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Date: April 13, 2016

To: Directors, Business and Human Resources  
Managers, Payroll and Human Resources

From: Gary Stine, MPA, Director, Support Services

**Subject: 2016-17 Employer Payroll Expense Rates**

The following is an estimate of 2016-17 payroll expense rates based on the most recent information available. The Unemployment Insurance Rate will remain unchanged at .05% (.0005). The CalPERS Board of Administration will vote next week to approve an employer contribution rate of 13.888% (*increased from 11.847%*). The employer contribution rate for CalSTRS will increase to 12.58% (*from 10.73%*) pursuant to Education Code § 22950.5. Please note that CalSTRS has yet to release the Maximum Wage Limit for members falling under the PEPRA statutes. A revised memo will be distributed once this information is released.

### Fiscal Year 2016-2017 California School Employer Rates

STRS Employer Contribution Rates		
2% at 60 Members	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	12.58% <sup>1</sup>	N/A <sup>2</sup>
Employer Contribution (Supplement)	8.25% <sup>1</sup>	N/A <sup>2</sup>
Reduced Workload	12.58%	N/A <sup>2</sup>
2% at 62 Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	12.58% <sup>1</sup>	\$137,941
Employer Contribution (Supplement)	8.25% <sup>1</sup>	\$137,941
PERS Employer Contribution Rates		
Classic Members	Employer Rate	Maximum Wage Limit
Employer Contribution	13.888% <sup>3</sup>	N/A <sup>2</sup>
New Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (OASDI District)	13.888% <sup>3</sup>	\$117,020
Employer Contribution (Non-OASDI)	13.888% <sup>3</sup>	\$140,424
Unemployment Insurance Rate		0.05%

<sup>1</sup> Rates defined by Education Code § 22950 – 22951

<sup>2</sup> IRS 401(a)(17) pensionable wage limit of \$265,000 applies to members first hired after 7/1/1996

<sup>3</sup> Proposed employer contribution rate to be adopted by CalPERS Board of Administration on 4/19/2016

### Calendar Year 2016 Federal Employer and IRS Standard Mileage Rates

Federal Employer Rates			
Payroll Tax	Employer Rate	Maximum Wage Limit	Tax Withholding Limit
OASDI	6.2%	\$118,500	\$7,347
Medicare	1.45%	N/A	N/A
IRS Standard Business Mileage		54 cents per mile ( <i>decrease from 57.5 cents</i> )	

If you have any questions, please contact Veena Chaudhri at (714) 966-4280 or via email at [vchaudhri@ocde.us](mailto:vchaudhri@ocde.us).

cc: Assistant Superintendents, Business and Human Resources  
Vice Chancellors, Business and Human Resources