

Sonoma County Office of Education
Business Services

EXTERNAL PAYROLL AND FINANCE UPDATES

DBUG MEETING: June 24, 2021

Reminders:

- CalPERS Required Paperwork handout – see below
- Terminated Employees/Employees who have not been paid in over 6 months – close tabs in Escape to avoid errors in the future
- Final 2020-21 Deposit Deadline should have been **6/23/21(By 11AM)** on the SCOE calendar for the last deposit for **2020-21** (This is due to the county treasury only being in the office 3 days a week)
 - If you have an emergency and absolutely need to get a deposit in for 2020-21 and missed this cut-off, please contact me. We can accommodate as this was a calendar error on our end.
- Final Cash Transfers for 2020-21 due – **06/24/2021**
- **NO NEW** Accounts Payable or Accounts Receivable batches until after the July 1 Cash Roll
 - **CAUTION:** Escape allows you to create new batches after the last June AP and AR deadline
- Wire Transfer reminder
 - If your district has a wire transfer for a company that you have not used in the past please ask us for a copy of the County Vendor Listing. We need to make sure the vendor is set up at the county in order to proceed with the wire transfer
 - If the vendor is not set up, please fill out the **Supplier Request Form** and turn into the county via instructions on the form
 - Form can be accessed on the SCOE website
 - ❖ https://www.scoe.org/files/Supplier_Request_Form-current.pdf

Updates:

- Accounts Payable – **July 6, 2021** – Back to 2 AP runs a week (Due Tuesday/Thursday)
 - Sarah Graves is working on a delivery schedule for districts, we will send this out as soon as this is completed

- Deposits – Twice a week starting **July 12, 2021**

- Appointments
 - Email Thuan Pham, Tpham@scoe.org to schedule an appointment to drop off deposits or pick up Accounts Payable batches

- CalSTRS Employer Rate Set at 16.92% for 2021-22
 - DB Member Contribution Rates did not change
 - 2%@60 10.25% & 2%@62 10.205%
 - See attached CalSTRS Employer Directive 2021-05

- Employment Development Department – School Employees Fund Federal Assistance
 - Some LEA’s may have received a check from EDD regarding emergency unemployment tax relief
 - 50% credit for unemployment insurance benefit charges for March 13, 2020 – April 3, 2021
 - 75% credit for unemployment insurance benefit charges for April 4, 2021 – September 4, 2021
 - Please see links below for details
 - https://edd.ca.gov/about_edd/coronavirus-2019/employers.htm
 - https://edd.ca.gov/Payroll_Taxes/School_Employees_Fund.htm



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School Employees Fund

Latest Updates

Federal assistance provided emergency unemployment tax relief to School Employees Fund (SEF) employers. The law allows a 50 percent credit for Unemployment Insurance (UI) benefit charges for benefit weeks between March 13, 2020, and April 3, 2021. With the most recent federal relief package, the law allows a 75 percent credit for UI benefit charges for benefit weeks between April 4, 2021, and September 4, 2021. This credit will be applied to the SEF and the SEF will reimburse the Unemployment Insurance fund for benefit charges paid.

Required CalPers Paperwork

New Employees

1. Pers enrollment form
2. Snapshot of Pers screen – Log into Pers and look up by SS#
3. Reciprocal Self-Certification form

**Employees hired in a minimum .50 FTE position qualify for Pers – If the new employee is an existing member of Pers, they automatically qualify (even if position is less than .50 FTE)*

IMPORTANT: If an employee has two positions that equal .50 FTE or more, they qualify!

Returning Employees and Retirees

1. Pers enrollment form

**Look up all returning employees in MyCalPers – Even if the returning employee is in a non-qualifying position. They could be an existing member or a retiree. Returning Pers retirees must have an active appointment in Pers within 30 days of hire to avoid a \$200.00 late fee.*

Existing Employees – Need Pers enrollment/change form for the following:

1. Separating – Effective date should be the day after last day on payroll
2. Retiring – Include unused sick leave hours
3. LOA – If you know the return date, you can include it on the same form
4. Name change – Include form of verification and date
5. Address change

Retirement System Election

1. ES-372 form needs to be completed by the employee and the district
2. Send to retirement analyst for approval
3. Completed form will be sent to CalPers/CalStrs for final approval
4. Retirement system will notify employee if election is approved

Employees that do not qualify for CalPers membership

1. Notice of Exclusion form should be kept on file at district office
2. No forms or paperwork are required by SCOE for employees in non-qualifying positions

******Submitting Pers forms is time sensitive – Prior to payroll is preferred******



COUNTY OF SONOMA

SUPPLIER REQUEST FORM

EFS SUPPLIER # _____ (only fill this in if you are requesting a change to a supplier already in the system; otherwise, a supplier # will be assigned)

Complete the Supplier section, attach required forms and submit to the Supplier Desk. Email: ACTTC-Claims@sonoma-county.org. Fax to: 707-565-2702. Mail or in person delivery to: Auditor-Controller Treasurer-Tax Collector, 585 Fiscal Drive, Suite 100, Santa Rosa, CA 95403-2819.

