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Date: December 8, 2023

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

From: Zubia Villacorta, Director, Business Services

Subject: **UPDATED 2023-2024 Employer Payroll Expense Rates**

The following is an estimate of 2023-24 payroll expense rates based on the most recent information available. The Social Security Administration has announced an increase in the Social Security (OASDI) payroll tax wage limit to \$168,600 (from \$160,200) for the 2024 calendar year. We wanted to make sure districts are aware of this change so that it may be factored into budget planning. Further memos will be distributed as other rate information becomes available.

Fiscal Year 2023-24 California School Employer Rates

STRS Employer Contribution Rates		
2% at 60 Members	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	19.1%	\$330,000 ²
Employer Contribution (Supplement)	8.25% ¹	\$330,000 ²
Reduced Workload	19.1%	\$330,000 ²
2% at 62 Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	19.1%	\$176,614
Employer Contribution (Supplement)	8.25% ¹	\$176,614
PERS Employer Contribution Rates		
Classic Members	Employer Rate	Maximum Wage Limit
Employer Contribution	26.68%	\$330,000 ²
New Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (OASDI District)	26.68%	\$146,042
Employer Contribution (Non-OASDI)	26.68%	\$175,250
Unemployment Insurance Rate	0.05%	

¹ Rates defined by Education Code § 22950 – 22951

² IRS 401(a)(17) pensionable wage limit applies to members hired after 7/1/1996

Calendar Year 2024 Federal Employer Rates and Limits

Federal Employer Rates			
Payroll Tax	Employer Rate	Maximum Wage Limit	Tax Withholding Limit
OASDI	6.2%	\$168,600	\$ 10,453.20
Medicare	1.45%	N/A	N/A

Calendar Year 2023 IRS Standard Mileage Rate

IRS Standard Business Mileage	65.5 cents per mile
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If you have any questions, please contact Zubia Villacorta at (714) 966-4263 or via email at zvillacorta@ocde.us

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