

CALIFORNIA EMPLOYER

Third Quarter 2009

SDI Program and Employer Responsibilities

California's State Disability Insurance (SDI) program provides Disability Insurance (DI) and Paid Family Leave (PFL) benefits. The SDI program is funded entirely by California workers through a payroll tax on their earnings. For 2009, the tax, or contribution rate, is 1.1 percent of taxable annual gross wages up to \$90,669. For 2009, the maximum yearly contribution per each employee is \$997.36.

The SDI program also offers a Disability Insurance Elective Coverage (DIEC) benefit option to employers or employees who are not required to contribute to SDI. Individuals covered by SDI or DIEC are covered for both DI and PFL programs. Claimants cannot receive benefits from both programs simultaneously.

The DI benefits are paid to eligible individuals who are unable to perform their regular or customary work due to a non-work-related illness or injury, including pregnancy and childbirth. The DI benefits may be paid up to 52 weeks.

The PFL benefits are paid to eligible individuals who take time off work to care for a seriously ill child, spouse, parent, registered domestic partner, or to bond with a new child. The PFL benefits may be paid for up to six weeks within a continuous 12-month period.

Both benefits provide approximately 55 percent of wage replacement. The minimum weekly benefit amount is \$50 per week; the maximum is \$959 per week. Both DI and PFL require a seven-day non-payable waiting period. Benefit payments begin on the eighth day of the claim.

As an employer, your responsibilities pertaining to SDI include the following:

- Make payroll deductions for SDI and remit to the Employment Development Department (EDD).
- Post in the workplace the *Notice to Employees* (DE 1857A).



- Provide new employees with the *Disability Insurance Provisions* (DE 2515) pamphlet and *Paid Family Leave Insurance Provisions* (DE 2511) pamphlet.
- Provide the DE 2515 to all employees who notify you that they need to take time off from work due to a non-work-related medical condition.
- Provide the DE 2511 to all employees who notify you that they need to take time off work to care for a seriously ill family member or bond with a new child.
- Complete and return within two business days the *Notice to Employer of State Disability Claim* (DE 2503), or the *Notice to Employer of Paid Family Leave Claim* (DE 2503F).

It is the employee's responsibility to file a claim for benefits with the SDI program. Employees can obtain a claim form from an SDI office, the EDD Web site at www.edd.ca.gov, or a medical provider.

The SDI program has 23 offices statewide. Services are available in-person, by telephone and on the Internet. For additional information on SDI programs and to order or download posters, pamphlets, and other SDI materials, please visit EDD's Web site at www.edd.ca.gov or telephone DI at (800) 480-3287 or PFL at (877) 238-4373.

Review Your Reserve Account Statement of Charges

In October 2009, an annual *Statement of Charges to Reserve Account* (DE 428T) will be mailed to you. This statement notifies you of the unemployment insurance (UI) benefit charges and credits to your reserve account during the fiscal year July 1, 2008 through June 30, 2009. Charges are itemized and based on the UI benefits paid to your former employees. Charges to your reserve account may increase your UI contribution rate for the tax year 2010, so it is important to review your statement carefully and respond timely if you do not agree with the charges.

You have 60 days from the mail date on

your statement to protest any charges you believe are incorrect. An extension of up to 60 days may be granted for good cause if your request is submitted before the protest deadline.

If you have address changes and/or agent updates, please inform EDD immediately in order to receive your DE 428T.

For further information, refer to the *Explanation and Instruction Sheet* (DE 428C) included with the DE 428T, or call our Taxpayer Assistance Center at (888) 745-3886.

The DE 428C is also available on our Web site at www.edd.ca.gov/pdf_pub_ctr/de428c.pdf

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Seminars Offer Valuable Tax Help

We offer seminars on various tax-related topics to help you understand and comply with California payroll tax laws. Some seminars are presented in partnership with federal or state agencies to provide information on related federal tax and labor law topics.

Our courses are customized to benefit new employers, established businesses, bookkeepers, and payroll agents. Seminars are conducted at various locations throughout the state with no charge to participants.