Supplier must submit:

- Completed Supplier Request Form
- California Form 587 or 590 (Out of State Supplier**)
- ACH Supplier/Payee Payment Enrollment Form(Optional)
- W-9 or Payee Data Record

****Out of state suppliers must submit one of these forms to determine if nonresident withholding of 7% (due to CA FTB) applies. Exception may be granted if registration with CA SOS can be confirmed: <https://businesssearch.sos.ca.gov/>**

LEGAL NAME

Same as line 1 on Form W-9 _____

BUSINESS NAME – (DBA)

REMIT ADDRESS

CITY, STATE AND ZIP CODE

SUPPLIER CONTACT PHONE

BUSINESS EMAIL ADDRESS

SOCIAL SECURITY NUMBER

_____ AND/OR

EMPLOYER TAX IDENTIFICATION NUMBER

Individual/Sole Proprietor Corporation Other _____

Type of Supplier Service:

Medical Attorney Rents Other, Please Specify: _____

Nature of Payment: Refund Reimbursement Other, Please Specify _____

Please check all applicable boxes:

New Supplier Change to existing Supplier

Supplier Persistence Type:

Regular One-Time Employee

Date: _____ **Name:** _____ **Phone:** _____



California State Teachers'
Retirement System
Executive Office
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Sacramento, CA 95851-0275
www.CalSTRS.com

June 9, 2021

TO: All County Superintendents of Schools
District Superintendents of Schools
Community College Districts and
Other Employing Agencies

FROM: Jack Ehnes
EXECUTIVE OFFICE

SUBJECT: Employer Directive 2021-05
Supersedes Employer Directive 2020-04
Interest and Contribution Rates and Present Value Factor for Fiscal Year 2021-22

PURPOSE:

This directive communicates the following rates and present value factors for the Defined Benefit (DB), Defined Benefit Supplement (DBS) and Cash Balance (CB) Benefit programs, as set forth in statute and as adopted by the Teachers' Retirement Board:

- Member and Employer Contribution Rates – DB, DBS and CB Benefit programs
- Regular and Credited Interest Rates – DB Program
- Minimum Interest Rate – CB Benefit Program and DBS Program
- Penalties and Interest Rate – DB Program and CB Benefit Program
- Permissive Service Credit Contribution Rate – DB Program
- Employer Contribution Rates for Elected Officials of Employee Organizations and Reduced Workload Program
- Present Value Factor for Unused Excess Sick Leave Service Credit

Please note the factors used to calculate the cost of CalSTRS Two-Year Retirement Incentives are included in a separate directive.

SCOPE:

This directive applies to all county superintendents of schools, school districts, community college districts and other employing agencies that employ persons to perform creditable service under the CalSTRS DB, DBS and CB Benefit programs.

DISCUSSION:

Member and Employer Contribution Rates – DB Program:

Each employer must contribute to CalSTRS a specified percentage of the total creditable compensation earned by the employees who are members of the DB Program or participants of the CB Benefit Program.

Member and employer contribution rates are set in Education Code sections 22901, 22950 and 22951 for the DB Program. Effective July 1, 2014, Chapter 47, Statutes of 2014 (AB 1469–Bonta), added Sections 22901.7 and 22950.5 to the Education Code, which mandate additional member and employer contributions for creditable compensation for service performed on or after July 1, 2014.

Pursuant to Chapter 47, Statutes of 2014, CalSTRS 2% at 60 member contributions will no longer increase after July 1, 2016. CalSTRS 2% at 62 members are required to pay one half of the normal cost of their benefits as a result of the Public Employees’ Pension Reform Act of 2013 (PEPRA), and CalSTRS is required to adjust the contribution rate accordingly.

Pursuant to Chapter 47, Statutes of 2014, the employer contribution rate will increase by a statutorily defined amount annually through 2020-21, after which time the board may make additional annual adjustments not to exceed a maximum amount of 20.25%.

Please refer to Employer Directive 2014-05 ([ED14-05](#)) for additional information on Chapter 47, Statutes of 2014.

