



SISC

SELF-INSURED SCHOOLS OF CALIFORNIA

April 1, 2009

TO: District Superintendents of Kern County School Districts

FROM: Russell E. Bigler, Ed. D., Chief Executive Officer
Insurance Services

SUBJECT: 2009-2010 Unemployment Insurance Contribution Rate
and Local Experience Charge

Information showing your district's 2009-2010 Unemployment Insurance Contribution Rate and Local Experience Charge is enclosed. The information should be used to prepare your district's 2009-2010 tentative and final budgets. The Tax Rate for the coming fiscal year will be 0.30%. The same rate as the 2008-2009 year.

Although the tax rate is identical for all districts, the Local Experience Charge Rate (like a modification factor) varies from 0% to 15% according to each district's Unemployment Insurance reserve ratio. The State Employment Development Department bases this ratio on the number of times your district's reserve balance in the School Employee's Fund has exceeded benefit charges.

If you have any questions regarding your U.I. rate, please contact Carmen Gonzales at the SISC office. Carmen Gonzales may be reached at (661) 636-4416 or e-mailed at cagonzales@kern.org.

C: District Business Contact
Sue Daniel, Director
District Financial Services
Kern County Supt of Schools

P. O. Box 1847 ♦ Bakersfield, CA 93303-1847 ♦ <http://www.kern.org/sisc/>
1300 17th Street - CITY CENTRE ♦ Bakersfield, CA ♦ (661) 636-4604 ♦ FAX (661) 636-4418

A Joint Powers Authority administered by the Kern County Superintendent of Schools Office, Larry E. Reider, Superintendent



State of California
 Employment Development Department
 School Employees Fund
 800 Capitol Mall / MIC 19
 Sacramento CA 95814-0001 / (916) 653-5380

**Notice of Unemployment Insurance (UI)
 Contribution Rate and Local Experience
 Charge (LEC) Rate Statement for School
 Employees Fund Participants
 for Fiscal Year: 2009 - 2010**

Mail Date 3/31/2009

Your Account Number 942-XXXX

Your UI Contribution Rate is 0.30%

Your LEC Rate is (0.5%, 10% or 15%)

School District - Sample
 % SELF-INSURED SCHOOLS OF CA (SISC)
 P. O. BOX 1808
 BAKERSFIELD, CA 93303-1808

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ALL School Employees Wages
 are Taxable Wages for UI.

IMPORTANT NOTICE:

This is **not a bill, do not pay this amount.** This is to inform you of your Unemployment Insurance (UI) Contribution Rate and Local Experience Charge (LEC) Rate for the fiscal year shown above. The following is a breakdown of your UI account balance and the factors used to calculate your LEC Rate.
YOUR UI ACCOUNT BALANCE IS NON-REFUNDABLE.

1. Cumulative reserve balance as of 7/1/2007		0.00
2. UI Contributions paid from 7/1/2007 to 6/30/2008	0.00	
3. LEC paid from 7/1/2007 to 6/30/2008	0.00	
4. Interest distributed by the SEF (for positive reserve account employers only)	0.00	
5. TOTAL CREDITS		+ 0.00
6. UI benefits charged to your Account from 7/1/2007 to 6/30/2008		- 0.00
7. New UI account balance as of 7/1/ 2008		0.00
8. Reserve ratio for LEC Ranking/ Rate (Line 7 divided by Line 6)		0.00

LEC RANKING AND PERCENTAGE MATRIX

Reserve Ratio	Rank	LEC Percentages
< 1.00	1	15%
1.01 < 2.00	2	10%
2.01 < 3.00	3	5%
3.01 or more	4	0%
*	4	0%
*	**	10%

* Unrated accounts - no benefit charges with a positive account balance.

** New Accounts - in the Fund less than 3 years.

EXPLANATION OF THE NOTICE OF UNEMPLOYMENT INSURANCE CONTRIBUTION RATE AND LOCAL EXPERIENCE CHARGE RATE STATEMENT FOR SCHOOL EMPLOYEES FUND PARTICIPANTS (DE 56)

The Notice of Unemployment Insurance (UI) Contribution Rate and Local Experience Charge (LEC) Rate Statement for School Employees Fund (SEF) Participants (DE 56) informs you of your UI and LEC contribution rates for a Fiscal Year, July 1st through June 30th. It also shows the items used to determine your LEC rate and the balance in your UI reserve account as of July 31st.

MAIL DATE

This is the official mail date for this notice. Due to bulk mailing, some notices are mailed prior to this date.

ACCOUNT NUMBER

This is the number assigned to you when you registered as an employer with EDD. This number is assigned to you for UI only. Please refer to your employer account number when making inquires about your account.

CONTRIBUTION RATE

UI Contribution Rate – Section 832 of the California Unemployment Insurance Code (CUIC) mandates the UI contribution rate for the Fiscal Year, July 1st through June 30th. All SEF participants have the same UI contribution rate.

LOCAL EXPERIENCE CHARGE RATE

Local Experience Charge (LEC) – The CUIC Section 828 mandates the LEC rate for the Fiscal Year, July 1st through June 30th. All SEF participants are rated annually. Each SEF participant is responsible for a quarterly LEC, together with any associated penalties, as well as all costs for benefits, and reimbursement for charges shall be delinquent 30 days from the date of the notice. If not paid within the time required, the SEF participant shall pay a penalty of 10 percent of the unpaid amount, plus interest at the adjusted annual rate established pursuant to Section 1952 of the Revenue and Taxation Code from and after the date of delinquency until paid.

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

The LEC rate for the fourth fiscal year, and each succeeding fiscal year, shall be determined by dividing the reserve balance at the end of the fiscal year which began 24 months prior to the fiscal year for which the rate is being calculated by the benefits paid for that same prior fiscal year.

Section 828 (c) of the CUIC mandates the DE 56 is sent to all SEF participants no later than March 31st of each year.

EXPLANATION OF THE UI RESERVE ACCOUNT BREAKDOWN

1. Cumulative reserve balance – Shows the ending balance in your UI reserve account as of July 1st.
2. UI Contributions paid from – Shows the total of all UI contributions paid by you from July 1st through June 30th.
3. LEC paid from – Shows the total of all LEC from July 1st through June 30th.
4. Section 827 of the CUIC mandates the 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.
5. TOTAL CREDITS – Shows the total of all the items added to your UI reserve account beginning July 1st through June 30th. 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 1st through June 30th. This amount should agree with the amount shown on your Statement of Charges to Reserve Account (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 1st through June 30th.

7. New UI account balance – Shows your UI reserve balance as of July 1st.

Previous Reserve Balance	Line 1
Plus Total Credits	Line 5
<u>Minus Total Charges</u>	<u>(Line 6)</u>
New UI Account Balance	Line 7

8. Reserve ration for LEC Ranking / Rate – Shows your reserve ratio.

Line 7 divided by Line 6.