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Date: November 28, 2017

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

From: Gary Stine, MPA, Executive Director, Support Services

Subject: **Updated 2017-18 Employer Payroll Expense Rates**

The following is an updated list of 2017-18 payroll expense rates based on the most recent information available. In a rare move, the Social Security Administration has reduced the 2018 OASDI (Social Security) payroll tax wage limit to \$128,400 (a \$300 reduction from the previously announced limit of \$128,700). An updated memo will be distributed in coming weeks when the IRS releases the 2018 Standard Mileage Rate.

Fiscal Year 2017-2018 California School Employer Rates

STRS Employer Contribution Rates		
2% at 60 Members	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	14.43% ¹	N/A ²
Employer Contribution (Supplement)	8.25% ¹	N/A ²
Reduced Workload	14.43%	N/A ²
2% at 62 Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	14.43% ¹	\$143,082
Employer Contribution (Supplement)	8.25% ¹	\$143,082
Reduced Workload	14.43%	\$143,082
PERS Employer Contribution Rates		
Classic Members	Employer Rate	Maximum Wage Limit
Employer Contribution	15.531%	N/A ²
New Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (OASDI District)	15.531%	\$118,775
Employer Contribution (Non-OASDI)	15.531%	\$142,530
Unemployment Insurance Rate	0.05%	

¹ Rates defined by Education Code § 22950 – 22951

² IRS 401(a)(17) pensionable wage limit of \$270,000 applies to members first hired after 7/1/1996

Calendar Year 2018 Federal Employer Rates and Limits

Federal Employer Rates			
Payroll Tax	Employer Rate	Maximum Wage Limit	Tax Withholding Limit
OASDI	6.2%	\$128,400	\$7,960.80
Medicare	1.45%	N/A	N/A

Calendar Year 2017 IRS Standard Mileage Rate

IRS Standard Business Mileage	53.5 cents per mile
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If you have any questions, please contact Teri Adkins at (714) 966-4260 or via email at tadkins@ocde.us.

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