The DB Program member and employer contribution rates are as follows:

Fiscal Year Creditable Service Performed In	DB Member Contribution Rate CalSTRS 2% at 60	DB Member Contribution Rate CalSTRS 2% at 62	DB Employer Contribution Rate
Prior to 7/1/2014	8.00%	8.00%	8.25%
2014-15	8.15%	8.15%	8.88%
2015-16	9.20%	8.56%	10.73%
2016-17	10.25%	9.205%	12.58%
2017-18	10.25%	9.205%	14.43%
2018-19	10.25%	10.205%	16.28%
2019-20	10.25%	10.205%	17.10%*
2020-21	10.25%	10.205%	16.15%*
2021-22	10.25%	10.205%	16.92%*

*The 2020-21 state budget re-directed the supplemental payment paid by the state on behalf of employers as part of the 2019-20 state budget. The supplemental payment is now solely being used to reduce the contribution rate for employers for fiscal years 2019-20, 2020-21 and 2021-22. For 2021-22, the employer contribution rate is 2.18% of payroll less than the rate set by the board at the June 2021 meeting.

Member and Employer Contribution Rates – DBS Program:

Employer and member contribution rates are set in statute for the DBS Program. Effective July 1, 2014, Chapter 47, Statutes of 2014, specifies that the amount of required member contributions creditable to the DBS Program remains 8% for CalSTRS 2% at 60 members and remains half of the normal cost rate, as adopted by the board, for CalSTRS 2% at 62 members pursuant to Education Code section 22901.

The employer contribution rate for compensation that is creditable to the DBS Program for all CalSTRS members remains 8.25% pursuant to Education Code sections 22950 and 22951. Of this amount, 8% is credited to the member's DBS account, and 0.25% is credited to the DB Program to pay for the cost of service credit for unused sick leave.

If CalSTRS collects contributions in excess of the rates established in Education Code sections 22901, 22950 and 22951 on compensation creditable to the member's DBS account, CalSTRS is required to return the excess member and employer contribution amounts to the employer, and the employer is required to return the excess member contributions to the employee.

The DBS Program member and employer contribution rates are as follows:

	Contribution Rates for 2% at 60	Contribution Rates for 2% at 62	Education Code Section
DBS Employer Contribution Rate:	8.25%	8.25%	22905, 22950, 22951
DBS Member Contribution Rate:	8.00%	9.00%	22901, 22905

Member and Employer Contribution Rates – CB Benefit Program:

Pursuant to Education Code section 26504, the member and employer contribution rates for the CB Benefit Program may be negotiated through the collective bargaining process and may vary by employer, provided all the statutory minimum contribution rates for the CB Benefit Program are met.

Chapter 559, Statutes of 2013 (AB 1381–PER&SS), amended Education Code section 26504 to allow CB contribution rates that were bargained for prior to January 1, 2014, to remain in effect as outlined in the collective bargaining agreement for CB participants whose bargaining agreements were still in effect as of January 1, 2014. However, employers cannot negotiate new collective bargaining agreements or extend, renew or amend current bargaining agreements in which the employee contribution rate is less than the employer contribution rate.

Interest Rates:

Regular Interest Rate means an interest rate that is equal to the actuarially assumed rate of return on investments on assets of the DB Program and is adopted annually by the board as a plan amendment with respect to the DB Program. The Regular Interest Rate is used by the DB Program to charge interest on (1) previously refunded retirement contributions when a member elects to redeposit those contributions, and (2) installment payments for the (a) redeposit of contributions or (b) purchase of additional service credit. This rate is also used to charge employers interest on delinquent contributions and for reporting penalties. Finally, if there is a delay in the initial allowance payment, CalSTRS pays the benefit recipient interest on the allowance payment at the Regular Interest Rate.

The *Credited Interest Rate* is the interest that is credited to members' DB accumulated retirement contributions for service performed after June 30, 1935, excluding all accumulated contributions while being paid an allowance. The Credited Interest Rate is adopted annually by the board as a plan amendment with respect to the DB Program.

The *Minimum Interest Rate* is the rate used to credit interest to participant and member account balances with respect to the CB Benefit and DBS programs, respectively. The Minimum Interest Rate for both the CB Benefit and DBS programs is adopted annually by the board as a plan amendment.

CalSTRS shall assess penalties and interest on employers for late reports and late or insufficient contributions to the DB, DBS and CB Benefit programs. The interest is assessed at the Regular Interest Rate.

