



March 19, 2024

TO: District Superintendents of Kern County School Districts

FROM: Dave Ostash, Chief Executive Officer  
Self-Insured Schools of California

SUBJECT: 2024-2025 Unemployment Insurance (UI) Contribution Rate  
and Local Experience Charge (LEC)

Information showing your district's 2024-2025 Unemployment Insurance Contribution Rate and Local Experience Charge is enclosed. Both the contribution rate and local experience charges are set by the Schools Employees Fund which is administered by Employment Development Department (EDD). The enclosed information should be used to prepare your district's 2024-2025 tentative and final budgets. The UI contribution rate for the upcoming fiscal year will be 0.05%; the same tax rate as the previous fiscal year.

Although the UI Contribution rate tax rate is identical for all districts, the Local Experience Charge (LEC rate) varies from 0% to 15% according to each district's Unemployment Insurance reserve ratio. The reserve ratio and LEC rate are shown on your district's EDD form DE56. The Local Experience Charge is billed directly from EDD as a separate expense each quarter.

If you have any questions regarding your UI rate or LEC rate, please contact Carmen Gonzales at the SISC office. Carmen Gonzales may be reached at (661) 636-4416 or at [cagonzales@siscschools.org](mailto:cagonzales@siscschools.org)

DO:cg  
Enc.

c: District Business Official  
District UI Contact  
Jeff Payne, Chief Financial Officer, External Business Services, KCSOS

Letter ID: L 1289839376  
 Issued Date: March 31, 2024  
 Account ID: 942-XXXX-X

ATTN: SELF-INSURED SCHOOLS OF CA (SISC)  
**SAMPLE**  
 BAKERSFIELD CA 93303-1808

Important:

Notice of Unemployment Insurance Contribution  
 Rate and Local Experience Charge Rate  
 Statement for School Employees Fund  
 Participants for Fiscal Year: 2024/2025

This is **not a bill, do not pay this amount**. This is to inform you of your (UI) Contribution Rate and Local Experience Charge (LEC) Rate for the fiscal year 2024/2025. The following is a breakdown of your UI account balance and the factors used to calculate your LEC Rate.

Your UI Contribution	0.05%
Your LEC Rate	0.00%
All school employees' wages are taxable wages for UI.	

Your UI account balance is non-refundable.

If you have any questions regarding this letter, please call 1-916-653-5380.

1. Cumulative reserve balance as of 6/30/22		\$0.00
2. UI contributions paid from 7/1/22 to 6/30/23	\$0.00	
3. LEC paid from 7/1/22 to 6/30/23	\$0.00	
3a. CARES Act Credit***	\$0.00	
4. Interest distributed by the SEF (for positive reserve account employers only)	\$0.00	
5. <b>Total Credits</b>		\$0.00
6. UI benefits charged to your account from 7/1/22 to 6/30/23		
<b>Total Charges</b>	\$0.00	\$0.00
7. New UI account balance as of 6/30/23		\$0.00
8. Reserve ratio for LEC Ranking/Rate (line 7 divided by line 6)		0.000

LEC Ranking and Percentage Matrix

Reserve Ratio	Rank	LEC Percentages
Negative to <1.00	1	15 %
= 1.00 to <2.00	2	10 %
= 2.00 to <3.00	3	5 %
= 3.00 or more	4	0 %
*	4	0 %
*	**	10 %

\* Unrated Accounts -

No benefit charges with a positive account balance.

\*\* New SEF Accounts -

For the first three completed fiscal years.

\*\*\*The Coronavirus Aid, Relief, and Economic Security (CARES) Act, Protecting Nonprofits from Catastrophic Cash Flow Strain Act of 2020 (S. 4209), and Continued Assistance for Unemployed Workers Act of 2020 (H.R. 133) provides emergency unemployment relief to reimbursable employers. Generally, this legislation provides a 50% credit on eligible unemployment benefits paid to your former employees for the applicable period between March 13, 2020, and March 14, 2021. For each SEF participant's account, the credit will first be applied to offset any LEC amounts due that are related to the benefit charges incurred during the applicable period. The rest of the credit will be applied to your reserve account balance, which may be positive or negative and is non-refundable.

Explanation of Terms for DE 56

Issued Date

The official mail date for this notice. Some notices are mailed prior to this date.

Account Number

The number assigned to you when you registered as an employer with the Employment Development Department (EDD). Please refer to your employer account number when making inquiries about your account.

Contribution Rate

Section 832 of the California Unemployment Insurance

Code (CUIC) mandates the UI contribution rate for the

Fiscal Year, July 1 through June 30. All SEF participants have the same UI contribution rate.

Local Experience Charge Rate

Section 828 of the CUIC mandates the LEC rate for the Fiscal Year. All SEF participants are rated annually. Each 30 days from the issued date of this notice. If not paid within

30 days, the SEF participant shall pay a penalty of 10% of the unpaid amount, plus interest at the adjusted annual rate established by section 1952 of the Revenue and Taxation Code from and after the date of delinquency until paid.

5. Total Credits - Shows the total of all the items added to your UI reserve account beginning July 1 through June 30. This amount is the total of items 2 through 4.

6. UI benefits charged to your account - Shows the amount of UI benefits paid to your former employees from July 1 through June 30. This amount should agree with the amount shown on your School Employee's Fund Employer Statement of Benefit (DE 428F). These charges may also be as a result of a UI reserve account transfer. For partial transfers, the successor will not receive the DE 428F.

Total Charges - Shows the total of all the items subtracted from your UI reserve account beginning July 1 through June 30.

7. New UI account balance - Shows your UI reserve balance as of June 30.

8. Reserve ratio for LEC Ranking I Rate - Shows your reserve ratio. Line 7 divided by Line 6.

Line 1  
Line 5  
(Line 6)  
Line 7

Previous Reserve Balance SEF participant is responsible for a quarterly LEC, together Plus Total Credits with any associated penalties, as well as all costs for Minus Total Charges benefits, and reimbursement for charges will be delinquent New UI Account Balance

The LEC rate shall be 10% for the first three fiscal years of participation in the SEF.

The LEC rate for the fourth fiscal year, and each succeeding fiscal year, is determined by dividing the reserve balance at the end of the fiscal year by the benefits paid for that same fiscal year.

All SEF participants will receive the DE 56 no later than March 31 of each year.

1. Cumulative reserve balance - Shows the ending balance in your UI reserve account as of June 30.

2. UI contributions paid from - Shows the total of all UI contributions paid by you from July 1 through June 30.

3. LEC paid from - Shows the total of all LEC from July 1 through June 30.

4. Interest distribution by the SEF - Shows the amount credited to positive UI reserve accounts for interest earned on the SEF. Employers with a negative UI reserve account balance do not receive a portion of these interest earnings.