

The online DE 44 has 3 corrections. The first correction is on page 23 regarding the CCR, Title 11 reference governing Election Officials or Election Workers under "Types of Employment." The correction changed the Title 11 to Title 22.

The second correction changed the year from 2011 to 2012 for the January 1st and 31st due date and delinquency date, respectively, for the *Quarterly Contribution Return and Report of Wages* (DE 9) for the 4th quarter filing period.

Lastly, the time deadline to ensure a timely settlement date for electronic payments was corrected from 4:00 p.m. to 3:00 p.m. Pacific Time. The printed version has not been changed. We regret any inconvenience this may cause.

CALIFORNIA

Employer's Guide 2011

2011 Payroll Tax Rates, Taxable Wage Limits, and Maximum Benefit Awards

Unemployment Insurance (UI)

The UI taxable wage limit for 2011 is \$7,000 per employee, per year. The UI tax rate for new employers is 3.4 percent (.034) for up to three years.* The UI tax rate for experienced employers varies based on each employer's experience and the balance in the UI Fund. The 2011 maximum weekly benefit award is \$450. Please refer to [page 8](#) for additional information.

Employment Training Tax (ETT)

The 2011 ETT rate is 0.1 percent (.001) of the first \$7,000 per employee, per year. Please refer to [page 8](#) for additional information.*

State Disability Insurance (SDI)

The 2011 SDI tax rate, which includes Disability Insurance (DI) and Paid Family Leave (PFL), is 1.2 percent (.012). The SDI taxable wage limit is \$93,316 per employee, per year.* The 2011 maximum weekly DI/PFL benefit award is \$987. Please refer to [page 8](#) for additional information.

California Personal Income Tax (PIT) Withholding

California PIT withholding is based on the amount of wages paid, the number of withholding allowances claimed by the employee, and the payroll period. Please refer to [page 12](#) for more information on PIT withholding and [page 36](#) for the California PIT withholding schedules.

*UI, ETT, and SDI rate information is available on the Employment Development Department (EDD) 24-hour automated call system at (916) 653-7795.

What's New in 2011?

- **IMPORTANT CHANGES FOR 2011:** Employers will file a *Quarterly Contribution Return and Report of Wages* (DE 9); quarterly instead of annually on the *Annual Reconciliation Statement* (DE 7), refer to [page 80](#). Detailed wage items for each worker will be reported on the *Quarterly Contribution Return and Report of Wages* (Continuation) (DE 9C), instead of the *Quarterly Wage and Withholding Report* (DE 6), refer to [page 83](#).
- Expanded e-Services for Business – Employers will be able to view and manage their own employer tax account, file most reports, and provide payment options for tax deposits, liabilities and more. Refer to [page 87](#) for additional information on EDD's Expanded e-Services for Business at <https://eddservices.edd.ca.gov>.
- View the latest online tutorial "How to Complete a Payroll Tax Deposit (DE 88 or DE 88ALL)" on EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Web_Based_Seminars.htm. For additional information or assistance with this tutorial, contact our Taxpayer Assistance Center at (888) 745-3886.
- Senate Bill 1244, effective **01/01/11**, brings EDD into conformity with the Internal Revenue Service guidelines on the tax treatment of Limited Liability Companies (LLC). Please refer to the Information Sheet: *Limited Liability Entities*, DE 231LLC available on our Web site at www.edd.ca.gov/pdf_pub_ctr/de231llc.pdf.

Hot Topics

Fraud Prevention, Detection, and Reporting – For information on how to prevent and detect UI fraud, see [page 100](#).

Important Information

Tax Seminars

The EDD continues to partner with other agencies to provide you with the information you need. To find out more about a tax seminar near you or to register online, access EDD's Web site at www.edd.ca.gov/Payroll_Tax_Seminars/.

Web-Based Seminars

The EDD has Web-based seminars on employee and independent contractor issues available in both English and Spanish. Access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Web_Based_Seminars.htm for additional information.

Value of Meals and Lodging

If you provide meals and/or lodging to your employees, you are required to report their value as wages. For the value of meals and lodging or additional information, see [page 11](#).



Dear California Employer:

The Employment Development Department (EDD) recognizes the need to provide you with timely information about your payroll tax account and to simplify tax reporting. I am pleased to share with you a few of the positive and exciting changes we will implement in 2011:

- Elimination of the *Annual Reconciliation Statement* (DE 7), effective with the 2011 tax year. The *2010 Annual Reconciliation Statement* (due January 31, 2011) will be the last one you file.
- Establishment of new quarterly reporting forms and processes. Employers will file the *Quarterly Contribution Return and Report of Wages* (DE 9) and the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) each quarter. This will allow EDD to identify overpayments and underpayments as early as possible throughout the year, resulting in faster refunds and reducing the possibility of an unplanned tax liability at year-end. The DE 9 replaces the current *Quarterly Wage and Withholding Report* (DE 6), which will no longer be filed in 2011.
- Expanded e-Services for Business. Beginning in spring of 2011, you'll be able to manage your payroll tax account online, 24 hours a day, seven days a week. You'll have the ability to view your payment history, your returns, any balance due, and more!
- Additional electronic payment options for filing returns and paying tax liabilities.

I encourage you to regularly check our Web site, www.edd.ca.gov, for up-to-date information on forms and reporting changes for 2011, and for further details on our expanded e-Services for Business.

We appreciate your vital contribution to California's economic recovery, and we look forward to serving you in the coming year.

Sincerely,

A handwritten signature in cursive script that reads "Pam Harris".

PAM HARRIS
Chief Deputy Director

Introduction	1
Quick and Easy Access for Tax Help, Forms, and Publications	2
How to Get Started	3
Flowchart	4
2011 Forms and Due Dates	5
Who Is an Employer and When to Register	6
Who Is an Employer?	6
When to Register	6
Who Is an Employee?	7
“Common Law” Employee or Independent Contractor	7
What Are State Payroll Taxes?	8
Unemployment Insurance (UI)	8
Employment Training Tax (ETT)	8
State Disability Insurance (SDI)	8
California Personal Income Tax (PIT)	8
State Payroll Taxes (table)	9
Help Us Fight Fraud	9
What Are Wages?	10
Subject Wages	10
Personal Income Tax (PIT) Wages	10
Difference Between Subject Wages and PIT Wages	10
Employers Subject to California Personal Income Tax (PIT) Only	10
Meals and Lodging	11
Additional Information	11
California Personal Income Tax Withholding	12
Wages Subject to PIT Withholding	12
How to Determine Which Wages Require PIT Withholding	12
Marital Status, Withholding Allowances, and Exemptions (Form W-4 and DE 4)	12
Employer’s Obligations for the Form W-4 and DE 4	13
How to Determine PIT Withholding Amounts	14
What if Your Employee Wants Additional PIT Withholding?	14
How to Withhold PIT on Supplemental Wages	14
Quarterly Estimated Payments	14
Wages Paid to:	
California Residents	15
Nonresidents of California	15
PIT Withholding on Payments to Nonresident Independent Contractors	15
Additional Information	15
Types of Employment (table)	16
Types of Payments (table)	26
California Withholding Schedules for 2011	36
Required Forms	68
<i>Report of New Employee(s)</i> (DE 34)	69
Sample DE 34 Form	70
<i>Report of Independent Contractor(s)</i> (DE 542)	71
Overview	71
Sample DE 542 Form	72
<i>Payroll Tax Deposit</i> (DE 88)	73
Overview	73
Sample DE 88 Form	73
Withholding Deposits	74

California Deposit Requirements	75
Due Dates for Quarterly Tax Deposits	76
2011 Quarterly Payment Chart	76
Correcting Payroll Tax Deposits	77
<i>Quarterly Contribution Return and Report of Wages (DE 9)</i> ^{NEW}	79
Overview	79
Sample DE 9 Form	80
<i>Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)</i> ^{NEW}	82
Overview	82
Sample DE 9C Form	83
Federal Forms W-2 and 1099	85
Filing Options	87
Expanded e-Services for Business	87
Change of Status	88
Purchase, Sell, Transfer, or Change Ownership	88
What Is a Successor Employer?	89
Business Name Change	89
Mailing Address Change	89
No Longer Have Employees	89
Close Your Business	89
It is Against the Law	89
Additional Requirements	90
Required Notices and Pamphlets	90
Earned Income Tax Credit Information Act	91
Plant Closure or Mass Layoff (WARN)	92
U.S. Government Contractor Job Listing Requirements	94
Recordkeeping	94
Employers' Bill of Rights	95
Commitment	95
Employer Rights	95
Office of the Taxpayer Rights Advocate	95
Taxpayer Advocate Office	95
Settlements	96
Protecting Your Privacy	96
Offers in Compromise (OIC)	96
Unemployment Insurance Taxes	97
Methods of Paying for UI Benefits	97
How Your UI Tax Rate Is Determined	97
Notice of Tax Rates	98
Federal Unemployment Tax Act (FUTA) Certification	98
Reserve Account Transfers	98
Interstate Reciprocal Coverage Elections for Multistate Workers	99
Tips for Reducing Your UI Tax Rate	99
Fraud Prevention, Detection, and Reporting	100
UI Rate Manipulation	100
Unemployment Insurance Benefits	101
UI Funding	101
Benefit Award	101
Benefit Qualifications	101
Qualifying UI Wages	102
UI Eligibility Determination	102
How to Designate an Agent	102
How to Request an Electronic DE 1545	102
Responding to Notices	103

Subsequent Benefit Year	104
Notices of Determination, Ruling, or Modification	105
UI Benefits - Appeal Rights	105
False Statement Penalty	106
Benefit Audits to Determine Fraud	106
Back Pay Award	107
Workers' Compensation Benefits	107
Statement of Charges	107
Layoff Alternatives	108
Partial UI Claims	108
Work Sharing Program	108
Notice of Layoff	108
Wage Notices	108
State Disability Insurance (SDI) Program	109
Taxes - Who Pays for SDI?	109
Employee Benefits	109
Claim Notices	109
Employer Sponsored Voluntary Plan.....	110
Self-Employed Benefits	110
Workers' Compensation Insurance.....	110
Additional Information	110
Employment and Training Services	111
EDD's Workforce Services	111
Employment Training Panel	111
Funding	111
How is ETP Different?.....	111
General Information	112
Trade Adjustment Assistance	112
Work Opportunity Tax Credit	113
Workforce Investment Act.....	113
Labor Market Information	114
What Labor Market Information Is Available on the Web	114
Multiple Location and/or Function Employers	114
How Your Industry Code Is Determined	114
Information and Assistance by Topic	115
Glossary	121
Index	125
EDD Forms and Publications	129
Instructions for Ordering Forms and Publications	129

Learn more about payroll taxes through our seminars and online courses
www.edd.ca.gov/Payroll_Tax_Seminars/

This guide is published to help you understand your rights and responsibilities as an employer.

How to Use This Guide

Information in this guide is presented in a chronological sequence, beginning with what you need to know or do first, such as who is an employer, when to register, who is an employee, and what are wages.

To simplify reporting requirements, the Employment Development Department (EDD) follows federal tax guidelines and due dates whenever possible. However, California laws and rates may differ from federal laws and rates. The EDD administers payroll tax reporting laws according to the California Unemployment Insurance Code (CUIC) and California Code of Regulations (CCR).

Regardless of the size of your business, this guide is an important resource on the procedures required for compliance with California payroll tax laws. It clarifies both the provisions of the CUIC and CCR and their application to your business.

This guide provides general information that applies to the majority of employers. The guide provides references to additional information on specialized topics. Information on detailed or complex issues that only apply to a small number of employers is not included in the guide.

How to Obtain Assistance and Additional Information

If you have questions that are not addressed in this guide or need additional information, you can access reference materials on EDD's Web site at www.edd.ca.gov or contact the Taxpayer Assistance Center toll-free at (888) 745-3886. For your convenience, EDD's Web site and the telephone number are listed at the bottom of most pages. Also, this guide is available on EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de44.pdf. To access the guide, and other online forms and publications, you will need the free Adobe® Reader®, which can be downloaded from www.adobe.com/products/acrobat/readstep2.html.

We also offer workshops on California payroll tax reporting requirements and customized seminars and presentations to help you:

- Understand your California payroll tax reporting requirements.
- Avoid common pitfalls and costly mistakes.
- Control Unemployment Insurance costs.
- Learn the differences between employees and independent contractors.
- Understand your reporting requirements for new employees and independent contractors.
- Discover no-cost services and resources available to you.

We tailor our education and outreach activities to meet your needs, such as providing seminars in Spanish, accommodations for the hearing-impaired, and personalized consultations. We offer seminars, workshops, and presentations at locations throughout California. To find out more about a payroll tax education event near you, contact the Taxpayer Assistance Center at (888) 745-3886 or register online by accessing EDD's Web site at www.edd.ca.gov/Payroll_Tax_Seminars.

Other Services

This guide also contains useful information on the many services that EDD offers specifically for employers. The EDD supplies information on a wide range of programs, including programs offering tax credits. The EDD also provides a number of employment services, such as job development and job search workshops that are designed to reduce unemployment and, consequently, your taxes. Whether you are a new or established employer, we offer a variety of services to assist you in building a more successful business while complying with California laws.

We Want to Hear From You

Please let us know what you think about our products and services, especially what we can do to improve this guide to better meet your needs. Please send your comments and suggestions to:

**Employment Development Department
Publications and Marketing Services Group, MIC 93
P.O. Box 826880
Sacramento, CA 94280-0001
Email: pmsg@edd.ca.gov
Fax: (916) 654-6969**

Other Web Site of Interest

www.taxes.ca.gov – This is a joint Web site sponsored by the Board of Equalization, Employment Development Department, Franchise Tax Board, and Internal Revenue Service.

Expanded e-Services for Business



- Manage your Employer Tax Account
- Register as an Employer
- File Reports
- Pay Deposits and Liabilities
- Make Address Changes

To use e-Services for Business, go to EDD's Web site at <https://eddservices.edd.ca.gov>

Telephone



Toll-free from the U.S. or Canada:
(888) 745-3886
Hearing impaired: (800) 547-9565
Outside U.S. or Canada:
(916) 464-3502

Staff is available Monday through Friday from 8 a.m. to 5 p.m., Pacific Time (PT) to answer your questions.



Personal Computer

Access EDD's Web site at www.edd.ca.gov to:

- Download and order forms, instructions, and publications at www.edd.ca.gov/Forms/
- Obtain answers to Frequently Asked Questions at www.edd.ca.gov/Payroll_Taxes/FAQs.htm
- Obtain information on payroll tax seminars at www.edd.ca.gov/Payroll_Tax_Seminars
- Obtain information for tax practitioners at www.edd.ca.gov/Payroll_Taxes/Tax_Practitioners.htm
- Send comments and questions to EDD online at www.edd.ca.gov/About_EDD/Contact_EDD.htm (click on "ask EDD").

Access the California Tax Service Center Web site at www.taxes.ca.gov for federal and California tax information for businesses and individuals.

Self-Service Offices

Tax forms and a free direct-line telephone are available from 8 a.m. to 5 p.m., PT, at our self-service offices.

Bakersfield	2000 K Street, Suite 420, 93301
Capitola	2045 40 th Avenue, Suite A, 95010
Chico	240 West 7 th Street, 95928
El Centro	1550 West Main Street, 92243
Eureka	409 "K" Street, Suite 202, 95501
Los Angeles	5401 S. Crenshaw Blvd., Suite A, 90043
Modesto	3340 Tully Road, Suite E-10, 95350
San Francisco	745 Franklin Street, Suite 400, 94102
San Luis Obispo	3196 South Higuera Street, Suite C, 93401
Santa Rosa	50 "D" Street, Room 415, 95404
Vallejo	1440 Marin Street, Suite 114, 94590
Ventura	4820 McGrath Street, Suite 200, 93003

Fax on Demand



Call (877) 547-4503 to get most tax forms, publications, and information sheets faxed to you. You can also listen to recorded messages on various payroll tax topics. Request Document No. 1001 for a catalog of all available documents.



Walk-In Offices

For information and advice on your payroll tax responsibilities, visit your local Employment Tax Office between 8 a.m. and 5 p.m., PT, Monday through Friday:

Anaheim	2099 S. State College Blvd., #401, 92806
Fresno	1050 "O" Street, 93721
Oakland	7677 Oakport, Suite 400, 94621
Redding	1255 Shasta Street, 96001
Sacramento	3321 Power Inn Road, Suite 220, 95826
San Bernardino	658 East Briar Drive, Suite 300, 92408
San Diego	10636 Scripps Summit Court, Suite 202, 92131
San Jose	906 Ruff Drive, 95110
Santa Fe Springs	10330 Pioneer Blvd., Suite 150, 90670
Van Nuys	6150 Van Nuys Blvd., Room 210, 91401

Forms and Publications

For a listing of forms and publications, access EDD's Web site at www.edd.ca.gov/Forms/

Learn more about payroll taxes through our seminars and online courses
www.edd.ca.gov/Payroll_Tax_Seminars/

HOW TO GET STARTED?

To help you meet your employer reporting and tax payment obligations, we have highlighted some essential steps to ensure that you get off to a good start. Please keep in mind that your employer requirements may **not** be limited to what is listed on this page.

Step 1

Are You an Employer?

If you employ one or more employees and pay wages in excess of \$100 in a calendar quarter, you are an employer and must register with the Employment Development Department (EDD).

NOTE: If you pay wages to people who work in or around your home, you may be considered a household employer. Household employers are required to register only after they have paid \$750 in cash wages in a calendar quarter. Refer to page 6 for additional information.

Step 2

ACTION REQUIRED: Complete and submit a *Registration Form for Commercial Employers (DE 1)* no later than 15 days after the date you paid in excess of \$100 in wages. A “commercial employer” is a business connected with commerce or trade, operating primarily for profit. This form is appropriate for most employers.

NOTE: Industries such as agriculture, government, nonprofit, or household are required to register using an alternate form. Refer to page 6 to determine the appropriate registration form for your type of industry.

Be sure to complete all items on the DE 1. You will be assigned an eight-digit EDD employer account number, which identifies your business for the purpose of reporting and paying payroll taxes. Include your EDD employer account number on all correspondence, including reports and payments that you send to EDD.

Register online using Expanded e-Services for Business or register by telephone. Refer to page 6 for additional information.

Step 3

ACTION REQUIRED:

- **Report new employee(s)** within 20 days of the employee’s start-of-work date. All employees who are newly hired, rehired, or returning to work from a furlough, separation, leave of absence without pay, or termination **must be reported** to EDD on the *Report of New Employee(s)* (DE 34) form. If you acquire an ongoing business and employ any of the former owner’s workers, these employees are considered new hires, and you should report them to EDD’s New Employee Registry. For additional information on reporting new employees, refer to page 69.
- **Report independent contractor information** within 20 days of paying an independent contractor \$600 or more, or entering into a contract for \$600 or more, whichever is earlier. Independent contractor information must be reported to EDD by completing the *Report of Independent Contractor(s)* (DE 542) form. For additional information on Independent Contractor Reporting, refer to page 71.
- **Provide your employees** with pamphlets on employee withholdings and Unemployment Insurance (UI), State Disability Insurance (SDI), and Paid Family Leave (PFL). For additional information on employee pamphlets, refer to page 90.
- **Post an employee notice** with UI, SDI, and PFL claim and benefit information. This notice should be posted in a prominent location, easily seen by your employees. The appropriate notice will be sent to you after you register. For additional information on employee notices, refer to page 90.

Step 4

ACTION REQUIRED: Make your UI, Employment Training Tax (ETT), SDI, and California Personal Income Tax (PIT) deposits by submitting a *Payroll Tax Deposit* (DE 88) coupon with your remittance by mail or through Electronic Funds Transfer (EFT) or the credit card program (some limitations may apply). Your SDI and PIT withholdings deposit due dates are based on your federal deposit schedule/requirement and the amount of accumulated PIT that you have withheld. Your UI and ETT payments are due quarterly. For additional information on your deposit requirements, refer to pages 74 and 75.

Step 5

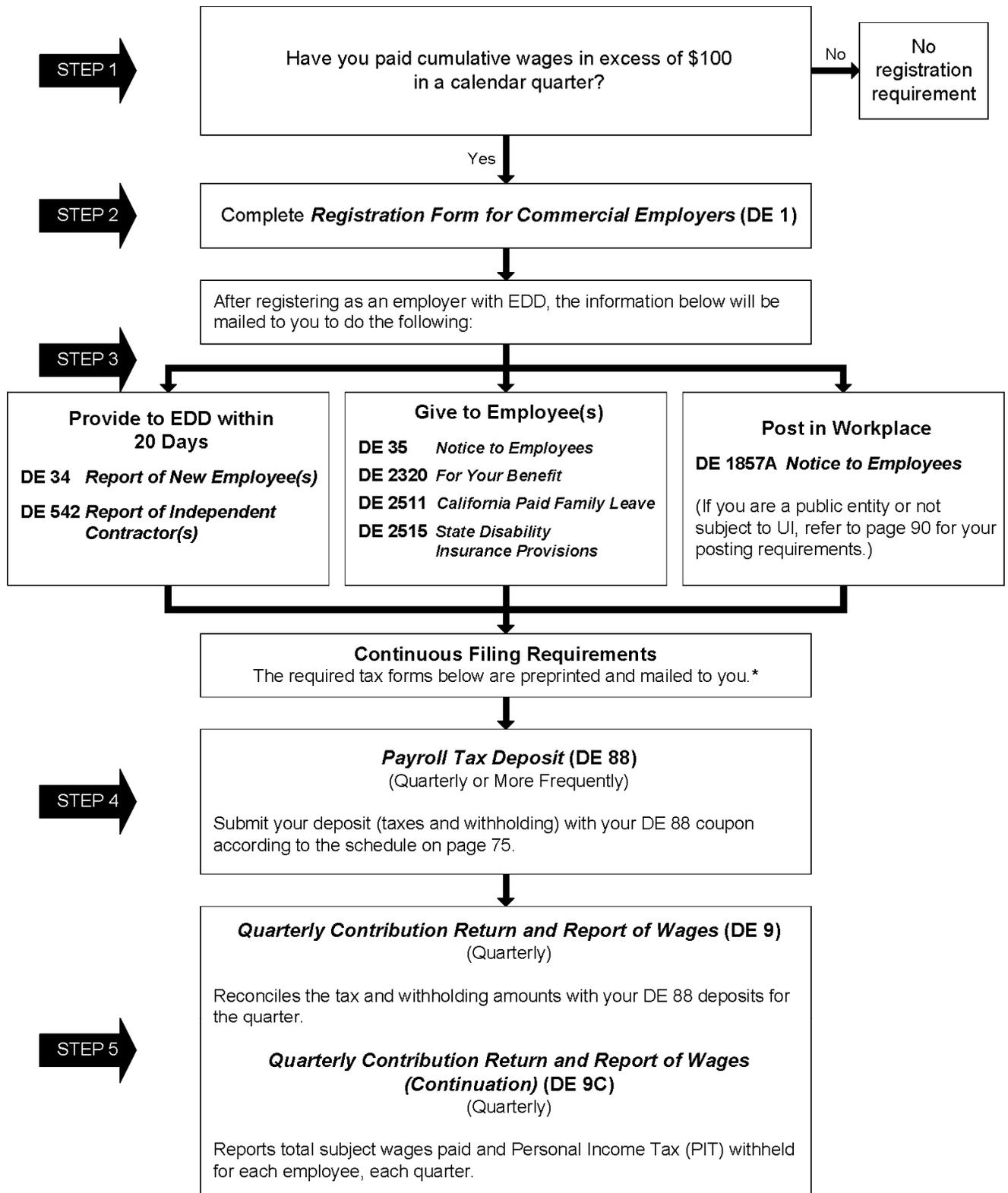
ACTION REQUIRED: File a *Quarterly Contribution Return and Report of Wages (DE 9)* to reconcile the tax and withholding amounts with your DE 88 deposits for the quarter. Also **File a *Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)* to report, total subject wages paid and PIT withheld for each employee for each quarter.**

These reports are due on January 1, April 1, July 1, and October 1 each year. These reports must be submitted even if no wages are paid or if you had no payroll during a calendar quarter. For additional information about these new forms, refer to pages 80 and 83.

NOTE: Failure to complete the above steps on time may result in penalty and interest charges.

Most forms and publications are available on EDD’s Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm or by contacting our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502.

For information on your federal employment tax reporting requirements, access the IRS Web site at www.irs.gov, or contact IRS at (800) 829-1040.



* To ensure that you receive your forms, it is important that EDD has your correct mailing address and that you notify EDD of any address change. Most forms are available on our Web site at www.edd.ca.gov, or by calling our Taxpayer Assistance Center at (888) 745-3886 or Fax on Demand at (877) 547-4503.

2011 FORMS AND DUE DATES

Due	Form	Name
Within 15 calendar days after paying over \$100 in wages.	DE 1	<i>Registration Form for Commercial Employers</i> (If you are not a commercial employer, refer to page 6.)
Within 20 days of start of work for new or rehired employees.	DE 34	<i>Report of New Employee(s)</i>
Within 20 days of paying an independent contractor \$600 or more or entering into a contract for \$600 or more, whichever is earlier.	DE 542	<i>Report of Independent Contractor(s)</i>

Due	Delinquent if Not Filed by ¹	Report	Quarter
April 1, 2011	May 2, 2011	DE 9/DE 9C	1 st (January, February, March)
July 1, 2011	August 1, 2011	DE 9/DE 9C	2 nd (April, May, June)
October 1, 2011	October 31, 2011	DE 9/DE 9C	3 rd (July, August, September)
January 1, 2012	January 31, 2012	DE 9/DE 9C	4 th (October, November, December)

CALIFORNIA DEPOSIT REQUIREMENTS

If Your Federal Deposit Schedule/Requirement Is ¹	And You Have Accumulated State PIT Withholding of	If Payday Is	PIT and SDI Deposit Due by ²
Next Banking Day	Less than \$350	Any day	Quarterly ³
	\$350 to \$500	Any day	15 th of the following month
	More than \$500	Any day	Next Banking Day
Semi-weekly	Less than \$350	Any day	Quarterly ³
	\$350 to \$500	Any day	15 th of the following month
	More than \$500	Wed., Thurs., or Fri.	Following Wednesday ⁷
	More than \$500	Sat., Sun., Mon., or Tues.	Following Friday ⁷
Monthly	Less than \$350	Any day	Quarterly ³
	\$350 or more	Any day	15 th of the following month
Quarterly ^{4,5} or Annually ⁶	Less than \$350	Any day	May 2, 2011 August 1, 2011 October 31, 2011 January 31, 2012
	\$350 or more	Any day	15 th of the following month

NOTE:

- ¹ Electronic transactions for Next Banking Day deposits must be settled in the State's bank account on or before the third banking day following the payroll date.
- ² If the due date falls on a Saturday, Sunday, or legal holiday, the due date is extended to the next business day. For example, if a deposit is due on Friday, but Friday is a holiday, the deposit due date is extended to the following Monday.
- ³ If you have accumulated less than \$350 of PIT and choose to make an additional deposit before the quarterly due date, designate the "DEPOSIT SCHEDULE" as QUARTERLY on your DE 88 coupon.
- ⁴ If you are not required to follow one of the above federal deposit schedules/requirements, you are still required to make California payroll tax deposits of accumulated SDI deductions and PIT withholding quarterly or more often, based on the guidelines in this table.
- ⁵ A deposit of employer UI and ETT taxes not previously paid is also due each quarter by the due dates shown.
- ⁶ If your federal deposit requirement is annually, you are required to make California payroll tax deposits quarterly or monthly based on the guidelines in this table.
- ⁷ The transition period of the semi-weekly schedule allows employers to make deposits in any of the three business days following the last pay date. If any of the transition period days is a legal holiday, the employer is given an extra business day to make the deposit.

WHO IS AN EMPLOYER?

An employer is a person or legal entity that hires one or more persons to work for a wage, salary, or other compensation. Employers include sole proprietors, joint ventures, partnerships, co-ownerships, corporations, S corporations, limited liability companies, limited liability partnerships, nonprofit organizations, associations, trusts, charitable foundations, public entities, and State and federal agencies.

Private households, local college clubs, and local chapters of fraternities and sororities that employ workers to perform household services are "household employers." For more information on household employment, obtain a *Household Employer's Guide* (DE 8829) by accessing EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de8829.pdf or contacting the Taxpayer Assistance Center at (888) 745-3886.

NOTE: If you acquired an existing business, refer to "What is a Successor Employer?" on page 89 for further details.

When Do I Become an Employer?

When you employ one or more employees and pay wages in excess of \$100 in a calendar quarter, you become an employer. Wages are compensation for services performed, including, but not limited to, cash payments, commissions, bonuses, and the reasonable cash value of nonmonetary payments for services, such as meals and lodging. For more information, refer to "What are Wages" on page 10.

WHEN TO REGISTER

All employers conducting business in California are subject to the employment tax laws of the California Unemployment Insurance Code (CUIC). Once a business hires an employee, the business is considered an employer and must complete and submit a registration form to the Employment Development Department (EDD) within 15 days after paying wages in excess of \$100 in a quarter.

Employers are responsible for reporting wages paid to their employees and paying Unemployment Insurance (UI) tax and Employment Training Tax (ETT) on those wages, as well as withholding and remitting State Disability Insurance (SDI) tax and California Personal Income Tax (PIT) due on wages paid to their workers. Once subject, an employer **must** report wages for that year and the following year, regardless of the amount of wages paid.

- ACTION REQUIRED:** Register with EDD for an employer account number if you employ one or more employees and pay wages in excess of \$100 in a calendar quarter.

How to Register for an EDD Employer Account Number

Complete the appropriate registration form for your industry.

- | | | | |
|------------------------------------|--------|----------------------------|--------|
| • Commercial | DE 1 | • Household | DE 1HW |
| • Agricultural | DE 1AG | • Nonprofit | DE 1NP |
| • Government/Schools/Indian Tribes | DE 1GS | • Personal Income Tax Only | DE 1P |

Options for Filing your Registration Form

1. You can complete the DE 1, DE 1AG, DE 1HW, and DE 1NP online from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>. You will receive a confirmation number and your account number will be mailed to you. See options 2 and 3 for filing a DE 1GS or a DE 1P.
2. You can call EDD's Tele-Reg at (916) 654-8706 to register by telephone. When registering via Tele-Reg, you will receive your EDD employer account number over the telephone.
3. To obtain a paper registration form:
 - Access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm.
 - Call our Fax on Demand system at (877) 547-4503.
 - Contact our Taxpayer Assistance Center at (888) 745-3886.

Please mail or Fax the completed registration form to the:

**Employment Development Department
Account Services Group, MIC 28
P.O. Box 826880
Sacramento, CA 94280-0001
Fax: (916) 654-9211**

**IF YOU REGISTER ONLINE OR
VIA TELE-REG, DO NOT SEND
A PAPER FORM TO EDD.**

NOTE: If you employ workers in and around your private residence, refer to the *Household Employer's Guide* (DE 8829) for your reporting requirements. The DE 8829 is available on our Web site at www.edd.ca.gov/pdf_pub_ctr/de8829.pdf.

REMEMBER:

- Employment occurs when an employer engages the services of an employee for pay.
- You become an employer when you employ one or more employees and pay wages in excess of \$100 in a calendar quarter.
- You must complete a registration form and submit to EDD within 15 days of paying wages in excess of \$100.
- Employers are responsible for reporting wages paid to employees and paying UI and ETT on the wages, as well as withholding and remitting SDI and PIT.

WHO IS AN EMPLOYEE?

An “employee” includes all of the following:

- Any officer of a corporation.
- Any worker who is an employee under the usual common law rules.
- Any worker whose services are specifically covered by law.

An employee may perform services on a temporary or less than full-time basis. The law does not exclude services from employment that are commonly referred to as day labor, part-time help, casual labor, temporary help, probationary, or outside labor.

“COMMON LAW” EMPLOYEE OR INDEPENDENT CONTRACTOR

What Is “Common Law”?

Common law, as we know it, has evolved slowly over the years based upon decisions rendered by the courts on individual cases. The **common law** rules of employment, as they exist today, are the total of all court decisions related to the question of what constitutes an employment relationship.

When Does an Employer-Employee Relationship Exist?

An employer-employee relationship exists when a person who hires an individual to perform services has the right to exercise control over the manner and means by which the individual performs those services. The “**right to control**,” whether or not exercised, is the most important factor in determining the relationship. Tax decisions by the California Unemployment Insurance Appeals Board (CUIAB) are based on the right to control factor along with the examination of secondary factors, when necessary.

NOTE: California does not provide relief under the “Safe Harbor” provisions of the Internal Revenue Code. Therefore, it is important that workers are properly classified under the usual common law rules which determine employer-employee relationships.

How Can I Get Additional Information on This Topic?

Incorrectly classifying your workers can be a costly mistake. If you have incorrectly treated employees as independent contractors, you could be liable for back taxes, penalties, and interest. To help you determine if you have correctly classified your workers, EDD has several resources available:

- **Employment Determination Guide (DE 38)** - Asks a series of “Yes” or “No” questions regarding your treatment of workers to help determine if a problem may exist and whether you need to seek additional guidance. To obtain this guide, access EDD’s Web site at www.edd.ca.gov/pdf_pub_ctr/de38.pdf.
- **Determination of Employment Work Status for Purposes of State of California Employment Taxes and Personal Income Tax Withholding (DE 1870)** - Provides a series of questions regarding your relationship with the workers. After you complete and return this form, EDD will send you a written determination stating whether your workers are employees or independent contractors based on the facts that you have provided. To obtain this publication, access EDD’s Web site at www.edd.ca.gov/pdf_pub_ctr/de1870.pdf.
- **Information Sheets** on general and industry-specific issues including Information Sheet: *Employment* (DE 231). To obtain Information Sheets, access EDD’s Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, call our automated Fax on Demand system at (877) 547-4503, or contact the Taxpayer Assistance Center at (888) 745-3886.
- **Independent Contractor Information** - published material - *Frequently Asked Questions and Answers About the California Independent Contractor Reporting Law* (DE 542FAQ) and *Independent Contractor Misconceptions* (DE 573M). To obtain these publications, access EDD’s Web site at www.edd.ca.gov/pdf_pub_ctr/de542faq.pdf and www.edd.ca.gov/pdf_pub_ctr/de573m.pdf.
- **Precedent Tax Decisions** by the CUIAB - Available on CUIAB’s Web site at www.cuiab.ca.gov/precedent_decisions.shtm.
- **Payroll Tax Seminars** on employee and independent contractor issues - Access EDD’s Web site at www.edd.ca.gov/Payroll_Tax_Seminars/ or contact the Taxpayer Assistance Center at (888) 745-3886.
- **Web-Based Seminars** on employee and independent contractor issues are available in both English and Spanish. Access EDD’s Web site at www.edd.ca.gov/Payroll_Taxes/Web_Based_Seminars.htm for additional information.
- **Live Assistance** on worker classification issues - Contact our Taxpayer Assistance Center at (888) 745-3886.

REMEMBER:

- An employee includes any officer of a corporation, a worker who is an employee under common law, and a worker whose services are specifically covered by law. (Refer to the “Types of Employment” table on page 16 for additional information.)
- An employee may perform services on a temporary or less than full-time basis.
- The “right to control” is the most important factor in determining an employer-employee relationship.
- The EDD has several resources available to help you correctly classify your workers.

WHAT ARE STATE PAYROLL TAXES?

The EDD administers the following California payroll tax programs:

- Unemployment Insurance (UI)
- Employment Training Tax (ETT)
- State Disability Insurance (SDI)
- California Personal Income Tax (PIT) withholding

NOTE: Paid Family Leave (PFL) is a component of the State Disability Insurance Program.

The UI and ETT are employer paid contributions. The SDI and PIT are withheld from employee wages. Wages are subject to all four payroll taxes unless otherwise stated.

UNEMPLOYMENT INSURANCE (UI)

What Is UI Tax?

The UI Program was established as part of a national program administered by the U.S. Department of Labor under the Social Security Act. The UI Program provides temporary payments to individuals who are unemployed through no fault of their own.

Who Pays It?

The UI Program is an employer-paid tax. Tax-rated employers pay a percentage on the first \$7,000 in wages paid to each employee in a calendar year. The UI rate schedule and amount of taxable wages are determined annually. New employers pay 3.4 percent (.034) for up to three years. The UI rate could increase to a maximum of 6.2 percent (.062) based on an employer's experience rating. For a detailed explanation of the experience rating method, refer to the Information Sheet: *California System of Experience Rating* (DE 231Z) by accessing EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de231z.pdf.

Governmental and certain nonprofit employers may elect the reimbursable method of financing UI in which they reimburse the UI Fund on a dollar-for-dollar basis for all benefits paid to their former employees.

EMPLOYMENT TRAINING TAX (ETT)

What Is ETT?

The ETT provides funds to train employees in targeted industries to improve the competitiveness of California businesses. The ETT fund promotes a healthy labor market by helping California businesses invest in a skilled and productive workforce and develop the skills of new and incumbent workers.

Who Pays It?

The ETT is an employer-paid tax. Employers subject to ETT pay 0.1 percent (.001) on the first \$7,000 in wages paid to each employee in a calendar year.

STATE DISABILITY INSURANCE (SDI)

What Is SDI Tax?

