

SDAPA 4th Quarter

Newsletter

December 2023

In the News

Social Security Administration Announces \$168,600 Tax Wage Base for 2024

On October 12, the Social Security Administration (SSA) announced that the social security tax wage base for 2024 will be \$168,600 increased \$8400 from \$160,200 in 2023. The maximum social security tax employees and employers will pay for each employee in 2024 is \$10453.20. an increase of \$520.80 from \$9,93240 in 2023.

Regarding Medicare tax, all covered wages are still subject to 145% tax. As in 2023, covered wages paid in excess of \$200,000 in 2024 will be subject to an extra 0.9% Medicare tax, which will only be withheld from the employees' wages. Employers do not pay the extra 0.9% Medicare tax for wages paid in excess of \$200,000.

The Social Security tax wage base announced by the SSA for 2024 is higher than the earlier estimate provided by the Social Security Trust Board of Trustees (and listed in the previous quarterly San Diego APA Chapter Newsletter). The Board's earlier estimate projected the 2024 wage base would be \$167,700. Employers who previously budgeted their 2024 FICA tax expenses based upon the Trustees' projection will need to recalculate their 2024 expenses with the actual \$168,600 wage base.

On the Calendar

Upcoming Member Events:

December 2023 - No Chapter meeting

January 2024 - No Chapter meeting

January 6 2024 - 9am-12pm
CPP / FPC Workshop
1st session - Online Event
Advance Registration Required

January 13 2024 - 9am-12pm
CPP / FPC Workshop
2nd session - Online Event
Advance Registration Required

January 20 2024 - 9am-12pm
CPP / FPC Workshop
3rd session - Online Event
Advance Registration Required

January 27 2024 - 9am-11am
CPP / FPC Workshop
4th session - Online Event
Advance Registration Required

February 2024
Monthly Member Meeting
Online Meeting
2024 Legislative Update
Speaker: Christopher W Olmstead



For additional details, please see the Social Security Administration's October press release at: <https://www.ssa.gov/news/press/releases/2023/#10-2023-2>



SDAPA will be hosting a four-session workshop to help with your preparation for the Spring 2024 CPP and FPC tests. Registration is required separately, for each session. You can register for one or more sessions. Links to event registrations are on our Home page. Click on the link to our website: <https://sandiegochapterapa.org/>

Attendees must register in advance to participate in any of the FPC / CPP January 2024 SDAPA sponsored workshops. Recertification Credit Hours (RCHs) will be available to current FPCs and CPPs who actively attend a full session and participate with responses to all poll questions.

Fees:

- Members – Free (already included with your \$50 annual membership fee)
- Non-members – Single fee of \$75 for one/all sessions

Preparing for the FPC / CPP Test - January 2024 Workshop

Workshop Sponsored by the SDAPA

Workshop 1 – January 6, 2024, 9am – 12pm PST

Online only

I – Core Payroll Concepts 24%

II – Compliance / Research and Resources 16%

IV – Payroll Process and Supporting Systems and Administration 12%

Workshop 2 – January 13, 2024, 9am – 12pm PST

Online only

III – Calculation of the Paycheck 20%

Workshop 3 – January 20, 2024, 9am – 12pm PST

Online only

V – Payroll Administration and Management 10%

VI – Audits 9%

VII – Accounting 9%

Workshop 4 – January 27, 2024, 9am – 11am PST

Online Only

Review and Practice Test

Spring 2024 Test Registration/Test Dates:

Registration: November 6, 2023 - April 19, 2024

*Exam: January 8 - April 20, 2024

*Exams administered from September 9, 2023 through September 6, 2024, feature questions based on federal laws and regulations in effect as of January 1, 2023.

Federal News

IRS Announces 2024 Retirement Plan Contribution Limits

The Internal Revenue Service (IRS) has announced changes to the dollar limits on benefits and contributions under qualified retirement plans for tax year 2024. The limit for 401(k) and 403(b) plans in 2024 increases to \$23,000, up from \$22,500 in 2023. The limitation for catch-up contributions to 401(k), 403(b) and 457(b) plans for individuals age 50 or over remains at \$7,500, unchanged from 2023. The annual compensation limit increases to \$345,000, up from \$330,000 in 2023. The limit on annual contributions to an Individual Retirement Arrangement (IRA) increases to \$7,000 in 2024, up from \$6,500 in 2023. The additional IRA catch-up contribution limit for individuals aged 50 and over remains \$1,000 for 2024.

