

## Business Services

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### EXTERNAL PAYROLL AND FINANCE UPDATES

**DEBUG MEETING: *March 27, 2025***

#### Miscellaneous

##### **CASBO upcoming workshop opportunities**

- CalSTRS/CalPERS: Retirement Concepts – 4/01/2025 – [Register Here](#)
- Legal Aspects & Accounting for ASBs – 4/22/2025 – [Register Here](#)
- Year-End Closing – 4/10/2025 – [Register Here](#)
- Plus, many more – See calendar [here](#)

##### **SSA 1945 Form [Updated](#) – OASDI Exemption form (*Statement Concerning Your Employment in a Job Not Covered by Social Security*)**

- The SSA-1945 Form must be completed by STRS Members and retirees since they do not contribute to Social Security
- This form should be in all new hire packets for STRS members and retirees

#### Finance

##### **Sales and Use Tax Rates increase effective April 1, 2025 for some LEAs**

- Email reminder scheduled for March 31, 2025
- The rate cannot be changed in Frontline ERP until April 1, 2025
- [Rates here](#)
- [Explanation of Tax Rate Changes](#) Effective April 1, 2025

#### Payroll

##### **EDD LEC (Local Experience Charge) Notices Explained**

- [EDD Website](#) explaining what the local experience charge is
- This month (March 2025) your LEA should be receiving a DE56 which contains your LEA's specific LEC rate. The LEC rate is set annually. Then at a later date your LEA will receive a DE 428F that shows who has accessed state unemployment insurance. The invoice that you receive for the local experience charge is based off of the employees listed on this DE 428F.
- Attached are examples of what the DE56 and the DE428F look like.
- If you receive an invoice for the local experience charge, it needs to be paid
  - Email sent out on 03/05/2025 with more information
- **Questions about the LEC charge should be directed to EDD (1-916-653-5380)**

##### **Quarterly Taxes Open Lab – Scheduled April 1, 2025**

- [Register Here!](#)
- Drop-in session for school district and charter staff to receive assistance with filing their Quarterly Tax Returns

## Retirement

### **CalPERS – New Enrollment/Change Form – Attached**

- Maria needs this for all CalPERS members and CalPERS retirees who return to work

### **CalSTRS Employer Directive 2025-01 - Post-Retirement Earnings Limit 2025-26**

- [Link to Employer Directive](#)
- The postretirement earnings limit for the 2024–25 fiscal year is \$74,733
- The postretirement earnings limit for the 2025–26 fiscal year is \$80,245
  - Earnings limit adjusted to equal 70% of the median final compensation amount for all members during the fiscal year ending in the previous calendar year
  - This will change after June 30, 2026 back to existing law (50% the median final compensation)
- 180-calendar day separation-from-service requirement for all retired DB members
  - See employer directive for narrow exemptions to this
- [Education Code 45134](#) restricts retired CalSTRS participants from employment in classified positions except as an aide in certain circumstances.
- **Per CalSTRS – If a retiree takes a position and elects benefits, the benefits need to be included in the earnings limit as well**

### **CalSTRS New Website launching September 2025**

- Employer Readiness Webinars for Districts/Charters scheduled
  - Session 1: Tuesday April 22<sup>nd</sup> 9:30 am – 11:00 am – [Zoom Link](#)
  - Session 2: Wednesday April 23<sup>rd</sup> 9:30 am – 11:00 am – [Zoom Link](#)
  - Session 3: Tuesday April 29<sup>th</sup> 1:30 pm – 3:00 pm – [Zoom Link](#)

### **Reduced Workload Program**

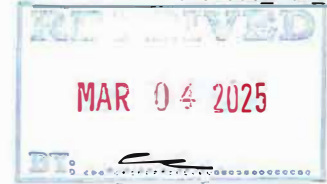
- Reminder this information needs to get to Alli – It is not directly sent into STRS
- Please contact Alli Britton if you have questions, [ABritton@scoe.org](mailto:ABritton@scoe.org), 707 524-2651

### **Retiree Substitute Rates**

- Not allowable per CalPERS or CalSTRS
- This includes retired substitute teacher rates
  - CalSTRS audited a county outside of Sonoma County and responded with the below:
  - Section code 24214 (b) **If a member is retired for service under this part, the annualized rate of pay for retired member activities performed by that member shall not be less than the minimum, nor exceed the maximum, paid by the employer to other employees performing comparable duties, restricts retired employees from receiving pay that is not comparable to their active counterparts.**

- Per STRS the retiree rate suggests preferential treatment for the retiree as a retiree is being paid more than the active counterpart.
- CalPERS – [Working after retirement documentation](#)
  - “The hourly pay rate you receive cannot be less than the minimum or exceed the maximum paid to other employees performing comparable duties as listed in the employer’s publicly available pay schedule”

Letter ID: L1328893648  
 Issued Date: March 31, 2025  
 Account ID: 942-0540-8  
 643495936\_P81\_E81



**Notice of Unemployment Insurance Contribution Rate and Local Experience Charge Rate Statement for School Employees Fund Participants for Fiscal Year: 2025 / 2026**

**Important:**

<b>Your UI Contribution</b>	<b>0.05%</b>
<b>Your LEC Rate</b>	<b>0.00%</b>
<b>All school employees' wages are taxable wages for UI.</b>	

This is **not a bill, do not pay this amount**. This is to inform you of your (UI) Contribution Rate and Local Experience Charge (LEC) Rate for the fiscal year 2025/2026. The following is a breakdown of your **UI account balance** and the factors used to calculate your LEC Rate.