The SDI Program provides temporary benefit payments to workers for non-work-related disabilities. The SDI tax provides Disability Insurance (DI) and Paid Family Leave (PFL) benefits. The DI benefits are paid to eligible California workers experiencing a loss of wages when they are unable to perform their regular or customary work due to a non-work-related illness or injury, pregnancy, and childbirth. The PFL is a component of SDI. The PFL extends benefits to individuals unable to work because they need to care for a seriously ill family member or bond with a new child.

Who Pays It?

The SDI is a deduction from employees' wages. Employers withhold a percentage for SDI on the first \$93,316 in wages paid to each employee in a calendar year.

CALIFORNIA PERSONAL INCOME TAX (PIT)

What Is PIT?

California PIT is a tax levied on the income of California residents and on income that nonresidents derive within California. The EDD administers the reporting, collection, and enforcement of PIT wage withholding. The Franchise Tax Board (FTB) and EDD administer the California PIT program for the Governor to provide resources needed for California public services such as schools, public parks, roads, and health and human services.

Who Pays It?

California PIT is withheld from employees' wages based on the *Employee's Withholding Allowance Certificate* (Form W-4 or DE 4) on file with their employer.

STATE PAYROLL TAXES

	Unemployment Insurance (UI)	Employment Training Tax (ETT)	State Disability Insurance (SDI)	California Personal Income Tax (PIT)
Who Pays	Employer	Employer	Employee (employer withholds from employee wages).	Employee (employer withholds from employee wages).
Taxable Wages	First \$7,000 of subject wages per employee, per year.	First \$7,000 of subject wages per employee, per year.	First \$93,316 of subject wages per employee, per year.	No limit. Please refer to PIT withholding schedules on page 36.
Tax Rate	New employer tax rate is 3.4 percent (.034) for up to three years. Following this period, the tax rate is calculated annually based on each employer's previous experience. The EDD notifies employers of their new rate each December.	Set by statute at 0.1 percent (.001) of UI taxable wages for employers with positive UI reserve account balances and employers subject to CUIC Section 977(c).	The 2011 SDI tax rate is 1.2 percent (.012) (this includes the rate for DI and PFL) of SDI taxable wages per employee, per year. The SDI taxable wages and tax rate are set by the California State Legislature, and may change each year.	Withheld based on the employee's Form W-4 or DE 4.
Maximum Tax (Except if employer is subject under CUIC Section 977(c)).	\$434 per employee, per year. (The amount has been calculated at the highest UI tax rate of 6.2 percent [\$7000 x .062])	\$7 per employee, per year (\$7,000 x .001).	\$1119.79 per employee, per year (\$93,316 x .012).	No maximum.

NOTE: Some types of employment are not subject to payroll taxes and/or PIT withholding. Please refer to the "Types of Employment" table on page 16. Certain types of wages and benefits are not subject to payroll taxes. Please refer to the "Types of Payments" table on page 26.

HELP US FIGHT FRAUD

The "underground economy" comprises those individuals and businesses that deal in cash and/or use other schemes to conceal their activities and their true tax liability from government licensing and taxing agencies. When businesses operate in the underground economy, they gain an unfair competitive advantage over businesses that comply with the law because they do not pay workers' compensation and State and federal payroll taxes. This causes unfair competition in the marketplace and forces law-abiding businesses to pay higher taxes. To address this, EDD, in partnership with several other governmental entities, follows up on leads and conducts on-site inspections of businesses throughout the State.* To learn more about EDD's Underground Economy Operation (UEO) programs, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Underground_Economy_Operations.htm.

To report businesses that are paying workers undocumented cash payments, failing to carry workers' compensation insurance, or not complying with labor and licensing laws, please download and complete an *Underground Economy Operations Lead Referral/Complaint Form* (DE 660 in English or DE 660/S/ in Spanish) available at www.edd.ca.gov/pdf_pub_ctr/de660.pdf or [de660s.pdf](http://www.edd.ca.gov/pdf_pub_ctr/de660s.pdf) or contact UEO at:

Hotline: (800) 528-1783
Telephone: (916) 227-2730
Fax: (916) 227-2772
E-mail: ueo@edd.ca.gov
Online: www.edd.ca.gov (Select "Report Fraud")

- To obtain the brochure *Paying Cash Wages "Under the Table"* (DE 573CA in English or DE 573CA/S/ in Spanish), access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, call our automated Fax on Demand system at (877) 547-4503, or contact the Taxpayer Assistance Center at (888) 745-3886.
- Further information about how to help EDD fight fraud may be found in the *Help Us Fight Fraud* (DE 2370) brochure at www.edd.ca.gov/pdf_pub_ctr/de2370.pdf.

*More information about the Joint Enforcement Strike Force effort may be found in the publication *Employment Enforcement Task Force* (DE 631) on EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de631.pdf.

WHAT ARE WAGES?

Wages are all compensation for an employee's personal services, whether paid by check or cash, or the reasonable cash value of noncash payments such as meals and lodging. The method of payment, whether by private agreement, consent, or mandate, does not change the taxability of wages paid to employees. Payments are considered wages even if the employee is: a casual worker; a day or contract laborer; part-time or temporary worker; or paid by the day, hour, or any other method or measurement. Supplemental payments, including bonuses, overtime pay, sales awards, commissions, and vacation pay are also considered wages.

SUBJECT WAGES

Generally, all wages are considered subject wages and are used to determine the amount of Unemployment Insurance (UI), State Disability Insurance (SDI) and Paid Family Leave (PFL) benefits a claimant should receive. Subject wages are the full amount of wages, regardless of the UI and SDI taxable wage limits. Refer to inside cover for UI/SDI taxable wage limits. Enter the Total Subject Wages in "Item G" for each employee on the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C). Certain types of employment and payments are not considered subject (refer to the "Types of Employment" table on page 16 and "Types of Payments" table on page 26).

PERSONAL INCOME TAX (PIT) WAGES

Personal Income Tax (PIT) wages are cash and noncash payments subject to State income tax. Wages that must be reported on an individual's California income tax return are PIT wages. Most payments for employees' services are reportable as PIT wages. An employee's calendar year total for PIT wages should agree with the amount reported on the employee's federal *Wage and Tax Statement* (Form W-2) in Box 16 (State wages, tips, etc.). The PIT wages for each employee must be reported quarterly in "Item H" on the DE 9C. For additional information, obtain the Information Sheet: *Personal Income Tax Wages Reported on the Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) (DE 231PIT). To obtain the DE 231PIT, access EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de231pit.pdf, call our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886.

NOTE: Some wages excluded from PIT withholding are still considered PIT wages and must be reported to EDD (for example, wages paid to agricultural workers).

DIFFERENCE BETWEEN SUBJECT WAGES AND PIT WAGES

In most situations, when wages are subject to UI, ETT, SDI, and PIT withholding, subject wages and PIT wages are the same. Examples of when subject wages and PIT wages are different are:

- Employee salary reduction contributions to a qualified retirement or pension plan are included as subject wages, but are not reportable as PIT wages (refer to the "Retirement and Pension Plans" section of the "Types of Payments" table on page 26).
- Under certain situations, wages paid to family employees (minor child under 18, registered domestic partner, spouse, and parent) may not be reported as subject wages but are reportable as PIT wages (refer to the "Family Employees" section of the "Types of Employment" table on page 16).
- Payments made to employees of churches are not reported as subject wages, but are reportable as PIT wages (refer to the "Nonprofit Organization Employees" section of the "Types of Employment" table on page 16).

EMPLOYERS SUBJECT TO CALIFORNIA PERSONAL INCOME TAX (PIT) ONLY

Employers, who are only required to withhold California PIT, but not the other payroll taxes, are still required to register with EDD using the *Registration Form for Employers Depositing Only Personal Income Tax Withholding* (DE 1P). The employer is liable for the required PIT, whether or not it is withheld. By law, the filing of federal Form 1099-MISC (issued to the worker) with the Internal Revenue Service or Franchise Tax Board does not relieve the employer of liability.

Learn more about payroll taxes through our seminars and online courses
www.edd.ca.gov/Payroll_Tax_Seminars/

MEALS AND LODGING

Meals and lodging provided free of charge or at a reduced rate to an employee are wages. If your employees are covered under a contract of employment or union agreement, the taxable value of meals and lodging cannot be less than the estimated value stated in the contract or agreement.

If the cash value is not stated in an employment contract or union agreement, please refer to the table below for the value of the meals and/or lodging. To determine the value of lodging, multiply the amount you could rent the property for (ordinary rental value) by 66 2/3 percent (0.6667). Ordinary rental value may be calculated on a monthly or weekly basis as follows:

Year	Value of Meals					Value of Lodging	
	3 Meals per Day	Breakfast	Lunch	Dinner	Meal Not Identified	Minimum Per Week	Maximum Per Month
2011	\$ 10.30	\$ 2.25	\$ 3.15	\$ 4.90	\$ 3.60	\$ 38.70	\$ 1,193
2010	\$ 10.35	\$ 2.25	\$ 3.15	\$ 4.95	\$ 3.60	\$ 38.60	\$ 1,190
2009	\$ 10.00	\$ 2.20	\$ 3.00	\$ 4.80	\$ 3.50	\$ 37.20	\$ 1,145
2008	\$ 9.60	\$ 2.10	\$ 2.90	\$ 4.60	\$ 3.35	\$ 35.40	\$ 1,092

The values above apply to non-maritime employees only.

For more information on meals and lodging, including values for those provided to maritime employees, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Rates_and_Withholding.htm or call the Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502.

ADDITIONAL INFORMATION

- Fax on Demand (request Document No. 1001 for a catalog of available documents) (877) 547-4503
- Who is an Employee Page 7
- Types of Employment (table) Page 16
- Types of Payments (table) Page 26
- EDD Web site (forms and publications) www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm
- Information Sheets:
 - DE 231A – *Wages*
 - DE 231PIT – *Personal Income Tax Wages Reported on the Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)*
 - DE 231W – *Personal Income Tax Adjustment Process*

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WAGES SUBJECT TO PIT WITHHOLDING

With certain exceptions, compensation for services performed by an employee is considered wages and subject to California Personal Income Tax (PIT) withholding. California wages include, but are not limited to, salaries, bonuses, commissions, fees (except fees paid to public officials), and payments in forms other than checks or cash. Wages in any form other than checks or cash are measured by the fair market value of the goods, lodging, meals, or other compensation given in payment for the employee's services.

How to Determine Which Wages Require PIT Withholding

Most wages require California PIT withholding. In order to determine which wages require PIT withholding, refer to the "Types of Employment" table on page 16 and the "Types of Payments" table on page 26. These tables identify special classes of employment and special types of payments and their treatment for UI, ETT, SDI, and California PIT wages and withholding. Also refer to "Who Is an Employee?" on page 7.

To obtain information sheets for specific industries and types of services, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, call our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada call, (916) 464-3502.

MARITAL STATUS, WITHHOLDING ALLOWANCES, AND EXEMPTIONS (FORM W-4 AND DE 4)

An Internal Revenue Service (IRS) *Employee's Withholding Allowance Certificate* (Form W-4) is normally used for California PIT withholding. However, if an employee wants to claim a different marital status and/or a different number of allowances than are claimed for federal withholding purposes, the employee must file an *Employee's Withholding Allowance Certificate* (DE 4). For instance, California recognizes the "Head of Household" status, and an employee would need to file a DE 4 to claim that status. Additionally, a spouse of a military service member must file a DE 4 to exclude wages from California PIT withholdings if the spouse's tax domicile is outside of California and the spouse moves to California to be with the service member who is in the State due to military orders.

If employees expect to itemize deductions on their California income tax return, they can claim additional withholding allowances, which are greater than their regular withholding allowances. When reduced withholding amounts are appropriate because of large amounts of itemized deductions, employees **must** complete a DE 4, including the attached worksheets, to support additional allowances for the itemized deductions. An online DE 4 calculator is available at www.taxes.ca.gov/de4.xls (requires Microsoft Excel). For information on treatment of additional withholding allowances for estimated deductions, refer to "Instructions for Additional Withholding Allowances for Estimated Deductions" on page 36 and the "Estimated Deduction" table on page 38.

Use of the DE 4 is optional; however, if employees provide you with a DE 4, you must use it to determine their California PIT withholdings. To obtain copies of the DE 4, access EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de4.pdf, call our automated Fax on Demand system at (877) 547-4503, contact our Taxpayer Assistance Center at (888) 745-3886, or use the online calculator as mentioned above.

Employees may request that no California PIT be withheld if they:

- Incurred no liability for federal income tax for the preceding taxable year; **and**
- Anticipate that no federal income tax liability will be incurred for the current taxable year.

ACTION REQUIRED: Each employee must complete a Form W-4 for federal and California withholding. If the employee wants to claim a different marital status and/or different number of allowances for California PIT withholding, the employee also must complete a DE 4.

If	Then
Employee does not file a DE 4	You must use the marital status and allowances claimed (including any additional allowances) by the employee on the federal Form W-4 to calculate the employee's California PIT withholding. Exception: Do not withhold any California PIT from wages of employees who have filed "EXEMPT" on their Form W-4 unless you receive a written notice from IRS or Franchise Tax Board (FTB) to withhold at a special rate. To maintain "EXEMPT" status, the employee must file a new Form W-4 each year on or before February 15.
Employee files a DE 4	You must use the DE 4 to calculate and withhold California PIT.
Employee's marital status cannot be determined from the Form W-4 or DE 4	Request the employee correct the Form W-4 or DE 4 or submit a new one. Until the new or corrected form is received, consider the employee as single with zero withholding allowances for California PIT withholding purposes.

EMPLOYER'S OBLIGATIONS FOR THE FORM W-4 AND DE 4

Each employee must complete a Form W-4 for federal and California withholding. Employers withhold taxes based on what the employee reports on the Form W-4. If the employee wants to claim a different marital status and/or different number of allowances for California Personal Income Tax (PIT) withholding, the employee must also complete a DE 4. Employers must retain the Form W-4 and/or DE 4 for payroll records.

If you question the Form W-4 or DE 4 because it meets either of the following two conditions, then you must submit a copy of this form to Franchise Tax Board (FTB) by fax at (916) 843-1094 or mail to the address shown below. Please retain the original form in the employee's payroll records.

- The employee claims more than 10 withholdings.
- The employee claims exemption from State or federal income tax withholding and the employee's usual weekly wages will exceed \$200.

Continue to treat the Form W-4 and/or DE 4 as valid until notified in writing by FTB of the proper marital status and number of allowances to use for California withholding purposes for the employee.

If an employee disagrees with an FTB determination as it applies to California withholding, the employee may request a review of the determination by writing to:

**W-4 Unit
Franchise Tax Board MS F 180
P.O. Box 2952
Sacramento, CA 95812-2952**

Fax: (916) 843-1094

The burden of proof rests with the employee to show that the determination is incorrect for California withholding purposes. Continue to withhold California PIT based on the FTB determination until notified in writing by FTB of any changes. In the event FTB finds no reasonable basis for the number of withholding allowances claimed on the DE 4, the employee may be subject to a \$500 penalty.

The Form W-4/DE 4 is considered invalid* if either of the following two conditions exist:

- The employee makes major changes to Form W-4 or DE 4, such as crossing out words or writing more than is asked.
- The employee admits that Form W-4 or DE 4 is false.

When you receive an invalid Form W-4 or DE 4, do not use it to calculate PIT withholding. Tell the employee that it is invalid and ask for another one. If the employee does not give you a valid one, withhold PIT as if the employee was single and claiming no withholding allowances. However, if you have an earlier Form W-4 or DE 4 for this worker that is valid, withhold as you did before.

*Per the Code of Federal Regulations, Title 26, Section 31.3402(f)(2)-1(e) and the California Code of Regulations, Title 22, Section 4340-1(b).

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www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

HOW TO DETERMINE PIT WITHHOLDING AMOUNTS

Refer to page 36 for the 2011 California Personal Income Tax (PIT) withholding schedules and information on how to calculate withholdings.

What if Your Employee Wants Additional PIT Withholding?

In addition to the tax required to be withheld from salaries and wages, you may, upon written request from the employee, agree to withhold an additional amount from the employee's wages. This agreement will be effective for the periods you and the employee mutually agree upon or until written termination of the agreement.

If employees rely on the Form W-4 instructions when calculating California withholding allowances, their California PIT could be significantly underwithheld. This is particularly true if the household income is derived from more than one source. If an employee wants more California PIT withheld than the schedules and the alternate methods allow, the employee should either request additional withholding or, if married, indicate "single" on the DE 4. For more information, refer to the DE 4 form and instructions. An online DE 4 calculator is available at www.taxes.ca.gov/de4.xls (requires Microsoft Excel).

HOW TO WITHHOLD PIT ON SUPPLEMENTAL WAGES

Supplemental wages include, but are not limited to, bonuses, overtime pay, sales awards, commissions, stock options, vacation pay, dismissal or severance pay. Under certain circumstances, bonuses and stock options are taxed at a different flat rate than other types of supplemental wages (refer to "Supplemental Wages" below). This only applies to stock options that are considered wages subject to PIT withholding.

If the supplemental wage is given to the employee at the same time as the employee's regular wages are paid, you are **required** to treat the sum of the payments as regular wages and withhold PIT based on the regular payroll period using the PIT withholding schedules.

If the supplemental wage is **not** given to the employee at the same time as the employee's regular wages are paid, you may use either of the following two options:

1. Compute the amount of PIT to withhold from the supplemental wage based on the combined regular wages and the supplemental wage. Compute the PIT withholding on the total of the supplemental wage and the current or most recent regular (gross) wage payment using the PIT withholding schedules. From that amount, subtract the PIT you withheld from the regular wages. The difference is the PIT amount you should withhold from the supplemental wages.
or
2. Withhold the percentage noted below on the following types of supplemental wages without allowing for any withholding allowances claimed by the employee:

Supplemental Wages	Percentage
Bonuses and stock options	10.23 percent (.1023)
Other types (such as overtime pay, commissions, sales awards, severance, and vacation pay)	6.6 percent (.066)

To find out if stock options are wages subject to PIT withholding, obtain the Information Sheet: *Stock Options* (DE 231SK) by accessing EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de231sk.pdf or our automated Fax on Demand system at (877) 547-4503, or calling our Taxpayer Assistance Center at (888) 745-3886.

QUARTERLY ESTIMATED PAYMENTS

Wages are subject to mandatory California PIT withholding at the time they are paid to the employee. Quarterly estimates paid directly to Franchise Tax Board (FTB) are intended to satisfy taxes on income that is not subject to withholding. Quarterly estimates paid by an employee directly to FTB in lieu of proper withholdings from wages may result in an assessment to the employer. If you have questions regarding quarterly estimated payments, contact FTB at (800) 852-5711.

WAGES PAID TO CALIFORNIA RESIDENTS

If	Then
A California resident performs services in California or in another state.	<p>Wages paid to the resident employee are subject to California PIT withholding, and PIT must be withheld from all wages paid, in accordance with the employee's Form W-4 or DE 4.</p> <p>The wages paid must be reported as PIT wages on the <i>Quarterly Contribution Return and Report of Wages (Continuation)</i> (DE 9C). The PIT withheld must also be reported on the DE 9C.</p>
A California resident performs services that are subject to personal income tax withholding laws of both California and another state, political subdivision, or the District of Columbia.	<p>Make the withholding required by the other jurisdiction and:</p> <ul style="list-style-type: none"> • For California, withhold the amount by which the California withholding amount exceeds the withholding amount for the other jurisdiction; or • Do not withhold any California PIT if the withholding amount for the other jurisdiction is equal to, or greater than, the withholding amount for California. <p>The wages reported as PIT wages on the <i>Quarterly Contribution Return and Report of Wages (Continuation)</i> (DE 9C) are the same wages that are entered in "Box 16" on your employee's Form W-2. The PIT withheld must also be reported on the DE 9C.</p>

WAGES PAID TO NONRESIDENTS OF CALIFORNIA

If	Then
A nonresident employee performs all services in California (may include spouse of a military service member).	<p>The wages paid to the nonresident employee are subject to California PIT withholding. The PIT must be withheld from all wages paid in accordance with the employee's Form W-4 or DE 4. However, the spouse of a military service member may exclude wages from California PIT withholding by filing a DE 4 (refer to page 12).</p> <p>The wages paid must be reported as PIT wages on the DE 9C. The PIT withheld must also be reported on the DE 9C.</p>
A nonresident employee performs services both in California as well as in another state.	<p>Only the wages earned in California are subject to California PIT withholding. The amount of wages subject to California PIT withholding is that portion of the total number of working days employed in California compared to the total number of working days employed in both California and the other state.</p> <p>The California wages must be reported as PIT wages on the DE 9C. The PIT withheld must also be reported on the DE 9C.</p> <p>NOTE: For employees whose compensation depends on the volume of business transacted, the amount of earnings subject to California PIT withholding is that portion received for the volume of business transacted in California compared to the total volume of business in both California and the other state.</p>

PIT Withholding on Payments to Nonresident Independent Contractors

Please refer to Franchise Tax Board (FTB) Publication 1017 for guidance regarding PIT withholding on payments to nonresident independent contractors for services performed in California. Publication 1017 can be obtained by calling FTB at (800) 852-5711 or by accessing their Web site at www.ftb.ca.gov/forms/2009/09_1017.pdf.

ADDITIONAL INFORMATION

- Fax on Demand (request Document No. 1001 for a catalog of all available documents) (877) 547-4503
- EDD Web site (forms and publications) www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm
- Information Sheets:
 - DE 231D – *Multistate Employment*
 - DE 231P – *Withholding From Pensions, Annuities, and Certain Other Deferred Income*
 - DE 231PS – *Personal Income Tax Withholding - Supplemental Wage Payments, Moving Expense Reimbursement - WARN Act Payments*
 - DE 231R – *Third-Party Sick Pay*
- Types of Employment (table) Page 16
- Types of Payments (table) Page 26

TYPES OF EMPLOYMENT

This table identifies special classes of employment and whether the type of employment is subject to California payroll taxes. For additional information on the taxability for a particular type of employment, refer to the Code section(s) noted under the specific tax. If you have questions regarding an individual's proper status in working for/with you, please contact our Taxpayer Assistance Center at (888) 745-3886.

In addition to this table, EDD has prepared the "Types of Payments" table on page 26 and information sheets for specific industries, types of services, or types of payments. To obtain the information sheets, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, call our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada call (916) 464-3502.

Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Agricultural Labor Also refer to the federal <i>Agricultural Employer's Tax Guide</i> Internal Revenue Service (IRS) (Publication 51, Circular A).	Subject California Unemployment Insurance Code (CUIC) Section (Section) 611	Subject CUIC Section 611	Not subject ² CUIC Section 13009(a)	Reportable CUIC Section 13009.5
Artists and Authors: A. Common law employees.	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
B. Statutory employees hired for specific work in the motion picture, radio, or television industry. Refer to Information Sheet: <i>Statutory Employees</i> (DE 231SE).	Subject CUIC Section 601.5	Subject CUIC Section 601.5	Not subject California Code of Regulations (CCR), Title 22 Section 4304-1	Not reportable CUIC Section 13009.5
Automotive Repair Industry Refer to Information Sheet: <i>Automotive Repair Industry</i> (DE 231B).	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Barber and Beauty Shops Refer to Information Sheet: <i>Barbering and Cosmetology Industry</i> (DE 231C).	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Baseball Players	Subject unless under agreement to perform for expenses and a share of the profits of the club. CUIC Section 653	Subject unless under agreement to perform for expenses and a share of the profits of the club. CUIC Section 653	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Brokers and/or Salespersons (does not apply to nonprofit or public agencies): A. Gas, oil, or mineral. B. Real estate. C. Yacht. D. Cemetery.	Not subject if all three of the conditions in endnote 3 are met. CUIC Section 650 Not subject if all three of the conditions in endnote 3 are met. CUIC Section 650	Not subject if all three of the conditions in endnote 3 are met. CUIC Section 650 Not subject if all three of the conditions in endnote 3 are met. CUIC Section 650	Not subject if all three of the conditions in endnote 3 are met. CUIC Section 13004.1 Subject if common law employee. CUIC Section 13009	Not reportable if all three of the conditions in endnote 3 are met. CUIC Section 13004.1 Reportable if common law employee. CUIC Section 13009.5

TYPES OF EMPLOYMENT

See page 25 for endnotes

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Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Casual Labor: Refer to Information Sheet: <i>Casual Labor</i> (DE 231K). A. Part-time or temporary workers. B. Service not in the course of employer's trade or business: <ul style="list-style-type: none"> • Noncash payments (e.g., meals and lodging). • Cash payments. 	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
	Not subject CUIC Section 936	Not subject CUIC Section 936	Not subject CUIC Section 13009(h)	Not reportable CUIC Section 13009.5
	Subject only if \$50 or more is paid in a quarter and employee works some part of 24 or more different days in that quarter or on 24 or more days in the preceding quarter. CUIC Section 640	Subject only if \$50 or more is paid in a quarter and employee works some part of 24 or more different days in that quarter or on 24 or more days in the preceding quarter. CUIC Section 640	Subject only if \$50 or more is paid in a quarter and employee works some part of 24 or more different days in that quarter or on 24 or more days in the preceding quarter. CUIC Section 13009(c)	Reportable only if \$50 or more is paid in a quarter and employee works some part of 24 or more different days in that quarter or on 24 or more days in the preceding quarter. CUIC Section 13009.5
Construction Contractors Refer to Information Sheet: <i>Construction Industry</i> (DE 231G).	Subject unless contractor has a valid contractor's license and is not a common law employee. CUIC Sections 621(b) or 621.5	Subject unless contractor has a valid contractor's license and is not a common law employee. CUIC Sections 621(b) or 621.5	Subject unless contractor has a valid contractor's license and is not a common law employee. CUIC Sections 13009 or 13004.5	Reportable unless contractor has a valid contractor's license and is not a common law employee. CUIC Section 13009.5
Domestic (Household) Employment Refer to Household (Domestic) Employment.				
Election Campaign Workers for candidates or committees. Refer to Information Sheet: <i>Election Campaign Workers</i> (DE 231V).	Not subject CUIC Section 636	Not subject CUIC Section 636	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Election Officials or Election Workers	Subject if the individual's remuneration reasonably expected to be received during the calendar year for such service will be \$1,000 or more. CUIC Section 634.5(c)(7)	Generally not subject, unless an elective coverage agreement is in place. CUIC Section 605 and 2606	Not subject. Considered a fee paid to a public official. CUIC Section 13009 and CCR, Title 22, Section 4309-2(b)(2)	Not reportable. Considered a fee paid to a public official. CUIC Section 13009.5

Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Family Employees Minor child under 18 employed by a father or mother; an individual employed by spouse, registered domestic partner, son, or daughter. Refer to Information Sheet: <i>Family Employment</i> (DE 231FAM) and Information Sheet: <i>Specialized Coverage</i> (DE 231SC).	Not subject – only applies to sole proprietorships and partnerships. CUIC Section 631	Not subject unless an approved elective coverage agreement is in effect. (This only applies to sole proprietorships and partnerships.) CUIC Section 631	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Federal Employees: A. Members of the U.S. Armed Forces.	Not subject CUIC Section 632	Not subject CUIC Section 632	Subject if stationed in and domiciled in California; both conditions must be present. CCR, Title 22 Section 4305-1(d)	Reportable if stationed in and domiciled in California; both conditions must be present. CUIC Section 13009.5
B. Federal civilian employees.	Not subject Certain nonprofit organizations which are instrumentalities of the federal government pay cost of benefits. CUIC Section 632	Not subject CUIC Section 632	Subject CCR, Title 22 Section 4305-1(d)	Reportable CUIC Section 13009.5
Fishing and Related Activities Refer to Information Sheet: <i>Commercial Fishing</i> (DE 231CF).	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Not subject CUIC Section 13009(j)	Not reportable CUIC Section 13009.5
Foreign Government and International Organizations	Not subject CUIC Sections 643, 644, and 644.5	Not subject CUIC Sections 643, 644, and 644.5	Not subject CUIC Section 13009(d)	Not reportable CUIC Section 13009.5
Foreign Service Performed by a U.S. Citizen: A. U.S. Government employee.	Not subject CUIC Section 632	Not subject CUIC Section 632	Subject if employee is a California resident. CUIC Section 13009	Reportable if employee is a California resident. CUIC Section 13009.5
B. For an American employer or a foreign subsidiary of U.S. corporation or other private employer. Refer to Information Sheet: <i>Foreign Employment and Employment on American Vessels or Aircraft</i> (DE 231FE).	Subject if the conditions in endnote 4 are met. CUIC Section 610	Subject if the conditions in endnote 4 are met. CUIC Section 610	Subject if employee is a California resident and the conditions in endnote 4 are met. CUIC Section 13009	Reportable if employee is a California resident and the conditions in endnote 4 are met. CUIC Section 13009.5
Golf Caddies	Not subject CUIC Section 651	Not subject CUIC Section 651	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Homeworkers (Industrial): A. Common law employees Refer to Information Sheet: <i>Employment</i> (DE 231).	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5

See page 25 for endnotes

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Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Homeworkers (Industrial): (cont.) B. Statutory employees Refer to Information Sheet: <i>Statutory Employees</i> (DE 231SE).	Subject CUIC Section 621(c)(1)(C)	Subject CUIC Section 621(c)(1)(C)	Not subject CUIC Section 13009	Not reportable CUIC Section 13009.5
Hotel and Restaurant Industries Refer to Information Sheet: <i>Restaurant and Hotel Industries</i> (DE 231E).	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Household (Domestic) Employment In private homes, local college clubs, fraternities, and sororities. Refer to Information Sheet: <i>Household Employment</i> (DE 231L), <i>Household Employer's Guide</i> (DE 8829), and the federal <i>Household Employer's Tax Guide</i> (IRS Publication 926).	Subject for the remainder of the calendar year and the following calendar year once \$1,000 or more in cash is paid in any calendar quarter for household services. CUIC Sections 629, 639, and 682	Subject for the remainder of the calendar year and the following calendar year once \$750 or more in cash is paid in any calendar quarter for household services. CUIC Sections 684 and 2606.5	Not subject ² CUIC Section 13009(b)	Reportable if otherwise required to register with EDD. CUIC Section 13009.5
Interns Working in Hospitals (Also, refer to "Students" item D Nurse working for a hospital or nursing school.)	Not subject CUIC Section 645	Not subject CUIC Section 645 unless employed by a nonprofit or district hospital. CUIC Section 2606	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Janitors (Business Services Industry) Refer to Information Sheet: <i>Service Industries</i> (DE 231I).	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Jockeys or Exercise Persons working freelance, if licensed by the California Horse Racing Board.	Not subject CUIC Section 654	Not subject CUIC Section 654	Subject if a common law employee. CUIC Section 13009	Reportable if a common law employee. CUIC Section 13009.5
Manufacturing Industry Refer to Information Sheet: <i>Manufacturing Industry</i> (DE 231H).	Subject CUIC Section 621(b)	Subject CUIC Section 621(b)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Ministers of churches and members of religious orders, performing duties as such, may elect coverage. Refer to Information Sheet: <i>Specialized Coverage</i> (DE 231SC).	Not subject CUIC Section 634.5(b)	Not subject unless an approved elective coverage agreement is in effect. CUIC Section 634.5(b)	Not subject ² CUIC Section 13009(f)	Reportable if otherwise required to register with EDD. CUIC Section 13009.5
Multistate Employment Refer to Information Sheet: <i>Multistate Employment</i> (DE 231D).	Subject CUIC Section 602 and 603	Subject CUIC Section 602 and 603	Go to www.edd.ca.gov/pdf_pub_ctr/de231d.pdf	Go to www.edd.ca.gov/pdf_pub_ctr/de231d.pdf
Newspaper Carriers under 18 years old delivering to consumers.	Not subject if not regular, full-time work. CUIC Section 634.5(g) and 649(a)	Not subject if not regular, full-time work. CUIC Section 634.5(g) and 649(a)	Not subject ² CUIC Section 13009(g)(1)	Not reportable CUIC Section 13009.5

Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Newspaper and Magazine Vendors buying at fixed prices and retaining excess from sales to consumers.	Not subject CUIC Section 634.5(h) and 649(b)	Not subject CUIC Section 634.5(h) and 649(b)	Not subject CUIC Section 13009(g)(2)	Not reportable CUIC Section 13009.5
Nonprofit Organization Employees: Refer to Information Sheet: <i>Nonprofit and/or Public Entities</i> (DE 231NP). A. Churches, conventions, or associations of churches, or religious organizations which are operated primarily for religious purposes and operated, supervised, controlled, or principally supported by a church, convention, or association of churches. (Also refer to Ministers and members of religious orders.)	Not subject CUIC Section 634.5(a)	Not subject, CUIC Sections 634.5(a) and 645, unless employed by a nonprofit hospital CUIC Section 2606 or while an approved elective coverage agreement is in effect.	Subject CUIC Section 13009 (except ministers and members of religious orders)	Reportable CUIC Section 13009.5
B. Elected or appointed officials of nonprofit fraternal organizations earning less than \$100 per month.	Not subject CUIC Section 652	Not subject CUIC Section 652	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
C. All other nonprofit organizations exempt under Internal Revenue Code (IRC) Section 501(c)(3) except those under "A" and "B" above.	Subject (Employees earning less than \$50 in any quarter are exempt.) CUIC Section 641	Subject (Employees earning less than \$50 in any quarter are exempt.) CUIC Section 641	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
D. All other organizations exempt under IRC Section 501(a), other than a pension, profit-sharing, or stock bonus plan described in IRC Section 401(a) or under IRC Section 521.	Subject CUIC Section 608	Subject CUIC Section 608	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Nonresidents of California: A. U.S. Residents: • Service performed in California.	Subject CUIC Section 601	Subject CUIC Section 601	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
• Service performed outside U.S.	Subject if employee is a U.S. citizen, and the employer's principal place of business in U.S. is in California. ⁴ CUIC Section 610	Subject if employee is a U.S. citizen, and the employer's principal place of business in U.S. is in California. ⁴ CUIC Section 610	Not subject CUIC Section 13009	Not reportable CUIC Section 13009.5

See page 25 for endnotes

Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Nonresidents of California: (cont.) B. Aliens Working in California: <ul style="list-style-type: none"> Residents of Canada or Mexico entering California frequently in transportation service across the border. Residents of Canada or Mexico entering California frequently for construction, maintenance, or operation of waterway, bridge, etc., traversing the border. Residents of any foreign country entering California frequently, employed wholly within California. Workers from any foreign country or its possession lawfully admitted on a temporary basis to perform agricultural labor. Students, scholars, trainees, or teachers as nonimmigrant aliens under sections of the Immigration and Nationality Act (INA).⁶ Professional athlete, in California for occasional or incidental engagements. 	Subject (unless railroad service) CUIIC Section 621(b)	Subject (unless railroad service) CUIIC Section 621(b)	Not subject CUIIC Section 13009(e) and CCR, Title 22 Section 4309-2(f)(2)(A)	Not reportable CUIIC Section 13009.5
	Subject CUIIC Section 621(b)	Subject CUIIC Section 621(b)	Not subject CCR, Title 22 Section 4309-2(f)(2)(B)	Not reportable CUIIC Section 13009.5
	Subject CUIIC Section 621(b)	Subject CUIIC Section 621(b)	Subject CUIIC Section 13009	Reportable CUIIC Section 13009.5
	Subject CUIIC Section 611	Subject CUIIC Section 611	Not subject ² CUIIC Section 13009(a)	Reportable CUIIC Section 13009.5
	Subject unless excluded per CUIIC Section 642 or if a nonresident nonimmigrant temporarily residing in U.S. performs services for a CUIIC Section 608 nonprofit employer to carry out the purpose specified in the employee's "F," "J," "M," or "Q" type visa.	Subject unless excluded per CUIIC Section 642 or if a nonresident nonimmigrant temporarily residing in the U.S. performs services for a CUIIC Section 608 nonprofit employer to carry out the purpose specified in the employee's "F," "J," "M," or "Q" type visa.	Subject unless exempted by regulations or treaty with a foreign government. Treaty must specify exemption from "State or local taxes." CUIIC Section 13009(e)	Reportable CUIIC Section 13009.5
	Not subject CUIIC Section 655	Not subject CUIIC Section 655	Subject CUIIC Section 13009	Reportable CUIIC Section 13009.5
Officer of a Corporation performing services as an employee: A. Corporation subject to FUTA. Refer to <i>Sole Shareholder/Corporate Officer Exclusion Statement</i> (DE 459).	Subject CUIIC Section 621(a)	Subject unless sole shareholder or only shareholder other than his/her spouse or registered domestic partner and has filed an exclusion for SDI (DE 459). CUIIC Sections 621(a) and 637.1	Subject unless agricultural labor. CUIIC Section 13009 and 13009(a)	Reportable CUIIC Section 13009.5

Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
B. Corporation not subject to FUTA.	Subject unless excluded as an officer and/or director who is sole shareholder or the only shareholder other than his/her spouse or registered domestic partner. CUI Section 637	Subject unless excluded as an officer and/or director who is the sole shareholder or the only shareholder other than his/her spouse. CUI Section 637	Subject unless agricultural labor. CUI Section 13009 and 13009 (a)	Reportable if otherwise required to register with EDD. CUI Section 13009.5
Patients employed by hospitals.	Not subject CUI Section 647	Not subject unless nonprofit or district hospital. CUI Sections 647 and 2606	Subject CUI Section 13009	Reportable CUI Section 13009.5
Private Postsecondary School Intermittent and Adjunct Instructors Services must be performed for an institution that meets the requirements of the Education Code, Article 8 (commencing with Section 94900), Chapter 7, Part 59.	Subject CUI Section 621(b)	Not subject if the conditions in endnote 5 are met. CUI Section 633	Not subject if the conditions in endnote 5 are met. CUI Section 13009(r)	Not reportable if the conditions in endnote 5 are met. CUI Section 13009.5
Public Entity Employees of cities and counties, local public agencies, and schools. Refer to Information Sheet: <i>Nonprofit and/or Public Entities</i> (DE 231NP) and Information Sheet: <i>Specialized Coverage</i> (DE 231SC).	Subject CUI Section 605	Not subject unless employed by a district hospital or public housing administration agency operated by state or local governmental subdivisions or an approved elective coverage agreement is in effect. CUI Sections 605 and 2606	Subject CUI Section 13009	Reportable CUI Section 13009.5
Restaurant and Hotel Industries Refer to Information Sheet: <i>Restaurant and Hotel Industries</i> (DE 231E).	Subject CUI Section 621(b)	Subject CUI Section 621(b)	Subject CUI Section 13009	Reportable CUI Section 13009.5
Salespersons: Refer to Information Sheet: <i>Salespersons</i> (DE 231N). A. Common law employees.	Subject CUI Section 621(b)	Subject CUI Section 621(b)	Subject CUI Section 13009	Reportable CUI Section 13009.5
B. Real estate or direct sales salespersons.	Not subject if all three conditions in endnote 3 are met. CUI Section 650	Not subject if all three conditions in endnote 3 are met. CUI Section 650	Not subject if all three conditions in endnote 3 are met. CUI Section 13004.1	Not reportable if all three conditions in endnote 3 are met. CUI Section 13009.5

See page 25 for endnotes

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DE 44 Rev. 37 (1-11) (INTERNET)

Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
C. Traveling or City Salespersons. Refer to Information Sheet: <i>Statutory Employees</i> (DE 231SE).	Subject CUIC Section 621(c)(1)(B)	Subject CUIC Section 621(c)(1)(B)	Not subject CCR, Title 22 Section 4304-1	Not reportable CUIC Section 13009.5
Services on or in Connection With an American Aircraft or Vessel , and such services are subject to the Federal Unemployment Tax Act (FUTA). Refer to Information Sheet: <i>Foreign Employment and Employment on American Vessels or Aircraft</i> (DE 231FE).	Subject if the operations are ordinarily and regularly directed and controlled from the employer's California office. CUIC Sections 125.3, 125.5, and 609	Subject if the operations are ordinarily and regularly directed and controlled from the employer's California office. CUIC Sections 125.3, 125.5, and 609	Subject if services are performed on an aircraft by a California resident or by a nonresident if over 50 percent of the nonresident's scheduled flight time is in California. CUIC Section 13009 and Title 49, U.S. Code, Section 40116 Not subject if services are performed on a vessel.	Reportable if services are performed on an aircraft by a California resident or by a nonresident if over 50 percent of the nonresident's scheduled flight time is in California. CUIC Section 13009.5 and Title 49, U.S. Code, Section 40116 Not reportable if services are performed on a vessel.
Standby Employee doing no actual work in period for which paid.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
State Government and Political Subdivisions , services performed as:				
A. An elected official. See note below.	Not subject CUIC Section 634.5(c)	Not subject CUIC Section 634.5(c)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
B. A member of a legislative body, or a member of the judiciary, or a State or political subdivision thereof.	Not subject CUIC Section 634.5(c)	Not subject CUIC Section 634.5(c)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
C. A member of a State National Guard, Ready Reserve, or Air National Guard.	Not subject CUIC Section 634.5(c)	Not subject CUIC Section 634.5(c)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
D. An employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency.	Not subject CUIC Section 634.5(c)	Not subject CUIC Section 634.5(c)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
E. In a position which, under or pursuant to State law, is designated as either of the following:				
• A major, nontenured policy-making or advisory position.	Not subject CUIC Section 634.5(c)	Not subject CUIC Section 634.5(c)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
• A policymaking or advisory position, the performance of the duties of which ordinarily does not require more than eight hours per week.	Not subject CUIC Section 634.5(c)	Not subject CUIC Section 634.5(c)	Subject CUIC Section 13009	Reportable CUIC Section 13009.5

NOTE: An elected official is not eligible to collect unemployment insurance benefits based on income earned from his or her service as an elected official.

