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Date: December 19, 2024

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

From: Zubia Villacorta, Director, Business Services

Subject: **Updated 2024-25 Employer Payroll Expense Rates**

The following is an estimate of 2024-25 payroll expense rates based on the most recent information available. Please note the updated 2025 IRS standard business mileage rate, which increased to 70 cents (from 67 cents). We are expecting a change in the CalPERS Maximum Wage Limits within the next few weeks. Further memos will be distributed as rate information becomes available.

Fiscal Year 2024-25 California School Employer Rates

STRS Employer Contribution Rates		
2% at 60 Members	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	19.1%	\$345,000 ²
Employer Contribution (Supplement)	8.25% ¹	\$345,000 ²
Reduced Workload	19.1%	\$345,000 ²
2% at 62 Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (Defined Benefit)	19.1%	\$182,266
Employer Contribution (Supplement)	8.25% ¹	\$182,266
PERS Employer Contribution Rates		
Classic Members	Employer Rate	Maximum Wage Limit
Employer Contribution	27.05%	\$345,000 ²
New Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (OASDI District)	27.05%	\$151,446
Employer Contribution (Non-OASDI)	27.05%	\$181,734
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 2025 Federal Employer Rates and Limits

Federal Employer Rates			
Payroll Tax	Employer Rate	Maximum Wage Limit	Tax Withholding Limit
OASDI	6.2%	\$176,100	\$10,918.20
Medicare	1.45%	N/A	N/A

Calendar Year 2025 IRS Standard Mileage Rate

IRS Standard Business Mileage	70 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