



District Business & Advisory Services

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Bulletin: 12-150

Date: ~~June 20, 2012~~ June 21, 2012*

To: District Fiscal Directors
District Payroll and Personnel Directors
Charter School Administrators

From: Cathy McKim

Re: Indirect Cost Rate Increase- Effective July 1, 2012
Sales Tax Increase –Effective July 1, 2012
Payroll Related Changes for Fiscal Year 2012-13
Workers Compensation & State Disability Changes
*State Unemployment Insurance (SUI) Change - Added June 21st

The purpose of this bulletin is to communicate the Indirect Cost Rates, the Sales Taxes Increase and Payroll Related changes for Fiscal year 2012-13. Changes are based on approved changes at this time. Any additional changes will be communicated as soon as they received.

Indirect Cost Rates for Fiscal Year 2012-13

- See the attached Restricted Indirect Cost Rates for use with State and Federal programs, as allowable. Source: <http://www.cde.ca.gov/fg/ac/ic/>

California City and County Sales and Use Tax Rates for Santa Clara County

- Effective 7/01/12 - The sales tax rate will increase to 8.375% from 8.25%. Please note that purchases received after July 1st should be paid at the new rate.

City	Tax
Almaden Valley	8.375%
Alviso (San Jose*)	8.375%
Blossom Hill	8.375%
Blossom Valley	8.375%
Cambrian Park	8.375%
Campbell*	8.625%
Coyote	8.375%
Cupertino*	8.375%
Gilroy*	8.375%
Holy City	8.375%
Lorre Estates	8.375%

City	Tax
Los Altos Hills*	8.375%
Los Altos*	8.375%
Los Gatos*	8.375%
Milpitas*	8.375%
Moffett Field	8.375%
Monta Vista	8.375%
Monte Sereno*	8.375%
Morgan Hill*	8.375%
Mount Hamilton	8.375%
Mountain View*	8.375%
New Almaden	8.375%

City	Tax
Palo Alto*	8.375%
Permanente	8.375%
Redwood Estates	8.375%
San Jose*	8.375%
San Martin	8.375%
San Tomas	8.375%
Santa Clara*	8.375%
Saratoga*	8.375%
Stanford	8.375%
Sunnyvale*	8.375%
Valley Fair	8.375%

Note: "*" next to city indicates incorporated city

Source: <http://www.boe.ca.gov/sutax/pam71.htm>

Re: Changes For Fiscal Year 2012-13

CalPERS – Rate Changes

- Section 401(a)(17) of the Internal Revenue Code (IRC) provides dollar limitations on annual compensation that can be taken into account under qualified retirement plans. The compensation limit for the 2012 calendar year is \$250,000.
Source: <http://www.calpers.ca.gov/eip-docs/employer/cir-ltrs/2012/200-021-12.pdf>
- The Pers Employer Contribution rate will be increased to 11.417% from 10.923% in 2012-13.
- PERS reduction rate will change to 1.603% from 2.097%
- Reminder of recent changes: CalPERS retirees of at least normal retirement age can work up to 960 hours per year without impacting their retirement benefits
 - Effective January 1, 2012, limit this to:
 - Filing a position requiring specialized skills that has been vacated by a leave of absence for a period of up to one year
 - Temporarily filling a vacant position requiring specialized skills
 - For up to one year during recruitment for permanent employee and deemed as an emergency to prevent stoppage of public business

CalSTRS – Changes

- Per STRS - Any notification of changes will be received the last week of June.
- All Post retirement earnings limit exemptions will end June 30, 2012. Postretirement Earnings Limit for the 2012-13 *fiscal* year remains unchanged from the 2011-12 *fiscal* year at \$31,020. The limit applies to earnings received from the California public school system only. The limit is adjusted annually by the Teachers' Retirement Board, if necessary, and is based on the average salary of DB Program members.
- 2012-2013 Disability Allowance Earnings Limit for the 2012-13 *fiscal* year is calculated individually for each member. The limit applies to all earnings regardless of whether they are earnings in the public or private sectors. The limit is based on the member's indexed final compensation amount. Members with Coverage A are subject to a monthly earnings limit and a continuous six-month earnings limit.
Source: http://www.calstrs.com/Help/forms_publications/eread/earnings_limit_legislative_changes_2011.pdf

State Unemployment Rate- Change (rate change added on June 21, 2012*)**

- The State Unemployment rate for fiscal year 2012-13 will be 1.10%. This changes from the rate of 1.61% in 2011-12.
Source: http://www.edd.ca.gov/payroll_taxes/School_Employees_Fund.htm

Special Note:

- *Workers Compensation for Districts participating in the Santa Clara School Insurance Group (see Bulletin 12-153) have been updated in the QSS Business System.*
- *State Disability rates are district specific and Districts should notify their District's Advisor as soon as you become aware of the change.*

Please distribute this information within your District as deemed appropriate.