See page 25 for endnotes

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Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
<p>State Government and Political Subdivisions, services performed as: (cont.)</p> <p>F. Employees of State or local governments and instrumentalities not included above.</p>	Subject CUIC Section 605	Not subject unless an approved election by a bargaining unit is in effect. CUIC Section 710.5	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
G. Fees of public officials.	Subject CUIC Section 926	Subject CUIC Section 926	Not reportable CCR, Title 22 Section 4309-2(b)	Not reportable CUIC Section 13009.5
<p>Students:</p> <p>A. Working for a public or private school, college, or university, if enrolled and regularly attending classes at that school.</p>	Not subject CUIC Section 642	Not subject CUIC Section 642	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
B. Spouse or registered domestic partner of student, if such person is advised at the time service commences at the school that employment is provided under a program to provide financial assistance to the student by the school, college, or university, and that employment will not be covered by unemployment insurance or State disability insurance.	Not subject CUIC Section 642	Not subject CUIC Section 642	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
C. Under age 22 enrolled in a full-time program at a nonprofit or public education institution. Institution must normally maintain a regular faculty and curriculum and normally have a regularly organized body of students where its educational activities are located. Student's service must be taken for credit at such an institution. It must combine academic instruction with work experience. It must be an integral part of such program, and the institution must have so certified to the employer.	Not subject unless program established solely for one employer or one group of employers. CUIC Section 646	Not subject unless program established solely for one employer or one group of employers. CUIC Section 646	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
D. Student nurse working for a hospital or nursing school.	Not subject CUIC Section 645	<p>Subject if employed by a nonprofit or district hospital. CUIC Section 2606</p> <p>Not subject if employed by any other hospital or nursing school. CUIC Section 645</p>	Subject CUIC Section 13009	Reportable CUIC Section 13009.5

See page 25 for endnotes

Types of Employment	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Students: (cont.) E. Full-time students ⁷ working for an organized camp. ⁸	Not subject CUIC Section 642.1	Not subject CUIC Section 642.1	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Temporary Services and Employee Leasing Industries Refer to Information Sheet: <i>Temporary Services and Employee Leasing Industries</i> (DE 231F).	Subject CUIC Section 621(b) and 606.5	Subject CUIC Section 621(b) and 606.5	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Transcribers of depositions, court proceedings, and hearings performed away from the office of the person, firm, or association obligated to produce a transcript of the proceedings.	Not subject CUIC Section 630	Not subject CUIC Section 630	Not subject CCR, Title 22 Section 4304-1	Not reportable CUIC Section 13009.5

- ¹ Employers who have elected the “cost of benefits” or “reimbursable method” of financing Unemployment Insurance contributions or who have a negative reserve account balance are not required to contribute to the Employment Training Tax Fund.
- ² Subject if employer and employee voluntarily agree to withhold California Personal Income Tax.
- ³ Not subject if all three of the following conditions are met:
- The individual has the required license to perform the services or is in the business of in-person demonstration and sales presentation of consumer products in the home.
 - Substantially all payments are directly related to sales or other output.
 - Services are performed pursuant to a written contract that provides the individual will not be treated as an employee with respect to those services for State tax purposes.
- ⁴ Services are included if the employer’s principal place of business in the U.S. is in California or if the employer has no place of business in the U.S. but:
- The employer is an individual who is a resident of California, or
 - The employer is a corporation or, limited liability company, which is organized under the laws of California, or
 - The employer is a partnership or a trust and the number of partners or trustees who are residents of California is greater than the number who are residents of any one other state.
- If none of the criteria above applies, but the employer has elected coverage in California or the employer has not elected coverage in any state and an individual has filed for benefits in California, based on such service.
- ⁵ Not subject if service is performed under written contract with **all** of the following provisions:
- Any federal or State income tax liability shall be the responsibility of the party providing the services.
 - No disability insurance coverage is provided under the contract.
 - The party performing the services certifies that he/she is doing so as a secondary occupation or as a supplemental source of income.
- ⁶ “Employment” excludes services performed by a nonresident alien for the period temporarily in the U.S. as a nonimmigrant under IRC Section 3306(c) (19).
- ⁷ Full-time student – enrolled full-time for the current term of an academic year or, if between terms, for the immediately preceding period with a reasonable assurance of enrollment in the immediately subsequent period.
- ⁸ Organized camp – offers outdoor group living experience for social, spiritual, educational, or recreational purposes; must not operate more than seven months a year, or at least two-thirds of its previous yearly gross income must have been in any six of the 12 months of the year.

NOTE: A registered domestic partner means an individual partner in a domestic relationship within the meaning of Section 297 of the Family Code.

The California Unemployment Insurance Code is available online at www.leginfo.ca.gov/calaw.html.

TYPES OF PAYMENTS

This table identifies special types of payments and whether the type of payment is subject to California payroll taxes. For additional information on the taxability for a particular type of payment, refer to the Code section(s) noted under the specific tax. If you have questions regarding if or how an individual payment is taxed, please call our Taxpayer Assistance Center at (888) 745-3886.

In addition to this table, EDD has prepared the "Types of Employment" table on page 16 and information sheets for specific industries, types of services, or types of payments. To obtain the information sheets, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, call our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada call (916) 464-3502.

Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Adoption Assistance: Payments as defined in the Internal Revenue Code (IRC) Section 137. A. If the adoption assistance program is not under an IRC Section 125 Cafeteria Plan. B. If the adoption assistance program is under an IRC Section 125 Cafeteria Plan: <ul style="list-style-type: none"> • Employer contributions (into the plan). • Employee contributions (into the plan). • Payments from the plan. 	Subject California Unemployment Insurance Code (CUIC) Section 926	Subject CUIC Section 926	Not subject CUIC Section 13009(q) ⁵	Not reportable CUIC Section 13009.5
	Subject CUIC Section 926	Subject CUIC Section 926	Not subject CUIC Section 13009(i)(5) ⁵	Not reportable CUIC Section 13009.5
	Subject CUIC Section 926	Subject CUIC Section 926	Not subject CUIC Section 13009(i)(5) ⁵	Not reportable CUIC Section 13009.5
	Not subject CUIC Section 926	Not subject CUIC Section 926	Not subject CUIC Section 13009(i)(5)	Not reportable CUIC Section 13009.5
Board of Director Fees A director of a corporation or association performing services in the capacity of a director.	Not subject CUIC Section 622	Not subject CUIC Section 622	Subject if a common law employee. Not subject if corporation pays compensation to a nonresident corporate director for director services performed in California. CUIC Section 13020(c)	Reportable if a common law employee. Not reportable if corporation pays compensation to a nonresident corporate director for director services performed in California. CUIC Section 13009.5
Bonuses	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable - refer to page 14. CUIC Section 13009.5
Business Expenses: A. Employer reimbursement of required or necessary business expenses incurred by the employee while performing services for the employer. B. Long-term travel expenses allowed under IRC Section 162.	Not subject CUIC Section 929	Not subject CUIC Section 929	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
	Not subject CUIC Section 929	Not subject CUIC Section 929	Subject CUIC Section 13009	Reportable CUIC Section 13009.5

See page 35 for endnotes

www.edd.ca.gov

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Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Cafeteria Plan Payments Under IRC Section 125 Refer to Information Sheet: <i>Taxability of Employee Benefits</i> (DE 231EB).	Generally not subject CUIC Section 938.3(d)	Generally not subject CUIC Section 938.3(d)	Not subject CUIC Section 13009(i)(5)	Not reportable if excluded from taxable income. CUIC Section 13009.5
Commissions	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable – refer to page 14. CUIC Section 13009.5
Debts Paid by Employer: (Amounts in lieu of cash wages offset by the employer.) A. Amounts paid against a debt due from employee.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
B. Amounts applied to a debt owed to a third-party by the employee.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Deceased Employee Wages Wages paid to beneficiary or estate after the date of the worker's death.	Subject in the calendar year in which the employee died. CUIC Section 938.7	Subject in the calendar year in which the employee died. CUIC Section 938.7	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
Dependent Care Assistance Programs (Limited to \$5,000; \$2,500 if married, filing separately.)	Not subject if at the time paid or furnished, it is reasonable to believe the amounts are excludable from gross income under IRC Section 129. CUIC Section 938.3(b)	Not subject if at the time paid or furnished, it is reasonable to believe the amounts are excludable from gross income under IRC Section 129. CUIC Section 938.3(b)	Not subject if at the time paid or furnished, it is reasonable to believe the amounts are excludable from gross income under IRC Section 129. CUIC Section 13009(q)	Not reportable if at the time paid or furnished, it is reasonable to believe the amounts are excludable from gross income under IRC Section 129. CUIC Section 13009.5
Dismissal or Severance Pay	Subject CUIC Section 926 unless conditions under CUIC Section 1265 met.	Subject CUIC Section 926 unless conditions under CUIC Section 1265 met	Subject CUIC Section 13009 (9)	Reportable CUIC Section 13009.5
Educational Assistance (Payments under IRC Section 127) Undergraduate and graduate level courses excluded up to \$5,250 (maximum), per employee, per calendar year.	Not subject if at the time paid or furnished, it is reasonable to believe the amounts are excludable from gross income under IRC Section 127. CUIC Section 938.3(a)	Not subject if at the time paid or furnished, it is reasonable to believe the amounts are excludable from gross income under IRC Section 127. CUIC Section 938.3(a)	Not subject if the amounts are excludable from gross income under IRC Section 127. CUIC Section 13009(q)	Not reportable if the amounts are excludable from gross income under IRC Section 127. CUIC Section 13009.5

See page 35 for endnotes

www.edd.ca.gov

DE 44 Rev. 37 (1-11) (INTERNET)

Page 27 of 129

Taxpayer Assistance Center (888) 745-3886

Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Employee Achievement Awards	Not subject if at the time awarded, it is reasonable to believe the amount is excludable from gross income under IRC Section 74(c). CUIC Section 938.3(c)	Not subject if at the time awarded, it is reasonable to believe the amount is excludable from gross income under IRC Section 74(c). CUIC Section 938.3(c)	Not subject if at the time awarded, it is reasonable to believe the amount is excludable from gross income under IRC Section 74(c). CUIC Section 13009(q)	Not reportable if at the time awarded, it is reasonable to believe the amount is excludable from gross income under IRC Section 74(c). CUIC Section 13009.5
Fringe Benefits:				
A. Employee use of employer's vehicle for personal use.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
B. Employer-paid transportation costs that have no business connection and are not excluded under IRC Section 132.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
C. Employer-paid FICA, SDI, and/or Medicare. Refer to Information Sheet: <i>Social Security/Medicare/SDI Taxes Paid by an Employer</i> (DE 231Q).	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
D. Employer-paid FICA and/or Medicare for domestic service in private home or agricultural labor. Refer to Information Sheet: <i>Social Security/Medicare/SDI Taxes Paid by an Employer</i> (DE 231Q).	Not subject CUIC Section 935	Not subject CUIC Section 935	Not subject CUIC Section 13009(a) and 13009(b)	Reportable CUIC Section 13009.5
E. Benefits excluded from gross income under IRC Section 132 (i.e., services supplied to employees at no additional cost to the employer, discounts, parking, bus passes, athletic facilities, free coffee, moving expenses, qualified retirement planning services, etc.).	Not subject CUIC Section 938.3(c)	Not subject CUIC Section 938.3(c)	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
F. Rideshare subsidies defined in Revenue and Taxation Code (R&TC) Section 17149. Subsidies include vanpool, commuter bus, bus pool, etc.	Not subject unless the subsidies exceed the federal limits of IRC Section 132. CUIC Section 926	Not subject unless the subsidies exceed the federal limits of IRC Section 132. CUIC Section 926	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
Gifts of nominal value given as an expression of goodwill and not based on the rate of pay, length or degree of prior personal service, or required under union agreement or contract of hire.	Not subject CUIC Section 926 and California Code of Regulations (CCR), Title 22 Section 926-2	Not subject CUIC Section 926 and CCR, Title 22 Section 926-2	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
Group Legal Services	Subject CUIC Section 926 and IRC Section 120	Subject CUIC Section 926 and IRC Section 120	Subject CUIC Section 13009	Reportable CUIC Section 13009.5

See page 35 for endnotes

www.edd.ca.gov

Taxpayer Assistance Center (888) 745-3886

Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Health Plans:				
A. Employer-provided coverage under accident or health plans or medical expense reimbursements.	Not subject CUIC Section 931	Not subject CUIC Section 931	Not subject (subject for 2% shareholder-employees of S corporations) CUIC Section 13009(q)	Not reportable (reportable for 2% shareholder-employees of S corporations) CUIC Section 13009.5
B. Employer-provided coverage under accident or health plans or medical expense reimbursements to an employee's registered domestic partner.	Not subject CUIC Section 931	Not subject CUIC Section 931	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
Health Savings Accounts (HSAs): Contributions as defined in IRC Section 106(d).				
A. Contributions to a HSA not under an IRC Section 125 Cafeteria Plan.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009(q) and R&TC Section 17131.4	Reportable CUIC Section 13009.5 and R&TC Section 17131.4
B. Contributions to a HSA under an IRC Section 125 Cafeteria Plan.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009(q) and R&TC Section 17131.5	Reportable CUIC Section 13009.5 and R&TC Section 17131.5
Life Insurance Premiums Paid on Behalf of Employees	Not subject CUIC Section 931(c)	Not subject CUIC Section 931(c)	Not subject if group-term life insurance. CUIC Section 13009(l)	Reportable if face value of group-term life insurance exceeds \$50,000. CUIC Section 13009.5 refer to endnote 4
Lodging	Subject CUIC Section 926 and CCR, Title 22 Sections 926-3, 926-4, and 926-5	Subject CUIC Section 926 and CCR, Title 22 Sections 926-3, 926-4, and 926-5	Subject unless furnished on employer's premises, for the employer's convenience, and as a condition of employment. CCR, Title 22 Section 4309-1(b)(9)	Reportable unless furnished on employer's premises, for the employer's convenience, and as a condition of employment. CUIC Section 13009.5
Meals	Subject CUIC Section 926 and CCR, Title 22 Section 926-3, 926-4, and 926-5	Subject CUIC Section 926 and CCR, Title 22 Section 926-3, 926-4, and 926-5	Subject unless furnished for employer's convenience and on employer's premises. CCR, Title 22 Section 4309-1(b)(9)	Reportable unless furnished for employer's convenience and on employer's premises. CUIC Section 13009.5
Moving Expenses:				
A. Qualified expenses.	Not subject if you reasonably believe expenses are deductible by the employee under IRC Section 217. CUIC Section 937	Not subject if you reasonably believe expenses are deductible by the employee under IRC Section 217. CUIC Section 937	Not subject CUIC Section 13009(m) and IRC Section 217	Not reportable CUIC Section 13009.5 and IRC Section 217
B. Nonqualified expenses.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5

See page 35 for endnotes

www.edd.ca.gov

DE 44 Rev. 37 (1-11) (INTERNET)

Page 29 of 129

Taxpayer Assistance Center (888) 745-3886

Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
<p>Noncash Payments: Refer to “Lodging” and “Meals” sections in this table.</p> <p>A. Household employees- For Personal Income Tax (PIT) wages, refer to Information Sheet: <i>Personal Income Tax Wages Reported on the Quarterly Report of Wages and Withholdings for Employers of Household Workers (DE 3HW)</i> (DE 231PH).</p>	Refer to <i>Household Employer’s Guide</i> (DE 8829) or Information Sheet: <i>Household Employment</i> (DE 231L). CCR, Title 22 Section 926-3	Refer to <i>Household Employer’s Guide</i> (DE 8829) or Information Sheet: <i>Household Employment</i> (DE 231L). CCR, Title 22 Section 926-3	Not subject ² CUIC Section 13009(b)	Reportable ² CUIC Section 13009.5
<p>B. Services not in the course of employer’s trade or business.</p>	Not subject CUIC Section 936	Not subject CUIC Section 936	Not subject CUIC Section 13009(h)	Not reportable CUIC Section 13009.5
<p>Railroad Retirement Tax Act and Railroad Unemployment Insurance Act (payments to employees covered by these acts).</p>	Not subject CUIC Section 635	Not subject CUIC Section 635	Subject CCR, Title 22 Section 4304-1	Reportable CUIC Section 13009.5
<p>Retirement and Pension Plans: Refer to Information Sheet: <i>Withholding From Pensions, Annuities, and Certain Other Deferred Income</i> (DE 231P).</p> <p>A. Payments from a qualified plan.³</p>	Not subject CUIC Section 934	Not subject CUIC Section 934	Subject if employee is a California resident, unless recipient elects exemption from withholding. CUIC Section 13028	Not reportable CUIC Section 13009.5
<p>B. Employee contributions to a qualified cash or deferred compensation plan as defined in IRC Section 401(k).</p>	Subject CUIC Section 928.5(a)	Subject CUIC Section 928.5(a)	Not subject if payments are not includable in gross income for California income tax purposes. CUIC Section 13009(i)(5)	Not reportable if payments are not includable in gross income for California income tax purposes. CUIC Section 13009.5
<p>C. Employer contributions to a qualified cash or deferred compensation plan as defined in IRC Section 401(k).</p>	Not subject unless the contributions result from a salary reduction agreement. CUIC Section 934	Not subject unless the contributions result from a salary reduction agreement. CUIC Section 934	Not subject if payments are not includable in gross income for California income tax purposes. CUIC Section 13009(i)(1)	Not reportable if payments are not includable in gross income for California income tax purposes. CUIC Section 13009.5
<p>D. Employer contributions to a Simplified Employee Plan-Individual Retirement Arrangement (SEP-IRA) as defined in IRC Section 408(k).</p>	Not subject unless the contributions result from a salary reduction agreement. CUIC Section 934(c)	Not subject unless the contributions result from a salary reduction agreement. CUIC Section 934(c)	Not subject if payments are not includable in gross income for California income tax purposes. CUIC Section 13009(i)(1)	Not reportable if payments are not includable in gross income for California income tax purposes. CUIC Section 13009.5

See page 35 for endnotes

www.edd.ca.gov

DE 44 Rev. 37 (1-11) (INTERNET)

Taxpayer Assistance Center (888) 745-3886

Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Retirement and Pension Plans: (cont.)				
E. Employer contributions to a Savings Incentive Match Plan for Employees of Small Employers Individual Retirement Account (SIMPLE IRA) as defined in IRC Section 408(p).	Not subject CUIC Section 934(d)	Not subject CUIC Section 934(d)	Not subject if payments are not includable in gross income for California income tax purposes. CUIC Section 13009(i)(2)	Not reportable if payments are not includable in gross income for California income tax purposes. CUIC Section 13009.5
F. Employee contributions to a SIMPLE IRA under salary reduction agreement as defined in IRC Section 408(p).	Subject CUIC Section 926	Subject CUIC Section 926	Not subject if payments are not includable in gross income for California income tax purpose. CUIC Section 13009(i)(2)	Not subject if payments are not includable in gross income for California income tax purpose. CUIC Section 13009.5
G. Employee contributions to a "Deemed IRA" as defined in IRC Section 498(q).	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
H. Employee contributions to a Roth contribution program as defined in IRC Section 402A.	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
I. Employer contributions to a qualified annuity contract as defined in IRC Section 403(a) (applies to IRC Section 501(c)(3) organizations and public school employees).	Not subject CUIC Section 934(b)	Not subject CUIC Section 934(b)	Not subject CUIC Section 13009(i)(2)	Not reportable CUIC Section 13009.5
J. Employer contributions to a qualified annuity contract as defined in IRC Section 403(b) (applies to IRC Section 501(c)(3) organizations and public school employers).	Not subject unless the contributions result from a salary reduction agreement. CUIC Section 934(e)	Not subject unless the contributions result from a salary reduction agreement. CUIC Section 934(e)	Not subject CUIC Section 13009(i)(2)	Not reportable CUIC Section 13009.5
K. Employer contributions under an exempt governmental deferred compensation plan as defined in IRC Section 3121(v)(3).	Not subject CUIC Section 934(f)	Not subject CUIC Section 934(f)	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
L. Employer contributions to certain nonqualified deferred compensation plans.	Subject at the time services are performed or when there is no substantial risk of a forfeiture of the right to the amount, whichever is later. CUIC Section 928.5(c)	Subject at the time services are performed or when there is no substantial risk of a forfeiture of the right to the amount, whichever is later. CUIC Section 928.5(c)	Subject CUIC Section 13009(q) and CUIC Section 13003(b)(4)	Reportable CUIC Section 13009.5 and CUIC Section 13003(b)(4)
M. Payments upon death or retirement for disability to employee or his/her dependent made under a plan providing for employees or a class or classes of employees.	Not subject CUIC Section 938	Not subject CUIC Section 938	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
Salary Advances	Subject at the time the advance is paid, not when it is deducted from future earnings (wage payments). CUIC Section 926	Subject at the time the advance is paid, not when it is deducted from future earnings (wage payments). CUIC Section 926	Subject at the time the advance is paid, not when it is deducted from future earnings (wage payments). CUIC Section 13009	Reportable at the time the advance is paid, not when it is deducted from future earnings (wage payments). CUIC Section 13009.5

See page 35 for endnotes

www.edd.ca.gov

DE 44 Rev. 37 (1-11) (INTERNET)

Page 31 of 129

Taxpayer Assistance Center (888) 745-3886

Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Scholarship Payments, Fellowship Grants, Tuition Reductions, or Stipend Award	Not subject if it is reasonable to believe that the benefit is excludable from gross income under IRC Section 117. CUI Section 938.3(c)	Not subject if it is reasonable to believe that the benefit is excludable from gross income under IRC Section 117. CUI Section 938.3(c)	Not subject if it is reasonable to believe that the benefit is excludable from gross income under IRC Section 117. CUI Section 13009(q)	Not reportable if it is reasonable to believe that the benefit is excludable from gross income under IRC Section 117. CUI Section 13009.5
Sickness or Injury Payments under:				
A. Workers' Compensation law.	Not subject CUI Section 931(a)	Not subject CUI Section 931(a)	Not subject CUI Section 13009(q)	Not reportable CUI Section 13009.5
B. Employer plans and contracts of insurance.	Not subject after the end of six calendar months after the calendar month employee last worked for employer. CUI Section 933	Not subject after the end of six calendar months after the calendar month employee last worked for employer. CUI Section 933	Subject to the extent the payments into the plan were made by the employer and were not included in the gross taxable income of the employee. CUI Section 13009	Reportable to the extent the payments into the plan were made by the employer and were not included in the gross taxable income of the employee. CUI Section 13009.5
C. Sick pay while employed.	Subject CUI Section 931	Subject CUI Section 931	Subject CUI Section 13009	Reportable CUI Section 13009.5
D. A plan entirely funded by employees.	Not subject CUI Section 926	Not subject CUI Section 926	Not subject CUI Section 13009(q)	Not reportable CUI Section 13009.5
Sick Pay Paid by Third-Party Payers such as insurance companies and trusts: Reporting is the responsibility of the last employer if timely notified by the payer. Refer to Information Sheet: <i>Third-Party Sick Pay</i> (DE 231R).				
A. Third-party payer notifies the recipient's last employer within 15 days after payment. Refer to <i>Request for State Income Tax Withholding from Sick Pay</i> (DE 4S).	Subject – recipient's employer is responsible for reporting UI and ETT. CUI Section 931.5	Not subject CUI Section 931.5	Subject if employee requests withholding by filing form DE 4S with the third-party who is responsible for reporting PIT withholding. CUI Section 931.5 and 13028.6	Reportable – recipient's employer is responsible for reporting PIT wages. CUI Section 13009.5(a)(3)(A)
B. Third-party payer does not notify the recipient's last employer within 15 days after payment. Third-party payer is responsible for reporting UI, ETT, any voluntary PIT withholding, and PIT wages.	Subject – third-party payer is responsible for reporting UI and ETT. CUI Section 931.5	Not subject – neither employer nor third-party payer are required to report. CUI Section 931.5	Subject if employee requests withholding by filing form DE 4S with the third-party payer. CUI Section 931.5 and 13028.6(c)	Reportable – third-party payer is responsible for reporting PIT wages. CUI Section 13009.5(a)(3)(B)

See page 35 for endnotes

www.edd.ca.gov

DE 44 Rev. 37 (1-11) (INTERNET)

Taxpayer Assistance Center (888) 745-3886

Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Sick Pay Paid by Third-Party Payers (cont.) C. Sick pay paid after the end of six calendar months after the calendar month the employee last worked for the employer, and the third-party payer notifies the recipient's last employer within 15 days after payment.	Not subject – neither employer nor third-party payer are required to report. CUIC Section 933	Not subject – neither employer nor third-party payer are required to report. CUIC Section 933	Subject if employee requests withholding by filing form DE 4S with the third-party who is responsible for reporting PIT withholding. CUIC Sections 931.5 and 13028.6(c)	Reportable – recipient's employer is responsible for reporting PIT wages. CUIC Section 13009.5(a)(3)(A)
	D. Sick pay paid after the end of six calendar months after the calendar month the employee last worked for the employer, and the third-party payer does not notify the recipient's last employer within 15 days after payment.	Not subject – neither employer nor third-party payer is required to report. CUIC Section 933	Not subject – neither employer nor third-party payer is required to report. CUIC Section 933	Subject if employee requests withholding by filing form DE 4S with the third-party payer. CUIC Section 13009
Stock Options: Refer to page 14 and Information Sheet: <i>Stock Options</i> (DE 231SK) A. Incentive Stock Option (ISO): <ul style="list-style-type: none"> Qualifying Disposition (after minimum holding period). Disqualifying Disposition. B. Employee Stock Purchase Plan (ESPP): <ul style="list-style-type: none"> Qualifying Disposition. Disqualifying Disposition. C. Nonstatutory Stock Option (NSO): <ul style="list-style-type: none"> With Readily Ascertainable Fair Market Value when granted. Without Readily Ascertainable Fair Market Value when granted. 	Not subject CUIC Section 928	Not subject CUIC Section 928	Not subject CUIC Section 13003(b)(4) and 13009	Not reportable CUIC Section 13009
	Not subject CUIC Section 928	Not subject CUIC Section 928	Not subject CUIC Section 13003(b)(4) and 13009	Reportable when disposed CUIC Section 13009
	Not subject CUIC Section 928	Not subject CUIC Section 928	Not subject CUIC Section 13003(b)(4) and 13009	Not reportable CUIC Section 13009
	Not subject CUIC Section 928	Not subject CUIC Section 928	Not subject CUIC Section 13003(b)(4) and 13009	Reportable when disposed CUIC Section 13009
	Subject when granted CUIC Section 928	Subject when granted CUIC Section 928	Subject when granted CUIC Section 13003(b)(4) and 13009	Reportable when granted CUIC Section 13009
	Subject when exercised CUIC Section 928	Subject when exercised CUIC Section 928	Subject when exercised CUIC Section 13003(b)(4) and 13009	Reportable when exercised CUIC Section 13009

See page 35 for endnotes

www.edd.ca.gov

DE 44 Rev. 37 (1-11) (INTERNET)

Taxpayer Assistance Center (888) 745-3886

Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Stock Options: (cont.) D. California Qualified Stock Option: <ul style="list-style-type: none"> Defined by R&TC Section 17502. Not defined by R&TC Section 17502. 	Not subject CUIC Section 928	Not subject CUIC Section 928	Not subject CUIC Section 13003(b)(4)	Not reportable CUIC Section 13009
	Same treatment as NSO	Same treatment as NSO	Same treatment as NSO	Same treatment as NSO
Supplemental Unemployment Compensation Plan Benefits paid under an employer's plan.	Not subject CUIC Section 1265	Not subject CUIC Section 1265	Subject CUIC Section 13028.5	Reportable Section 13009.5
Supplemental Wages	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable - refer to page 14. CUIC Section 13009.5
Tips: Refer to Information Sheet: <i>Tips</i> (DE 231T) A. Cash tips that are received by the employee while performing services in employment and included in a written statement furnished to the employer. B. Employer controlled tips, such as banquet tips, that are received by the employee from the employer while performing services in employment. C. Noncash tips.	Subject if \$20 or more in a month. CUIC Section 927 and CCR, Title 22 Section 927-1	Subject if \$20 or more in a month. CUIC Section 927 and CCR, Title 22 Section 927-1	Subject if \$20 or more in a month. CUIC Section 13009 and 13009(n)(2)	Reportable if \$20 or more in a month. CUIC Section 13009.5
	Subject CUIC Section 926	Subject CUIC Section 926	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
	Not subject IRC Section 3121(a)(12)(A)	Not subject IRC Section 3121(a)(12)(A)	Not subject CUIC Section 13009(n)(1)	Not reportable CUIC Section 13009.5
Tuition Programs Payments as defined in R&TC Section 17140, including Golden State Scholarshare Trust. A. Contribution to trust by participant. B. Contribution to trust by participant's employer. C. Distribution from trust to school or participant for educational expenses.	Not subject CUIC Section 926	Not subject CUIC Section 926	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5
	Subject CUIC Section 926 and R&TC Section 17140(c)(2)	Subject CUIC Section 926 and R&TC Section 17140(c)(2)	Subject CUIC Section 13009(q)	Reportable CUIC Section 13009.5
	Not subject CUIC Section 926	Not subject CUIC Section 926	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5

See page 35 for endnotes

www.edd.ca.gov

DE 44 Rev. 37 (1-11) (INTERNET)

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Types of Payments	TREATMENT FOR TAX PURPOSES			
	Unemployment Insurance and Employment Training Tax ¹	State Disability Insurance	Personal Income Tax Withholding	Personal Income Tax Wages
Vacation Pay, Sick Pay, and Holiday Pay Only when earned, but not paid, prior to termination of employment due to a voluntary quit, discharge, or layoff due to lack of work with no specific date to return to work.	Not subject CUIC Section 1265.5, 1265.6, and 1265.7	Not subject CUIC Section 1265.5, 1265.6, and 1265.7	Subject CUIC Section 13009	Reportable CUIC Section 13009.5
Worker Adjustment and Retraining Notification (WARN) Payments received by an individual from an employer who has failed to provide the advance notice of a facility closure as required by federal and California WARN legislation.	Not subject CUIC Section 1265.1	Not subject CUIC Section 1265.1	Subject CUIC Section 13009(q)	Reportable CUIC Section 13009.5
Workers' Compensation	Not subject CUIC Section 931	Not subject CUIC Section 931	Not subject CUIC Section 13009(q)	Not reportable CUIC Section 13009.5

- 1 Employers who have elected the "cost of benefit reimbursable method" of financing Unemployment Insurance contributions or who have a negative reserve account balance are not required to contribute to the Employment Training Tax fund.
- 2 Subject if employer and employee voluntarily agree to withhold California PIT.
- 3 Pension, annuity, and other deferred income distributions reported on Form 1099-R.
- 4 Employer should report the same amount as PIT wages that is reported for federal income tax wages.
- 5 As of printing, the statute was set to expire on December 31, 2010. However, legislation was in process and the statute may have been extended. For current information, check EDD's Web site at www.edd.ca.gov.

NOTE: A registered domestic partner means an individual partner in a domestic relationship within the meaning of Section 297 of the Family Code.

The California Unemployment Insurance Code is available online at www.leginfo.ca.gov/calaw.html.

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www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011

California provides two methods for determining the amount of wages and salaries to be withheld for state personal income tax:

- METHOD A - WAGE BRACKET TABLE METHOD (**Limited to wages/salaries less than \$1 million**)
- METHOD B - EXACT CALCULATION METHOD

METHOD A provides a quick & easy way to select the appropriate withholding amount, based on the payroll period, filing status, and number of withholding allowances (regular and additional) if claimed. The STANDARD DEDUCTION and EXEMPTION ALLOWANCE CREDIT are **already** included in the wage bracket tables. Even though this method involves fewer computations than Method B, it cannot be used with your computer in determining amounts to be withheld.

METHOD B may be used to calculate withholding amounts either manually or by computer. This method will give an exact amount of tax to withhold. To use this method, you must enter the payroll period, filing status, number of withholding allowances, standard deduction, and exemption allowance credit amounts. These amounts are included in TABLES 1 through 5 of the EXACT CALCULATION Section.

If there are any questions concerning the operation/methodology of Method B for computer software, you may contact:

Franchise Tax Board, Statistical Research Section – 516, Mail Stop A-351
P.O. Box 942840, Sacramento, CA 94240.

SPECIAL NOTE FOR MARRIED EMPLOYEES WITH EMPLOYED SPOUSES: to avoid underwithholding of State income tax liability we recommend that you use one of the following options: Single filing status to compute withholding amounts for the employee and spouse; **or** withhold an additional flat amount of tax.

