



Santa Clara County Office of Education

Mary Ann Dewan, Ph.D.
County Superintendent of Schools

Informational Bulletin

For Santa Clara County Districts

District Business & Advisory Services

Bulletin: 24-014

Date: December 21, 2023

To: District Chief Business Officers
District Fiscal Directors
District Human Resource and Payroll Managers

From: Susan Ady, Director, District Business Services
Nghia Do, Business Advisor, District Business Services

Re: **Important Updates:** 2024 Payroll Tax Rates and Other Payroll-Related Updates

The purpose of this bulletin is to communicate known Federal and California State Tax changes effective January 1, 2024. The QSS tax tables will be updated to reflect the changes. Both the Internal Revenue Services (IRS) and the Employment Development Department (EDD) have released the Publication 15-T - the Federal Income Tax (FIT) Withholding Methods and the California withholding schedules – Method B: Exact Calculation method for the calendar year 2024.

The Federal and State Withholding schedules for the calendar year 2024 can be respectively found online at:

<https://www.irs.gov/pub/irs-prior/p15t--2024.pdf>

https://edd.ca.gov/siteassets/files/pdf_pub_ctr/24methb.pdf

Below are the rate and benefits limit changes effective January 1, 2024:

Social Security and Medicare Taxes	2023	2024	Change
Employee	7.65%	7.65%	0
Employer	7.65%	7.65%	0
Maximum Taxable Earnings	2023	2024	Change
Social Security (OASDI only) tax earnings base	\$160,200	\$168,600	+ \$8,400
Medicare (HI only)	No Limit	No Limit	0

Notes:

- The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security (OASDI) portion is 6.20% on earnings up to the applicable taxable maximum amount of \$168,600. The Medicare High Income (HI) portion is 1.45% on all earnings.
- An additional employee-only Medicare tax of 0.9% applies to wages in excess of \$200,000 for single taxpayers and \$250,000 for married taxpayers filing jointly. The rates shown in the table above do not include the 0.9 percent.

Health Saving Accounts	2023	2024	Change
Minimum deductible for high deductible health plans (HDHP)	Single Coverage	Single Coverage	Single Coverage
	\$1,500	\$1,600	+\$100
	Family	Family	Family
	\$3,000	\$3,200	+\$200
Maximum annual out-of-pocket for HDHP	Single Coverage	Single Coverage	Single Coverage
	\$7,500	\$8,050	+\$550
	Family	Family	Family
	\$15,000	\$16,100	+\$1,100
Maximum contribution limit for HSA	Single Coverage	Single Coverage	Single Coverage
	\$3,850	\$4,150	+\$300
	Family	Family	Family
	\$7,750	\$8,300	+\$550
Health Savings Account holders 55 and over get to save extra \$1,000	Single Coverage	Single Coverage	Single Coverage
	\$4,850	\$5,150	+\$300
	Family	Family	Family
	\$8,750	\$9,300	+\$550
Flexible Spending Accounts	2023	2024	Change
Maximum pre-tax contributions to health care reimbursement flexible spending accounts	\$3,050	\$3,200	+\$150
Section 403(b) Tax Sheltered Annuities	2023	2024	Change
Maximum amount of employee elective deferrals	\$22,500	\$23,000	+\$500
Employees aged 50 or older and meet other requirements can make up in additional catch-up contributions	\$7,500	\$7,500	+\$0
Section 457 Deferred Compensation Plans	2023	2024	Change
Maximum amount of contributions	\$22,500	\$23,000	+\$500
Employees aged 50 or older and meet other requirements can make up in additional catch-up contributions	\$7,500	\$7,500	+\$0
Travel Expenses	2023	2024	Change
Mileage reimbursement rate for business miles driven	65.5 cents/mile	67 cents/mile	+1.5 cents
California State Disability Insurance (SDI)	2023	2024	Change
State Disability Insurance (SDI) withholding rate	.90%	1.10%	+.20%
Taxable wage limit for each employee per calendar year	\$153,164	No Limit	N/A
Maximum annual withholding for each employee	\$1,378.48	No Limit	N/A

Form W-4 Employee's Withholding Certificate for the calendar year 2024

The attached pdf version of the 2024 W-4 Employee's Withholding Certificate and general instructions is available for downloading from the IRS website at: <https://www.irs.gov/pub/irs-pdf/fw4.pdf>.

Please distribute this memo within your District as deemed appropriate.