeles	662	B58	10.250%	10.500%
City of Campbell	Santa Clara	953	C66	9.375%	9.875%
City of Capitola	Santa Cruz	549	C68	9.000%	9.250%
City of Carson	Los Angeles	844	B59	10.250%	10.500%
City of Cathedral City	Riverside	232	C39	8.750%	9.250%
City of Chico	Butte	A09	B19	8.250%	9.250%
City of Cloverdale	Sonoma	B04	C82	9.000%	10.000%
City of Clovis	Fresno	099	B29	7.975%	8.975%
City of Commerce	Los Angeles	846	B60	10.250%	10.500%
City of Compton	Los Angeles	589	B61	10.250%	10.750%
City of Cotati	Sonoma	B05	C83	10.000%	10.250%
City of Covina	Los Angeles	664	B62	10.250%	10.500%
City of Cudahy	Los Angeles	678	B63	10.250%	10.500%
City of Culver City	Los Angeles	666	B64	10.250%	10.500%
City of Davis	Yolo	376	C94	8.250%	9.250%

City of Desert Hot Springs	Riverside	026	C41	7.750%	8.750%
City of Dixon	Solano	066	C74	7.375%	8.375%
City of Downey	Los Angeles	598	B66	10.000%	10.500%
City of Duarte	Los Angeles	784	B67	10.250%	10.500%
City of El Monte	Los Angeles	599	B69	10.000%	10.500%
City of Escalon	San Joaquin	038	D03	7.750%	8.750%
City of Escondido	San Diego	013	C53	7.750%	8.750%
City of Eureka	Humboldt	936	B37	9.250%	10.250%
City of Ferndale	Humboldt	A19	B38	8.500%	9.500%
City of Fontana	San Bernardino	031	C49	7.750%	8.750%
City of Fort Bragg	Mendocino	A42	C23	8.875%	9.250%
City of Fortuna	Humboldt	460	B39	8.500%	9.500%
City of Gardena	Los Angeles	786	B70	10.250%	10.500%
City of Glendale	Los Angeles	674	B71	10.250%	10.500%
City of Glendora	Los Angeles	752	B73	10.250%	10.750%
City of Half Moon Bay	San Mateo	942	C62	9.375%	9.875%
City of Hanford	Kings	N/A	B45	7.250%	8.250%
City of Hawaiian Gardens	Los Angeles	788	B74	10.250%	10.500%
City of Hawthorne	Los Angeles	611	B75	10.250%	10.500%
City of Healdsburg	Sonoma	B06	C84	9.500%	9.750%
City of Huntington Park	Los Angeles	638	B76	10.250%	10.500%
City of Inglewood	Los Angeles	600	B77	10.000%	10.250%
City of Irwindale	Los Angeles	764	B79	10.250%	10.750%
City of La Cañada Flintridge	Los Angeles	A97	B80	10.250%	10.500%
City of La Habra	Orange	204	C35	8.250%	8.750%
City of La Puente	Los Angeles	670	B81	10.000%	10.250%
City of La Verne	Los Angeles	790	B82	10.250%	10.500%
City of Lafayette	Contra Costa	816	B23	8.750%	9.250%
City of Lakewood	Los Angeles	792	B83	10.250%	10.500%
City of Lancaster	Los Angeles	848	B85	10.250%	11.250%
City of Lawndale	Los Angeles	676	B86	10.250%	10.500%
City of Lemoore	Kings	N/A	D01	7.250%	8.250%
City of Livingston	Merced	481	C25	7.750%	8.750%
City of Lomita	Los Angeles	850	B87	10.250%	10.500%
City of Long Beach	Los Angeles	A08	B88	10.250%	10.500%
City of Lynwood	Los Angeles	590	B89	10.250%	10.750%
City of Malibu	Los Angeles	A29	B90	10.000%	10.250%
City of Manhattan Beach	Los Angeles	594	B92	9.500%	10.250%
City of Manteca	San Joaquin	153	C57	8.250%	9.000%
City of Maricopa	Kern	N/A	B44	7.250%	8.250%
City of Mill Valley	Marin	994	C19	8.250%	9.250%
City of Monrovia	Los Angeles	758	B93	10.250%	10.500%
City of Montebello	Los Angeles	794	B94	10.250%	10.500%
City of Monterey Park	Los Angeles	A31	B95	10.250%	10.500%
City of Moreno Valley	Riverside	026	C43	7.750%	8.750%
City of Napa	Napa	631	C29	7.750%	8.750%
City of Norwalk	Los Angeles	796	B96	10.250%	10.500%
City of Novato	Marin	998	C21	8.500%	9.250%
City of Orland	Glenn	458	B30	7.750%	8.250%
City of Oroville	Butte	649	B20	8.250%	9.250%
City of Palm Desert	Riverside	026	C45	7.750%	8.750%