Instructions for additional withholding allowances for estimated deductions:

All additional allowances for ESTIMATED DEDUCTIONS that are claimed on a DE 4 must be used to reduce the amount of salaries and wages subject to withholding by using steps 1 and 2 shown below. If the Form W-4 is used for California withholding purposes, all additional allowances for ESTIMATED DEDUCTIONS claimed must be treated as regular withholding allowances; **unless** the employee requests in writing that they be treated in accordance with the following:

1. Subtract the employee's estimated deduction allowance shown in the "TABLE 2 - ESTIMATED DEDUCTION TABLE" from the gross wages subject to withholding; and
2. Compute the tax to be withheld using:

METHOD A - WAGE BRACKET TABLE METHOD; or
METHOD B - EXACT CALCULATION METHOD

If the DE 4 is used for California withholding purposes, compute the tax to be deducted and withheld based on the total number of regular withholding allowances claimed on line 1 of DE 4.

If the Form W-4 is used for California withholding purposes, compute the tax to be deducted and withheld based on the total number of withholding allowances claimed on line 1 of Form W-4; minus the number of additional allowances for estimated deductions claimed. If Form W-4 does not separately identify the number of additional allowances for estimated deductions, the employee's request must specify the number claimed. The employee's request will remain in effect until the employee terminates it by furnishing a signed written notice or by furnishing a DE 4.

Employers may require employees to file DE 4 when they wish to use additional allowances for estimated deductions to reduce the amount of wages subject to withholding.

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011

METHOD A - WAGE BRACKET TABLE METHOD

To determine the amount of tax to be withheld follow these steps:

- Step 1** Determine if the employee's gross wages are **less** than, or equal to, the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE". If so, no income tax is required to be withheld.
- Step 2** If the employee claims any additional withholding allowances for deductions, subtract the amount shown in "TABLE 2 - ESTIMATED DEDUCTION TABLE" from the gross wages.
- Step 3** Subtract the number of additional withholding allowances from the total allowances to obtain the net allowances for tax computational purposes.
- Step 4** Refer to the correct wage bracket table to arrive at the amount of tax to be withheld.

EXAMPLE A: METHOD A - WAGE BRACKET TABLE METHOD. Weekly earnings of \$900.00, married, and claiming five withholding allowances on form W-4 or DE 4, three of which are for estimated deductions.

- Step 1** Earnings for the weekly pay period of \$900.00 are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$469.00); therefore, income tax should be withheld.
- Step 2**

Earnings for the payroll period	\$900.00
Subtract amount from "TABLE 2 - ESTIMATED DEDUCTION TABLE"	<u>-58.00</u>
Salaries and wages subject to withholding	<u>\$842.00</u>
- Step 3**

Total number of withholding allowances claimed	5
Subtract number of estimated deduction allowances claimed	<u>-3</u>
Net allowances for tax computation purposes	<u>2</u>
- Step 4** Refer to the appropriate wage bracket table (weekly taxable earnings of \$842.00 with two deductions) to arrive at the amount of tax to be withheld. \$9.69

EXAMPLE B: METHOD A - WAGE BRACKET TABLE METHOD. Monthly earnings of \$3,400.00, married, and claiming six withholding allowances on form W-4 or DE 4, two of which are for estimated deductions.

- Step 1** Earnings for the monthly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$2,030.00); therefore, income tax should be withheld.
- Step 2**

Earnings for the payroll period.	\$3,400.00
Subtract amount from "TABLE 2 - ESTIMATED DEDUCTION TABLE".	<u>-167.00</u>
Salaries and wages subject to withholding.	<u>\$3,233.00</u>
- Step 3**

Total number of withholding allowances claimed.	6
Subtract number of estimated deduction allowances claimed.	<u>-2</u>
Net allowances for tax computation purposes.	<u>4</u>
- Step 4** Refer to the appropriate wage bracket table (monthly taxable earnings of \$3,233.00 with four deductions) to arrive at the amount of tax to be withheld. \$8.63

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011
METHOD A---WAGE BRACKET TABLE METHOD

TABLE 1 - LOW INCOME EXEMPTION TABLE

PAYROLL PERIOD	SINGLE, DUAL INCOME MARRIED OR MARRIED WITH MULTIPLE EMPLOYERS	MARRIED		UNMARRIED HEAD OF HOUSEHOLD
		ALLOWANCES ON DE 4 OR W-4		
		'0' OR '1'	'2' OR MORE	
WEEKLY	\$234	\$234	\$469	\$469
BIWEEKLY	\$469	\$469	\$937	\$937
SEMI-MONTHLY	\$508	\$508	\$1,015	\$1,015
MONTHLY	\$1,015	\$1,015	\$2,030	\$2,030
QUARTERLY	\$3,046	\$3,046	\$6,091	\$6,091
SEMI-ANNUAL	\$6,091	\$6,091	\$12,182	\$12,182
ANNUAL	\$12,182	\$12,182	\$24,364	\$24,364
DAILY/MISCELLANEOUS	\$47	\$47	\$94	\$94

TABLE 2 - ESTIMATED DEDUCTION TABLE

ADDITIONAL WITHHOLDING ALLOWANCES *	PAYROLL PERIOD							
	WEEKLY	BI- WEEKLY	SEMI- MONTHLY	MONTHLY	QUARTERLY	SEMI- ANNUAL	ANNUAL	DAILY/ MISC.
1	\$19	\$38	\$42	\$83	\$250	\$500	\$1,000	\$4
2	\$38	\$77	\$83	\$167	\$500	\$1,000	\$2,000	\$8
3	\$58	\$115	\$125	\$250	\$750	\$1,500	\$3,000	\$12
4	\$77	\$154	\$167	\$333	\$1,000	\$2,000	\$4,000	\$15
5	\$96	\$192	\$208	\$417	\$1,250	\$2,500	\$5,000	\$19
6	\$115	\$231	\$250	\$500	\$1,500	\$3,000	\$6,000	\$23
7	\$135	\$269	\$292	\$583	\$1,750	\$3,500	\$7,000	\$27
8	\$154	\$308	\$333	\$667	\$2,000	\$4,000	\$8,000	\$31
9	\$173	\$346	\$375	\$750	\$2,250	\$4,500	\$9,000	\$35
10**	\$192	\$385	\$417	\$833	\$2,500	\$5,000	\$10,000	\$38

* Number of Additional Withholding Allowances for Estimated Deductions claimed on form DE-4 or W-4.

** If the number of Additional Withholding Allowances for Estimated Deductions claimed is greater than 10, multiply the amount shown for one Additional Allowance by the number claimed.

SINGLE PERSONS, DUAL INCOME MARRIED
OR MARRIED WITH MULTIPLE EMPLOYERS----WEEKLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
\$1	\$160											
160	170	1.04										
170	180	1.15										
180	190	1.26										
190	200	1.37										
200	210	1.48										
210	220	1.67										
220	230	1.89										
230	240	2.11	0.02									
240	250	2.33	0.24									
250	260	2.55	0.46									
260	270	2.77	0.68									
270	280	2.99	0.90									
280	290	3.21	1.12									
290	300	3.43	1.34									
300	310	3.65	1.56									
310	320	3.87	1.78									
320	330	4.09	2.00									
330	340	4.31	2.22	0.13								
340	350	4.53	2.44	0.35								
350	360	4.75	2.66	0.57								
360	370	4.97	2.88	0.79								
370	380	5.19	3.10	1.01								
380	390	5.41	3.32	1.23								
390	400	5.63	3.54	1.45								
400	410	6.06	3.97	1.88								
410	420	6.50	4.41	2.32	0.23							
420	430	6.94	4.85	2.76	0.67							
430	440	7.38	5.29	3.20	1.11							
440	460	8.04	5.95	3.86	1.77							
460	480	8.92	6.83	4.74	2.65	0.56						
480	500	9.80	7.71	5.62	3.53	1.44						
500	520	10.68	8.59	6.50	4.41	2.32	0.23					
520	540	11.56	9.47	7.38	5.29	3.20	1.11					
540	560	12.44	10.35	8.26	6.17	4.08	1.99					
560	580	13.32	11.23	9.14	7.05	4.96	2.87	0.78				
580	600	14.34	12.25	10.16	8.07	5.98	3.89	1.80				
600	620	15.66	13.57	11.48	9.39	7.30	5.21	3.12	1.03			
620	640	16.98	14.89	12.80	10.71	8.62	6.53	4.44	2.35	0.26		
640	680	18.96	16.87	14.78	12.69	10.60	8.51	6.42	4.33	2.24	0.15	
680	720	21.60	19.51	17.42	15.33	13.24	11.15	9.06	6.97	4.88	2.79	0.70
720	760	24.24	22.15	20.06	17.97	15.88	13.79	11.70	9.61	7.52	5.43	3.34
760	800	26.88	24.79	22.70	20.61	18.52	16.43	14.34	12.25	10.16	8.07	5.98
800	840	30.34	28.25	26.16	24.07	21.98	19.89	17.80	15.71	13.62	11.53	9.44
840	880	33.86	31.77	29.68	27.59	25.50	23.41	21.32	19.23	17.14	15.05	12.96
880	920	37.38	35.29	33.20	31.11	29.02	26.93	24.84	22.75	20.66	18.57	16.48
920	960	40.90	38.81	36.72	34.63	32.54	30.45	28.36	26.27	24.18	22.09	20.00
960	1000	44.57	42.48	40.39	38.30	36.21	34.12	32.03	29.94	27.85	25.76	23.67
1000	1040	48.66	46.57	44.48	42.39	40.30	38.21	36.12	34.03	31.94	29.85	27.76
1040	1080	52.75	50.66	48.57	46.48	44.39	42.30	40.21	38.12	36.03	33.94	31.85
1080	1120	56.85	54.76	52.67	50.58	48.49	46.40	44.31	42.22	40.13	38.04	35.95

1120 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 1100)

MARRIED PERSONS----WEEKLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
		...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...										
\$1	\$160											
160	170	1.04										
170	180	1.15										
180	190	1.26										
190	200	1.37										
200	210	1.48										
210	220	1.59										
220	230	1.70										
230	240	1.81										
240	250	1.92										
250	260	2.03										
260	270	2.14	0.05									
270	280	2.25	0.16									
280	290	2.36	0.27									
290	300	2.47	0.38									
300	310	2.58	0.49									
310	320	2.69	0.60									
320	330	2.80	0.71									
330	340	2.91	0.82									
340	350	3.02	0.93									
350	360	3.24	1.15									
360	370	3.46	1.37									
370	380	3.68	1.59									
380	390	3.90	1.81									
390	400	4.12	2.03									
400	410	4.34	2.25									
410	420	4.56	2.47									
420	430	4.78	2.69									
430	440	5.00	2.91									
440	460	5.33	3.24									
460	480	5.77	3.68	0.04								
480	500	6.21	4.12	0.48								
500	520	6.65	4.56	0.92								
520	540	7.09	5.00	1.36								
540	560	7.53	5.44	1.80								
560	580	7.97	5.88	2.24	0.15							
580	600	8.41	6.32	2.68	0.59							
600	620	8.85	6.76	3.12	1.03							
620	640	9.29	7.20	3.56	1.47							
640	660	9.73	7.64	4.00	1.91							
660	680	10.17	8.08	4.44	2.35	0.26						
680	700	10.61	8.52	4.88	2.79	0.70						
700	720	11.05	8.96	5.32	3.23	1.14						
720	740	11.70	9.61	5.76	3.67	1.58						
740	760	12.58	10.49	6.20	4.11	2.02						
760	780	13.46	11.37	6.64	4.55	2.46	0.37					
780	800	14.34	12.25	7.08	4.99	2.90	0.81					
800	820	15.22	13.13	7.93	5.84	3.75	1.66					
820	840	16.10	14.01	8.81	6.72	4.63	2.54	0.45				
840	860	16.98	14.89	9.69	7.60	5.51	3.42	1.33				
860	880	17.86	15.77	10.57	8.48	6.39	4.30	2.21	0.12			

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MARRIED PERSONS----WEEKLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
880	900	18.74	16.65	11.45	9.36	7.27	5.18	3.09	1.00			
900	920	19.62	17.53	12.33	10.24	8.15	6.06	3.97	1.88			
920	940	20.50	18.41	13.21	11.12	9.03	6.94	4.85	2.76	0.67		
940	960	21.38	19.29	14.09	12.00	9.91	7.82	5.73	3.64	1.55		
960	980	22.26	20.17	14.97	12.88	10.79	8.70	6.61	4.52	2.43	0.34	
980	1000	23.14	21.05	15.85	13.76	11.67	9.58	7.49	5.40	3.31	1.22	
1000	1020	24.02	21.93	16.73	14.64	12.55	10.46	8.37	6.28	4.19	2.10	0.01
1020	1040	24.90	22.81	17.61	15.52	13.43	11.34	9.25	7.16	5.07	2.98	0.89
1040	1060	25.78	23.69	18.49	16.40	14.31	12.22	10.13	8.04	5.95	3.86	1.77
1060	1080	26.66	24.57	19.37	17.28	15.19	13.10	11.01	8.92	6.83	4.74	2.65
1080	1100	27.54	25.45	20.25	18.16	16.07	13.98	11.89	9.80	7.71	5.62	3.53
1100	1120	28.72	26.63	21.13	19.04	16.95	14.86	12.77	10.68	8.59	6.50	4.41
1120	1140	30.04	27.95	22.01	19.92	17.83	15.74	13.65	11.56	9.47	7.38	5.29
1140	1180	32.02	29.93	23.33	21.24	19.15	17.06	14.97	12.88	10.79	8.70	6.61
1180	1220	34.66	32.57	25.82	23.73	21.64	19.55	17.46	15.37	13.28	11.19	9.10
1220	1260	37.30	35.21	28.46	26.37	24.28	22.19	20.10	18.01	15.92	13.83	11.74
1260	1300	39.94	37.85	31.10	29.01	26.92	24.83	22.74	20.65	18.56	16.47	14.38
1300	1340	42.58	40.49	33.74	31.65	29.56	27.47	25.38	23.29	21.20	19.11	17.02
1340	1380	45.22	43.13	36.38	34.29	32.20	30.11	28.02	25.93	23.84	21.75	19.66
1380	1420	47.86	45.77	39.02	36.93	34.84	32.75	30.66	28.57	26.48	24.39	22.30
1420	1460	50.50	48.41	41.66	39.57	37.48	35.39	33.30	31.21	29.12	27.03	24.94
1460	1500	53.14	51.05	44.30	42.21	40.12	38.03	35.94	33.85	31.76	29.67	27.58
1500	1540	56.33	54.24	46.94	44.85	42.76	40.67	38.58	36.49	34.40	32.31	30.22
1540	1580	59.85	57.76	49.58	47.49	45.40	43.31	41.22	39.13	37.04	34.95	32.86
1580	1620	63.37	61.28	52.98	50.89	48.80	46.71	44.62	42.53	40.44	38.35	36.26
1620	1660	66.89	64.80	56.50	54.41	52.32	50.23	48.14	46.05	43.96	41.87	39.78
1660	1700	70.41	68.32	60.02	57.93	55.84	53.75	51.66	49.57	47.48	45.39	43.30
1700	1740	73.93	71.84	63.54	61.45	59.36	57.27	55.18	53.09	51.00	48.91	46.82
1740	1780	77.45	75.36	67.06	64.97	62.88	60.79	58.70	56.61	54.52	52.43	50.34
1780	1820	80.97	78.88	70.58	68.49	66.40	64.31	62.22	60.13	58.04	55.95	53.86
1820	1860	84.49	82.40	74.10	72.01	69.92	67.83	65.74	63.65	61.56	59.47	57.38
1860	1900	88.18	86.09	77.62	75.53	73.44	71.35	69.26	67.17	65.08	62.99	60.90
1900	1940	92.27	90.18	81.14	79.05	76.96	74.87	72.78	70.69	68.60	66.51	64.42
1940	1980	96.36	94.27	84.96	82.87	80.78	78.69	76.60	74.51	72.42	70.33	68.24
1980	2020	100.45	98.36	89.05	86.96	84.87	82.78	80.69	78.60	76.51	74.42	72.33
2020	2060	104.55	102.46	93.15	91.06	88.97	86.88	84.79	82.70	80.61	78.52	76.43
2060	2100	108.64	106.55	97.24	95.15	93.06	90.97	88.88	86.79	84.70	82.61	80.52
2100	2140	112.73	110.64	101.33	99.24	97.15	95.06	92.97	90.88	88.79	86.70	84.61
2140	2180	116.82	114.73	105.42	103.33	101.24	99.15	97.06	94.97	92.88	90.79	88.70
2180	2220	120.91	118.82	109.51	107.42	105.33	103.24	101.15	99.06	96.97	94.88	92.79

2220 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 2200)

UNMARRIED HEAD OF HOUSEHOLD----WEEKLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
\$1	\$250	...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...										
250	260	1.25										
260	270	1.36										
270	280	1.47										
280	290	1.58										
290	300	1.69										
300	310	1.80										
310	320	1.91										
320	330	2.02										
330	340	2.13	0.04									
340	350	2.24	0.15									
350	360	2.35	0.26									
360	370	2.46	0.37									
370	380	2.57	0.48									
380	390	2.68	0.59									
390	400	2.79	0.70									
400	410	2.90	0.81									
410	420	3.01	0.92									
420	430	3.23	1.14									
430	440	3.45	1.36									
440	450	3.67	1.58									
450	460	3.89	1.80									
460	470	4.11	2.02									
470	480	4.33	2.24	0.15								
480	490	4.55	2.46	0.37								
490	500	4.77	2.68	0.59								
500	520	5.10	3.01	0.92								
520	540	5.54	3.45	1.36								
540	560	5.98	3.89	1.80								
560	580	6.42	4.33	2.24	0.15							
580	600	6.86	4.77	2.68	0.59							
600	620	7.30	5.21	3.12	1.03							
620	640	7.74	5.65	3.56	1.47							
640	660	8.18	6.09	4.00	1.91							
660	680	8.62	6.53	4.44	2.35	0.26						
680	700	9.06	6.97	4.88	2.79	0.70						
700	740	9.72	7.63	5.54	3.45	1.36						
740	780	10.60	8.51	6.42	4.33	2.24	0.15					
780	820	11.67	9.58	7.49	5.40	3.31	1.22					
820	860	13.43	11.34	9.25	7.16	5.07	2.98	0.89				
860	900	15.19	13.10	11.01	8.92	6.83	4.74	2.65	0.56			
900	950	17.17	15.08	12.99	10.90	8.81	6.72	4.63	2.54	0.45		
950	1000	19.37	17.28	15.19	13.10	11.01	8.92	6.83	4.74	2.65	0.56	
1000	1050	22.61	20.52	18.43	16.34	14.25	12.16	10.07	7.98	5.89	3.80	1.71
1050	1100	25.91	23.82	21.73	19.64	17.55	15.46	13.37	11.28	9.19	7.10	5.01
1100	1150	29.21	27.12	25.03	22.94	20.85	18.76	16.67	14.58	12.49	10.40	8.31
1150	1200	32.51	30.42	28.33	26.24	24.15	22.06	19.97	17.88	15.79	13.70	11.61
1200	1250	36.86	34.77	32.68	30.59	28.50	26.41	24.32	22.23	20.14	18.05	15.96
1250	1300	41.26	39.17	37.08	34.99	32.90	30.81	28.72	26.63	24.54	22.45	20.36
1300	1400	47.86	45.77	43.68	41.59	39.50	37.41	35.32	33.23	31.14	29.05	26.96
1400	1500	57.87	55.78	53.69	51.60	49.51	47.42	45.33	43.24	41.15	39.06	36.97

1500 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 1450)

SINGLE PERSONS, DUAL INCOME MARRIED
OR MARRIED WITH MULTIPLE EMPLOYERS----BIWEEKLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
\$1	\$260											
260	280	1.42										
280	300	1.64										
300	320	1.86										
320	340	2.08										
340	360	2.30										
360	380	2.52										
380	400	2.74										
400	420	2.96										
420	440	3.34										
440	460	3.78										
460	480	4.22	0.04									
480	500	4.66	0.48									
500	520	5.10	0.92									
520	540	5.54	1.36									
540	560	5.98	1.80									
560	580	6.42	2.24									
580	600	6.86	2.68									
600	620	7.30	3.12									
620	640	7.74	3.56									
640	660	8.18	4.00									
660	680	8.62	4.44	0.26								
680	700	9.06	4.88	0.70								
700	720	9.50	5.32	1.14								
720	740	9.94	5.76	1.58								
740	760	10.38	6.20	2.02								
760	780	10.82	6.64	2.46								
780	800	11.26	7.08	2.90								
800	820	12.11	7.93	3.75								
820	860	13.43	9.25	5.07	0.89							
860	900	15.19	11.01	6.83	2.65							
900	940	16.95	12.77	8.59	4.41	0.23						
940	980	18.71	14.53	10.35	6.17	1.99						
980	1020	20.47	16.29	12.11	7.93	3.75						
1020	1070	22.45	18.27	14.09	9.91	5.73	1.55					
1070	1120	24.65	20.47	16.29	12.11	7.93	3.75					
1120	1170	26.85	22.67	18.49	14.31	10.13	5.95	1.77				
1170	1220	29.67	25.49	21.31	17.13	12.95	8.77	4.59	0.41			
1220	1270	32.97	28.79	24.61	20.43	16.25	12.07	7.89	3.71			
1270	1320	36.27	32.09	27.91	23.73	19.55	15.37	11.19	7.01	2.83		
1320	1370	39.57	35.39	31.21	27.03	22.85	18.67	14.49	10.31	6.13	1.95	
1370	1420	42.87	38.69	34.51	30.33	26.15	21.97	17.79	13.61	9.43	5.25	1.07
1420	1470	46.17	41.99	37.81	33.63	29.45	25.27	21.09	16.91	12.73	8.55	4.37
1470	1520	49.47	45.29	41.11	36.93	32.75	28.57	24.39	20.21	16.03	11.85	7.67
1520	1620	54.52	50.34	46.16	41.98	37.80	33.62	29.44	25.26	21.08	16.90	12.72
1620	1720	63.32	59.14	54.96	50.78	46.60	42.42	38.24	34.06	29.88	25.70	21.52
1720	1820	72.12	67.94	63.76	59.58	55.40	51.22	47.04	42.86	38.68	34.50	30.32
1820	1920	80.92	76.74	72.56	68.38	64.20	60.02	55.84	51.66	47.48	43.30	39.12
1920	2020	90.16	85.98	81.80	77.62	73.44	69.26	65.08	60.90	56.72	52.54	48.36
2020	2120	100.39	96.21	92.03	87.85	83.67	79.49	75.31	71.13	66.95	62.77	58.59
2120	2220	110.62	106.44	102.26	98.08	93.90	89.72	85.54	81.36	77.18	73.00	68.82

2220 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 2170)

MARRIED PERSONS----BIWEEKLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
\$1	\$260											
260	280	1.42										
280	300	1.64										
300	320	1.86										
320	340	2.08										
340	360	2.30										
360	380	2.52										
380	400	2.74										
400	420	2.96										
420	440	3.18										
440	460	3.40										
460	480	3.62										
480	500	3.84										
500	520	4.06										
520	540	4.28	0.10									
540	560	4.50	0.32									
560	580	4.72	0.54									
580	600	4.94	0.76									
600	620	5.16	0.98									
620	640	5.38	1.20									
640	660	5.60	1.42									
660	680	5.82	1.64									
680	700	6.05	1.87									
700	720	6.49	2.31									
720	740	6.93	2.75									
740	760	7.37	3.19									
760	780	7.81	3.63									
780	800	8.25	4.07									
800	820	8.69	4.51									
820	840	9.13	4.95									
840	860	9.57	5.39									
860	880	10.01	5.83									
880	900	10.45	6.27									
900	920	10.89	6.71									
920	940	11.33	7.15									
940	960	11.77	7.59	0.30								
960	980	12.21	8.03	0.74								
980	1000	12.65	8.47	1.18								
1000	1020	13.09	8.91	1.62								
1020	1060	13.75	9.57	2.28								
1060	1100	14.63	10.45	3.16								
1100	1140	15.51	11.33	4.04								
1140	1180	16.39	12.21	4.92	0.74							
1180	1220	17.27	13.09	5.80	1.62							
1220	1260	18.15	13.97	6.68	2.50							
1260	1300	19.03	14.85	7.56	3.38							
1300	1340	19.91	15.73	8.44	4.26	0.08						
1340	1380	20.79	16.61	9.32	5.14	0.96						
1380	1420	21.67	17.49	10.20	6.02	1.84						
1420	1460	22.55	18.37	11.08	6.90	2.72						
1460	1500	24.28	20.10	11.96	7.78	3.60						

...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...

--- CONTINUED NEXT PAGE ---

MARRIED PERSONS----BIWEEKLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
		0	1	2	3	4	5	6	7	8	9	10 OR MORE		
1500	1540	26.04	21.86	12.84	8.66	4.48	0.30							
1540	1580	27.80	23.62	13.72	9.54	5.36	1.18							
1580	1620	29.56	25.38	14.99	10.81	6.63	2.45							
1620	1660	31.32	27.14	16.75	12.57	8.39	4.21	0.03						
1660	1700	33.08	28.90	18.51	14.33	10.15	5.97	1.79						
1700	1740	34.84	30.66	20.27	16.09	11.91	7.73	3.55						
1740	1780	36.60	32.42	22.03	17.85	13.67	9.49	5.31	1.13					
1780	1820	38.36	34.18	23.79	19.61	15.43	11.25	7.07	2.89					
1820	1860	40.12	35.94	25.55	21.37	17.19	13.01	8.83	4.65	0.47				
1860	1900	41.88	37.70	27.31	23.13	18.95	14.77	10.59	6.41	2.23				
1900	1940	43.64	39.46	29.07	24.89	20.71	16.53	12.35	8.17	3.99				
1940	1980	45.40	41.22	30.83	26.65	22.47	18.29	14.11	9.93	5.75	1.57			
1980	2020	47.16	42.98	32.59	28.41	24.23	20.05	15.87	11.69	7.51	3.33			
2020	2060	48.92	44.74	34.35	30.17	25.99	21.81	17.63	13.45	9.27	5.09	0.91		
2060	2100	50.68	46.50	36.11	31.93	27.75	23.57	19.39	15.21	11.03	6.85	2.67		
2100	2140	52.44	48.26	37.87	33.69	29.51	25.33	21.15	16.97	12.79	8.61	4.43		
2140	2180	54.20	50.02	39.63	35.45	31.27	27.09	22.91	18.73	14.55	10.37	6.19		
2180	2220	56.11	51.93	41.39	37.21	33.03	28.85	24.67	20.49	16.31	12.13	7.95		
2220	2260	58.75	54.57	43.15	38.97	34.79	30.61	26.43	22.25	18.07	13.89	9.71		
2260	2300	61.39	57.21	44.91	40.73	36.55	32.37	28.19	24.01	19.83	15.65	11.47		
2300	2350	64.36	60.18	46.89	42.71	38.53	34.35	30.17	25.99	21.81	17.63	13.45		
2350	2400	67.66	63.48	49.98	45.80	41.62	37.44	33.26	29.08	24.90	20.72	16.54		
2400	2450	70.96	66.78	53.28	49.10	44.92	40.74	36.56	32.38	28.20	24.02	19.84		
2450	2500	74.26	70.08	56.58	52.40	48.22	44.04	39.86	35.68	31.50	27.32	23.14		
2500	2550	77.56	73.38	59.88	55.70	51.52	47.34	43.16	38.98	34.80	30.62	26.44		
2550	2600	80.86	76.68	63.18	59.00	54.82	50.64	46.46	42.28	38.10	33.92	29.74		
2600	2650	84.16	79.98	66.48	62.30	58.12	53.94	49.76	45.58	41.40	37.22	33.04		
2650	2700	87.46	83.28	69.78	65.60	61.42	57.24	53.06	48.88	44.70	40.52	36.34		
2700	2750	90.76	86.58	73.08	68.90	64.72	60.54	56.36	52.18	48.00	43.82	39.64		
2750	2800	94.06	89.88	76.38	72.20	68.02	63.84	59.66	55.48	51.30	47.12	42.94		
2800	2850	97.36	93.18	79.68	75.50	71.32	67.14	62.96	58.78	54.60	50.42	46.24		
2850	2900	100.66	96.48	82.98	78.80	74.62	70.44	66.26	62.08	57.90	53.72	49.54		
2900	2950	103.96	99.78	86.28	82.10	77.92	73.74	69.56	65.38	61.20	57.02	52.84		
2950	3000	107.26	103.08	89.58	85.40	81.22	77.04	72.86	68.68	64.50	60.32	56.14		
3000	3100	113.55	109.37	94.53	90.35	86.17	81.99	77.81	73.63	69.45	65.27	61.09		
3100	3200	122.35	118.17	101.57	97.39	93.21	89.03	84.85	80.67	76.49	72.31	68.13		
3200	3300	131.15	126.97	110.37	106.19	102.01	97.83	93.65	89.47	85.29	81.11	76.93		
3300	3400	139.95	135.77	119.17	114.99	110.81	106.63	102.45	98.27	94.09	89.91	85.73		
3400	3500	148.75	144.57	127.97	123.79	119.61	115.43	111.25	107.07	102.89	98.71	94.53		
3500	3600	157.55	153.37	136.77	132.59	128.41	124.23	120.05	115.87	111.69	107.51	103.33		
3600	3700	166.35	162.17	145.57	141.39	137.21	133.03	128.85	124.67	120.49	116.31	112.13		
3700	3800	175.33	171.15	154.37	150.19	146.01	141.83	137.65	133.47	129.29	125.11	120.93		
3800	3900	185.56	181.38	163.17	158.99	154.81	150.63	146.45	142.27	138.09	133.91	129.73		
3900	4000	195.79	191.61	172.99	168.81	164.63	160.45	156.27	152.09	147.91	143.73	139.55		
4000	4100	206.02	201.84	183.22	179.04	174.86	170.68	166.50	162.32	158.14	153.96	149.78		

4100 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 4050)

UNMARRIED HEAD OF HOUSEHOLD----BIWEEKLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
\$1	\$560	...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...										
560	580	3.16										
580	600	3.38										
600	620	3.60										
620	640	3.82										
640	660	4.04										
660	680	4.26	0.08									
680	700	4.48	0.30									
700	720	4.70	0.52									
720	740	4.92	0.74									
740	760	5.14	0.96									
760	780	5.36	1.18									
780	800	5.58	1.40									
800	820	5.80	1.62									
820	840	6.02	1.84									
840	860	6.46	2.28									
860	880	6.90	2.72									
880	900	7.34	3.16									
900	920	7.78	3.60									
920	940	8.22	4.04									
940	960	8.66	4.48	0.30								
960	980	9.10	4.92	0.74								
980	1000	9.54	5.36	1.18								
1000	1040	10.20	6.02	1.84								
1040	1080	11.08	6.90	2.72								
1080	1120	11.96	7.78	3.60								
1120	1160	12.84	8.66	4.48	0.30							
1160	1200	13.72	9.54	5.36	1.18							
1200	1250	14.71	10.53	6.35	2.17							
1250	1300	15.81	11.63	7.45	3.27							
1300	1350	16.91	12.73	8.55	4.37	0.19						
1350	1400	18.01	13.83	9.65	5.47	1.29						
1400	1450	19.11	14.93	10.75	6.57	2.39						
1450	1500	20.21	16.03	11.85	7.67	3.49						
1500	1550	21.31	17.13	12.95	8.77	4.59	0.41					
1550	1600	22.41	18.23	14.05	9.87	5.69	1.51					
1600	1650	24.45	20.27	16.09	11.91	7.73	3.55					
1650	1700	26.65	22.47	18.29	14.11	9.93	5.75	1.57				
1700	1750	28.85	24.67	20.49	16.31	12.13	7.95	3.77				
1750	1800	31.05	26.87	22.69	18.51	14.33	10.15	5.97	1.79			
1800	1850	33.25	29.07	24.89	20.71	16.53	12.35	8.17	3.99			
1850	1950	36.55	32.37	28.19	24.01	19.83	15.65	11.47	7.29	3.11		
1950	2050	41.91	37.73	33.55	29.37	25.19	21.01	16.83	12.65	8.47	4.29	0.11
2050	2150	48.51	44.33	40.15	35.97	31.79	27.61	23.43	19.25	15.07	10.89	6.71
2150	2250	55.11	50.93	46.75	42.57	38.39	34.21	30.03	25.85	21.67	17.49	13.31
2250	2350	61.71	57.53	53.35	49.17	44.99	40.81	36.63	32.45	28.27	24.09	19.91
2350	2450	69.32	65.14	60.96	56.78	52.60	48.42	44.24	40.06	35.88	31.70	25.01
2450	2550	78.12	73.94	69.76	65.58	61.40	57.22	53.04	48.86	44.68	40.50	36.32
2550	2650	86.92	82.74	78.56	74.38	70.20	66.02	61.84	57.66	53.48	49.30	45.12
2650	2750	95.72	91.54	87.36	83.18	79.00	74.82	70.64	66.46	62.28	58.10	53.92
2750	2850	105.51	101.33	97.15	92.97	88.79	84.61	80.43	76.25	72.07	67.89	63.71

2850 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 2800)

SINGLE PERSONS, DUAL INCOME MARRIED
OR MARRIED WITH MULTIPLE EMPLOYERS----SEMI-MONTHLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
		...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...										
\$1	\$300											
300	320	1.73										
320	340	1.95										
340	360	2.17										
360	380	2.39										
380	400	2.61										
400	420	2.83										
420	440	3.05										
440	460	3.27										
460	480	3.71										
480	500	4.15										
500	540	4.81	0.27									
540	580	5.69	1.15									
580	620	6.57	2.03									
620	660	7.45	2.91									
660	700	8.33	3.79									
700	740	9.21	4.67	0.12								
740	780	10.09	5.55	1.00								
780	820	10.97	6.43	1.88								
820	860	11.85	7.31	2.76								
860	900	13.24	8.69	4.15								
900	940	15.00	10.45	5.91	1.37							
940	980	16.76	12.21	7.67	3.13							
980	1020	18.52	13.97	9.43	4.89	0.34						
1020	1060	20.28	15.73	11.19	6.65	2.10						
1060	1100	22.04	17.49	12.95	8.41	3.86						
1100	1140	23.80	19.25	14.71	10.17	5.62	1.08					
1140	1180	25.56	21.01	16.47	11.93	7.38	2.84					
1180	1220	27.32	22.77	18.23	13.69	9.14	4.60	0.06				
1220	1260	29.08	24.53	19.99	15.45	10.90	6.36	1.82				
1260	1300	31.19	26.65	22.10	17.56	13.02	8.48	3.93				
1300	1340	33.83	29.29	24.74	20.20	15.66	11.12	6.57	2.03			
1340	1380	36.47	31.93	27.38	22.84	18.30	13.76	9.21	4.67	0.13		
1380	1420	39.11	34.57	30.02	25.48	20.94	16.40	11.85	7.31	2.77		
1420	1460	41.75	37.21	32.66	28.12	23.58	19.04	14.49	9.95	5.41	0.86	
1460	1500	44.39	39.85	35.30	30.76	26.22	21.68	17.13	12.59	8.05	3.50	
1500	1540	47.03	42.49	37.94	33.40	28.86	24.32	19.77	15.23	10.69	6.14	1.60
1540	1580	49.67	45.13	40.58	36.04	31.50	26.96	22.41	17.87	13.33	8.78	4.24
1580	1620	52.31	47.77	43.22	38.68	34.14	29.60	25.05	20.51	15.97	11.42	6.88
1620	1660	54.95	50.41	45.86	41.32	36.78	32.24	27.69	23.15	18.61	14.06	9.52
1660	1700	57.59	53.05	48.50	43.96	39.42	34.88	30.33	25.79	21.25	16.70	12.16
1700	1750	61.22	56.68	52.14	47.59	43.05	38.51	33.96	29.42	24.88	20.34	15.79
1750	1800	65.62	61.08	56.54	51.99	47.45	42.91	38.36	33.82	29.28	24.74	20.19
1800	1850	70.02	65.48	60.94	56.39	51.85	47.31	42.76	38.22	33.68	29.14	24.59
1850	1900	74.42	69.88	65.34	60.79	56.25	51.71	47.16	42.62	38.08	33.54	28.99
1900	1950	78.82	74.28	69.74	65.19	60.65	56.11	51.56	47.02	42.48	37.94	33.39
1950	2000	83.22	78.68	74.14	69.59	65.05	60.51	55.96	51.42	46.88	42.34	37.79
2000	2100	89.82	85.28	80.74	76.19	71.65	67.11	62.56	58.02	53.48	48.94	44.39
2100	2200	99.31	94.77	90.22	85.68	81.14	76.59	72.05	67.51	62.97	58.42	53.88
2200	2300	109.54	105.00	100.45	95.91	91.37	86.82	82.28	77.74	73.20	68.65	64.11
2300	2400	119.77	115.23	110.68	106.14	101.60	97.05	92.51	87.97	83.43	78.88	74.34

2400 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 2350)