The limitation used in the definition of "highly compensated employee" under section 414(q)(1)(B) is increased from \$150,000 to \$155,000. Effective January 1, 2024, the limitation on the annual benefit under a defined benefit plan under section 415(b)(1)(A) is increased from \$265,000 to \$275,000.

More information can be found inside IRS Notice 2023-75 at:
<https://www.irs.gov/pub/irs-drop/n-23-75.pdf>

IRS Shares 2024 Cost of Living Adjustments for Standard Deductions, FSA Deferrals and Transportation Fringes

The IRS released cost of living adjustments (COLAs) for 2024 which provide guidance on increases in excludable transportation fringe payments and the flexible spending arrangement (FSA) deferral limits. During 2024, the amounts for employer provided qualified transportation fringe benefits and qualified parking which may be excluded from gross income increase to \$315 per month, increased from \$300 per month in 2023.

For Flexible Spending Arrangement (FSA) plan years beginning in 2024, the limit for voluntary salary deductions towards plan contributions increased to \$3,200, up from \$3,050 in 2023. The IRS income tax return standard deduction amounts for 2024 will increase to \$29,200 for married couples filing jointly (\$27,700 in 2023), \$14,600 for single taxpayers and married taxpayers filing separately (\$13,850 in 2023), and \$21,900 for heads of household (\$20,800 in 2023).

Additional updates and details for 2024 can be found within IRS Rev. Proc. 2023-48 at:
https://www.irs.gov/irb/2023-48_IRB

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Open Board Positions

- * **Vendor Relations**
- * **Social Media Coordinator**

Interested? Get Involved!

Contact CeCe Bramlett for more information

Email:
ccbramlettsdapa@yahoo.com

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California Updates

California Faces a FUTA Credit Reduction for 2023

The California Employment Development Department (EDD) announced that the state will not pay back its Federal Unemployment Account (FUA) loans by the November 10, 2023 deadline. This will result in California being a Federal Unemployment Tax Act (FUTA) credit reduction state for 2023, with a reduction of 0.6%.

If states have outstanding FUA loans on January 1 of at least two consecutive years and on November 10 of the second year, the states are subject to a credit reduction on their FUTA tax rate until the loan has been paid off. Each year a loan continues to be unpaid, the credit reduction increases by 0.3%. Per the May 2023 UI Fund Forecast, California's expected year-end loan balance is estimated to be \$19.7 billion at the end of 2023.

Generally, federal law provides employers with a 54% FUTA tax credit toward the 6.0% regular tax when they file their Employer's Annual Federal Unemployment Tax Return (IRS Form 940). However, this credit will be reduced by 0.6% to 4.8% for the 2023 tax year. For each employer in California, this will result in an additional \$42 of FUTA tax per employee, per year. Without any change to California's UI funding structure, FUTA costs are anticipated to increase by an additional 0.3% each year until the UI Trust Fund regains solvency.

For more information, see the CA EDD updates at :
edd.ca.gov/en/payroll_taxes/federal-unemployment-tax-act

California Set To Increase SDI Tax Rate and Remove Wage Base Limit in 2024

Effective January 1, 2024, the California State Disability Insurance (SDI) contribution tax rate will increase to 1.1%, up from 0.9% in 2023. In addition, on January 1, 2024, there will be no taxable wage limit or maximum withholding amount for SDI contributions. The most recent taxable wage limit had been \$153,164 for 2023. SDI contributions are paid for by employees only.

The additional SDI contributions will pay for the more robust benefits signed into law with California's 2022 Senate Bill (SB) 951. The additional benefits for SDI and the Paid Family Leave (PFL) programs, set to go into effect January 1, 2025, will allow for lower income workers to receive up to 90% of their normal wage, while other workers will receive up to 70%.