City of Palmdale	Los Angeles	852	B98	10.250%	11.250%
City of Paramount	Los Angeles	798	B99	10.250%	10.500%
City of Pasadena	Los Angeles	680	C01	10.250%	10.500%
City of Petaluma	Sonoma	B07	C85	10.000%	10.250%
City of Pico Rivera	Los Angeles	582	C02	10.250%	10.750%
City of Pinole	Contra Costa	826	B25	9.750%	10.250%
City of Pismo Beach	San Luis Obispo	185	C60	7.750%	8.250%
City of Point Arena	Mendocino	A43	C99	8.375%	9.250%
City of Pomona	Los Angeles	668	C03	10.250%	10.500%
City of Rio Dell	Humboldt	B15	B40	8.500%	9.500%
City of Rio Vista	Solano	987	C76	8.125%	9.125%
City of Rohnert Park	Sonoma	B08	C86	9.500%	9.750%
City of San Fernando	Los Angeles	854	C04	10.250%	10.500%
City of San Gabriel	Los Angeles	800	C05	10.250%	10.500%
City of San Marcos	San Diego	013	C55	7.750%	8.750%
City of San Ramon	Contra Costa	816	B27	8.750%	9.750%
City of Santa Barbara	Santa Barbara	625	C64	8.750%	9.250%
City of Santa Fe Springs	Los Angeles	672	C06	10.500%	10.750%
City of Santa Monica	Los Angeles	591	C07	10.250%	10.750%
City of Santa Paula	Ventura	572	C93	8.250%	9.250%
City of Santa Rosa	Sonoma	B09	C87	9.750%	10.000%
City of Seal Beach	Orange	694	C37	8.750%	9.250%
City of Sebastopol	Sonoma	B10	C89	9.750%	10.250%
City of Sierra Madre	Los Angeles	760	C08	10.250%	10.500%
City of Signal Hill	Los Angeles	856	C09	10.250%	10.500%
City of Sonoma	Sonoma	B11	C91	9.500%	10.250%
City of South El Monte	Los Angeles	858	C11	10.250%	10.750%
City of South Gate	Los Angeles	580	C12	10.250%	10.750%
City of South Pasadena	Los Angeles	762	C13	10.250%	10.500%
City of Suisun City	Solano	555	C78	8.375%	9.125%
City of Sutter Creek	Amador	194	B17	7.750%	8.750%
City of Torrance	Los Angeles	992	C14	10.000%	10.250%
City of Trinidad	Humboldt	426	B41	8.500%	9.500%
City of Vernon	Los Angeles	812	C15	10.250%	10.500%
City of West Hollywood	Los Angeles	860	C16	10.250%	10.500%
City of West Sacramento	Yolo	738	C96	8.250%	9.250%
City of Whittier	Los Angeles	802	C17	10.250%	10.500%
City of Willows	Glenn	N/A	B31	7.250%	8.750%
City of Winters	Yolo	N/A	C97	7.250%	8.250%
City of Yreka	Siskiyou	553	C70	7.750%	8.750%
City of Yucaipa	San Bernardino	031	C51	7.750%	8.750%
Town of Apple Valley	San Bernardino	031	C47	7.750%	8.750%
Town of Paradise	Butte	381	B21	7.750%	8.750%
Town of Truckee	Nevada	A99	C31	8.500%	9.000%

DISTRICT TAX RATES CHANGING BY COUNTY

(This rate applies in all unincorporated areas and in incorporated cities that do not impose a district tax. For specific city rates within these counties, please refer to the table above.)

County	Prior Code	Current Code	Current Rate	New Rate
Butte County	N/A	B18	7.250%	8.250%
Humboldt County	389	B33	7.750%	8.750%
Los Angeles County	594	B47	9.500%	9.750%

Mariposa County	A04	A03	8.750%	8.250%
Sonoma County	B04	C80	9.000%	9.250%

UNINCORPORATED AREA

Unincorporated Area	Prior Code	Current Code	Current Rate	New Rate
Monterey County Unincorporated Area	487	C27	7.750%	8.750%

CURRENT DISTRICT TAXES EXTENDED

City	County	Code	New Rate	Expiration Date
City of El Cerrito	Contra Costa	820	10.250%	NONE
City of Hayward	Alameda	970	10.750%	12/31/2054
City of Marysville	Yuba	447	8.250%	NONE
City of Oceanside	San Diego	712	8.250%	3/31/2036
City of Paso Robles	San Luis Obispo	891	8.750%	NONE
City of Ridgecrest	Kern	A23	9.250%	NONE
Town of Yucca Valley	San Bernardino	530	8.750%	3/31/2037

Thank you for connecting with us:



em-1427

OASDI Audit

Before submitting payroll please run the below audit to confirm OASDI deductions are accurate. This audit needs to be **done twice**. Once with certificated pay cycles and again with classified pay cycles.

