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Date: November 16, 2018

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

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

Subject: **Updated 2018-19 Employer Payroll Expense Rates**

The following is an updated list of 2018-19 payroll expense rates based on the most recent information available. The Social Security Administration has announced an increase in the OASDI (Social Security) payroll tax wage limit to \$132,900 (from \$128,400) for the 2019 calendar year. We wanted to make districts aware of this change so that it may be factored into budget planning. An updated memo will be distributed in coming weeks when the IRS releases the 2019 Standard Mileage Rate.

### Fiscal Year 2018-2019 California School Employer Rates

STRS Employer Contribution Rates		
2% at 60 Members	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	16.28% <sup>1</sup>	N/A <sup>2</sup>
Employer Contribution (Supplement)	8.25% <sup>1</sup>	N/A <sup>2</sup>
Reduced Workload	16.28%	N/A <sup>2</sup>
2% at 62 Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	16.28% <sup>1</sup>	\$146,230
Employer Contribution (Supplement)	8.25% <sup>1</sup>	\$146,230
Reduced Workload	16.28%	\$146,230
PERS Employer Contribution Rates		
Classic Members	Employer Rate	Maximum Wage Limit
Employer Contribution	18.062% <sup>3</sup>	N/A <sup>2</sup>
New Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (OASDI District)	18.062% <sup>3</sup>	\$121,388
Employer Contribution (Non-OASDI)	18.062% <sup>3</sup>	\$145,666
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 \$275,000 applies to members first hired after 7/1/1996

<sup>3</sup> PERS rates subject to action by the CalPERS Board of Administration at 4/18/2018 meeting

### Calendar Year 2019 Federal Employer Rates and Limits

Federal Employer Rates			
Payroll Tax	Employer Rate	Maximum Wage Limit	Tax Withholding Limit
OASDI	6.2%	<b>\$132,900</b>	<b>\$8,239.80</b>
Medicare	1.45%	N/A	N/A

### Calendar Year 2018 IRS Standard Mileage Rate

IRS Standard Business Mileage	54.5 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](mailto:tadkins@ocde.us).

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