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
\$1	\$300											
300	320	1.73										
320	340	1.95										
340	360	2.17										
360	380	2.39										
380	400	2.61										
400	420	2.83										
420	440	3.05										
440	460	3.27										
460	480	3.49										
480	500	3.71										
500	520	3.93										
520	540	4.15										
540	560	4.37										
560	580	4.59	0.04									
580	600	4.81	0.26									
600	620	5.03	0.48									
620	640	5.25	0.70									
640	660	5.47	0.92									
660	680	5.69	1.14									
680	700	5.91	1.36									
700	720	6.13	1.58									
720	740	6.35	1.80									
740	760	6.60	2.06									
760	780	7.04	2.50									
780	800	7.48	2.94									
800	820	7.92	3.38									
820	840	8.36	3.82									
840	860	8.80	4.26									
860	880	9.24	4.70									
880	900	9.68	5.14									
900	920	10.12	5.58									
920	940	10.56	6.02									
940	960	11.00	6.46									
960	980	11.44	6.90									
980	1000	11.88	7.34									
1000	1040	12.54	8.00	0.09								
1040	1080	13.42	8.88	0.97								
1080	1120	14.30	9.76	1.85								
1120	1160	15.18	10.64	2.73								
1160	1200	16.06	11.52	3.61								
1200	1240	16.94	12.40	4.49								
1240	1280	17.82	13.28	5.37	0.83							
1280	1320	18.70	14.16	6.25	1.71							
1320	1360	19.58	15.04	7.13	2.59							
1360	1400	20.46	15.92	8.01	3.47							
1400	1440	21.34	16.80	8.89	4.35							
1440	1480	22.22	17.68	9.77	5.23	0.69						
1480	1520	23.10	18.56	10.65	6.11	1.57						
1520	1560	23.98	19.44	11.53	6.99	2.45						
1560	1600	25.28	20.74	12.41	7.87	3.33						

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MARRIED PERSONS----SEMI-MONTHLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
1600	1640	27.04	22.50	13.29	8.75	4.21						
1640	1680	28.80	24.26	14.17	9.63	5.09	0.54					
1680	1720	30.56	26.02	15.05	10.51	5.97	1.42					
1720	1760	32.32	27.78	16.51	11.96	7.42	2.88					
1760	1800	34.08	29.54	18.27	13.72	9.18	4.64	0.10				
1800	1840	35.84	31.30	20.03	15.48	10.94	6.40	1.86				
1840	1880	37.60	33.06	21.79	17.24	12.70	8.16	3.62				
1880	1920	39.36	34.82	23.55	19.00	14.46	9.92	5.38	0.83			
1920	1960	41.12	36.58	25.31	20.76	16.22	11.68	7.14	2.59			
1960	2000	42.88	38.34	27.07	22.52	17.98	13.44	8.90	4.35			
2000	2040	44.64	40.10	28.83	24.28	19.74	15.20	10.66	6.11	1.57		
2040	2080	46.40	41.86	30.59	26.04	21.50	16.96	12.42	7.87	3.33		
2080	2120	48.16	43.62	32.35	27.80	23.26	18.72	14.18	9.63	5.09	0.55	
2120	2160	49.92	45.38	34.11	29.56	25.02	20.48	15.94	11.39	6.85	2.31	
2160	2200	51.68	47.14	35.87	31.32	26.78	22.24	17.70	13.15	8.61	4.07	
2200	2250	53.66	49.12	37.85	33.30	28.76	24.22	19.68	15.13	10.59	6.05	1.50
2250	2300	55.86	51.32	40.05	35.50	30.96	26.42	21.88	17.33	12.79	8.25	3.70
2300	2350	58.06	53.52	42.25	37.70	33.16	28.62	24.08	19.53	14.99	10.45	5.90
2350	2400	60.26	55.72	44.45	39.90	35.36	30.82	26.28	21.73	17.19	12.65	8.10
2400	2450	63.56	59.02	46.65	42.10	37.56	33.02	28.48	23.93	19.39	14.85	10.30
2450	2500	66.86	62.32	48.85	44.30	39.76	35.22	30.68	26.13	21.59	17.05	12.50
2500	2550	70.16	65.62	51.05	46.50	41.96	37.42	32.88	28.33	23.79	19.25	14.70
2550	2600	73.46	68.92	54.28	49.74	45.20	40.66	36.11	31.57	27.03	22.48	17.94
2600	2650	76.76	72.22	57.58	53.04	48.50	43.96	39.41	34.87	30.33	25.78	21.24
2650	2700	80.06	75.52	60.88	56.34	51.80	47.26	42.71	38.17	33.63	29.08	24.54
2700	2750	83.36	78.82	64.18	59.64	55.10	50.56	46.01	41.47	36.93	32.38	27.84
2750	2800	86.66	82.12	67.48	62.94	58.40	53.86	49.31	44.77	40.23	35.68	31.14
2800	2850	89.96	85.42	70.78	66.24	61.70	57.16	52.61	48.07	43.53	38.98	34.44
2850	2900	93.26	88.72	74.08	69.54	65.00	60.46	55.91	51.37	46.83	42.28	37.74
2900	2950	96.56	92.02	77.38	72.84	68.30	63.76	59.21	54.67	50.13	45.58	41.04
2950	3000	99.86	95.32	80.68	76.14	71.60	67.06	62.51	57.97	53.43	48.88	44.34
3000	3100	104.81	100.27	85.63	81.09	76.55	72.01	67.46	62.92	58.38	53.83	49.29
3100	3200	111.41	106.87	92.23	87.69	83.15	78.61	74.06	69.52	64.98	60.43	55.89
3200	3300	118.30	113.76	98.83	94.29	89.75	85.21	80.66	76.12	71.58	67.03	62.49
3300	3400	127.10	122.56	105.43	100.89	96.35	91.81	87.26	82.72	78.18	73.63	69.09
3400	3500	135.90	131.36	113.36	108.82	104.27	99.73	95.19	90.64	86.10	81.56	77.01
3500	3600	144.70	140.16	122.16	117.62	113.07	108.53	103.99	99.44	94.90	90.36	85.81
3600	3700	153.50	148.96	130.96	126.42	121.87	117.33	112.79	108.24	103.70	99.16	94.61
3700	3800	162.30	157.76	139.76	135.22	130.67	126.13	121.59	117.04	112.50	107.96	103.41
3800	3900	171.10	166.56	148.56	144.02	139.47	134.93	130.39	125.84	121.30	116.76	112.21
3900	4000	179.90	175.36	157.36	152.82	148.27	143.73	139.19	134.64	130.10	125.56	121.01
4000	4100	188.70	184.16	166.16	161.62	157.07	152.53	147.99	143.44	138.90	134.36	129.81
4100	4200	198.92	194.37	174.96	170.42	165.87	161.33	156.79	152.24	147.70	143.16	138.61
4200	4300	209.15	204.60	184.42	179.88	175.33	170.79	166.25	161.70	157.16	152.62	148.07
4300	4400	219.38	214.83	194.65	190.11	185.56	181.02	176.48	171.93	167.39	162.85	158.30

4400 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 4350)

UNMARRIED HEAD OF HOUSEHOLD----SEMI-MONTHLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE...

AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
		...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...										
\$1	\$600											
600	620	3.35										
620	640	3.57										
640	660	3.79										
660	680	4.01										
680	700	4.23										
700	720	4.45										
720	740	4.67	0.12									
740	760	4.89	0.34									
760	780	5.11	0.56									
780	800	5.33	0.78									
800	820	5.55	1.00									
820	840	5.77	1.22									
840	860	5.99	1.44									
860	880	6.21	1.66									
880	900	6.43	1.88									
900	940	6.98	2.43									
940	980	7.86	3.31									
980	1020	8.74	4.19									
1020	1060	9.62	5.07	0.53								
1060	1100	10.50	5.95	1.41								
1100	1140	11.38	6.83	2.29								
1140	1180	12.26	7.71	3.17								
1180	1220	13.14	8.59	4.05								
1220	1260	14.02	9.47	4.93	0.39							
1260	1300	14.90	10.35	5.81	1.27							
1300	1350	15.89	11.34	6.80	2.26							
1350	1400	16.99	12.44	7.90	3.36							
1400	1450	18.09	13.54	9.00	4.46							
1450	1500	19.19	14.64	10.10	5.56	1.02						
1500	1550	20.29	15.74	11.20	6.66	2.12						
1550	1600	21.39	16.84	12.30	7.76	3.22						
1600	1650	22.49	17.94	13.40	8.86	4.32						
1650	1700	23.59	19.04	14.50	9.96	5.42	0.87					
1700	1750	24.93	20.39	15.85	11.30	6.76	2.22					
1750	1800	27.13	22.59	18.05	13.50	8.96	4.42					
1800	1900	30.43	25.89	21.35	16.80	12.26	7.72	3.18				
1900	2000	34.83	30.29	25.75	21.20	16.66	12.12	7.58	3.03			
2000	2100	39.23	34.69	30.15	25.60	21.06	16.52	11.98	7.43	2.89		
2100	2200	44.30	39.75	35.21	30.67	26.12	21.58	17.04	12.50	7.95	3.41	
2200	2300	50.90	46.35	41.81	37.27	32.72	28.18	23.64	19.10	14.55	10.01	5.47
2300	2400	57.50	52.95	48.41	43.87	39.32	34.78	30.24	25.70	21.15	16.61	12.07
2400	2500	64.10	59.55	55.01	50.47	45.92	41.38	36.84	32.30	27.75	23.21	18.67
2500	2600	70.70	66.15	61.61	57.07	52.52	47.98	43.44	38.90	34.35	29.81	25.27
2600	2700	79.46	74.91	70.37	65.83	61.28	56.74	52.20	47.66	43.11	38.57	34.03
2700	2800	88.26	83.71	79.17	74.63	70.08	65.54	61.00	56.46	51.91	47.37	42.83
2800	2900	97.06	92.51	87.97	83.43	78.88	74.34	69.80	65.26	60.71	56.17	51.63
2900	3000	105.86	101.31	96.77	92.23	87.68	83.14	78.60	74.06	69.51	64.97	60.43
3000	3100	115.97	111.43	106.89	102.34	97.80	93.26	88.72	84.17	79.63	75.09	70.54
3100	3200	126.20	121.66	117.12	112.57	108.03	103.49	98.95	94.40	89.86	85.32	80.77
3200	3300	136.43	131.89	127.35	122.80	118.26	113.72	109.18	104.63	100.09	95.55	91.00

3300 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 3250)

SINGLE PERSONS, DUAL INCOME MARRIED
OR MARRIED WITH MULTIPLE EMPLOYERS----MONTHLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...											
		0	1	2	3	4	5	6	7	8	9	10 OR MORE	
\$1	\$600												
600	640	3.46											
640	680	3.90											
680	720	4.34											
720	760	4.78											
760	800	5.22											
800	840	5.66											
840	880	6.10											
880	920	6.54											
920	960	7.42											
960	1000	8.30											
1000	1050	9.29	0.20										
1050	1100	10.39	1.30										
1100	1150	11.49	2.40										
1150	1200	12.59	3.50										
1200	1250	13.69	4.60										
1250	1300	14.79	5.70										
1300	1350	15.89	6.80										
1350	1400	16.99	7.90										
1400	1450	18.09	9.00										
1450	1500	19.19	10.10	1.02									
1500	1600	20.84	11.75	2.67									
1600	1700	23.04	13.95	4.87									
1700	1800	26.03	16.95	7.86									
1800	1900	30.43	21.35	12.26	3.18								
1900	2000	34.83	25.75	16.66	7.58								
2000	2100	39.23	30.15	21.06	11.98	2.89							
2100	2200	43.63	34.55	25.46	16.38	7.29							
2200	2300	48.03	38.95	29.86	20.78	11.69	2.60						
2300	2400	52.43	43.35	34.26	25.18	16.09	7.00						
2400	2500	56.83	47.75	38.66	29.58	20.49	11.40	2.32					
2500	2600	61.72	52.63	43.55	34.46	25.38	16.29	7.20					
2600	2700	68.32	59.23	50.15	41.06	31.98	22.89	13.80	4.72				
2700	2800	74.92	65.83	56.75	47.66	38.58	29.49	20.40	11.32	2.23			
2800	2900	81.52	72.43	63.35	54.26	45.18	36.09	27.00	17.92	8.83			
2900	3000	88.12	79.03	69.95	60.86	51.78	42.69	33.60	24.52	15.43	6.35		
3000	3100	94.72	85.63	76.55	67.46	58.38	49.29	40.20	31.12	22.03	12.95	3.86	
3100	3200	101.32	92.23	83.15	74.06	64.98	55.89	46.80	37.72	28.63	19.55	10.46	
3200	3300	107.92	98.83	89.75	80.66	71.58	62.49	53.40	44.32	35.23	26.15	17.06	
3300	3400	114.52	105.43	96.35	87.26	78.18	69.09	60.00	50.92	41.83	32.75	23.66	
3400	3500	122.44	113.36	104.27	95.19	86.10	77.01	67.93	58.84	49.76	40.67	31.58	
3500	3600	131.24	122.16	113.07	103.99	94.90	85.81	76.73	67.64	58.56	49.47	40.38	
3600	3700	140.04	130.96	121.87	112.79	103.70	94.61	85.53	76.44	67.36	58.27	49.18	
3700	3800	148.84	139.76	130.67	121.59	112.50	103.41	94.33	85.24	76.16	67.07	57.98	
3800	3900	157.64	148.56	139.47	130.39	121.30	112.21	103.13	94.04	84.96	75.87	66.78	
3900	4000	166.44	157.36	148.27	139.19	130.10	121.01	111.93	102.84	93.76	84.67	75.58	
4000	4200	179.64	170.56	161.47	152.39	143.30	134.21	125.13	116.04	106.96	97.87	88.78	
4200	4400	198.62	189.53	180.45	171.36	162.28	153.19	144.10	135.02	125.93	116.85	107.76	
4400	4600	219.08	209.99	200.91	191.82	182.74	173.65	164.56	155.48	146.39	137.31	128.22	
4600	4800	239.54	230.45	221.37	212.28	203.20	194.11	185.02	175.94	166.85	157.77	148.68	
4800	5000	260.00	250.91	241.83	232.74	223.66	214.57	205.48	196.40	187.31	178.23	169.14	

5000 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 4900)

MARRIED PERSONS----MONTHLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
\$1	\$600											
600	640	3.46										
640	680	3.90										
680	720	4.34										
720	760	4.78										
760	800	5.22										
800	840	5.66										
840	880	6.10										
880	920	6.54										
920	960	6.98										
960	1000	7.42										
1000	1040	7.86										
1040	1080	8.30										
1080	1120	8.74										
1120	1160	9.18	0.09									
1160	1200	9.62	0.53									
1200	1240	10.06	0.97									
1240	1280	10.50	1.41									
1280	1320	10.94	1.85									
1320	1360	11.38	2.29									
1360	1400	11.82	2.73									
1400	1440	12.26	3.17									
1440	1480	12.70	3.61									
1480	1520	13.20	4.12									
1520	1560	14.08	5.00									
1560	1600	14.96	5.88									
1600	1640	15.84	6.76									
1640	1680	16.72	7.64									
1680	1720	17.60	8.52									
1720	1760	18.48	9.40									
1760	1800	19.36	10.28									
1800	1840	20.24	11.16									
1840	1880	21.12	12.04									
1880	1920	22.00	12.92									
1920	1960	22.88	13.80									
1960	2000	23.76	14.68									
2000	2040	24.64	15.56									
2040	2080	25.52	16.44	0.62								
2080	2140	26.62	17.54	1.72								
2140	2200	27.94	18.86	3.04								
2200	2260	29.26	20.18	4.36								
2260	2320	30.58	21.50	5.68								
2320	2380	31.90	22.82	7.00								
2380	2440	33.22	24.14	8.32								
2440	2500	34.54	25.46	9.64	0.56							
2500	2560	35.86	26.78	10.96	1.88							
2560	2620	37.18	28.10	12.28	3.20							
2620	2680	38.50	29.42	13.60	4.52							
2680	2740	39.82	30.74	14.92	5.84							
2740	2800	41.14	32.06	16.24	7.16							
2800	2860	42.46	33.38	17.56	8.48							

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MARRIED PERSONS----MONTHLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
		0	1	2	3	4	5	6	7	8	9	10 OR MORE		
2860	2920	43.78	34.70	18.88	9.80	0.71								
2920	2980	45.10	36.02	20.20	11.12	2.03								
2980	3040	46.42	37.34	21.52	12.44	3.35								
3040	3100	47.74	38.66	22.84	13.76	4.67								
3100	3160	49.24	40.16	24.16	15.08	5.99								
3160	3220	51.88	42.80	25.48	16.40	7.31								
3220	3280	54.52	45.44	26.80	17.72	8.63								
3280	3340	57.16	48.08	28.12	19.04	9.95	0.87							
3340	3400	59.80	50.72	29.44	20.36	11.27	2.19							
3400	3460	62.44	53.36	30.81	21.73	12.64	3.56							
3460	3520	65.08	56.00	33.45	24.37	15.28	6.20							
3520	3580	67.72	58.64	36.09	27.01	17.92	8.84							
3580	3640	70.36	61.28	38.73	29.65	20.56	11.48	2.39						
3640	3700	73.00	63.92	41.37	32.29	23.20	14.12	5.03						
3700	3800	76.52	67.44	44.89	35.81	26.72	17.64	8.55						
3800	3900	80.92	71.84	49.29	40.21	31.12	22.04	12.95	3.86					
3900	4000	85.32	76.24	53.69	44.61	35.52	26.44	17.35	8.26					
4000	4100	89.72	80.64	58.09	49.01	39.92	30.84	21.75	12.66	3.58				
4100	4200	94.12	85.04	62.49	53.41	44.32	35.24	26.15	17.06	7.98				
4200	4300	98.52	89.44	66.89	57.81	48.72	39.64	30.55	21.46	12.38	3.29			
4300	4400	102.92	93.84	71.29	62.21	53.12	44.04	34.95	25.86	16.78	7.69			
4400	4500	107.32	98.24	75.69	66.61	57.52	48.44	39.35	30.26	21.18	12.09	3.01		
4500	4600	111.72	102.64	80.09	71.01	61.92	52.84	43.75	34.66	25.58	16.49	7.41		
4600	4700	116.12	107.04	84.49	75.41	66.32	57.24	48.15	39.06	29.98	20.89	11.81		
4700	4800	120.53	111.44	88.89	79.81	70.72	61.64	52.55	43.46	34.38	25.29	16.21		
4800	4900	127.13	118.04	93.29	84.21	75.12	66.04	56.95	47.86	38.78	29.69	20.61		
4900	5000	133.73	124.64	97.69	88.61	79.52	70.44	61.35	52.26	43.18	34.09	25.01		
5000	5100	140.33	131.24	102.09	93.01	83.92	74.84	65.75	56.66	47.58	38.49	29.41		
5100	5200	146.93	137.84	108.57	99.48	90.40	81.31	72.23	63.14	54.05	44.97	35.88		
5200	5300	153.53	144.44	115.17	106.08	97.00	87.91	78.83	69.74	60.65	51.57	42.48		
5300	5400	160.13	151.04	121.77	112.68	103.60	94.51	85.43	76.34	67.25	58.17	49.08		
5400	5500	166.73	157.64	128.37	119.28	110.20	101.11	92.03	82.94	73.85	64.77	55.68		
5500	5600	173.33	164.24	134.97	125.88	116.80	107.71	98.63	89.54	80.45	71.37	62.28		
5600	5700	179.93	170.84	141.57	132.48	123.40	114.31	105.23	96.14	87.05	77.97	68.88		
5700	5800	186.53	177.44	148.17	139.08	130.00	120.91	111.83	102.74	93.65	84.57	75.48		
5800	5900	193.13	184.04	154.77	145.68	136.60	127.51	118.43	109.34	100.25	91.17	82.08		
5900	6000	199.73	190.64	161.37	152.28	143.20	134.11	125.03	115.94	106.85	97.77	88.68		
6000	6200	209.63	200.54	171.27	162.18	153.10	144.01	134.93	125.84	116.75	107.67	98.58		
6200	6400	222.83	213.74	184.47	175.38	166.30	157.21	148.13	139.04	129.95	120.87	111.78		
6400	6600	236.60	227.52	197.67	188.58	179.50	170.41	161.33	152.24	143.15	134.07	124.98		
6600	6800	254.20	245.12	210.87	201.78	192.70	183.61	174.53	165.44	156.35	147.27	138.18		
6800	7000	271.80	262.72	226.72	217.63	208.54	199.46	190.37	181.29	172.20	163.11	154.03		
7000	7200	289.40	280.32	244.32	235.23	226.14	217.06	207.97	198.89	189.80	180.71	171.63		
7200	7400	307.00	297.92	261.92	252.83	243.74	234.66	225.57	216.49	207.40	198.31	189.23		
7400	7600	324.60	315.52	279.52	270.43	261.34	252.26	243.17	234.09	225.00	215.91	206.83		
7600	7800	342.20	333.12	297.12	288.03	278.94	269.86	260.77	251.69	242.60	233.51	224.43		
7800	8000	359.80	350.72	314.72	305.63	296.54	287.46	278.37	269.29	260.20	251.11	242.03		
8000	8200	377.40	368.32	332.32	323.23	314.14	305.06	295.97	286.89	277.80	268.71	259.63		
8200	8400	397.84	388.75	349.92	340.83	331.74	322.66	313.57	304.49	295.40	286.31	277.23		
8400	8600	418.30	409.21	368.84	359.75	350.66	341.58	332.49	323.41	314.32	305.23	296.15		

8600 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 8500)

CALIFORNIA WITHHOLDING
SCHEDULES FOR 2011

UNMARRIED HEAD OF HOUSEHOLD----MONTHLY PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
\$1	1400											
1400	1450	8.95										
1450	1500	9.50	0.41									
1500	1550	10.05	0.96									
1550	1600	10.60	1.51									
1600	1650	11.15	2.06									
1650	1700	11.70	2.61									
1700	1750	12.25	3.16									
1750	1800	12.80	3.71									
1800	1850	13.63	4.54									
1850	1900	14.73	5.64									
1900	1950	15.83	6.74									
1950	2000	16.93	7.84									
2000	2050	18.03	8.94									
2050	2100	19.13	10.04	0.95								
2100	2150	20.23	11.14	2.05								
2150	2200	21.33	12.24	3.15								
2200	2250	22.43	13.34	4.25								
2250	2300	23.53	14.44	5.35								
2300	2350	24.63	15.54	6.45								
2350	2400	25.73	16.64	7.55								
2400	2450	26.83	17.74	8.65								
2450	2500	27.93	18.84	9.75	0.67							
2500	2600	29.58	20.49	11.40	2.32							
2600	2700	31.78	22.69	13.60	4.52							
2700	2800	33.98	24.89	15.80	6.72							
2800	2900	36.18	27.09	18.00	8.92							
2900	3000	38.38	29.29	20.20	11.12	2.03						
3000	3100	40.58	31.49	22.40	13.32	4.23						
3100	3200	42.78	33.69	24.60	15.52	6.43						
3200	3300	44.98	35.89	26.80	17.72	8.63						
3300	3400	47.18	38.09	29.00	19.92	10.83	1.75					
3400	3500	49.87	40.78	31.69	22.61	13.52	4.44					
3500	3600	54.27	45.18	36.09	27.01	17.92	8.84					
3600	3700	58.67	49.58	40.49	31.41	22.32	13.24	4.15				
3700	3800	63.07	53.98	44.89	35.81	26.72	17.64	8.55				
3800	3900	67.47	58.38	49.29	40.21	31.12	22.04	12.95	3.86			
3900	4000	71.87	62.78	53.69	44.61	35.52	26.44	17.35	8.26			
4000	4100	76.27	67.18	58.09	49.01	39.92	30.84	21.75	12.66	3.58		
4100	4200	80.67	71.58	62.49	53.41	44.32	35.24	26.15	17.06	7.98		
4200	4300	85.29	76.21	67.12	58.04	48.95	39.86	30.78	21.69	12.61	3.52	
4300	4500	95.19	86.11	77.02	67.94	58.85	49.76	40.68	31.59	22.51	13.42	4.33
4500	4700	108.39	99.31	90.22	81.14	72.05	62.96	53.88	44.79	35.71	26.62	17.53
4700	4900	121.59	112.51	103.42	94.34	85.25	76.16	67.08	57.99	48.91	39.82	30.73
4900	5100	134.79	125.71	116.62	107.54	98.45	89.36	80.28	71.19	62.11	53.02	43.93
5100	5300	150.11	141.03	131.94	122.85	113.77	104.68	95.60	86.51	77.42	68.34	59.25
5300	5500	167.71	158.63	149.54	140.45	131.37	122.28	113.20	104.11	95.02	85.94	76.85
5500	5700	185.31	176.23	167.14	158.05	148.97	139.88	130.80	121.71	112.62	103.54	94.45
5700	5900	202.91	193.83	184.74	175.65	166.57	157.48	148.40	139.31	130.22	121.14	112.05
5900	6100	221.72	212.63	203.55	194.46	185.37	176.29	167.20	158.12	149.03	139.94	130.86
6100	6300	242.18	233.09	224.01	214.92	205.83	196.75	187.66	178.58	169.49	160.40	151.32

6300 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 6200)

SINGLE PERSONS, DUAL INCOME MARRIED
OR MARRIED WITH MULTIPLE EMPLOYERS----DAILY / MISCELLANEOUS PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
\$1	\$28											
28	30	0.16										
30	32	0.19										
32	34	0.21										
34	36	0.23										
36	38	0.25										
38	40	0.27										
40	42	0.30										
42	44	0.34										
44	46	0.38										
46	48	0.43	0.01									
48	50	0.47	0.05									
50	54	0.54	0.12									
54	58	0.62	0.21									
58	62	0.71	0.29									
62	66	0.80	0.38									
66	70	0.89	0.47	0.05								
70	74	0.98	0.56	0.14								
74	78	1.06	0.65	0.23								
78	82	1.17	0.75	0.34								
82	86	1.35	0.93	0.51	0.09							
86	90	1.52	1.11	0.69	0.27							
90	94	1.70	1.28	0.86	0.45	0.03						
94	98	1.88	1.46	1.04	0.62	0.20						
98	102	2.05	1.63	1.22	0.80	0.38						
102	106	2.23	1.81	1.39	0.97	0.56	0.14					
106	110	2.40	1.99	1.57	1.15	0.73	0.31					
110	114	2.58	2.16	1.74	1.33	0.91	0.49	0.07				
114	118	2.76	2.34	1.92	1.50	1.08	0.67	0.25				
118	122	3.00	2.58	2.16	1.74	1.32	0.91	0.49	0.07			
122	126	3.26	2.84	2.42	2.01	1.59	1.17	0.75	0.33			
126	130	3.52	3.11	2.69	2.27	1.85	1.43	1.02	0.60	0.18		
130	135	3.82	3.40	2.98	2.57	2.15	1.73	1.31	0.89	0.48	0.06	
135	140	4.15	3.73	3.31	2.90	2.48	2.06	1.64	1.22	0.81	0.39	
140	145	4.48	4.06	3.64	3.23	2.81	2.39	1.97	1.55	1.14	0.72	0.30
145	150	4.81	4.39	3.97	3.56	3.14	2.72	2.30	1.88	1.47	1.05	0.63
150	155	5.14	4.72	4.30	3.89	3.47	3.05	2.63	2.21	1.80	1.38	0.96
155	160	5.50	5.08	4.66	4.25	3.83	3.41	2.99	2.57	2.16	1.74	1.32
160	165	5.94	5.52	5.10	4.69	4.27	3.85	3.43	3.01	2.60	2.18	1.76
165	170	6.38	5.96	5.54	5.13	4.71	4.29	3.87	3.45	3.04	2.62	2.20
170	175	6.82	6.40	5.98	5.57	5.15	4.73	4.31	3.89	3.48	3.06	2.64
175	180	7.26	6.84	6.42	6.01	5.59	5.17	4.75	4.33	3.92	3.50	3.08
180	185	7.70	7.28	6.86	6.45	6.03	5.61	5.19	4.77	4.36	3.94	3.52
185	190	8.14	7.72	7.30	6.89	6.47	6.05	5.63	5.21	4.80	4.38	3.96
190	200	8.81	8.40	7.98	7.56	7.14	6.72	6.31	5.89	5.47	5.05	4.63
200	210	9.84	9.42	9.00	8.58	8.16	7.75	7.33	6.91	6.49	6.07	5.66

210 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 205)

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
\$1	\$32											
32	34	0.21										
34	36	0.23										
36	38	0.25										
38	40	0.27										
40	42	0.30										
42	44	0.32										
44	46	0.34										
46	48	0.36										
48	50	0.38										
50	52	0.41										
52	54	0.43	0.01									
54	56	0.45	0.03									
56	58	0.47	0.05									
58	60	0.49	0.08									
60	62	0.52	0.10									
62	64	0.54	0.12									
64	66	0.56	0.14									
66	68	0.58	0.16									
68	70	0.60	0.19									
70	72	0.64	0.22									
72	74	0.68	0.26									
74	76	0.72	0.31									
76	78	0.77	0.35									
78	80	0.81	0.39									
80	82	0.86	0.44									
82	84	0.90	0.48									
84	86	0.94	0.53									
86	88	0.99	0.57									
88	90	1.03	0.61									
90	92	1.08	0.66									
92	94	1.12	0.70									
94	96	1.16	0.75	0.02								
96	98	1.21	0.79	0.06								
98	100	1.25	0.83	0.10								
100	102	1.30	0.88	0.15								
102	104	1.34	0.92	0.19								
104	106	1.38	0.97	0.24								
106	108	1.43	1.01	0.28								
108	110	1.47	1.05	0.32								
110	112	1.52	1.10	0.37								
112	114	1.56	1.14	0.41								
114	118	1.63	1.21	0.48	0.06							
118	122	1.71	1.30	0.57	0.15							
122	126	1.80	1.38	0.65	0.24							
126	130	1.89	1.47	0.74	0.32							
130	134	1.98	1.56	0.83	0.41							
134	138	2.07	1.65	0.92	0.50	0.08						
138	142	2.15	1.74	1.01	0.59	0.17						
142	146	2.24	1.82	1.09	0.68	0.26						
146	150	2.44	2.02	1.18	0.76	0.35						

--- CONTINUED NEXT PAGE ---

MARRIED PERSONS----DAILY / MISCELLANEOUS PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
150	154	2.61	2.19	1.27	0.85	0.43	0.02					
154	158	2.79	2.37	1.36	0.94	0.52	0.10					
158	162	2.96	2.55	1.51	1.09	0.67	0.25					
162	166	3.14	2.72	1.68	1.27	0.85	0.43	0.01				
166	170	3.32	2.90	1.86	1.44	1.02	0.61	0.19				
170	174	3.49	3.07	2.04	1.62	1.20	0.78	0.36				
174	178	3.67	3.25	2.21	1.79	1.38	0.96	0.54	0.12			
178	182	3.84	3.43	2.39	1.97	1.55	1.13	0.72	0.30			
182	186	4.02	3.60	2.56	2.15	1.73	1.31	0.89	0.47	0.06		
186	190	4.20	3.78	2.74	2.32	1.90	1.49	1.07	0.65	0.23		
190	195	4.39	3.98	2.94	2.52	2.10	1.68	1.27	0.85	0.43	0.01	
195	200	4.61	4.20	3.16	2.74	2.32	1.90	1.49	1.07	0.65	0.23	
200	205	4.83	4.42	3.38	2.96	2.54	2.12	1.71	1.29	0.87	0.45	0.03
205	210	5.05	4.64	3.60	3.18	2.76	2.34	1.93	1.51	1.09	0.67	0.25
210	215	5.27	4.86	3.82	3.40	2.98	2.56	2.15	1.73	1.31	0.89	0.47
215	220	5.49	5.08	4.04	3.62	3.20	2.78	2.37	1.95	1.53	1.11	0.69
220	225	5.83	5.42	4.26	3.84	3.42	3.00	2.59	2.17	1.75	1.33	0.91
225	230	6.16	5.75	4.48	4.06	3.64	3.22	2.81	2.39	1.97	1.55	1.13
230	235	6.49	6.08	4.70	4.28	3.86	3.44	3.03	2.61	2.19	1.77	1.35
235	240	6.82	6.41	5.06	4.64	4.22	3.80	3.38	2.97	2.55	2.13	1.71
240	245	7.15	6.74	5.39	4.97	4.55	4.13	3.71	3.30	2.88	2.46	2.04
245	250	7.48	7.07	5.72	5.30	4.88	4.46	4.04	3.63	3.21	2.79	2.37
250	255	7.81	7.40	6.05	5.63	5.21	4.79	4.37	3.96	3.54	3.12	2.70
255	260	8.14	7.73	6.38	5.96	5.54	5.12	4.70	4.29	3.87	3.45	3.03
260	265	8.47	8.06	6.71	6.29	5.87	5.45	5.03	4.62	4.20	3.78	3.36
265	270	8.80	8.39	7.04	6.62	6.20	5.78	5.36	4.95	4.53	4.11	3.69
270	280	9.30	8.88	7.53	7.11	6.69	6.28	5.86	5.44	5.02	4.60	4.19
280	290	9.96	9.54	8.19	7.77	7.35	6.94	6.52	6.10	5.68	5.26	4.85
290	300	10.62	10.20	8.85	8.43	8.01	7.60	7.18	6.76	6.34	5.92	5.51
300	310	11.28	10.86	9.51	9.09	8.67	8.26	7.84	7.42	7.00	6.58	6.17
310	320	12.16	11.74	10.08	9.66	9.24	8.82	8.40	7.99	7.57	7.15	6.73
320	330	13.04	12.62	10.96	10.54	10.12	9.70	9.28	8.87	8.45	8.03	7.61
330	340	13.92	13.50	11.84	11.42	11.00	10.58	10.16	9.75	9.33	8.91	8.49
340	350	14.80	14.38	12.72	12.30	11.88	11.46	11.04	10.63	10.21	9.79	9.37
350	360	15.68	15.26	13.60	13.18	12.76	12.34	11.92	11.51	11.09	10.67	10.25
360	370	16.56	16.14	14.48	14.06	13.64	13.22	12.80	12.39	11.97	11.55	11.13
370	380	17.54	17.12	15.36	14.94	14.52	14.10	13.68	13.27	12.85	12.43	12.01
380	390	18.56	18.14	16.24	15.82	15.40	14.98	14.56	14.15	13.73	13.31	12.89
390	400	19.58	19.16	17.30	16.88	16.47	16.05	15.63	15.21	14.79	14.38	13.96
400	410	20.61	20.19	18.32	17.91	17.49	17.07	16.65	16.23	15.82	15.40	14.98

410 and over

(Table Amount PLUS 10.23 Percent of the Amount Over 405)

UNMARRIED HEAD OF HOUSEHOLD----DAILY / MISCELLANEOUS PAYROLL PERIOD

FOR WAGES PAID IN 2011

IF WAGES ARE... AND THE NUMBER OF WITHHOLDING ALLOWANCES CLAIMED IS...

AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 OR MORE
...THE AMOUNT OF INCOME TAX TO BE WITHHELD SHALL BE...												
\$1	\$56											
56	58	0.32										
58	60	0.34										
60	62	0.36										
62	64	0.38										
64	66	0.40										
66	68	0.43	0.01									
68	70	0.45	0.03									
70	72	0.47	0.05									
72	74	0.49	0.07									
74	76	0.51	0.10									
76	78	0.54	0.12									
78	80	0.56	0.14									
80	82	0.58	0.16									
82	84	0.60	0.18									
84	86	0.64	0.23									
86	88	0.69	0.27									
88	90	0.73	0.31									
90	92	0.78	0.36									
92	94	0.82	0.40									
94	96	0.86	0.45	0.03								
96	100	0.93	0.51	0.09								
100	104	1.02	0.60	0.18								
104	108	1.11	0.69	0.27								
108	112	1.19	0.78	0.36								
112	116	1.28	0.86	0.45	0.03							
116	120	1.37	0.95	0.53	0.12							
120	125	1.47	1.05	0.63	0.21							
125	130	1.58	1.16	0.74	0.32							
130	135	1.69	1.27	0.85	0.43	0.02						
135	140	1.80	1.38	0.96	0.54	0.13						
140	145	1.91	1.49	1.07	0.65	0.24						
145	150	2.02	1.60	1.18	0.76	0.35						
150	155	2.13	1.71	1.29	0.87	0.46	0.04					
155	160	2.24	1.82	1.40	0.98	0.57	0.15					
160	165	2.44	2.02	1.61	1.19	0.77	0.35					
165	170	2.66	2.24	1.83	1.41	0.99	0.57	0.15				
170	175	2.88	2.46	2.05	1.63	1.21	0.79	0.37				
175	180	3.10	2.68	2.27	1.85	1.43	1.01	0.59	0.18			
180	185	3.32	2.90	2.49	2.07	1.65	1.23	0.81	0.40			
185	190	3.54	3.12	2.71	2.29	1.87	1.45	1.03	0.62	0.20		
190	200	3.87	3.45	3.04	2.62	2.20	1.78	1.36	0.95	0.53	0.11	
200	210	4.53	4.11	3.69	3.27	2.86	2.44	2.02	1.60	1.18	0.77	0.35
210	220	5.19	4.77	4.35	3.93	3.52	3.10	2.68	2.26	1.84	1.43	1.01
220	230	5.85	5.43	5.01	4.59	4.18	3.76	3.34	2.92	2.50	2.09	1.67
230	240	6.51	6.09	5.67	5.25	4.84	4.42	4.00	3.58	3.16	2.75	2.33
240	250	7.38	6.96	6.55	6.13	5.71	5.29	4.87	4.46	4.04	3.62	3.20
250	260	8.26	7.84	7.43	7.01	6.59	6.17	5.75	5.34	4.92	4.50	4.08
260	270	9.14	8.72	8.31	7.89	7.47	7.05	6.63	6.22	5.80	5.38	4.96
270	280	10.05	9.63	9.21	8.79	8.38	7.96	7.54	7.12	6.70	6.29	5.87
280	290	11.07	10.65	10.23	9.82	9.40	8.98	8.56	8.14	7.73	7.31	6.89
290	and over											

(Table Amount PLUS 10.23 Percent of the Amount Over 285)

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011

METHOD B - EXACT CALCULATION METHOD

This method is based upon applying a given percentage to the wages (after deductions) which fall within a taxable income class, adding to this product the accumulated tax for all lower tax brackets; and then subtracting a tax credit based upon the number of allowances claimed on the Employee's Withholding Allowance Certificate (Form W-4 or DE 4). **This method also takes into consideration the special treatment of additional allowances for estimated deductions.**

The steps in computing the amount of tax to be withheld are as follows:

- Step 1** Determine if the employee's gross wages are **less** than, or equal to, the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE." If so, no income tax is required to be withheld.
- Step 2** If the employee claims any additional withholding allowances for estimated deductions on a DE 4 form, subtract the amount shown in "TABLE 2 - ESTIMATED DEDUCTION TABLE" from the gross wages.
- Step 3** Subtract the standard deduction amount shown in "TABLE 3 - STANDARD DEDUCTION TABLE" to arrive at the employee's taxable income.
- Step 4** Use "TABLE 5 - TAX RATE TABLE" for the payroll period and marital status to find the applicable line on which the taxable income is located. Perform the indicated calculations to arrive at the computed tax liability.
- Step 5** Subtract the tax credit shown in "TABLE 4 - EXEMPTION ALLOWANCE TABLE"* from the computed tax liability to arrive at the amount of tax to be withheld.