**Your UI account balance is non-refundable.**

If you have any questions regarding this letter, please call 1-916-653-5380.

1. Cumulative reserve balance as of 6/30/23		\$6,742.11
2. UI contributions paid from 7/1/23 to 6/30/24	\$1,879.26	
3. LEC paid from 7/1/23 to 6/30/24	\$0.00	
3a. CARES Act Credit***	\$0.00	
4. Interest distributed by the SEF (for positive reserve account employers only)	\$0.00	
5. <b>Total Credits</b>		+ \$1,879.26
6. UI benefits charged to your account from 7/1/23 to 6/30/24	\$0.00	
<b>Total Charges</b>		- \$0.00
7. New UI account balance as of 6/30/24		\$8,621.37
8. Reserve ratio for LEC Ranking/Rate (line 7 divided by line 6)		0.000

**LEC Ranking and Percentage Matrix**

Reserve Ratio	Rank	LEC Percentages
Negative to <1.00	1	15 %
= 1.00 to <2.00	2	10 %
= 2.00 to <3.00	3	5 %
= 3.00 or more	4	0 %
*	4	0 %
*	**	10 %

\* Unrated Accounts - No benefit charges with a positive account balance.

\*\* New SEF Accounts - For the first three completed fiscal years.

**DE 428F**  
**Statement of Benefit Charges**  
**To School Employee Fund (SEF)**  
**Employer Reserve Account**

Purpose:	Notifies employer which employees drew UI benefits and how much they were paid
Issued by:	Employment Development Department
Issued to:	Employer

County Office of Education  
 1290 RIDDER PARK DRIVE, # 264  
 SAN JOSE, CA 95131-2304

Letter ID: L1980753600  
 Issued Date: January 24, 2018  
 Account ID: 942-4400-1  
 236150784\_P1135\_E1030

SCHOOL EMPLOYEE'S FUND EMPLOYER  
 STATEMENT OF BENEFIT CHARGES

**TOTAL CHARGE**  
 (PLEASE DO NOT PAY)  
 \$1870.00

**BENEFIT CHARGES FROM**  
 October 1, 2017, THRU December 31, 2017

**YOUR ACCOUNT NUMBER:** 942-4400-1

CLAIMANT SSN	CLAIMANT NAME	CLM DATE	CLM TYPE	CHG QTR	EMPLYR CHRG	CHG CODE	PGM CODE
	B DEGREG	07/02/2017	A	12/31/17	1,840.00		00
	J DOE	10/08/2017	A	12/31/17	-3.00		00
	S MEYERS	09/17/2017	A	12/31/17	33.00	6	00

## FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

### 2025-26 CalSTRS Postretirement Earnings Limitation

 [BY MICHELLE MCKAY UNDERWOOD](#)

 [BY TEDDI WENTWORTH](#)

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posted March 7, 2025

The California State Teachers' Retirement System (CalSTRS) postretirement earnings limitation continues to be temporarily adjusted to equal 70% of the median final compensation amount for all members who retired for service during the fiscal year ending in the previous calendar year. Accordingly, the postretirement earnings limit for 2025-26 jumped to \$80,245 from \$74,733 in 2024-25. Normally, the postretirement earnings limitation is adjusted to equal 50% of the median final compensation amount for all members who retired for service during the fiscal year ending in the previous calendar year. Unless extended by statute, after June 30, 2026, the law will revert to the 50% maximum in effect prior to July 1, 2024.

Knowing this limit is key for CalSTRS retired annuitants because if a retiree earns compensation for performing retired member activities in excess of the annual postretirement earnings limit, Education Code Section 24214(g) requires CalSTRS to reduce the member's retirement benefit dollar for dollar, until the member has repaid the amount of compensation that was earned in excess of the annual earnings limit. These limits apply whether a retiree is employed directly with an education employer, is an employee of a third party (except under certain circumstances), or works as an independent contractor within the California public school system.

During this same short window described above temporarily increasing the postretirement earnings limit, the process for accessing the narrow exemption from the 180-calendar day separation-from-service requirement was changed. When applying for the separation-from-service requirement exemption, the superintendent, the county superintendent of schools, or the chief executive officer of a community college must complete the Request for Separation-From-Service Requirement Exemption (SR-1897) form, which is available in "Reference Items" on the CalSTRS Secure Employer Website.

To read more on postretirement earnings and the 180-day sit-out exemption, see [CalSTRS's Employer Directive 2025-01](#).



# Sonoma County Office of Education CalPERS Enrollment / Change Form

LEA: \_\_\_\_\_

LEA #: \_\_\_\_\_

Employee Full Name: \_\_\_\_\_

Employee ID#: \_\_\_\_\_ CalPERS ID#: \_\_\_\_\_

Effective Date of Action: \_\_\_\_\_ Original Hire Date: \_\_\_\_\_

Type of Action:

**Appointment – New Membership / Substitute**  
*(Include snapshot from CalPERS screen and Reciprocal Self-Certification Form)*

**Appointment – Retired Annuitant**  
*(Reminder: extra help, short term, temporary only)*

**Separation**

**Retirement from CalPERS** – Unused sick leave balance: \_\_\_\_\_ hours

**Name Change** – New social security card effective date: \_\_\_\_\_

**Address Change**

**Leave of Absence:**

Begin date: \_\_\_\_\_

End date: \_\_\_\_\_

Leave type: \_\_\_\_\_

\_\_\_\_\_  
Certified by

\_\_\_\_\_  
Date

*Please return form to: Maria Aguayo - Maguayo@scoe.org*