For more information, please see the Contribution Rates section at:
https://edd.ca.gov/en/payroll_taxes/rates_and_withholding/

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The San Diego
Chapter is
currently
accepting new
sponsors

*Interested in sponsoring
our Chapter? Please visit
the Chapter website
[sandiegochapterapa.org
/sponsorship](https://sandiegochapterapa.org/sponsorship)*

*Or email:
[sandiegochapterapa@
hotmail.com](mailto:sandiegochapterapa@hotmail.com)*

Chapter News

San Diego APA Chapter Set To Provide CPP / FPC Exam Workshops in January 2024

The San Diego Chapter of the APA is excited to announce a month-long series of Saturday Workshops to help prepare individuals set to take the Certified Payroll Professional (CPP) or Fundamental Payroll Certification (FPC) exams in Spring 2024. The workshops will be held online on each Saturday in January, from 9:00am to 12:00pm Pacific Standard Time, except January 27 which will be 9:00am to 11:00am. Each Saturday workshop will focus on a different topic relevant to the CPP and FPC exams. The workshop schedule and planned topics follow:

- * January 6 - 1st Session - Core Payroll Concepts / Compliance, Research and Resources / Payroll Process, Supporting Systems and Administration
- * January 13 - 2nd Session - Calculation of the Paycheck
- * January 20 - 3rd Session - Payroll Administration and Management / Audits / Accounting
- * January 27 - 4th Session - Overall Review / Practice Exam

The CPP / FPC Exam Workshops will be open to both members and non-members of the San Diego APA Chapter. Registration in advance is mandatory, so please visit the Chapter Website to complete your registration. Interested persons may attend one, two, three or all four of the workshops. Recertification Credit Hours (RCHs) will be available for current CPP and FPC credential holders who attend the entire 9am-12pm session and complete all poll questions. The workshop costs are free for current SD APA Members and \$75.00 for non-members to attend any of the sessions.

For more information, please visit the San Diego Chapter APA Events webpage at:
<https://www.sandiegochapterapa.org/events>

San Diego Chapter APA Welcomes Two New Board Members as President-Elect and Programs Director

The San Diego Chapter APA proudly announces the addition of two new Board Members to continue the outstanding service provided to its members. Tom Koza will be the Chapter's new President-Elect and Shari Wilder will serve as Program Director.

Shari Wilder currently works with the University of San Francisco. Shari has fifteen years experience in the payroll industry and she has been a San Diego Chapter APA member for five years. A fun fact about Shari is that she was married at the base of the actual Matterhorn (Switzerland, not Anaheim), and the next day the newlyweds hiked to the Hornli Hut at the summit of the famous mountain. Shari is dedicated to bringing new speakers to the Chapter, in order to broaden all member's perspectives. Tom Koza will be joining the Board as President-Elect. Tom currently works as Director of Payroll at Rady Children's Hospital of San Diego. Tom has over 20 years of experience in the industry.

The Chapter is grateful and excited to welcome these two newest members to the Board. Please join us in congratulating Shari Wilder and Tom Koza!

Please visit <https://www.sandiegochapterapa.org/boardofficers> for more information on current Board Members in addition to information on remaining open Board Member positions
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Board Officers

- President – CeCe Bramlett, CPP
- President Elect – Tom Koza
- Treasurer – Christine Ness, CPP, PHR
- Membership – Darlene Marinello, FPC
- Gov't. Liaison - Richard Sabo, CPP, CMA
- Secretary & Auditor - Rena DiLoreto, CPP
- NPW Chair – Cheryl Burr, CPP
- Webmaster – Jean Soltmann, CPP
- Philanthropy - Alison Hennessey, CPP
- Education Co-chair – Kat Williams, CPP
- Education Co-chair – Martha Lozada, CPP, SPHR
- Program Director – Shari Wilder

Please inform your colleagues in Payroll and Human Resources of the APA San Diego Chapter and invite them to consider membership! Information on the APA San Diego Chapter's membership perks can be easily shared with others by downloading the informational brochure linked here ([click here](#)).

Happy Holidays!