* If the employee uses additional allowances claimed for estimated deductions, such allowances **MUST NOT** be used in the determination of tax credits to be subtracted.

EXAMPLE A: Weekly earnings of \$210.00, single, and claiming one withholding allowance on form W-4 or DE 4.

Step 1 Earnings for the weekly payroll period are LESS than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$234.00); therefore, no income tax is to be withheld.

EXAMPLE B: Biweekly earnings of \$1,250.00, married, and claiming three withholding allowances, one of which is for estimated deductions.

Step 1 Earnings for the biweekly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$937.00); therefore, income tax should be withheld.

Step 2	Earnings for biweekly payroll period.	\$1,250.00
	Subtract amount from "TABLE 2 - ESTIMATED DEDUCTION TABLE".	<u>-38.00</u>
	Salaries and wages subject to withholding.	<u>\$1,212.00</u>

Step 3	Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE".	<u>-282.00</u>
	Taxable income.	<u>\$930.00</u>

Step 4	Tax computation from "TABLE 5 - TAX RATE TABLE":	
	Entry covering \$930.00 (over \$548.00 but not over \$1,300.00).	
	• 2.2% amount over \$548.00 (.022 x (\$930.00 - 548.00)).	\$ 8.40
	• Plus the marginal amount.	<u>+6.03</u>
	• Computed tax.	<u><u>14.43</u></u>

Step 5	Subtract amount from "TABLE 4 - EXEMPTION ALLOWANCE TABLE" for two regular withholding allowances.	<u>-8.38</u>
	Net amount of tax to be withheld.	<u><u>\$ 6.05</u></u>

NOTE: Table 5 provides a method comparable to the federal alternative method for percentage calculation of withholding. This method is a minor simplification of the exact calculation method described above in that the tax rate applies to the total taxable income with the excess amount subtracted.

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011

METHOD B - EXACT CALCULATION METHOD (CONTINUED)

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011

EXAMPLE C: Monthly earnings of \$3,800.00, married, and claiming five withholding allowances on form W-4 or DE 4.

Step 1	Earnings for the monthly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$2,030.00); therefore, income tax should be withheld.	
	Earnings for monthly payroll period.	\$3,800.00
Step 2	Not applicable - no estimated deduction allowance claimed.	
Step 3	Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE".	<u>-612.00</u>
	Taxable income.	\$3,188.00
Step 4	Tax computation from "TABLE 5 - TAX RATE TABLE":	
	• Entry covering \$3,188.00 (over \$2,816.00 but not over \$4,444.00)	
	• 4.4% of amount over \$2,816.00 (.044 x (\$3,188.00 - \$2,816.00))	\$ 16.37
	• Plus marginal tax amount.	<u>+48.89</u>
	• Computed tax.	\$ 65.26
Step 5	Subtract amount from "TABLE 4 - EXEMPTION ALLOWANCE TABLE" for 5 regular withholding allowances.	<u>-45.38</u>
	Net amount of tax to be withheld.	<u>\$ 19.88</u>

EXAMPLE D: Weekly earnings of \$800.00, unmarried head of household, three withholding allowances on form W-4 or DE 4.

Step 1	Earnings for the weekly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$469.00); therefore, income tax should be withheld.	
	Earnings for weekly payroll period.	\$ 800.00
Step 2	Not applicable - no estimated deduction allowance claimed.	
Step 3	Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE".	<u>-141.00</u>
	Taxable income.	\$ 659.00
Step 4	Tax computation from "TABLE 5 - TAX RATE TABLE":	
	• Entry covering \$659.00 (over \$650.00 but not over \$837.00).	
	• 4.4% of amount over \$650.00 (.044 x (\$659.00 - \$650.00)).	\$ 0.40
	• Plus marginal tax amount.	<u>+11.28</u>
	• Computed tax.	\$ 11.68
Step 5	Subtract amount from "TABLE 4 - EXEMPTION ALLOWANCE TABLE" for 3 regular withholding allowances.	<u>-6.28</u>
	Net amount of tax to be withheld.	<u>\$ 5.40</u>

NOTE: Employers may determine the amount of income tax to be withheld for an annual payroll period and prorate the tax back to the payroll period. This method may be useful to employers who have employees being paid for more than one payroll period and want to conserve computer memory by storing only the annual tax rates, wage brackets, deduction values, and tax credits.

EXAMPLE E: Semi-monthly earnings of \$1,800.00, married, and claiming four allowances on form W-4 or DE 4.

Step 1	Earnings for the semi-monthly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$1,015.00); therefore, income tax should be withheld.	
	Annualized wages and salary (24 x \$1,800.00).	\$43,200.00
Step 2	Not applicable - no estimated deduction allowance claimed.	
Step 3	Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE".	<u>-7,340.00</u>
	Taxable income.	\$35,860.00
Step 4	Tax computation from "TABLE 5 - TAX RATE TABLE":	
	• Entry covering \$35,860.00(over \$33,780.00 but not over \$53,314.00)	
	• 4.4% of amount over \$33,780.00 (.044 x (\$35,860.00 - \$33,780.00)).	\$ 91.52
	• Plus marginal tax amount.	<u>+586.43</u>
	• Computed annual tax.	\$ 677.95
Step 5	Subtract amount from "TABLE 4 - EXEMPTION ALLOWANCE TABLE" for 4 regular withholding allowances.	<u>-435.60</u>
	Annual amount of tax to be withheld.	\$ 242.35
	Divide by number of payroll periods in year (24).	<u>\$ 10.10</u>

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011

METHOD B - EXACT CALCULATION METHOD (CONTINUED)

NOTE: Employers may determine the amount of income tax to be withheld for an annual payroll period and figure the tax for the payroll period. This method may be useful to employers who have employees being paid for a lump sum, or a yearly amount not withheld on; and want to conserve computer memory by storing only the annual tax rates, wage brackets, deduction values, and tax credits.

EXAMPLE F: Annual earnings of \$45,000.00, monthly pay period, married, and claiming four allowances on form W-4 or DE 4.

Step 1	Earnings for the annual payroll period are GREATER than the amount shown in "TABLE 1 – LOW INCOME EXEMPTION TABLE" (\$24,364.00); therefore, income tax should be withheld.	
	Annualized wages and/or monthly salary (12 x \$3,750.00).	\$45,000.00
Step 2	Not applicable - no estimated deduction allowance claimed.	
Step 3	Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE".	<u>-7,340.00</u>
	Taxable income.	\$37,660.00
Step 4	Tax computation from "TABLE 5 - TAX RATE TABLE":	
	• Entry covering \$37,660.00(over \$33,780.00 but not over \$53,314.00)	
	• 4.4% of amount over \$33,780.00 (.044 x (\$37,660.00 - \$33,780.00)).	\$ 170.72
	• Plus marginal tax amount.	<u>+586.43</u>
	• Computed annual tax.	\$ 757.15
Step 5	Subtract amount from "TABLE 4 - EXEMPTION ALLOWANCE TABLE" for 4 regular withholding allowances.	<u>-435.60</u>
	Annual amount of tax to be withheld.	\$ 321.55
	(Divide by number of payroll periods in year (12)).	<u>\$ 26.80</u>

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011
METHOD B---EXACT CALCULATION METHOD

TABLE 1 - LOW INCOME EXEMPTION TABLE

PAYROLL PERIOD	SINGLE, DUAL INCOME MARRIED OR MARRIED WITH MULTIPLE EMPLOYEE ^F	MARRIED		UNMARRIED HEAD OF HOUSEHOLD
		ALLOWANCES ON DE 4 OR W-4		
		'0' OR '1'	'2' OR MORE	
WEEKLY	\$234	\$234	\$469	\$469
BIWEEKLY	\$469	\$469	\$937	\$937
SEMI-MONTHLY	\$508	\$508	\$1,015	\$1,015
MONTHLY	\$1,015	\$1,015	\$2,030	\$2,030
QUARTERLY	\$3,046	\$3,046	\$6,091	\$6,091
SEMI-ANNUAL	\$6,091	\$6,091	\$12,182	\$12,182
ANNUAL	\$12,182	\$12,182	\$24,364	\$24,364
DAILY/MISCELLANEOUS	\$47	\$47	\$94	\$94

TABLE 2 - ESTIMATED DEDUCTION TABLE

ADDITIONAL WITHHOLDING ALLOWANCES *	PAYROLL PERIOD							
	WEEKLY	BI- WEEKLY	SEMI- MONTHLY	MONTHLY	QUARTERLY	SEMI- ANNUAL	ANNUAL	DAILY/ MISC.
1	\$19	\$38	\$42	\$83	\$250	\$500	\$1,000	\$4
2	\$38	\$77	\$83	\$167	\$500	\$1,000	\$2,000	\$8
3	\$58	\$115	\$125	\$250	\$750	\$1,500	\$3,000	\$12
4	\$77	\$154	\$167	\$333	\$1,000	\$2,000	\$4,000	\$15
5	\$96	\$192	\$208	\$417	\$1,250	\$2,500	\$5,000	\$19
6	\$115	\$231	\$250	\$500	\$1,500	\$3,000	\$6,000	\$23
7	\$135	\$269	\$292	\$583	\$1,750	\$3,500	\$7,000	\$27
8	\$154	\$308	\$333	\$667	\$2,000	\$4,000	\$8,000	\$31
9	\$173	\$346	\$375	\$750	\$2,250	\$4,500	\$9,000	\$35
10**	\$192	\$385	\$417	\$833	\$2,500	\$5,000	\$10,000	\$38

* Number of Additional Withholding Allowances for Estimated Deductions claimed on Form DE 4 or W-4.

** If the number of Additional Withholding Allowances for Estimated Deductions claimed is greater than 10, multiply the amount shown for one Additional Allowance by the number claimed.

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011
METHOD B---EXACT CALCULATION METHOD

TABLE 3 - STANDARD DEDUCTION TABLE

PAYROLL PERIOD	SINGLE, DUAL INCOME MARRIED OR MARRIED WITH MULTIPLE EMPLOYERS	MARRIED		UNMARRIED HEAD OF HOUSEHOLD
		ALLOWANCES ON DE 4 OR W-4		
		'0' OR '1'	'2' OR MORE	
WEEKLY	\$71	\$71	\$141	\$141
BIWEEKLY	\$141	\$141	\$282	\$282
SEMI-MONTHLY	\$153	\$153	\$306	\$306
MONTHLY	\$306	\$306	\$612	\$612
QUARTERLY	\$918	\$918	\$1,835	\$1,835
SEMI-ANNUAL	\$1,835	\$1,835	\$3,670	\$3,670
ANNUAL	\$3,670	\$3,670	\$7,340	\$7,340
DAILY/MISCELLANEOUS	\$14	\$14	\$28	\$28

TABLE 4 - EXEMPTION ALLOWANCE TABLE

ALLOWANCES ON DE 4 OR W-4	PAYROLL PERIOD							
	WEEKLY	BI- WEEKLY	SEMI- MONTHLY	MONTHLY	QUARTERLY	SEMI- ANNUAL	ANNUAL	DAILY/ MISC.
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1	\$2.09	\$4.19	\$4.54	\$9.08	\$27.23	\$54.45	\$108.90	\$0.42
2	\$4.19	\$8.38	\$9.08	\$18.15	\$54.45	\$108.90	\$217.80	\$0.84
3	\$6.28	\$12.57	\$13.61	\$27.23	\$81.68	\$163.35	\$326.70	\$1.26
4	\$8.38	\$16.75	\$18.15	\$36.30	\$108.90	\$217.80	\$435.60	\$1.68
5	\$10.47	\$20.94	\$22.69	\$45.38	\$136.13	\$272.25	\$544.50	\$2.09
6	\$12.57	\$25.13	\$27.23	\$54.45	\$163.35	\$326.70	\$653.40	\$2.51
7	\$14.66	\$29.32	\$31.76	\$63.53	\$190.58	\$381.15	\$762.30	\$2.93
8	\$16.75	\$33.51	\$36.30	\$72.60	\$217.80	\$435.60	\$871.20	\$3.35
9	\$18.85	\$37.70	\$40.84	\$81.68	\$245.03	\$490.05	\$980.10	\$3.77
10*	\$20.94	\$41.88	\$45.38	\$90.75	\$272.25	\$544.50	\$1,089.00	\$4.19

* If the number of allowances claimed exceeds 10, you may determine the amount of tax credit to be allowed by multiplying the amount for one allowance by the total number of allowances.

For example, the amount of tax credit for a married taxpayer with 15 allowances, as determined on Form DE 4 or W-4, on a payroll period would be \$31.35.

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011
METHOD B---EXACT CALCULATION METHOD

TABLE 5 - TAX RATE TABLE

ANNUAL PAYROLL PERIOD

SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

IF THE TAXABLE
INCOME IS...

THE COMPUTED TAX IS...

OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$7,124 ...	1.100%	\$0	\$0.00
\$7,124	\$16,890 ...	2.200%	\$7,124	\$78.36
\$16,890	\$26,657 ...	4.400%	\$16,890	\$293.21
\$26,657	\$37,005 ...	6.600%	\$26,657	\$722.96
\$37,005	\$46,766 ...	8.800%	\$37,005	\$1,405.93
\$46,766	\$1,000,000 ...	10.230%	\$46,766	\$2,264.90
\$1,000,000	and over	11.330%	\$1,000,000	\$99,780.74

MARRIED PERSONS

IF THE TAXABLE
INCOME IS...

THE COMPUTED TAX IS...

OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$14,248 ...	1.100%	\$0	\$0.00
\$14,248	\$33,780 ...	2.200%	\$14,248	\$156.73
\$33,780	\$53,314 ...	4.400%	\$33,780	\$586.43
\$53,314	\$74,010 ...	6.600%	\$53,314	\$1,445.93
\$74,010	\$93,532 ...	8.800%	\$74,010	\$2,811.87
\$93,532	\$1,000,000 ...	10.230%	\$93,532	\$4,529.81
\$1,000,000	and over	11.330%	\$1,000,000	\$97,261.49

UNMARRIED/HEAD OF HOUSEHOLD

IF THE TAXABLE
INCOME IS...

THE COMPUTED TAX IS...

OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$14,257 ...	1.100%	\$0	\$0.00
\$14,257	\$33,780 ...	2.200%	\$14,257	\$156.83
\$33,780	\$43,545 ...	4.400%	\$33,780	\$586.34
\$43,545	\$53,893 ...	6.600%	\$43,545	\$1,016.00
\$53,893	\$63,657 ...	8.800%	\$53,893	\$1,698.97
\$63,657	\$1,000,000 ...	10.230%	\$63,657	\$2,558.20
\$1,000,000	and over	11.330%	\$1,000,000	\$98,346.09

DAILY / MISCELLANEOUS PAYROLL PERIOD

SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

IF THE TAXABLE
INCOME IS...

THE COMPUTED TAX IS...

OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$27 ...	1.100%	\$0	\$0.00
\$27	\$65 ...	2.200%	\$27	\$0.30
\$65	\$103 ...	4.400%	\$65	\$1.14
\$103	\$142 ...	6.600%	\$103	\$2.81
\$142	\$180 ...	8.800%	\$142	\$5.38
\$180	\$3,846 ...	10.230%	\$180	\$8.72
\$3,846	and over	11.330%	\$3,846	\$383.75

MARRIED PERSONS

IF THE TAXABLE
INCOME IS...

THE COMPUTED TAX IS...

OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$54 ...	1.100%	\$0	\$0.00
\$54	\$130 ...	2.200%	\$54	\$0.59
\$130	\$206 ...	4.400%	\$130	\$2.26
\$206	\$284 ...	6.600%	\$206	\$5.60
\$284	\$360 ...	8.800%	\$284	\$10.75
\$360	\$3,846 ...	10.230%	\$360	\$17.44
\$3,846	and over	11.330%	\$3,846	\$374.06

UNMARRIED/HEAD OF HOUSEHOLD

IF THE TAXABLE
INCOME IS...

THE COMPUTED TAX IS...

OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$55 ...	1.100%	\$0	\$0.00
\$55	\$130 ...	2.200%	\$55	\$0.61
\$130	\$167 ...	4.400%	\$130	\$2.26
\$167	\$207 ...	6.600%	\$167	\$3.89
\$207	\$245 ...	8.800%	\$207	\$6.53
\$245	\$3,846 ...	10.230%	\$245	\$9.87
\$3,846	and over	11.330%	\$3,846	\$378.25

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011
METHOD B---EXACT CALCULATION METHOD

TABLE 5 - TAX RATE TABLE

QUARTERLY PAYROLL PERIOD
SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$1,781 ...	1.100%	\$0	\$0.00
\$1,781	\$4,223 ...	2.200%	\$1,781	\$19.59
\$4,223	\$6,664 ...	4.400%	\$4,223	\$73.31
\$6,664	\$9,251 ...	6.600%	\$6,664	\$180.71
\$9,251	\$11,692 ...	8.800%	\$9,251	\$351.45
\$11,692	\$249,999 ...	10.230%	\$11,692	\$566.26
\$249,999	and over	11.330%	\$249,999	\$24,945.07

MARRIED PERSONS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$3,562 ...	1.100%	\$0	\$0.00
\$3,562	\$8,446 ...	2.200%	\$3,562	\$39.18
\$8,446	\$13,328 ...	4.400%	\$8,446	\$146.63
\$13,328	\$18,502 ...	6.600%	\$13,328	\$361.44
\$18,502	\$23,384 ...	8.800%	\$18,502	\$702.92
\$23,384	\$249,999 ...	10.230%	\$23,384	\$1,132.54
\$249,999	and over	11.330%	\$249,999	\$24,315.25

UNMARRIED/HEAD OF HOUSEHOLD

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$3,564 ...	1.100%	\$0	\$0.00
\$3,564	\$8,445 ...	2.200%	\$3,564	\$39.20
\$8,445	\$10,886 ...	4.400%	\$8,445	\$146.58
\$10,886	\$13,473 ...	6.600%	\$10,886	\$253.98
\$13,473	\$15,914 ...	8.800%	\$13,473	\$424.72
\$15,914	\$249,999 ...	10.230%	\$15,914	\$639.53
\$249,999	and over	11.330%	\$249,999	\$24,586.43

SEMI-ANNUAL PAYROLL PERIOD
SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$3,562 ...	1.100%	\$0	\$0.00
\$3,562	\$8,446 ...	2.200%	\$3,562	\$39.18
\$8,446	\$13,328 ...	4.400%	\$8,446	\$146.63
\$13,328	\$18,502 ...	6.600%	\$13,328	\$361.44
\$18,502	\$23,384 ...	8.800%	\$18,502	\$702.92
\$23,384	\$499,998 ...	10.230%	\$23,384	\$1,132.54
\$499,998	and over	11.330%	\$499,998	\$49,890.15

MARRIED PERSONS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$7,124 ...	1.100%	\$0	\$0.00
\$7,124	\$16,892 ...	2.200%	\$7,124	\$78.36
\$16,892	\$26,656 ...	4.400%	\$16,892	\$293.26
\$26,656	\$37,004 ...	6.600%	\$26,656	\$722.88
\$37,004	\$46,768 ...	8.800%	\$37,004	\$1,405.85
\$46,768	\$499,998 ...	10.230%	\$46,768	\$2,265.08
\$499,998	and over	11.330%	\$499,998	\$48,630.51

UNMARRIED/HEAD OF HOUSEHOLD

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$7,128 ...	1.100%	\$0	\$0.00
\$7,128	\$16,890 ...	2.200%	\$7,128	\$78.41
\$16,890	\$21,772 ...	4.400%	\$16,890	\$293.17
\$21,772	\$26,946 ...	6.600%	\$21,772	\$507.98
\$26,946	\$31,828 ...	8.800%	\$26,946	\$849.46
\$31,828	\$499,998 ...	10.230%	\$31,828	\$1,279.08
\$499,998	and over	11.330%	\$499,998	\$49,172.87

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011
METHOD B---EXACT CALCULATION METHOD

TABLE 5 - TAX RATE TABLE

SEMI-MONTHLY PAYROLL PERIOD

SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$297 ...	1.100%	\$0	\$0.00
\$297	\$704 ...	2.200%	\$297	\$3.27
\$704	\$1,111 ...	4.400%	\$704	\$12.22
\$1,111	\$1,542 ...	6.600%	\$1,111	\$30.13
\$1,542	\$1,949 ...	8.800%	\$1,542	\$58.58
\$1,949	\$41,667 ...	10.230%	\$1,949	\$94.40
\$41,667	and over	11.330%	\$41,667	\$4,157.55

MONTHLY PAYROLL PERIOD

SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$594 ...	1.100%	\$0	\$0.00
\$594	\$1,408 ...	2.200%	\$594	\$6.53
\$1,408	\$2,222 ...	4.400%	\$1,408	\$24.44
\$2,222	\$3,084 ...	6.600%	\$2,222	\$60.26
\$3,084	\$3,898 ...	8.800%	\$3,084	\$117.15
\$3,898	\$83,334 ...	10.230%	\$3,898	\$188.78
\$83,334	and over	11.330%	\$83,334	\$8,315.08

MARRIED PERSONS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$594 ...	1.100%	\$0	\$0.00
\$594	\$1,408 ...	2.200%	\$594	\$6.53
\$1,408	\$2,222 ...	4.400%	\$1,408	\$24.44
\$2,222	\$3,084 ...	6.600%	\$2,222	\$60.26
\$3,084	\$3,898 ...	8.800%	\$3,084	\$117.15
\$3,898	\$41,667 ...	10.230%	\$3,898	\$188.78
\$41,667	and over	11.330%	\$41,667	\$4,052.55

MARRIED PERSONS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$1,188 ...	1.100%	\$0	\$0.00
\$1,188	\$2,816 ...	2.200%	\$1,188	\$13.07
\$2,816	\$4,444 ...	4.400%	\$2,816	\$48.89
\$4,444	\$6,168 ...	6.600%	\$4,444	\$120.52
\$6,168	\$7,796 ...	8.800%	\$6,168	\$234.30
\$7,796	\$83,334 ...	10.230%	\$7,796	\$377.56
\$83,334	and over	11.330%	\$83,334	\$8,105.10

UNMARRIED/HEAD OF HOUSEHOLD

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$594 ...	1.100%	\$0	\$0.00
\$594	\$1,408 ...	2.200%	\$594	\$6.53
\$1,408	\$1,814 ...	4.400%	\$1,408	\$24.44
\$1,814	\$2,246 ...	6.600%	\$1,814	\$42.30
\$2,246	\$2,652 ...	8.800%	\$2,246	\$70.81
\$2,652	\$41,667 ...	10.230%	\$2,652	\$106.54
\$41,667	and over	11.330%	\$41,667	\$4,097.77

UNMARRIED/HEAD OF HOUSEHOLD

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$1,188 ...	1.100%	\$0	\$0.00
\$1,188	\$2,816 ...	2.200%	\$1,188	\$13.07
\$2,816	\$3,628 ...	4.400%	\$2,816	\$48.89
\$3,628	\$4,492 ...	6.600%	\$3,628	\$84.62
\$4,492	\$5,304 ...	8.800%	\$4,492	\$141.64
\$5,304	\$83,334 ...	10.230%	\$5,304	\$213.10
\$83,334	and over	11.330%	\$83,334	\$8,195.57

CALIFORNIA WITHHOLDING SCHEDULES FOR 2011
METHOD B---EXACT CALCULATION METHOD

TABLE 5 - TAX RATE TABLE

WEEKLY PAYROLL PERIOD

SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$137 ...	1.100%	\$0	\$0.00
\$137	\$325 ...	2.200%	\$137	\$1.51
\$325	\$513 ...	4.400%	\$325	\$5.65
\$513	\$712 ...	6.600%	\$513	\$13.92
\$712	\$899 ...	8.800%	\$712	\$27.05
\$899	\$19,231 ...	10.230%	\$899	\$43.51
\$19,231	and over	11.330%	\$19,231	\$1,918.87

BIWEEKLY PAYROLL PERIOD

SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$274 ...	1.100%	\$0	\$0.00
\$274	\$650 ...	2.200%	\$274	\$3.01
\$650	\$1,026 ...	4.400%	\$650	\$11.28
\$1,026	\$1,424 ...	6.600%	\$1,026	\$27.82
\$1,424	\$1,798 ...	8.800%	\$1,424	\$54.09
\$1,798	\$38,462 ...	10.230%	\$1,798	\$87.00
\$38,462	and over	11.330%	\$38,462	\$3,837.73

MARRIED PERSONS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$274 ...	1.100%	\$0	\$0.00
\$274	\$650 ...	2.200%	\$274	\$3.01
\$650	\$1,026 ...	4.400%	\$650	\$11.28
\$1,026	\$1,424 ...	6.600%	\$1,026	\$27.82
\$1,424	\$1,798 ...	8.800%	\$1,424	\$54.09
\$1,798	\$19,231 ...	10.230%	\$1,798	\$87.00
\$19,231	and over	11.330%	\$19,231	\$1,870.40

MARRIED PERSONS

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$548 ...	1.100%	\$0	\$0.00
\$548	\$1,300 ...	2.200%	\$548	\$6.03
\$1,300	\$2,052 ...	4.400%	\$1,300	\$22.57
\$2,052	\$2,848 ...	6.600%	\$2,052	\$55.66
\$2,848	\$3,596 ...	8.800%	\$2,848	\$108.20
\$3,596	\$38,462 ...	10.230%	\$3,596	\$174.02
\$38,462	and over	11.330%	\$38,462	\$3,740.81

UNMARRIED/HEAD OF HOUSEHOLD

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$274 ...	1.100%	\$0	\$0.00
\$274	\$650 ...	2.200%	\$274	\$3.01
\$650	\$837 ...	4.400%	\$650	\$11.28
\$837	\$1,036 ...	6.600%	\$837	\$19.51
\$1,036	\$1,224 ...	8.800%	\$1,036	\$32.64
\$1,224	\$19,231 ...	10.230%	\$1,224	\$49.18
\$19,231	and over	11.330%	\$19,231	\$1,891.30

UNMARRIED/HEAD OF HOUSEHOLD

IF THE TAXABLE INCOME IS...		THE COMPUTED TAX IS...		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$548 ...	1.100%	\$0	\$0.00
\$548	\$1,300 ...	2.200%	\$548	\$6.03
\$1,300	\$1,674 ...	4.400%	\$1,300	\$22.57
\$1,674	\$2,072 ...	6.600%	\$1,674	\$39.03
\$2,072	\$2,448 ...	8.800%	\$2,072	\$65.30
\$2,448	\$38,462 ...	10.230%	\$2,448	\$98.39
\$38,462	and over	11.330%	\$38,462	\$3,782.62

REQUIRED FORMS

Under California law, you are required to report specific information periodically or upon notification or request. Timely filing of the required forms will avoid penalty and interest charges. In addition, it will enable the Employment Development Department (EDD) to pay Unemployment Insurance, State Disability Insurance, and Paid Family Leave benefits. Timely filing also assists the California Department of Child Support Services and the Department of Justice in the collection of delinquent child support obligations.

The required reporting forms are:

- *Report of New Employee(s)* (DE 34)
- *Report of Independent Contractor(s)* (DE 542)
- *Payroll Tax Deposit* (DE 88)
- *Quarterly Contribution Return and Report of Wages* (DE 9)
- *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C)

Registered employers automatically receive the forms by mail. New employers receive the required reporting forms by mail after they register with EDD and obtain their eight-digit employer account number. Please use the forms mailed to you. If you do not have a form, you can obtain blank forms and detailed instructions by accessing EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm or calling our Taxpayer Assistance Center at (888) 745-3886. You may also file and pay online using EDD's Expanded e-Services for Business at <https://eddservices.edd.ca.gov>. If you are not able to obtain the forms by the delinquency date, you may file an informal report. Detailed instructions on completing informal reports are explained later in this chapter under the topic "Filing an Informal Report."

When sending payments to EDD, always include your EDD employer account number and make checks/money orders **payable to** the "Employment Development Department."

REMEMBER:

- Use black ink only.
- Print or type the information. If printing, stay within the boxes.
- Include the cents on your wage and tax reports. Do not round to the nearest dollar or use dashes.
- Make sure your eight-digit employer account number appears on your tax forms, tax payments and any correspondence you send to the EDD.
- Note the correct calendar quarter on your tax forms and tax payments.
- Remove all stubs and vouchers from your checks.
- Do not use staples, paper clips, or tape.
- Do not use highlighters.
- Do not alter preprinted information.

Use the preprinted envelope provided by EDD. If you do not have a preprinted envelope, send your form and payment to:

Employment Development Department
P.O. Box 826276
Sacramento, CA 94230-6276

The information on the following pages explains the **purpose** of the required reporting forms, **how to obtain** the forms, and the **due dates**. If you need to make **adjustments** to a previous deposit, refer to page 77.

Subscribe to EDD's free e-mail subscription services
www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

REPORT OF NEW EMPLOYEE(S) (DE 34)

Purpose: All employers are required to report new employees to the New Employee Registry (NER). The NER assists California's Department of Child Support Services and Department of Justice in locating parents to collect delinquent child support payments. Employers must also report the actual start-of-work date (not the date hired) for each newly hired employee so that the NER data can be cross-matched to the Unemployment Insurance (UI) benefit payment file. This will result in the early detection and prevention of UI benefit overpayments.

Filing Options for Reporting New Employees

The following options are available to report new employees:

1. File online at <https://eddservices.edd.ca.gov>. It's fast, easy, and secure.
2. Obtain DE 34 forms from EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de34.pdf.
3. Order DE 34 forms by contacting our Taxpayer Assistance Center at (916) 657-0529 or (888) 745-3886.

When Due: You must report all newly hired employees **within 20 days** of the start-of-work date. If an employee returns to work after a layoff or leave of absence and is required to complete a new IRS *Employee's Withholding Allowance Certificate* (Form W-4), you must report the employee as a new hire. If the returning employee was not formally terminated or removed from payroll records, you do not need to report the employee as a new hire.

The following information must be included when reporting new employees:

Employer Information	Employee Information
<ul style="list-style-type: none"> • EDD employer account number • Federal Employer Identification Number (FEIN) • Business name • Business address • Business telephone number • Contact person 	<ul style="list-style-type: none"> • First name, middle initial, and last name • Social security number • Home address • Start-of-work date

Refer to sample DE 34 form on page 70.

Filing an Informal Report

If you are not able to obtain a DE 34 by the due date, file an informal report or a copy of the employee's Form W-4 to avoid penalty and interest charges. Your informal report must include all the information listed in the table above.

Mail or fax your new employee information to:

**Employment Development Department
Document Management Group, MIC 96
P.O. Box 997016
West Sacramento, CA 95799-7016
Fax: (916) 319-4400**

If you are reporting a large number of new employees, we encourage you to send the information electronically. Multistate employers who report new hires electronically may select one state in which they have employees to report all of their new hires.

You can file online from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>. It's fast, easy, and secure. **IF YOU FILE ELECTRONICALLY, DO NOT FILE A PAPER DE 34.** For additional information on electronic filing, contact the:

**Employment Development Department
e-File & Child Support Group, MIC 15A
P.O. Box 826880
Sacramento, CA 94280-0001
Telephone: (916) 651-6945**

Registered employers may report new employees using EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>.

FOR ILLUSTRATIVE PURPOSES ONLY



REPORT OF NEW EMPLOYEE(S)
 See detailed instructions on page 2. Please type or print.
 NOTE: Report new employees within 20 days of start-of-work date.



00340600



DATE	CA EMPLOYER ACCOUNT NO.	BRANCH CODE	FEDERAL ID NO.
031011	00000000		XXXXXXXXXX

BUSINESS NAME	CONTACT PERSON	TELEPHONE NO.
EMPLOYER CITY STORE	JANE JONES	(123) 555-7899

ADDRESS	STREET	CITY	STATE	ZIP
123 MAIN STREET, ANYTOWN, CA 12345				

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME	UNIT/APT
CINDY	V	SMITH	
SOCIAL SECURITY NO.	STREET NO.	STREET NAME	UNIT/APT
000000000	222	MAPLE STREET	
CITY	STATE	ZIP	START-OF-WORK DATE
ANYTOWN	CA	12345	022611

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME	UNIT/APT
SOCIAL SECURITY NO.	STREET NO.	STREET NAME	UNIT/APT
CITY	STATE	ZIP	START-OF-WORK DATE

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME	UNIT/APT
SOCIAL SECURITY NO.	STREET NO.	STREET NAME	UNIT/APT
CITY	STATE	ZIP	START-OF-WORK DATE

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME	UNIT/APT
SOCIAL SECURITY NO.	STREET NO.	STREET NAME	UNIT/APT
CITY	STATE	ZIP	START-OF-WORK DATE

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME	UNIT/APT
SOCIAL SECURITY NO.	STREET NO.	STREET NAME	UNIT/APT
CITY	STATE	ZIP	START-OF-WORK DATE

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME	UNIT/APT
SOCIAL SECURITY NO.	STREET NO.	STREET NAME	UNIT/APT
CITY	STATE	ZIP	START-OF-WORK DATE

REQUIRED FORMS

REPORT OF INDEPENDENT CONTRACTOR(S) (DE 542)

Overview

Purpose: Any business or government entity that is required to file a federal Form 1099-MISC for personal services performed must also report specific information to EDD regarding any independent contractor providing services to you or your business. The independent contractor information assists California's Department of Child Support Services and Department of Justice in locating parents for the purpose of collecting delinquent child support. An independent contractor is an individual who is not a common law or statutory employee of a business/government entity for California purposes and who receives compensation for or executes a contract for services performed for a business/government entity, either in or outside of California.

Filing Options for Reporting Independent Contractors:

1. File online at <https://eddservices.edd.ca.gov>. It's fast, easy, and secure.
2. Obtain DE 542 forms from EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de542.pdf.
3. Order DE 542 forms by contacting our Taxpayer Assistance Center at (916) 657-0529 or (888) 745-3886.

When Due: Independent contractor information must be reported to EDD **within 20 days** of either making payments totaling \$600 or more, or entering into a contract for \$600 or more with an independent contractor in any calendar year, whichever occurs first. This is in addition to your requirement to report the total annual payments to the Internal Revenue Service on a Form 1099-MISC after the close of the calendar year.

The following information must be included when reporting independent contractors:

Business or Government Entity (Service-Recipient) Information	Independent Contractor (Service-Provider) Information
<ul style="list-style-type: none">• Federal Employer Identification Number (FEIN)• EDD employer account number• Social security number (if no FEIN number or EDD employer account number)• Business or government entity name, address, and telephone number	<ul style="list-style-type: none">• First name, middle initial, and last name (<i>do not use company name</i>)• Social security number (<i>do not use FEIN</i>)• Address• Start date of contract• Amount of contract (including cents)• Contract expiration date or check box if the contract is ongoing

Refer to sample DE 542 form on page 72.

Filing an Informal Report

If you are not able to obtain a DE 542 form by the due date, you may file an informal report to avoid penalty and interest charges. Your informal report must include all the information listed in the table above.

Mail or fax your independent contractor information to:

**Employment Development Department
Document Management Group, MIC 96
P.O. Box 997350
Sacramento, CA 95899-7350**

Fax: (916) 319-4410

If you are reporting a large number of independent contractors, we encourage you to send the information electronically. You can file online from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>. **IF YOU FILE ELECTRONICALLY, DO NOT FILE A PAPER DE 34.** For additional information on electronic filing, contact the:

**Employment Development Department
e-File & Child Support Group, MIC 15A
P.O. Box 826880
Sacramento, CA 94280-0001**

Telephone: (916) 651-6945

FOR ILLUSTRATIVE PURPOSES ONLY



**REPORT OF
INDEPENDENT CONTRACTOR(S)**



05420101

See detailed instructions on reverse side. Please type or print.

