



March 13, 2023

TO: Unemployment Insurance Contacts
Los Angeles County School and Community College Districts
Regional Occupational Centers/Programs
Selected Charter Schools and Joint Powers Authorities

FROM: Phillip A. Downing, Coordinator
Business Advisory Services

SUBJECT: Unemployment Insurance Contribution Rate Notice for Fiscal Year 2023-24

The Unemployment Insurance (UI) Contribution rate for State Fiscal Year (SFY) 2023-2024 will be 0.05 percent of total wages. The new rate is effective from July 1, 2023, through June 30, 2024.

In accordance with California UI Code Section 823, the State of California Employment Development Department transmits a “Notice of Unemployment Insurance (UI) Contribution Rate and Local Experience Charge (LEC) Rate Statement for School Employees Fund Participants” (DE 56) to every educational agency that participates in the School Employees Fund (SEF). This notice is transmitted by March 31 each year.

All school employers participating in the SEF pay a quarterly UI contribution based on their gross payroll. These accumulated contributions reside in their individual SEF account, which is reduced when UI benefits are paid. **All fund participants are assigned the same UI contribution rate.** The rate is based on the total UI benefits paid out and the total SEF account balance at the end of the calendar year, December 31.

Some school employers must also pay a quarterly LEC; a charge levied against school districts participating in the SEF. **A percentage of the UI benefits paid out to employees are subject to the LEC.** The LEC is based upon a calculation that compares the number of times each district ending account balance in the SEF exceeds the UI benefits paid out in the prior year. The resulting ratio establishes a LEC “rank” that determines the additional LEC amount of zero, five, ten, or fifteen percent, which the district must pay.

Each quarter, school employers are mailed a “Statement of Benefit Charges” (DE 428F) detailing the UI benefit amounts charged to their account. This document lists the employees who received benefits during the quarter and how much they were paid in UI benefits. Make sure the employees listed are associated with your district and that the charges are warranted.

No employees given reasonable assurance letters should collect UI benefits. Please refer any charge statement questions to Mr. John Egesdal, the UI Claims Administrator who handles UI claims on behalf of the districts and agencies within Los Angeles County. You can forward those questions to Mr. Egesdal via e-mail at john.egesdal@equifax.com.

For the school employers billed a LEC, the DE 428F will be followed by a “Notice of Amount Due” (DE 6601), which is the actual invoice for the LEC. The participant’s individual LEC amount due is calculated by multiplying the quarterly UI benefit charges, times the LEC rate. Included with the DE 6601 is the “Employer Account Statement” (DE 2176), which lists all outstanding liabilities. The LEC amount is due within 30 days of the mail date of the DE 6601.

This bulletin is posted on the LACOE website at:

www.lacoe.edu/bulletins.aspx

Use the “Search” function to locate a specific bulletin by number or keyword.

Questions related to the DE 56 should be directed to the SEF staff at (916) 653-5380. You may also contact me at (562) 922-6122 or via e-mail at downing_phillip@lacoe.edu.

Approved:
Octavio Castelo, Director
Business Advisory Services

OC/PD:mc