Some upcoming seminars are shown below. To view a complete list of seminar topics, dates and locations, or to register for a seminar, visit our Web site at www.edd.ca.gov/Payroll_Tax_Seminars/ or call our Taxpayer Assistance Center at (888) 745-3886.

Federal/State Basic Payroll Tax Seminars cover federal and state payroll reporting requirements, including forms, payment requirements, electronic filing and independent contractor reporting.

Concord	11-17-09
Daly City	10 -8 -09
Delano	12-10-09
Fairfield	10-14-09
Fresno	10-22-09
Hawthorne	11-4-09
Los Angeles	10-6-09
Los Angeles	10-22-09
Merced	11-18-09
Oakland	10-7-09
Oakland	11-4-09
Paso Robles	9-24-09
Paso Robles	12-10-09
Redwood City	10-19-09
Sacramento	9-30-09
Sacramento	10-6-09
Sacramento (IN SPANISH)	10-21-09
Sacramento (Mather)	11-18-09
Salinas	10-7-09
San Francisco	9-30-09
San Francisco	10-28-09
San Jose	10-22-09
San Rafael	11-12-09
Santa Maria	10-1-09
Santa Rosa	11-18-09
Simi Valley	12-3-09
Stockton	11-5-09
Ventura	11-12-09
Visalia	11-5-09

Employee or Independent Contractor Tax Seminars include the factors that determine whether a worker is an employee or an independent contractor plus the basics of statutory employment.

Fresno	12-8-09
Oakland	10-15-09
Redwood City	11-10-09
San Rafael	12-1-09
Simi Valley	11-17-09
Stockton	11-18-09
Ventura	10-15-09

State Labor Law and Payroll Tax Seminars are co-presented by the Employment Development Department and the Department of Industrial Relations. Topics include employer reporting and payment requirements, common wage and hour law application, and basics of how to distinguish between employees and independent contractors.

Chico	10-14-09
Concord	11-19-09
Fresno	10-8-09
Los Angeles	12-10-09
Oakland	12-9-09
Sacramento	12-3-09
San Francisco	10-21-09
San Jose	11-3-09
Ukiah	10-6-09
Visalia	10-8-09

How to Manage Unemployment Insurance Costs Seminars cover how Unemployment Insurance (UI) rates are calculated, how to reply to UI notices, and what you can do as an employer to minimize your UI costs.

Bakersfield	12-3-09
Hawthorne	10-20-09
Oakland	12-17-09
San Francisco	11-24-09
San Rafael	10-20-09
San Jose	11-17-09
Sunnyvale	10-6-09

Audits and Appeals Payroll Tax Seminars include information on how the audit process works, how to prepare for an audit, the basic steps of the appeals process, and employer rights during the audit and appeals process.

Bakersfield	10-22-09
Hawthorne	10-20-09
San Jose	11-9-09
San Jose	12-10-09

2009 Withholding Schedules Have Been Replaced

As a result of the state budget passed in February, the California Withholding Schedules included in the 2009 California Employer's Guide were replaced in April. Employers are reminded to use the new schedules in place of the schedules published in the 2009 Employer's Guide. For additional information go to EDD's Web site at www.edd.ca.gov/Payroll_Taxes/

The new schedules are available online at:

www.edd.ca.gov/Payroll_Taxes/Rates_and_Withholding.htm

State Payroll Tax Workshops provide hands-on training in calculating taxes and completing payroll tax forms.

Atwater	12-10-09
Fresno	9-30-09
Fresno	11-10-09
Hawthorne	11-17-09
Los Angeles	10-15-09
Mountain View	12-10-09
Oakland	12-8-09
Redwood City	9-23-09
Sacramento	9-23-09
Sacramento	10-1-09
Sacramento (Mather)	11-19-09
San Jose	9-28-09
San Jose	10-26-09
San Rafael	9-23-09
Ventura	11-19-09
Visalia	11-19-09

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