SERVICE-RECIPIENT (BUSINESS OR GOVERNMENT ENTITY):

DATE 031011	FEDERAL ID NO. XXXXXXXXXX	CA EMPLOYER ACCOUNT NO. 00000000	SOCIAL SECURITY NO.
SERVICE-RECIPIENT NAME / BUSINESS NAME EMPLOYER CITY STORE		CONTACT PERSON JANE JONES	
ADDRESS 123 MAIN STREEET		TELEPHONE NO. 123 555-7899	
CITY ANYTOWN		STATE CA	ZIP 12345

SERVICE-PROVIDER (INDEPENDENT CONTRACTOR):

FIRST NAME FRED	MI Z	LAST NAME HILL	
SOCIAL SECURITY NO. 000000000	STREET NO. 421	STREET NAME OAK AVENUE	UNIT/APT
CITY ANYTOWN	STATE CA	ZIP 12345	
START DATE OF CONTRACT 040311 <small>M M D D Y Y</small>	AMOUNT OF CONTRACT 1000.00	CONTRACT EXPIRATION DATE 063011 <small>M M D D Y Y</small>	CHECK HERE IF CONTRACT IS ONGOING

FIRST NAME	MI	LAST NAME	
SOCIAL SECURITY NO.	STREET NO.	STREET NAME	UNIT/APT
CITY	STATE	ZIP	
START DATE OF CONTRACT	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE	CHECK HERE IF CONTRACT IS ONGOING

FIRST NAME	MI	LAST NAME	
SOCIAL SECURITY NO.	STREET NO.	STREET NAME	UNIT/APT
CITY	STATE	ZIP	
START DATE OF CONTRACT	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE	CHECK HERE IF CONTRACT IS ONGOING

DE 542 Rev. 4 (9-09) (INTERNET) MAIL TO: Employment Development Department • P.O. Box 997350, MIC 96 • Sacramento, CA 95899-7350

or Fax to (916) 319-4410

Page 1 of 2



Fast, Easy, and Convenient!
Visit EDD's Web site at www.edd.ca.gov

REQUIRED FORMS

PAYROLL TAX DEPOSIT (DE 88)

Overview

Purpose: The *Payroll Tax Deposit* (DE 88) coupon is used to report and pay Unemployment Insurance (UI), Employment Training Tax (ETT), State Disability Insurance (SDI) withholding, and Personal Income Tax (PIT) withholding to EDD.

Filing Options: By March of each year, a DE 88 coupon booklet with preprinted payroll tax rates is mailed to you. Preprinted envelopes are also sent with each DE 88 booklet. Newly registered employers are sent a DE 88 booklet containing preprinted coupons about six weeks after registering with EDD. The following are other options available for making your DE 88 payments:

Make payments through various online options from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>. It's fast, easy, and secure.

1. Obtain DE 88 coupons (DE 88ALL) from EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de88all.pdf.
2. Order DE 88 coupons from our Taxpayer Assistance Center at (916) 657-0529 or (888) 745-3886.
3. Use the tear-out reorder postcard at the back of your DE 88 booklet. Allow six to eight weeks for delivery. If you do not have a reorder postcard, contact:

**Employment Development Department
Document Management Group, MIC 96
Attention: Forms Request Desk
P.O. Box 826880
Sacramento CA 94280-0001**

**Telephone: (916) 654-7041 or (888) 745-3886
Outside U.S. or Canada call (916) 464-3502**

To obtain blank DE 88 coupons (DE 88ALL), access EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de88all.pdf. Detailed instructions on completing a DE 88 coupon can be found in the DE 88 coupon booklet or refer to the DE 88ALL-I (instructions) at www.edd.ca.gov/pdf_pub_ctr/de88alli.pdf. Simple instructions on how to complete items 1, 2, 3, and 4 on the DE 88/DE 88ALL coupon are available at www.edd.ca.gov/pdf_pub_ctr/de88allsi.pdf. If you have questions about completing your DE 88 coupon, please contact our Taxpayer Assistance Center at (916) 657-0529 or (888) 745-3886.

PLEASE DO NOT USE ANOTHER EMPLOYER'S DE 88 COUPON. The coupons we provide you are encoded with your EDD eight-digit employer account number. If you use another employer's coupon, our computers will read the EDD employer account number coded on the coupon and apply the payment accordingly.

When Due: If you do not withhold PIT or if accumulated PIT withholdings are less than \$350, taxes (UI, ETT, SDI, and PIT) are due each quarter on January 1, April 1, July 1, and October 1. If your PIT withholdings are \$350 or more, your SDI and PIT will need to be deposited more often. For additional information, refer to page 75.

NOTE: Sample forms were completed using 2010 rates. Refer to inside cover for 2011 rates.

FOR ILLUSTRATIVE PURPOSES ONLY

Sample DE 88 Form

PAYROLL TAX DEPOSIT DE 88ALL		(TYPE OR PRINT IN BLACK INK ONLY)																																																	
		1. PAY DATE: MUST BE COMPLETED 0 3 3 1 1 1 (Last PAY DATE covered by deposit)																																																	
P O BOX 826276 SACRAMENTO, CA 94230-6276 Employer Name: JAMES AND JANE JONES Employer DBA: EMPLOYER CITY STORE Indicate your Account Number here; Please enter on your check 0 0 0 0 0 0 0		2. DEPOSIT SCHEDULE: (MUST MARK ONE BOX) NEXT BANKING DAY <input type="checkbox"/> A) 3.4% UI SEMI-WEEKLY <input type="checkbox"/> B) .1% ETT MONTHLY <input type="checkbox"/> C) 1.1% SDI QUARTERLY <input checked="" type="checkbox"/> D) California PIT E) Penalty F) Interest G) TOTAL PAID \$																																																	
EMPLOYMENT DEVELOPMENT DEPARTMENT 01880698		4. DEPOSIT AMOUNTS: <table border="1"> <tr> <td></td> <td>2</td> <td>3</td> <td>8</td> <td>0</td> <td>0</td> </tr> <tr> <td></td> <td></td> <td>7</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td></td> <td></td> <td>9</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td></td> <td></td> <td>3</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>6</td> <td>3</td> <td>5</td> <td>0</td> </tr> </table>			2	3	8	0	0			7	0	0	0			9	0	0	0			3	0	0	0																					6	3	5	0
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PREPARER'S SIGNATURE X Jan Jones		TELEPHONE NO. (123) 555-7899																																																	
DEPARTMENT USE ONLY		PAY THIS AMOUNT TOTAL LINES A THROUGH F. DO NOT FOLD OR STAPLE. Make check payable to EDD.																																																	

REQUIRED FORMS

PAYROLL TAX DEPOSIT (DE 88) (cont.)

Withholding Deposits

All tax payments must be submitted with a properly completed *Payroll Tax Deposit* (DE 88/DE 88ALL) coupon unless payments are made using one of the various electronic payment options available from EDD's Expanded e-Services for Business Web site at <https://eddservices.edd.ca.gov>. Although employer contributions of UI and ETT are due quarterly, withholdings from employees' wages for SDI and California PIT may need to be deposited more often. State Disability Insurance (SDI) and California Personal Income Tax (PIT) deposit due dates are based on each employer's federal deposit schedule/requirement and the amount of accumulated PIT the employer has withheld. Details are provided below and in the table on page 75. For information on federal deposit schedules, download IRS' *Employer's Tax Guide* (Publication 15, Circular E) from the IRS Web site at www.irs.gov or contact the IRS at (800) 829-3676. A **penalty of ten percent (10%) plus interest** will be charged on late payroll tax payments. The postmark date is used to determine the timeliness of tax payments submitted by mail.

Mail all tax payments with *Payroll Tax Deposit* (DE 88/DE 88ALL) to:

**Employment Development Department
P.O. Box 826276
Sacramento, CA 94230-6276**

Please write your EDD eight-digit employer account number on your check or money order, and make payable to the Employment Development Department.

CALIFORNIA DEPOSIT REQUIREMENTS

CALIFORNIA DEPOSIT SCHEDULE	REQUIREMENT DEFINITION
Next Banking Day	<p>You are required to make Next Banking Day SDI and PIT deposits if you are required to make federal Next Banking Day deposits AND you accumulate more than \$500* in California PIT during one or more payroll periods. If you accumulate \$350-\$500 in PIT during one or more pay period, refer to Monthly requirements below.*</p> <p>The Next Banking Day deposit schedule requires deposits to be made by the next banking day. Banking days do not include Saturdays, Sundays, and legal holidays.</p>
Semi-weekly	<p>You are required to make Semi-weekly SDI and PIT deposits if you are required to make federal Semi-weekly deposits AND you accumulate more than \$500* in California PIT during one or more payroll periods. If you accumulate \$350-\$500 in PIT during one or more pay periods, refer to Monthly requirements below.*</p> <p>The Semi-weekly deposit schedule requires deposits for paydays on Wednesday, Thursday, and Friday to be made by the following Wednesday. For paydays on Saturday, Sunday, Monday, or Tuesday, deposits must be made by the following Friday.</p> <p>Semi-weekly depositors always have three banking days after the end of the semi-weekly period to make a deposit. If any of the three banking days after the end of the semi-weekly period is a legal holiday, you will have an additional business day to make your deposit.</p>
Monthly	<p>You are required to make Monthly SDI and PIT deposits if you are required to make federal Annual, Quarterly, or Monthly deposits AND you accumulate \$350 or more in California PIT during one or more months of a quarter.</p> <p>Monthly deposits are due by the 15th day of the following month. If the 15th is a Saturday, Sunday, or legal holiday, the last timely date would be the next business day.</p> <p>You are required to make Monthly SDI and PIT deposits if you are required to make federal Semi-weekly or Next Banking Day deposits and you accumulate \$350-\$500* in California PIT during one or more months of a quarter.</p>
Quarterly	<p>Quarterly tax payments are due and delinquent on the same dates as the <i>Quarterly Contribution Return and Report of Wages (Continuation)</i> (DE 9C). (Refer to monthly deposit schedule if you are a quarterly depositor but accumulate \$350 or more in California PIT during one or more months of the quarter.)</p> <p>Employer contributions for UI and ETT are due Quarterly. However, they may be submitted more often with any required SDI and PIT deposits.</p>

*California PIT deposit threshold may be adjusted annually.

PAYROLL TAX DEPOSIT (DE 88) (cont.)

WITHHOLDING DEPOSITS

California Deposit Requirements				
If Your Federal Deposit Schedule/ Requirement Is ¹	And You Have Accumulated State PIT Withholding of	If Payday Is	PIT and SDI Deposit Due By ²	California "Deposit Schedule" box to mark on the DE 88/DE 88ALL
Next Banking Day	Less than \$350	Any day	Quarterly ³	Quarterly
	\$350 to \$500	Any day	15 th of the following month	Monthly
	More than \$500	Any day	Next Banking Day	Next Banking Day
Semi-weekly	Less than \$350	Any day	Quarterly ³	Quarterly
	\$350 to \$500	Any day	15 th of the following month	Monthly
	More than \$500	Wed., Thurs., or Fri.	Following Wednesday ⁷	Semi-weekly
	More than \$500	Sat., Sun., Mon., or Tues.	Following Friday ⁷	Semi-weekly
Monthly	Less than \$350	Any day	Quarterly ³	Quarterly
	\$350 or more	Any day	15 th of the following month	Monthly
Quarterly ^{4,5} or Annually ⁶	Less than \$350	Any day	May 2, 2011 August 1, 2011 October 31, 2011 January 31, 2012	Quarterly
			\$350 or more	Any day

REQUIRED FORMS

NOTE:

- ¹ Electronic payment transactions for Next Banking Day deposits must be settled* in the State's bank account on or before the third banking day following the payroll date. *Refer to page 123 for a definition of settlement date.
- ² If the due date falls on a Saturday, Sunday, or legal holiday, the due date is extended to the next business day. For example, if a deposit is due on Friday, but Friday is a holiday, the deposit due date is extended to the following Monday.
- ³ If you have accumulated less than \$350 of PIT and choose to make an additional deposit before the quarterly due date, designate the "DEPOSIT SCHEDULE" as QUARTERLY on your DE 88 coupon.
- ⁴ If you are not required to follow one of the above federal deposit schedules/requirements, you are still required to make California payroll tax deposits of accumulated SDI deductions and PIT withholding quarterly or more often based on the guidelines in this table.
- ⁵ A deposit of employer UI and ETT taxes not previously paid is also due each quarter by the due dates shown.
- ⁶ If your federal deposit requirement is annually, you are required to make California payroll tax deposits quarterly or monthly based on the guidelines in this table.
- ⁷ The transition period of the semi-weekly schedule allows employers to make deposit in any of the three business days following the last pay date. If any of the transition period days is a legal holiday, the employer is given an extra business day to make the deposit.

REMINDERS:

- Once you make a Next Banking Day deposit to IRS, your Federal Deposit Schedule automatically becomes semi-weekly for the remainder of that calendar year and all of the following year.
- Semi-weekly depositors always have three banking days after the end of the semi-weekly period to make a deposit. If any of the three weekdays after the end of a semi-weekly period is a holiday, you will have one additional banking day to deposit.
- Credit card transactions do not satisfy mandatory EFT requirements for SDI and PIT deposits. To ensure your DE 88 credit card payment is timely, you must use the same due dates as shown on the Withholding Deposits schedule above.
- Electronic payment transactions for quarterly deposits must settle into the State's bank account on or before the banking day following the last timely date. (Refer to page 76) for the timely settlement dates. Please go to EDD's Web site at <https://eddservices.edd.ca.gov> for additional information regarding various electronic payment options.

PAYROLL TAX DEPOSIT (DE 88) (cont.)

Due Dates for Quarterly Tax Deposits

Using a Payroll Tax Deposit (DE 88) Coupon

Mail your tax payments with a DE 88 to EDD. Complete all sections on your DE 88 so that your deposit can be applied correctly to your account. Please **use** the preprinted DE 88 coupons and envelopes mailed to you. When your payroll tax deposits are mailed to EDD, the postmark date is used to determine timeliness. Penalty and interest **are charged** on late deposits. If you mail your DE 88 coupon or use EDD's Expanded e-Services for Business, the filing due dates and delinquency dates for 2011 quarterly payroll tax deposits are:

Reporting Period	Filing Due Date	Delinquent If Not Paid By
January, February, March	April 1, 2011	May 2, 2011
April, May, June	July 1, 2011	August 1, 2011
July, August, September	October 1, 2011	October 31, 2011
October, November, December	January 1, 2012	January 31, 2012

Using Expanded e-Services for Business Payment Options

Expanded e-Services for Business payment transactions for quarterly UI, ETT, SDI and PIT payments must settle in the State's bank account on or before the timely settlement date. Please refer to the last column in the chart below for specific settlement dates.

2011 Quarterly Payment Chart

Reporting Period	Taxes Due	Last Timely Date (initiate on or before)	Timely Settlement Date
January, February, March	April 1, 2011	May 2, 2011	May 3, 2011
April, May, June	July 1, 2011	August 1, 2011	August 2, 2011
July, August, September	October 1, 2011	October 31, 2011	November 1, 2011
October, November, December	January 1, 2012	January 31, 2012	February 1, 2012

To ensure timely settlement of your electronic payments, please note:

- Expanded e-Services for Business payments are processed immediately and must be reported by 3:00 p.m. Pacific Time to ensure a timely settlement date.
- An EFT ACH **debit** transactions must be reported by 3 p.m. Pacific Time, on or before the last timely date to ensure a timely settlement date.
- EFT Automated Clearing House (ACH) **credit** transactions are processed based on individual bank requirements. Ask your bank what day you should report your payment to ensure a timely settlement date.

Late Deposit, Penalty, and Interest

When your tax payments are mailed to EDD, the postmark date is used to determine timeliness. When tax payments are remitted electronically, the settlement date is used to determine timeliness. If the last timely filing date falls on a Saturday, Sunday, or legal holiday, the next business day is considered to be the last timely date. A **penalty of ten percent plus interest will be** charged on late payroll tax payments. If you are late sending your payment, you can use the same DE 88 coupon to pay the penalty and interest. Please refer to your *Payroll Tax Deposit (DE 88)* coupon booklet for instructions on how to calculate late penalty and interest or contact our Taxpayer Assistance Center at (888) 745-3886 for assistance. The interest rate is reestablished every six months.

To avoid erroneous penalty and interest on late deposits, be sure your DE 88 is properly completed. It must include your EDD eight-digit employer account number, business name, address, telephone number, pay date, deposit schedule, quarter to which the deposit applies, and the dollar amount to be applied to each payroll tax (UI, ETT, SDI, and PIT). Your check or money order should also include your business name and EDD employer account number. Please use the preprinted DE 88 envelope to mail your DE 88 and payment to EDD. If you do not have a DE 88 coupon, it is not "good cause" for filing or paying your taxes late. To obtain a blank DE 88, go to EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de88all.pdf.

NOTE: If you **do not** make timely payments, you will receive a *Statement of Account* (DE 2176) that provides details of the delinquent balance due. If the delinquency is not paid, a tax lien may be issued. If a tax lien is issued, it will be recorded at the county recorder's office. Tax lien information is a matter of public record after it is recorded.

www.edd.ca.gov

Taxpayer Assistance Center (888) 745-3886

PAYROLL TAX DEPOSIT (DE 88) (cont.)

Penalty for Failure to Deposit Payroll Taxes

Employers are required to withhold payroll taxes and send them to EDD. Any person or employer who fails to do this, even by mistake, can be charged with a misdemeanor. If convicted, the person or employer can be fined up to \$1,000 or sentenced to jail for up to one year, or both, at the discretion of the court.

Filing an Informal Report

If you are not able to locate a *Payroll Tax Deposit* (DE 88) coupon by the due date, use the form available on EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de88all.pdf and then request replacement coupons by contacting our Taxpayer Assistance Center at (888) 745-3886. **Do not use DE 88 coupons from another business** as the account information is embedded in the scan line at the bottom of the coupon, and that account may be credited with your deposit. This may result in penalty and interest being established on your account.

If a DE 88 coupon cannot be obtained prior to the delinquency date, file an informal report to avoid penalty and interest charges. An informal DE 88 should include the following:

- Owner name
- EDD eight-digit employer account number
- Business name
- Business address
- Business phone number
- Pay date (the date payroll was issued to employees, not the date you prepare the DE 88 form)
- UI tax (if end of quarter payment)
- ETT (if end of quarter payment)
- SDI withheld
- PIT withheld
- Quarter covered (year and quarter that wages were paid)
- Deposit schedule (Next Banking Day, Semi-weekly, Monthly, Quarterly, or Annually)

Sign and mail the informal report with any payment due to:

**Employment Development Department
P.O. Box 826276
Sacramento, CA 94230-6276**

REQUIRED FORMS

Correcting Payroll Tax Deposits

Use the following chart to determine when you should notify EDD of any deposit adjustments:

	Reason for Adjustment		How to Make an Adjustment	Form to Use
Correcting Payroll Tax Deposits (DE 88) Coupon	Overpaid	UI, ETT, SDI, and/or PIT on a DE 88 prior to filing your Quarterly Contribution Return and Report of Wages (DE 9).	On the next DE 88 (for the same calendar quarter), reduce the amount of taxes due by the amount of the overpayment. Do not show credits on the DE 88.	DE 88 (DO NOT USE A DE 9ADJ.)
	Overpaid	UI, ETT, SDI, and/or PIT on a DE 88 prior to filing your DE 9 , and you cannot reduce the overpayment on your next deposit within the quarter.	Claim refund on Line J when you file your DE 9.	File DE 9 at the end of the quarter. (DO NOT USE A DE 9ADJ.)

The *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ) is available online at www.edd.ca.gov/pdf_pub_ctr/de9adj.pdf.

Learn more about payroll taxes through our seminars and online courses
www.edd.ca.gov/Payroll_Tax_Seminars/

PAYROLL TAX DEPOSIT (DE 88) (cont.)

Correcting Payroll Tax Deposits (cont.)

Correcting Payroll Tax Deposits (DE 88) Coupon (cont.)	Reason for Adjustment		How to Make an Adjustment	Form to Use
	Over-withheld	PIT and: <ul style="list-style-type: none"> DE 9 was filed. Form W-2 was issued to the employee. 		DO NOT: <ul style="list-style-type: none"> Refund PIT overwithholding to the employee, Change the California PIT withholding amount shown on the Form W-2, or File a claim for refund with EDD. The employee will receive a credit for the PIT overwithholding when filing a California State income tax return with the Franchise Tax Board (FTB)
Underpaid	UI, ETT, SDI, and/or PIT prior to filing your DE 9		File a DE 88 and pay the amount due, including penalty and interest. Indicate the payroll date on the DE 88.	DE 88 (DO NOT USE A DE 9ADJ)
Overpaid/Underpaid	Provided incorrect UI, ETT, SDI, and/or PIT information on DE 9.		File a DE 9ADJ with correct information. NOTE: If taxes are due, send a payment for tax amount plus penalty and interest, if any, with the DE 9ADJ.	Complete the DE 9ADJ, Sections I, II, and III, with the correct information.
Allocated the wrong amounts to specific funds on a DE 88.		DO NOT ADJUST; EDD will make the necessary adjustments at the end of the quarter when your DE 9 is filed.		No form required.

When **written permission** is obtained from an employee, you are authorized to adjust any over or underwithholding of California PIT from the employee, if the adjustment is made within the same calendar year and before IRS Form W-2 is issued. You should obtain a receipt from the employee whenever a credit adjustment or repayment of overwithheld tax is made.

Overwithheld SDI and/or California PIT must be credited or refunded to your employee **before** you can take a credit or receive a refund from EDD. This overpayment can be adjusted in one of the following ways:

- If you have issued an IRS Form W-2 to the employee, you **cannot** adjust any overwithholding of PIT reported. The employee will receive credit for any overwithholding when he/she files a California State income tax return with FTB.
- If you have issued IRS Form W-2 showing the wrong amount, you must issue an IRS *Corrected Wage and Tax Statement* (Form W-2C) to the employee. **DO NOT** send the State copy of the IRS Form W-2C to EDD or FTB.

NOTE: A claim for credit or refund must be filed within three years of the delinquent date for the quarter being adjusted.

Correcting Payroll Tax Deposits Made by Electronic Funds Transfer (EFT)	Reason for Adjustment		How to Make an Adjustment	Form to Use
	Overpaid	UI, ETT, SDI, and/or PIT via Electronic Funds Transfer (EFT) prior to filing your DE 9.		On your next EFT transaction for the same calendar quarter, reduce the amount of taxes due by the amount of the overpayment. Do not show the credit on the EFT transaction.
Underpaid	UI, ETT, SDI, and/or PIT via EFT prior to filing your DE 9.		Initiate two separate EFT transactions, one for the delinquent fund(s) and another for the calculated penalty and interest amount. Indicate the delinquent quarter.	EFT transaction*

***Mandatory EFT filers are subject to noncompliance penalty if an SDI/PIT deposit is paid by check with a DE 88 coupon.**

NOTE: If you overpaid or underpaid a UI, ETT, SDI, or PIT after filing your DE 9, refer to the tables on "Correcting Payroll Tax Deposits" on pages 77 and 78.

REQUIRED FORMS

QUARTERLY CONTRIBUTION RETURN AND REPORT OF WAGES (DE 9)

Several exciting and important payroll tax reporting changes will take place beginning with the first quarter of 2011. The *Annual Reconciliation Statement* (DE 7) will be eliminated for the tax year 2011. California employers will file the **NEW Quarterly Contribution Return and Report of Wages** (DE 9) to report contributions due each quarter. In addition to the DE 9, employers will file a *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) in place of the *Quarterly Wage and Withholding Report* (DE 6). Refer to pages 80 and 83 for samples of the forms.

NOTE: DE 7 must be filed for the year 2010 and will be considered delinquent if not postmarked by January 31, 2011.

Overview

Purpose: Each quarter, you are required to complete a *Quarterly Contribution Return and Report of Wages* (DE 9). It is used to reconcile your payroll tax payments and the total subject wages you reported for the quarter.

When Due: January 1, April 1, July 1, and October 1 each year (refer to the table on page 5 for last timely filing dates). **You must file a DE 9 each quarter even if you paid no wages during the quarter.**

Filing Options:

A DE 9 form is mailed to you in March, June, September, and December each year. You can also:

- File online at <https://eddservices.edd.ca.gov>.
- Obtain DE 9 forms from EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de9.pdf.
- Order DE 9 forms from our Taxpayer Assistance Center at (916) 657-0529 or (888) 745-3886.

Report Covering	Due Date	Delinquent If Not Filed By
January, February, March	April 1, 2011	May 2, 2011
April, May, June	July 1, 2011	August 1, 2011
July, August, September	October 1, 2011	October 31, 2011
October, November, December	January 1, 2012	January 31, 2012

For assistance completing your DE 9, please contact our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502.

Quarter-End Payment Due: If "Line J" on your DE 9 shows payroll taxes **due**, prepare a *Payroll Tax Deposit* (DE 88) and include the correct payment quarter. Send the DE 88 with the amount due to EDD using the preprinted DE 88 envelope. Your DE 88 and payment **must** be mailed in a **separate** envelope from your DE 9.

NOTE: Mandatory Electronic Funds Transfer (EFT) filers must remit all SDI and PIT deposits by EFT.

Correcting a Prior DE 9

If you have made an error on the DE 9, you can:

- Complete and submit a *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ) online from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>.
- Obtain a DE 9ADJ form from EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm.

To obtain the Instructions for *Completing the Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ-I) and/or a DE 9ADJ form, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, call our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502. to correct reports prior to 2011, refer to the 2010 *California Employer's Guide* (DE 44) at www.edd.ca.gov/pdf_pub_ctr/de44-10.pdf.

NOTE: Sample forms were completed using 2010 rates. Refer to inside cover for 2011 rates.

NOTE: Tax years prior to 2011 must file the *Quarterly Wage and Withholding Report* (DE 6) and the *Annual Reconciliation Statement* (DE 7).

File and Pay Online using EDD's Expanded e-Services for Business
<https://eddservices.edd.ca.gov>

Subscribe to EDD's free e-mail subscription services
www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

FOR ILLUSTRATIVE PURPOSES ONLY



QUARTERLY CONTRIBUTION RETURN AND REPORT OF WAGES



00090111

PLEASE TYPE THIS FORM—DO NOT ALTER PREPRINTED INFORMATION

QUARTER ENDED 03/31/2011 DUE 04/01/2011 DELINQUENT IF NOT POSTMARKED OR RECEIVED BY 05/02/2011 YR 11 QTR 1

EMPLOYER ACCOUNT NO. 00000000

EMPLOYER CITY STORE
123 MAIN STREET
ANYTOWN, CA 12345

DO NOT ALTER THIS AREA

DEPT. USE ONLY

P1	P2	C	P	U	S	A
II						
II						
T	II					
II						
II						

EFFECTIVE DATE: Mo. Day Yr.

REQUIRED FORMS

FEIN [] CHECK BOX IF: A. NO WAGES PAID THIS QUARTER [] B. OUT OF BUSINESS/NO EMPLOYEES []

C. TOTAL SUBJECT WAGES PAID THIS QUARTER 26000 00

D. UNEMPLOYMENT INSURANCE (UI) (Total Employee Wages up to \$ per employee per calendar year)

(D1) UI Rate % 3.4 TIMES (D2) UI TAXABLE WAGES FOR THE QUARTER 8000 00 = (D3) UI CONTRIBUTIONS 272 00

E. EMPLOYMENT TRAINING TAX (ETT)

(E1) ETT Rate % 0.1 TIMES UI Taxable Wages for the Quarter (D2) = (E2) ETT CONTRIBUTIONS 8 00

F. STATE DISABILITY INSURANCE (SDI) (Total Employee Wages up to \$ per employee per calendar year)

(F1) SDI Rate % 1.10 TIMES (F2) SDI TAXABLE WAGES FOR THE QUARTER 26000 00 = (F3) SDI EMPLOYEE CONTRIBUTIONS WITHHELD 286 00

G. CALIFORNIA PERSONAL INCOME TAX (PIT) WITHHELD 1000 00

H. SUBTOTAL (Add Items D3, E2, F3, and G) 1566 00

I. LESS: CONTRIBUTIONS AND WITHHOLDINGS PAID FOR THE QUARTER 1566 00
(DO NOT INCLUDE PENALTY AND INTEREST PAYMENTS)

J. TOTAL TAXES DUE OR OVERPAID (Item H minus Item I) 0 00

If amount due, prepare a Payroll Tax Deposit (DE 88), include the correct payment quarter, and mail to: Employment Development Department, P.O. Box 826276, Sacramento, CA 94230-6276. Mailing payments with the DE 9 form delays payment processing and may result in erroneous penalty and interest charges. Mandatory Electronic Funds Transfer (EFT) filers must remit all SDI/PIT deposits by EFT to avoid a noncompliance penalty.

K. Be sure to sign this declaration: I declare that the information herein is true and correct to the best of my knowledge and belief.
Signature Jane Jones Title OWNER Phone (123) 555-7899 Date 4/5/11
(Owner, Accountant, Preparer, etc.)

SIGN AND MAIL TO: State of California / Employment Development Department / P.O. Box 989071 / West Sacramento CA 95798-9071

DE 9 (1-11) Fast, Easy, and Convenient! Visit EDD's Web site at www.edd.ca.gov

QUARTERLY CONTRIBUTION RETURN AND REPORT OF WAGES (DE 9) (cont.)

Filing an Informal DE 9 Statement

If you are not able to obtain a DE 9 prior to the delinquency date, you can file online from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>.

You can also send EDD an informal report to avoid penalty and interest charges. Your informal DE 9 should include the following information:

- Owner name
- EDD eight-digit employer account number
- Business name
- Business address
- Business phone number
- Payroll quarter
- The following quarterly "totals" for 2011:
 - Subject wages
 - UI/ETT taxable wages
 - UI tax
 - ETT
 - SDI taxable wages
 - SDI withheld
 - PIT withheld
 - Tax liability
 - Less amounts paid
 - Balance due

Sign the informal report and mail to:

**Employment Development Department
P.O. Box 826286
Sacramento, CA 94230-6286**

When you file your tax reports and pay on time, you will:

- Ensure the payment of Unemployment Insurance, State Disability Insurance and Paid Family Leave benefits
- Provide funds of employment training programs
- Ensure the collection of delinquent child support payments
- Avoid penalty and interest charges

**Learn more about payroll taxes through our seminars and online courses
www.edd.ca.gov/Payroll_Tax_Seminars/**

**Subscribe to EDD's free e-mail subscription services
www.edd.ca.gov/about_EDD/Get_Email_Notices.htm**

QUARTERLY CONTRIBUTION RETURN AND REPORT OF WAGES (CONTINUATION) (DE 9C)

Overview

Purpose: Employers use the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) to report employee wages subject to Unemployment Insurance (UI), Employment Training Tax (ETT), State Disability Insurance (SDI), and to report Personal Income Tax (PIT) withheld and PIT wages.

How to Obtain: The DE 9C is mailed to you in March, June, September, and December each year. You may also file online using EDD's Expanded e-Services for Business at <https://eddservices.edd.ca.gov>. To obtain a DE 9C, access EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de9c.pdf or call our Taxpayer Assistance Center at (888) 745-3886.

When Due: January 1, April 1, July 1, and October 1 each year (refer to the table below for last timely filing dates). **You must file a DE 9C each quarter even if you paid no wages during the quarter.**

Refer to sample DE 9C form on page 83.

2011 Due Dates for the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C)

Report Covering	Due Date	Delinquent If Not Filed By
January, February, March	April 1, 2011	May 2, 2011
April, May, June	July 1, 2011	August 1, 2011
July, August, September	October 1, 2011	October 31, 2011
October, November, December	January 1, 2012	January 31, 2012

NOTE:

- **As an active employer, you must file a DE 9C even if you paid no wages during the quarter.** If you have no payroll during a quarter, you are still considered an employer and are required to sign and file a DE 9C. Please enter "0" (zero) in each box in Item A. Check Box "C," sign and date the report, and send it to EDD.
- Wages are reported when they are **paid** to the employee, not when the employee earns the wages. Because UI and SDI benefits are based on the highest quarter of wages, it is important that wages are reported for the correct quarter. If you have any questions on reporting your employees' wages, please contact the Taxpayer Assistance Center at (888) 745-3886.
- A wage item **penalty of \$10 per employee** will be charged for late reporting or unreported employee wages.
- If your reports are filed late or you **do not** make timely payments, you will receive a *Statement of Account* (DE 2176) that provides details of the delinquent balance due. If the delinquency is not paid, a tax lien may be issued. If a tax lien is issued, it will be recorded at the county recorder's office. Tax lien information is a matter of public record after it is recorded.
- Employers with 250 or more employees must file electronically. Employers who fail to file electronically after being notified by EDD of the requirement, will be assessed a penalty of \$10 for each wage item not reported electronically unless a request for waiver has been approved.
- Only check Box B if you have been approved by EDD to report and pay Disability Insurance (DI) as a Voluntary Plan employer (DI provided to employees through a private plan rather than the State's plan).
- To prevent data capture errors, please use black ink when you type or print. If typing, use font size 12 in upper case letters. If printing, stay within the boxes provided on the form. Include cents – do not round to the nearest dollar or use dashes, commas, slashes, or dollar signs.
- Before submitting your DE 9C, make sure the following are correct: the quarter you are reporting, your employer account number, the names of your employees, and their social security numbers.

Correcting a Prior DE 9C

If you have made an error on a DE 9C, you can:

- Complete and submit a *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ) online through EDD's Expanded e-Services for Business. It's fast, easy and secure.
- Obtain from EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm.
- Order a DE 9ADJ through our automated Fax on Demand system at (877) 547-4503.
- Order a DE 9ADJ from our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502.

To obtain the *Instructions for Completing the Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ-I) and/or a DE 9ADJ form, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, call our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886. If outside the U. S. or Canada, call (916) 464-3502. **NOTE:** DE 9C information continues on page 83.



QUARTERLY CONTRIBUTION RETURN AND REPORT OF WAGES (CONTINUATION)



009C0111

Page number of

PLEASE TYPE THIS FORM PER INSTRUCTIONS ON REVERSE You must FILE this report even if you had no payroll. If you had no payroll, complete items C or D and F.

DELINQUENT IF NOT POSTMARKED OR RECEIVED BY 05/02/2011

yr 11 qtr 1

QUARTER ENDED 03/31/2011

DUE 04/01/2011

EMPLOYER ACCOUNT NO. 00000000

EMPLOYER CITY STORE 123 MAIN STREET ANYTOWN, CA 12345

DO NOT ALTER THIS AREA. Includes checkboxes for P, G, T, S, W, A and fields for EFFECTIVE DATE (Mo, Day, Yr) and WIC.

A. EMPLOYEES full-time and part-time who worked during or received pay subject to UI for the payroll period which includes the 12th of the month.

1st Mo. 2 2nd Mo. 2 3rd Mo. 2

R. Check this box if you are reporting ONLY Voluntary Plan DI wages on this page. Report PIT Wages and PIT Withheld, if appropriate. (See instructions for item B.)

C. NO PAYROLL D. OUT OF BUSINESS/NO EMPLOYEES

Date

E. SOCIAL SECURITY NUMBER 0000000000 F. EMPLOYEE NAME (FIRST NAME) MARY (M.I.) (LAST NAME) J PAYNE

G. TOTAL SUBJECT WAGES 2500000 H. PIT WAGES 2500000 I. PIT WITHHELD 34510

E. SOCIAL SECURITY NUMBER 0000000000 F. EMPLOYEE NAME (FIRST NAME) CINDY (M.I.) (LAST NAME) V SMITH

G. TOTAL SUBJECT WAGES 1000000 H. PIT WAGES 1000000 I. PIT WITHHELD 000

E. SOCIAL SECURITY NUMBER F. EMPLOYEE NAME (FIRST NAME) (M.I.) (LAST NAME)

G. TOTAL SUBJECT WAGES H. PIT WAGES I. PIT WITHHELD

E. SOCIAL SECURITY NUMBER F. EMPLOYEE NAME (FIRST NAME) (M.I.) (LAST NAME)

G. TOTAL SUBJECT WAGES H. PIT WAGES I. PIT WITHHELD

E. SOCIAL SECURITY NUMBER F. EMPLOYEE NAME (FIRST NAME) (M.I.) (LAST NAME)

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E. SOCIAL SECURITY NUMBER F. EMPLOYEE NAME (FIRST NAME) (M.I.) (LAST NAME)

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E. SOCIAL SECURITY NUMBER F. EMPLOYEE NAME (FIRST NAME) (M.I.) (LAST NAME)

G. TOTAL SUBJECT WAGES H. PIT WAGES I. PIT WITHHELD

J. TOTAL SUBJECT WAGES THIS PAGE 26000000 K. TOTAL PIT WAGES THIS PAGE 26000000 L. TOTAL PIT WITHHELD THIS PAGE 34510

M. GRAND TOTAL SUBJECT WAGES N. GRAND TOTAL PIT WAGES O. GRAND TOTAL PIT WITHHELD

P. I declare that the information herein is true and correct to the best of my knowledge and belief.

Preparer's Signature Jane Jones Title OWNER Phone 123 555-7899 Date 4/5/11

DE 9C (1-11) MAIL TO: State of California / Employment Development Department / P.O. Box 989071 / West Sacramento CA 95798-9071



Fast, Easy, and Convenient! Visit EDD's Web site at www.edd.ca.gov

CU

REQUIRED FORMS

QUARTERLY CONTRIBUTION RETURN AND REPORT OF WAGES (CONTINUATION) (DE 9C)
(cont.)