HR/Payroll → Reports → Payroll → Pay03

- 1) Run the first report with all **Certificated** pay cycles (work on the certificated side)

The screenshot shows a web application interface for HR/Payroll - Reports - Payroll. The interface includes a navigation bar with 'All Orgs' and 'HR / Payroll - Reports - Payroll'. Below the navigation bar, there are tabs for 'List' and 'Request/Report'. The 'Request/Report' tab is active, showing a 'Request' form. The form has two main sections: 'Request' and 'User Options'. The 'Request' section includes fields for Report Number (Pay03), Description (Payroll Detail with Grosses), Report Sample (Pay03), and Report Favorite ID. The 'User Options' section includes fields for Org, Fiscal Year, Starting Pay Date (3/1/2024), Ending Pay Date (3/31/2024), Employee Id(s), Pay Schedule Type(s), Pay Cycle(s) (CE1A, CE2J, CES), Pay Period(s), Person Type(s), and Addon Id(s). The 'General' section includes fields for Report Status, Comment, and Distribution Group.

Once the report is complete, double check the OASDI column for accuracy

- CalSTRS members **should not** have OASDI deductions
- CalSTRS non-members **should** have OASDI deductions
- CalSTRS retirees **should not** have OASDI deductions

Tip: When working on the certificated pay cycle audit, look at the employees who have OASDI first. Confirm that these employees **should** really have OASDI deductions based on their retirement status.

2) Run the second report with all **Classified** pay cycles (work on the classified side)

Request	
1 - Report	
Report Number	Pay03
Description	Payroll Detail with Grosses
Report Sample	Pay03
Report Favorite ID	
2 - User Options	
Org	
Fiscal Year	
Starting Pay Date	3/1/2024
Ending Pay Date	3/31/2024
Employee Id(s)	
Pay Schedule Type(s)	
Pay Cycle(s)	CL0A, CL1A, CL1J, CL2J, CLS
Pay Period(s)	
Person Type(s)	
Addon Id(s)	
General	
Report Status	Completed

Once the report is complete, double check the OASDI column for accuracy

- CalPERS members **should** have OASDI deductions
- CalPERS non-members **should** have OASDI deductions
- CalPERS retirees **should not** have OASDI deductions

Tip: When working on the classified pay cycle audit, look at the employees who **do not** OASDI first. Confirm that these employees really **should not** have OASDI deductions based on their retirement status.

Check out the [Retirement and Tax Setup Guide](#) for more information on how to set up retirement and tax for employees

Post-Retirement Employment of CalPERS Retired Annuitants – Extra Help

December 18, 2024
Circular Letter: 200-035-24
Topic: Other

To: School Employers

Purpose

The purpose of this Circular Letter is to ensure compliant employment of retired annuitants (RA) by school employers under the Public Employees' Retirement Law (PERL) and Public Employees' Pension Reform Act of 2013 (PEPRA).

Requirements for Hiring Retired Annuitants in Schools

Under Government (Gov.) Code sections 7522.56 and 21229, RAs can be employed in temporary extra help appointments either during an emergency to prevent the stoppage of public business or because the retired person has specific skills needed to perform work of limited duration. Accordingly, these appointments cannot be indefinite, regardless of the nature of the RA's position (e.g., substitute, seasonal, or temporary intermittent position) and regardless of the terms of the relevant employment agreement. The work performed should supplement regular staff efforts (e.g., elimination of backlog, special project work, or to help with work in excess of that which regular staff can complete) or be authorized "during an emergency to prevent stoppage of public business" such as in the event of floods, earthquakes, etc. RAs should not be considered permanent solutions to business needs. If we conduct a compliance review and find an RA working in any capacity, be prepared to present adequate documentation that the RA's appointment complies with these limitations.

An RA's appointment must also comply with additional requirements. For example, the rate of pay for the employment cannot be lower than the minimum nor exceed the maximum paid by the employer to other employees performing comparable duties, divided by 173.333 to equal an hourly rate, and the RA cannot receive any benefits, incentives, compensation in lieu of benefits, or other forms of compensation in addition to the hourly rate. Hiring RAs into positions designated as RA-specific may help employers ensure compliance with these requirements. Access the publications referenced further below for more details about these and other applicable requirements.

Process to Hire a Retired Annuitant

A school employer hiring an RA should ensure the appointment begins after retirement, in accordance with applicable waiting periods described in the publications referenced further below. Prior to retirement, the employee must separate from all CalPERS-covered employment, including from positions determined to be non-contributory. School employers can review non-contributory appointments by generating the "Overtime Appointment Identifier Report" Cognos report. If an employee fails to separate from employment, the employee will need to change their retirement date, which may result in an overpayment of benefits. An RA appointment cannot be a continuation of pre-retirement employment, either in the form of an RA-specific appointment or otherwise.

Reporting a Retired Annuitant

Positions that are normally excluded from membership are not excluded from post-retirement employment laws and limitations and must be reported.

For More Information

Refer to the [Employment After Retirement \(PUB 33\) \(PDF\)](#) and [Public Agency & Schools Reference Guide \(PDF, 2.9 MB\)](#) for further guidance regarding employing and reporting the post-retirement employment of an RA.

Questions

If you have questions, call our CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377). You may also email questions to our Post-Retirement Employment & Audits team at working_after_retirement@calpers.ca.gov.

Brad Hanson, Chief
Employer Account Management Division