The rates for fiscal year 2021-22 are as follows:

	Rate for FY 2021-22	Rate for FY 2020-21	Education Code Section
Regular Interest Rate	7.00%	7.00%	22162
Credited Interest Rate: Defined Benefit Program	0.19%	1.80%	22216
Minimum Interest Rate: Cash Balance Benefit Program	1.53%	2.44%	26604
Minimum Interest Rate: Defined Benefit Supplement Program	1.53%	2.44%	25005
Interest Rate for Late Remittance Contributions	7.00%	7.00%	23003, 26303
Penalty Rate for Late or Unacceptable Monthly Reports	7.00%	7.00%	23006, 23008, 26301, 26302

Permissive Service Credit Contribution Rate – DB Program:

Members may purchase permissive service credit, which is service credit related to activities that were previously undertaken by the member. Examples of permissive service credit include, but are not limited to, teaching at a state college or university in California, employment in a public school in another state, maternity or paternity leave, and military leave. For fiscal year 2021-22, the board elected to maintain the permissive service credit rates that were in effect for fiscal year 2020-21.

The permissive service credit contribution rates for fiscal year 2021-22 are as follows:

Age	CalSTRS 2% at 60 Rates for FY 2021-22	CalSTRS 2% at 62 Rates for FY 2021-22
Below 28	21.5%	18.8%
28	21.5%	18.8%
29	21.5%	18.8%
30	21.5%	18.8%
31	21.5%	18.8%
32	21.5%	18.8%
33	21.5%	18.8%
34	21.5%	18.8%
35	21.5%	18.8%
36	21.5%	18.9%
37	21.6%	18.9%
38	21.8%	19.0%
39	21.9%	19.2%
40	22.1%	19.3%
41	22.3%	19.5%
42	22.6%	19.8%
43	22.8%	20.0%
44	23.1%	20.3%
45	23.5%	20.6%
46	23.8%	20.9%
47	24.2%	21.3%
48	24.7%	21.7%
49	25.1%	22.1%
50	25.6%	22.5%
51	26.1%	23.0%
52	26.7%	23.5%
53	27.2%	24.0%
54	27.8%	24.5%
55	28.5%	25.1%
56	29.1%	25.7%

Age	CalSTRS 2% at 60 Rates for FY 2021-22	CalSTRS 2% at 62 Rates for FY 2021-22
57	29.8%	26.3%
58	30.6%	27.0%
59	31.3%	27.7%
60	32.1%	28.4%
61	32.9%	29.1%
62	33.8%	29.9%
63	34.7%	30.7%
64	34.3%	31.5%
65	33.6%	32.4%
66	32.9%	32.3%
67	32.2%	31.6%
68	31.5%	30.9%
69	30.8%	30.2%
70	30.0%	29.5%
71	29.2%	28.7%
72	28.4%	28.0%
73 and above	27.6%	27.2%

Employer Contribution Rates for Elected Officials and Reduced Workload Program:

Each year, the board adopts employer contribution rates for members who are on a compensated leave of absence to serve as an elected official of an employee organization and for members who participate in the Reduced Workload Program (RWP) during the new fiscal year.

Please note that because a DB Program member who wishes to participate in RWP must have been employed on a full-time basis to perform creditable service for at least 10 years prior to participation in the program, CalSTRS 2% at 62 members are not eligible to participate in RWP until at least 2023. Therefore, the board has not established a separate employer contribution rate at this time for CalSTRS 2% at 62 members.

The employer contribution rates for CalSTRS 2% at 60 and CalSTRS 2% at 62 Elected Officials and RWP participants are as follows:

	Employer Rate for FY 2021-22	Employer Rate for FY 2020-21	Education Code Section
Elected Officials of Employee Organization	16.92%	16.15%	22711
Reduced Workload Program	16.92%	16.15%	22713

Unused Excess Sick Leave Service Credit:

The present value factor used to calculate the cost of a member’s allowance attributable to unused excess sick leave days for July 1, 2021, through June 30, 2022, remains the same as the previous fiscal year. The cost of unused excess sick leave service credit must be paid to CalSTRS by the employer before the member can receive the benefit.

The present value factor for unused excess sick leave service credit is as follows:

	Rate for 7/1/2021 – 6/30/2022	Rate for 7/1/2020 – 6/30/2021	Education Code Section
Present Value Factor for Unused Excess Sick Leave Service Credit	0.335	0.335	22311.7, 22718

Factors used to calculate the cost of CalSTRS Two-Year Retirement Incentives will be included in a separate directive.

ACTION:

When reporting the member contribution rates for creditable compensation reported to the DB Program for creditable service performed on or after July 1, 2021, report the rates as follows on the F496:

- Retirement formula 2% at 60 rate of 10.25%: Report as 1025, blank or zeros
- Retirement formula 2% at 62 rate of 10.205%: Report as blank or zeros

This employer directive does not take precedence over the law. A copy of the current Teachers’ Retirement Law is available on SEW under reference items or online at calstrs.com/information-about-calstrs.

If you have any questions regarding this employer directive, please contact EmployerHelp@CalSTRS.com.