Filing an Informal DE 9C Report

If you are not able to obtain a DE 9C prior to the delinquency date, you can file online from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>.

You can also send EDD an informal report to avoid penalty and interest charges. Your informal DE 9C should include the following information:

- Owner name
- EDD eight-digit employer account number
- Business name
- Business address
- Business phone number
- Payroll quarter
- Mid-month employment (the number of full-time and part-time employees who worked during, or received pay for the payroll period which includes the 12th day of the month.)
- Individual employee's:
 - Social security number
 - Full name (for example, Jane D. Jones)
 - Total subject wages
 - PIT wages
 - PIT withheld
- Subtotals per page (should contain no more than 25 employees and use a font size 12 or larger). If the **TOTAL** report exceeds 250 employees, you must file electronically, refer to page 87.
- Grand total Subject Wages, Grand Total PIT Wages, and Grand Total PIT Withheld

Sign and mail the informal report to:

**Employment Development Department
P.O. Box 826288
Sacramento, CA 94230-6288**

Learn more about payroll taxes through our seminars and online courses
www.edd.ca.gov/Payroll_Tax_Seminars/

FEDERAL FORMS W-2 AND 1099

Wage and Tax Statement (Form W-2)

As an employer, you are required to prepare a federal *Wage and Tax Statement* (Form W-2) for each of your employees. For 2011, you must provide your employees with Form W-2 by January 31, 2012.* Prepare the Form W-2 on the federal/state four-part paper form. To obtain these forms go to www.irs.gov.

If you need information on Form W-2 reporting requirements, refer to the IRS *Employer's Tax Guide* (Publication 15, Circular E). For federal instructions on completing Form W-2, refer to the IRS publication *2011 Instructions for Forms W-2 and W-3*. To obtain these publications, access the IRS Web site at www.irs.gov or call IRS at (800) 829-3676.

In addition to the federal information required, you must include California Personal Income Tax (PIT) wages and PIT and State Disability Insurance (SDI) withheld in the following Form W-2 boxes:

FORM W-2	
Box	Enter
Box 16 (State wages, tips, etc.)	California PIT wages
Box 17 (State income tax)	California PIT withheld
Box 19 (Local income tax)	The abbreviation "CASDI" and SDI withheld (For additional information, refer to "NOTE" below.)

NOTE:

- If Box 19 has local taxes, use "Box 14-Other." If **no** boxes are available, you are required to provide your employees with a separate written statement containing:
 - Your business or entity name, address, and federal and EDD eight-digit employer account number(s).
 - The employee's name, address, and social security number.
 - The amount of disability insurance actually withheld and/or paid directly by you under the State plan or the amount actually withheld under a voluntary plan.
- If the wages were **not** subject for SDI, show "CASDI 0" (zero).
- If you pay SDI taxes **without** withholding SDI from the employee's wages, you should show the SDI taxes as if withheld and increase the amount you report according to the formula as shown on the Information Sheet: *Social Security/Medicare/SDI Taxes Paid by an Employer* (DE 231Q). To obtain a DE 231Q, access EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de231q.pdf, call our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886.
- If you are covered under an authorized Voluntary DI Plan for disability insurance, enter "VPDI" and the VPDI amount actually withheld.

Generally, the amount reported as California PIT wages on Form W-2 (Box 16, State wages) is the same as the federal wages (Box 1). However, the amounts may differ based on:

- Federal and California differences in definition of:
 - Employee (refer to page 16).
 - Taxable wages (refer to page 26).
- Residency of the employee (refer to page 15).
- If the employee performs services in more than one state.

For additional information on federal and California differences, please contact the Taxpayer Assistance Center at (888) 745-3886. If the employee performs services in more than one state, contact the other state(s) for guidance on how to complete the Form W-2 for that state.

If you discover an error on a previously issued Form W-2, refer to the IRS publication *Instructions for Forms W-2c and W-3c* for instructions on completing an IRS *Corrected Wage and Tax Statement* (Form W-2c). To obtain these forms, access the IRS Web site at www.irs.gov or call (800) 829-3676.

*Employers failing to provide a Form W-2 to each employee, or who furnish a false or fraudulent statement, are subject to a **penalty of fifty dollars (\$50)** for each such failure as imposed under Section 13052 of the California Unemployment Insurance Code (CUIC). Employers may also be subject to an additional penalty for failure to file informational returns (Form W-2 or a Form 1099-MISC) to misclassified employees as provided under Section 13052.5 of the CUIC. The amount of the penalty is determined based upon the unreported remuneration for personal services multiplied by the maximum rate as provided under Section 17041 of the Revenue and Taxation Code. Contact EDD's Taxpayer Assistance Center at (888) 745-3886 for assistance.

FEDERAL FORMS W-2 AND 1099 (cont.)

Do not send the “State” copy of Form W-2 and Form W-2C to the State of California (EDD or FTB). The form W-2 and W-2C are not filed with the State because you should already be reporting wage and withholding information to EDD on the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C). However, you must continue to send Forms W-2 and W-2C to your employees and the Social Security Administration.

Information Return (Form 1099)

Individuals, partnerships, corporations, or other organizations engaged in a trade or business in California may have a requirement to report independent contractor payments made in the course of their business. For 2011, you must provide a statement, containing the information furnished to IRS and FTB, to each independent contractor by January 31, 2012.* If you do not use the official IRS Form 1099 to furnish the statement to recipients, refer to IRS Publication 1179 for specific rules for substitute statements.

How To File

The FTB recommends that you file under the IRS Combined Federal/State Filing Program. When you are approved and use the IRS Combined Federal/State Filing Program, you only have to file once. The IRS will forward your California returns to FTB. The following forms may be filed under this program: 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R, and 5498. For information on the IRS Combined Federal/State Filing Program, call (866) 455-7438.

If you are not participating in the Combined Filing Program and file 250 or more information returns of one type, you must file directly with FTB electronically.

If you file paper information returns with the IRS, **do not send a paper copy to FTB**. The IRS will forward the information to FTB. This works for paper filing only. If you file less than 250 returns electronically, on tape cartridge, diskette, or CD with the IRS, you must use the same method to file with FTB.

Generally, FTB's reporting requirements are the same as IRS reporting requirements. For specific differences, go to www.ftb.ca.gov/businesses/index.shtml and search for “California Supplemental Fields.”

Publications and Contact Information

To obtain Form 1099 reporting requirements and instructions, refer to the IRS Publication 1220 and IRS General Instructions for Forms 1099, 1098, 5498, and W-2G on the IRS Web site at www.irs.gov or call (800) 829-3676. For information on completing each form, refer to the individual instructions available for each information return type.

NOTE: California PIT withheld from pension, annuity, and other deferred income, should be reported on IRS Form 1099-R *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.* For instructions on completing Form 1099-R, refer to IRS *Instructions for Forms 1099-R and 5498*. To obtain instructions, access the IRS Web site at www.irs.gov or call IRS (800) 829-3676.

For More Information, Contact:

IRS
(866) 455-7438
www.irs.gov
mccirp@irs.gov

FTB
(916) 845-6304
www.ftb.ca.gov
IRPhelp@ftb.ca.gov

*Failure to provide an Informational Return (Form 1099), if required to each independent contractor may be subject to a penalty as imposed under Section 13052.5 of the California Unemployment Insurance Code or Section 19175 of the Revenue and Taxation Code. The amount of the penalty is determined based upon the unreported remuneration for personal services multiplied by the maximum rate as provided under Section 17041 of the Revenue and Taxation Code. Contact EDD's Taxpayer Assistance Center at (888) 745-3886 for assistance.

NOTE: As of January 1, 2008, all employers are required to notify all of their employees of the federal Earned Income Tax Credit. (Please refer to page 91 for details.)

FILING OPTIONS

Expanded e-Services for Business

For tax year 2011, in addition to the convenient features of EDD's e-Services programs, the programs have been updated with more features and capabilities. Expanded e-Services for Business now includes:



- Register for an employer tax account number.
- Simple one-time, online registration to use EDD's e-Services.
- Fast, easy and secure ways to file most of your returns and reports electronically.
- Ability to view and edit returns prior to submission.
- Ability to view and adjust previously submitted returns online.
- Multiple payment options to pay your payroll tax deposits and tax liabilities, including making payment arrangements.
- View your employer tax account, tax rates and histories of various transactions.
- View correspondence, requests, statements and other documents sent to and received from EDD.
- View and manage your employer tax account profile, change your address, contact information, or inactivate your employer account.

For more information regarding our Expanded e-Services for Business programs, visit our Web site at <https://eddservices.edd.ca.gov>, or e-mail us at ecom@edd.ca.gov.

CHANGE OF STATUS

What does “change of status” mean?

A change of status occurs when you:

- Purchase or sell a business.
- Change business ownership.
- Change your business name.
- Change your mailing address.
- No longer have employees.
- Close your business.

ACTION REQUIRED:

Notify EDD of any change to your business status by completing a *Change of Employer Account Information* (DE 24). The following options are available:

- Request changes to your account online from EDD’s e-Services for Business Web site at <https://eddservices.edd.ca.gov>.
- Obtain DE 24 forms from EDD’s Web site at www.edd.ca.gov/pdf_pub_ctr/de24.pdf.
- Order DE 24 forms from our Taxpayer Assistance Center at (916) 657-0529 or (888) 745-3886.

PURCHASE, SELL, TRANSFER, OR CHANGE OWNERSHIP

Registered employers must report **any** change in business status (for example: any change in business name or legal entity, such as a change from partnership or limited liability company to corporation). Report changes in writing by completing a DE 24 and mailing it to:

**Employment Development Department
Account Services Group, MIC 28
P.O. Box 826880
Sacramento, CA 94280-0001**

Please be sure to include your EDD eight-digit employer account number, your name, and your telephone number on **all** correspondence you send to EDD.

Unlike IRS, EDD does not always issue a new employer account number when there is a change in business ownership. When there is a change in the type of ownership but one or more owners of the business remain, the new entity normally keeps the same EDD employer account number and continues to make payroll tax deposits and file reports as though it was the same type ownership for the entire year. For additional information, contact our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502.

Purchase a Business

If you purchase a business with employees (or a business that previously had employees), you may be held liable for the previous owner’s EDD liability if a *Certificate of Release of Buyer* (DE 2220) is not obtained. To request a DE 2220, contact our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502.

Until a DE 2220 is issued, you (the buyer) must hold in escrow an amount sufficient to cover all amounts the seller owes to EDD, up to the purchase price of the business. The DE 2220 is issued after the seller pays all amounts owed to the Employment Development Department. Payment must be made by cash, cashier’s check, certified check, escrow check, or money order payable to the Employment Development Department.

For your protection, escrow funds should not be disbursed until the DE 2220 has been issued. For additional information, obtain the *Requirements for Obtaining Certificate of Release of Buyer (DE 2220) When a Business Is Sold* (DE 3409A) by accessing EDD’s Web site at www.edd.ca.gov/pdf_pub_ctr/de3409a.pdf, calling our automated Fax on Demand system at (877) 547-4503, or contacting our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502.

NOTE: If you employ any of the former owner’s workers immediately after the acquisition of the business, the wages paid to these employees during the same calendar year are considered as having been paid by you. Therefore, wages paid by the former owner in the current calendar year are applied to the taxable wage limits for Unemployment Insurance, Employment Training Tax, and State Disability Insurance.

REMEMBER: Notify EDD in writing of any change of status to your business.

WHAT IS A SUCCESSOR EMPLOYER?

A successor employer is an employer who has acquired all or part of another employer's (predecessor) business and continues to operate the business without substantial reduction of personnel resulting from the acquisition. The successor employer may receive all or part of the predecessor's UI reserve account balance by applying for a reserve account transfer. The transfer may qualify the successor for a lower UI tax rate. The successor employer must still register with EDD if they do not already have an existing EDD employer account number.

For more information on reserve account transfers, refer to page 98 or contact our Rate Management Group at (916) 653-7795.

NOTE: Acquiring all or part of the stock in a corporation does not constitute a new employing unit. The corporation retains the same EDD employer account number.

BUSINESS NAME CHANGE

To report a change in business name, corporation name, personal name (i.e., marriage), or change in ownership of the business, use a *Change of Employer Account Information* (DE 24), you can:

- Request these changes online from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>.
- Obtain *Change of Employer Account Information* (DE 24), forms from EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de24.pdf.
- Order DE 24 forms by contacting our Taxpayer Assistance Center at (916) 657-0529 or (888) 745-3886.
- Complete the change of address form provided in the *Payroll Tax Deposit* (DE 88) coupon booklet.

MAILING ADDRESS CHANGE

To change your mailing address with EDD, you can:

- Use EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>.
- Obtain DE 24 forms from EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de24.pdf.
- Order DE 24 forms from our Taxpayer Assistance Center at (916) 657-0529 or (888) 745-3886.

Do not make any changes to the preprinted data on the front of the DE 88, *Quarterly Contribution Return and Report of Wages* (DE 9), or *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C).

NO LONGER HAVE EMPLOYEES

If you no longer have employees and will not be reporting wages in any future quarter, you must send a final DE 88 with payment, DE 9, and DE 9C. For EDD to close your employer account, you must complete Box "B" on the DE 9 and Box "D" on the DE 9C. Employers may inactivate their account from EDD's e-Services for Business Web site at <https://eddservices.edd.ca.gov>.

If you currently do not have employees but may have employees in future quarters, you are still required to file your DE 9, marking the box "A" and DE 9C marking box "C" showing "0" (zero) payroll, otherwise, EDD may presume you have employees and assess your account.

CLOSE YOUR BUSINESS

If you close your business, you **are required** to file a final DE 88 with payment, DE 9, and DE 9C **within ten (10) days** of quitting business, **regardless** of the normal due dates. For EDD to close your employer account, you must complete Box "B" on the DE 9 and Box "D" on the DE 9C. Employers may inactivate their account using EDD's Expanded e-Services for Business Web site at <https://eddservices.edd.ca.gov>.

NOTE: Please mail each form (DE 88 with payment, DE 9, and DE 9C) separately to the preprinted address shown on the form.

IT IS AGAINST THE LAW

Changing your business ownership solely for the purpose of obtaining an employer account with a lower UI contribution rate is not allowed. California Unemployment Insurance Code (CUIC) Section 1052 provides that a reserve account transfer will not apply to any acquisition, which is determined to have been made for the purpose of obtaining a more favorable UI contribution rate. EDD is aggressively pursuing businesses practicing UI rate manipulation. To read more about UI rate manipulation, refer to page 100.

REQUIRED NOTICES AND PAMPHLETS (cont.)

Earned Income Tax Credit Information Act

Effective January 1, 2008, all employers are required to notify all of their employees of the federal Earned Income Tax Credit (EITC).

Employers who are subject to and required to provide unemployment insurance to their employees must provide EITC notification to the employee by either handing it directly to the employee or mailing it to the employee's last known address. Posting of this information on an employee bulletin board **will not** satisfy the notification requirement.

The notification shall be provided within one week before or after or at the same time, that the employer provides an annual wage summary, including, but not limited to, a Form W-2 or a Form 1099, to the employee. The notice shall include instructions on how to obtain any notices available from the Internal Revenue Service (IRS) for this purpose, including, but not limited to, the IRS Notice 797, **or** any successor notice or form, or any notice created by you, as long as it contains substantially the same language as the notice below.

“Based on your annual earnings, you may be eligible to receive the earned income tax credit from the federal government. The earned income tax credit is a refundable federal income tax credit for low-income working individuals and families. The earned income tax credit has no effect on certain welfare benefits. In most cases, earned income tax credit payments will not be used to determine eligibility for Medicaid, supplemental security income, food stamps, low-income housing or most temporary assistance for needy families’ payments. Even if you do not owe federal taxes, you must file a tax return to receive the earned income tax credit. Be sure to fill out the earned income tax credit form in the federal income tax return booklet. For information regarding your eligibility to receive the earned income tax credit, including information on how to obtain the IRS Notice 797, or any other necessary forms and instructions, contact the Internal Revenue Service at 1-800-829-3676 or through its Web site at **www.irs.gov**.”

Subscribe to EDD’s free e-mail subscription services
www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

PLANT CLOSURE OR MASS LAYOFF (WARN)

Federal and California Worker Adjustment and Retraining Notification (WARN) legislation requires covered employers to provide 60 days advance notice of plant closings and mass layoffs. Advance notice provides employees and their families some transition time to adjust to the prospective loss of employment, to seek and obtain alternative jobs and, if necessary, to enter skill training or retraining that will allow these employees to successfully compete in the job market.

For the complete notification requirements of the California WARN legislation, carefully review the Labor Code provisions on the Department of Industrial Relations' (DIR) Web site at www.dir.ca.gov/lawsandregs.html (click on "California Labor Code," Part 4, Chapter 4, Sections 1400-1408).

The table below provides the general provisions of the federal and California WARN legislation.

Subject	Federal	California (Assembly Bill 2957, Koretz)
Covered Employers	Applicable only to employers with 100 or more full-time employees who must have been employed for at least 6 months of the 12 months preceding the date of required notice in order to be counted. (29 USC 2101 and 20 CFR 639.3)	Applicable to a "covered establishment" with 75 or more full- or part-time employees. As under the federal WARN Act, employees must have been employed for at least 6 months of the 12 months preceding the date of required notice in order to be counted. (California Labor Code, Section 1400[a] and [h])
Plant Closings or Layoffs Requiring Notice	Plant closings involving 50 or more employees during a 30-day period. Layoffs within a 30-day period involving 50 to 499 full-time employees constituting at least 33 percent of the full-time workforce at a single site of employment. Layoffs of 500 or more are covered regardless of percentage of workforce. (29 USC, et seq., 2101 and 20 CFR 639.3)	Plant closings, layoffs, or relocations of 50 or more employees within a 30-day period regardless of percentage of work force. Relocation is defined as a move to a different location more than 100 miles away. (California Labor Code, Section 1400[c] and [d])
Legal Jurisdiction	Enforcement of WARN requirements through U.S. District Courts. The court, in its discretion, may allow the prevailing party a reasonable attorney's fee as part of the costs. (29 USC 2101, et seq.)	Suit may be brought in "any court of competent jurisdiction." The court may award reasonable attorney's fees as part of costs to any prevailing plaintiff. The California WARN law is in the Labor Code, and the authority to investigate through the examination of books and records is delegated to the Labor Commissioner. (California Labor Code, Sections 1404 and 1406)
Employer Liability	An employer who violates the WARN provisions is liable to each employee for an amount equal to back pay and benefits for the period of the violation, up to 60 days, but no more than one-half the number of days the employee was employed by the employer. (29 USC; 2104[a])	A possible civil penalty of \$500 a day for each day of violation. Employees may receive back pay to be paid at employee's final rate or three-year average rate of compensation, whichever is higher. In addition, employer is liable for cost of any medical expenses incurred by employees that would have been covered under an employee benefit plan. The employer is liable for period of violation up to 60 days or one-half the number of days the employee was employed whichever period is smaller. (California Labor Code, Section 1403)

PLANT CLOSURE OR MASS LAYOFF (WARN) (cont.)

Subject	Federal	California (Assembly Bill 2957, Koretz)
<p>Notice Requirements</p>	<p>An employer must provide written notice 60 days prior to a plant closing or mass layoff to all of the following:</p> <ul style="list-style-type: none"> • Employees or their representative. • Employment Development Department Program Support Unit WARN Act Coordinator, MIC 50 P.O. Box 826880 Sacramento, CA 94280-0001 • The chief elected official of local government within which such closing or layoff is to occur. <p>(29 USC, 2102; 20 CFR 639.6)</p>	<p>An employer must give notice 60 days prior to a plant closing, layoff, or relocation. In addition to the notifications required under the federal WARN Act, notice must also be given to both of the following:</p> <ul style="list-style-type: none"> • The Local Workforce Investment Board. • The chief elected official of each city and county government within which the termination, relocation, or mass layoff occurs. <p>(California Labor Code, Section 1401)</p>
<p>Exceptions and Exemptions</p>	<p>Regular federal, State, local, and federally recognized Indian tribal governments are not covered. (29 USC, 2102[a]; 20 CFR 639.3)</p> <p>The following situations are exempt from notice:</p> <ul style="list-style-type: none"> • There is an offer to transfer employee to a different site within a reasonable commuting distance. (29 USC, 2101[b][2]; 20 CFR 639.5) • The closure is due to unforeseeable business circumstances or a natural disaster. (29 USC, 2103; 20 CFR 639.9) • The closing or layoff constitutes a strike or constitutes a lockout not intended to evade the requirement of this chapter. (29 USC, 2103[2]) 	<p>California WARN does not apply when the closing or layoff is the result of the completion of a particular project or undertaking of an employer subject to Wage Orders 11, 12, or 16, regulating the Motion Picture Industry, or Construction, Drilling, Logging, and Mining Industries, and the employees were hired with the understanding that their employment was limited to the duration of that project or undertaking. (California Labor Code, Section 1400[g])</p> <p>The notice requirements do not apply to employees involved in seasonal employment where the employees were hired with the understanding that their employment was seasonal and temporary. (California Labor Code, Section 1400[g][2])</p> <p>Notice is not required if a mass layoff, relocation, or plant closure is necessitated by a physical calamity or act of war. (California Labor Code, Section 1401[c])</p> <p>Notice of a relocation or termination is not required where, under multiple and specific conditions, the employer submits documents to DIR, and DIR determines that the employer was actively seeking capital or business, and a WARN notice would have precluded the employer from obtaining the capital or business. (California Labor Code, Section 1402.5). This exception does not apply to notice of a mass layoff as defined in California Labor Code Section 1400(d). (California Labor Code, Section 1402.5[d])</p>

The EDD has established local Rapid Response Teams to assist employers and workers during a mass layoff or plant closure. These teams, facilitated through the One-Stop Career Center System, are a cooperative effort between the Local Workforce Investment Area (LWIA) and EDD. These teams disseminate information on the adult and dislocated worker services available under Title I of the Workforce Investment Act and through EDD's Workforce Service and UI programs. If the dislocation is the result of foreign competition or foreign relocation, the dislocated worker may be eligible for assistance, income support, job search assistance/relocation, and/or training under the Trade Adjustment Assistance (TAA) programs. For information on TAA, refer to page 112. To find out more about or request Rapid Response services, contact the LWIA in your area. The LWIA contact information is available on EDD's Web site at www.edd.ca.gov/Jobs_and_Training/LWIA_Listing.htm.

For more information about California's WARN requirements or services, contact EDD's WARN Act coordinator at (916) 654-9311, Fax Number (916) 654-9586, or the LWIA in your area.

For additional information on the federal WARN Act, access the U.S. Department of Labor's (DOL) Web site at www.dol.gov/compliance/laws/comp-warn.htm.

U.S. GOVERNMENT CONTRACTOR JOB LISTING REQUIREMENTS

Employers with U.S. Government contracts or subcontracts of \$100,000 or more are required to list job openings with the state employment service system or with America's Job Central's Web site at www.jobcentral.com. In California, employers must list job openings with EDD's CalJOBSSM at www.caljobs.ca.gov. Furthermore, employers are required to take affirmative action to employ, and advance in employment, qualified disabled veterans, other protected veterans, Armed Forces service medal veterans, and recently separated veterans.

All federal contractors who hold a contract or subcontract for \$50,000 or more and have at least 50 employees are further required to prepare and maintain an affirmative action program at each establishment that sets forth the policies and practices in hiring and promoting qualified disabled veterans, other protected veterans, Armed Forces service medal veterans, and recently separated veterans. Additionally, all federal contractors and subcontractors must report the total number of all current employees in each job category and at each hiring location in their annual VETS-100 report. The plan (VETS-100 Format on the Internet at <http://vets100.com>) must be updated each year.

RECORDKEEPING

Employers are required to keep payroll records for at least four years. If you believe that you are **not** a subject employer or that your employees are exempt, State law requires that you maintain records of payments made to people who provide services to your business for at least eight years in case of an employment tax audit. Your records must provide a true and accurate account of **all** workers (employed, no longer employed, on a leave of absence, and independent contractors) and all payments made. Records must include the following information for each worker:

- Worker's:
 - Full name (first name, middle initial, and last name).
 - Social Security Number.
- Date hired, rehired, or returned to work after a temporary layoff.
- Last date services were performed.
- Place of work.
- Monies paid:
 - Dates and amounts of payment.
 - Pay period covered.
- Cash or cash value of in-kind wages (such as meals, lodging, bonuses, gifts, and prizes) showing the nature of the payment, the period that the services were performed, and the type of special payment made.
- The amounts withheld from employee wages. (**NOTE:** You may be required to make withholding deposits. Refer to "Withholding Deposits" on page 74.
- Disbursement records showing payments to workers.
- Other information necessary to determine payments to workers.

If you have any questions on the records you must keep, please refer to Information Sheet: *Employment Tax Audit Process* (DE 231TA). This form is available on EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de231ta.pdf, or our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886.

Subscribe to EDD's free e-mail subscription services
www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

COMMITMENT

The EDD is committed to applying the payroll tax laws of the State of California in an equitable and impartial manner. Toward that goal, we have developed the following information to inform you of your rights during the employment taxation process.

EMPLOYER RIGHTS

As an employer, you have the right to:

- Courteous and timely service from EDD employees.
- Expect that information maintained by EDD be kept confidential and not published or made available for public inspection. However, in certain instances, the law requires that this information be shared with other governmental agencies. When those instances occur, EDD closely follows the law to protect your rights to confidentiality.
- Call upon EDD for accurate information and assistance and to have all your questions answered.
- Receive a clear and accurate account statement if EDD believes you owe taxes.
- Request a filing extension for up to 60 days. The law provides that EDD may grant a filing extension where “good cause” is shown for a delay. (Refer to the “Glossary” for the definition of “good cause.”)
- Request a waiver of penalty showing “good cause” for filing a report or making a payment late.
- An impartial audit and a full explanation of our audit findings if your business is selected for an audit.
- Discuss the issue(s) with an EDD representative, supervisor, office manager, and the Taxpayer Advocate Office if you disagree with an action taken by EDD.
- Appeal certain actions to the California Unemployment Insurance Appeals Board.

The *Employers’ Bill of Rights* (DE 195) brochure has been developed to inform you of your rights during the employment taxation process. To obtain a copy of the DE 195, access EDD’s Web site at www.edd.ca.gov/pdf_pub_ctr/de195.pdf or contact our Taxpayer Assistance Center at (888) 745-3886.

OFFICE OF THE TAXPAYER RIGHTS ADVOCATE

The EDD has established the Office of the Taxpayer Rights Advocate (OTRA), which is responsible for providing a clear, consistent focus on protecting the rights of the taxpayer. Incorporated within OTRA are the Taxpayer Advocate Office and the Settlements Office.

Taxpayer Advocate Office

The Taxpayer Advocate Office is responsible for protecting the rights of taxpayers during all phases of the payroll tax administration, assessment, and collection process, while also protecting the interests of the State.

If you are unable to resolve a payroll tax problem with an EDD representative, supervisor, **and** office manager, you may contact the Taxpayer Advocate Office for assistance. This office will review the issues and facts of your case to ensure that your rights have been protected and work to facilitate a resolution to your problem. Please contact the Taxpayer Advocate Office for further assistance.

**Employment Development Department
Taxpayer Advocate Office, MIC 93
P.O. Box 826880
Sacramento, CA 94280-0001**

**Toll-free Telephone: (866) 594-4177
Telephone: (916) 654-8957
Fax: (916) 654-6969**

**Learn more about payroll taxes through our seminars and online courses
www.edd.ca.gov/Payroll_Tax_Seminars/**

OFFICE OF THE TAXPAYER RIGHTS ADVOCATE (cont.)

Settlements Office

The Settlements Program provides employers and the State an opportunity to avoid the cost of prolonged litigation associated with resolving disputed payroll tax issues (i.e., protests, appeals, or refund claims).

When reviewing a settlement offer, EDD considers the risks and costs for the State associated with litigating the issues, balanced against the benefit of reaching a settlement agreement. Final tax liabilities, cases still in process, cases involving fraud or criminal violations, and issues solely involving fairness or financial hardship are generally not eligible. Depending on the reduction of tax and penalties and the petition status of the case, settlement agreements are subject to approval by an Administrative Law Judge, the California Unemployment Insurance Appeals Board, and the Attorney General before they can be finalized.

If you have questions, please contact the Settlements Office at (916) 653-9130. To obtain the Information Sheet: *Settlements Program* (DE 231SP), please access EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de231sp.pdf, call our automated Fax on Demand system at (877) 547-4503, or contact our Taxpayer Assistance Center at (888) 745-3886.

Settlement offers may be submitted to:

**Employment Development Department
Settlements Office, MIC 93
P.O. Box 826880
Sacramento, CA 94280-0001**

**Telephone: (916) 653-9130
Fax: (916) 653-7986**

PROTECTING YOUR PRIVACY

The Employment Development Department (EDD) recognizes that your privacy is a personal and fundamental right without exception. The EDD values and protects your privacy and places strict controls on the gathering and use of personally identifiable data. Your personal information may not be disclosed, made available, or otherwise used for purposes other than those specified at the time of collection without your consent or as authorized by law or regulation.

In addition, the payroll tax and benefit information collected by EDD is confidential. As an employer, you have the right to obtain access to and inspect your records. You may also authorize your agent or representative to access your personal information through a written authorization or *Power of Attorney Declaration* (DE 48). To obtain a copy of the DE 48, access EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de48.pdf, or our automated Fax on Demand system at (877) 547-4503, or call our Taxpayer Assistance Center at (888) 745-3886.

If you have further questions regarding your privacy rights, please contact the Tax Information Security Office at (916) 654-5981.

OFFERS IN COMPROMISE (OIC)

An Offers in Compromise (OIC) enables a qualified applicant to reduce an employment tax liability to less than full value. To qualify for an OIC, **all** of the following are required:

- The liability must be final and undisputed.
- The employer's account must be inactive and out-of-business or the applicant must no longer have a controlling interest or any association with the business that incurred the liability.
- The applicant must meet all financial requirements.
- Full financial disclosure is required before an offer can be analyzed.

If you have questions or wish to request the Information Sheet: *Offers In Compromise* (DE 631C), please access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, call our automated Fax on Demand system at (877) 547-4503, or contact OIC at (916) 464-2739.

UNEMPLOYMENT INSURANCE - TAXES

Purpose: The Unemployment Insurance (UI) program provides financial assistance to individuals who are temporarily out of work through no fault of their own. In California, this program is financed entirely by employers.

METHODS OF PAYING FOR UI BENEFITS

Experience Rating Method

The **experience rating method** is used by the majority of employers. For a detailed explanation of the experience rating method, refer to "How Your UI Tax Rate Is Determined" below or obtain the Information Sheet: *California System of Experience Rating* (DE 231Z) by accessing EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de231z.pdf, calling our automated Fax on Demand system at (877) 547-4503, or contacting the Taxpayer Assistance Center at (888) 745-3886.

Reimbursable Method

Public employers and nonprofit organizations described under Section 501(c) (3) of the Internal Revenue Code have the option of becoming "reimbursable" employers. Employers electing the **reimbursable method** (also known as the cost-of-benefits method) are required to reimburse the UI Fund on a dollar-for-dollar basis for all benefits paid to their former employees and charged to their account. Reimbursable employers are billed quarterly, and payment is due within 30 days of the statement date.

For public employers, financing under the reimbursable method **must** remain in effect for **two** complete calendar years. For nonprofit employers, financing under the reimbursable method **must** remain in effect for **five** complete calendar years. Employers who terminate their reimbursable coverage remain liable for UI benefits paid to their former employees covered under this program for a period of **three** calendar years.

For a detailed explanation of the reimbursable method, request Information Sheet: *Nonprofit and/or Public Entities* (DE 231NP) and *Potential Liability for Unemployment Insurance Benefits When Electing the Reimbursable Method of Financing Under the California Unemployment Insurance Code (CUIC)* (DE 1378F). To obtain these publications, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm, or contact the Taxpayer Assistance Center at (888) 745-3886. For additional information, please contact:

**Employment Development Department
Reimbursable Accounting Group, MIC 19
P.O. Box 826880
Sacramento, CA 94280-0001**

Telephone: (916) 653-5846

School Employees Fund (SEF) Method

Public school districts (kindergarten through 12th grade) and community colleges may elect to participate in the School Employees Fund (SEF), which is a special UI reimbursable financing method available for school districts. For further information, access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/School_Employees_Fund.htm or contact the SEF Unit at (916) 653-5380.

HOW YOUR UI TAX RATE IS DETERMINED

Tax Rate Schedules

The UI tax rates are based on one of seven tax rate schedules (AA through F) established by law. The first step in the annual process of establishing the UI tax rates for the calendar year is for EDD to determine which of the seven tax rate schedules will be in effect. Employers are assigned their UI tax rates from the same rate schedule.

New Employer - UI Tax Rate and Reserve Account

A UI reserve account is a nonmonetary account that is set up when an employer registers with EDD. The new employer tax rate is 3.4 percent (.034) for up to three years. Following that time period, the UI tax rate is calculated annually based on each employer's previous experience as reflected by UI contributions, taxable wages, benefit charges, and prorated charges and credits to their reserve account.

Subscribe to EDD's free e-mail subscription services
www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

NOTICE OF TAX RATES

Each December, EDD will mail the *Notice of Contribution Rates and Statement of UI Reserve Account* (DE 2088) that shows your Unemployment Insurance (UI), Employment Training Tax (ETT), and State Disability Insurance (SDI) tax rates and taxable wage limits for the upcoming year. If you have address changes and/or agent updates, please contact EDD immediately in order to receive your notice timely.

Any item on the DE 2088 can be protested except the ETT and SDI tax rates, which are specifically set by law. Your protest must be filed in writing within 60 days of the mail date shown on the notice. An extension of up to 60 days may be granted for good cause if your request is submitted before the protest deadline.

For further information, please refer to the *Explanation and Instruction Sheet* (DE 2088C) included with the DE 2088 or call our Taxpayer Assistance Center at (888) 745-3886. The DE 2088C is also available on our Web site at www.edd.ca.gov/pdf_pub_ctr/de2088c.pdf.

FEDERAL UNEMPLOYMENT TAX ACT (FUTA) CERTIFICATION

The Internal Revenue Service (IRS) uses the Federal Unemployment Tax Act (FUTA) certification process to verify that the total taxable wages claimed on the *Employer's Annual Federal Unemployment (FUTA) Tax Return* (Form 940) or the federal *Household Employment Taxes* (Form 1040, Schedule H) was actually paid to the State. Under this "dual" system, you are subject to both the State and federal payroll tax requirements.

You are required to file reports and pay Unemployment Insurance (UI) taxes with EDD. You are also required to file a Form 940 with IRS to report total taxable UI wages and pay any Federal Unemployment Tax due. Generally, you can take a federal credit against your FUTA tax for the UI taxes you paid to California.

On an annual basis, IRS and EDD compare amounts reported on your IRS Form 940 to the Total Subject Wages (Line C) and UI Taxable Wages (Line D2) reported on your EDD *Quarterly Contribution Return and Report of Wages* (DE 9). When an "out-of-balance" condition exists, a reconciliation must be made or an assessment may be issued by either IRS or EDD.

If you have questions regarding the FUTA certification process, please contact EDD's FUTA Certification Unit at (916) 654-8545.

RESERVE ACCOUNT TRANSFERS

When an employer acquires all or part of an ongoing business and continues to operate the business without substantial reduction of personnel resulting from the acquisition, the employer may request the previous owner's UI reserve account balance be transferred to the new ownership by completing an *Application for Transfer of Reserve Account* (DE 4453) form. If EDD approves the transfer, the UI tax rate will be redetermined and may result in an immediate rate reduction or rate increase. For further information regarding reserve account transfers, please contact the Rate Management Group at (916) 653-7795.

NOTE:

- When a UI reserve account transfer has been approved, the employer requesting the transfer will receive a revised DE 2088 stating the UI tax rate.
- Employers who receive a reserve account transfer accept responsibility for the UI benefit charges for the previous owner's former employees. This may **increase** your UI tax rate in future years.
- A reserve account transfer cannot be reversed once it has been completed.
- There are time limits to qualify for a reserve account transfer. Apply for a reserve account transfer immediately after purchasing an ongoing business.

INTERSTATE RECIPROCAL COVERAGE ELECTIONS FOR MULTISTATE WORKERS

When an individual performs services in two or more states and the services are not localized in any one state, under the provisions of California Unemployment Insurance Code (Sections 602 and 603), the employer may request to report the individual's services to one state.

Upon approval for unemployment and disability insurance purposes, the employer may report to any state in which (a) services are performed, (b) the employee has residence, or (c) the employer maintains a place of business.

NOTE: Special reporting may be required for California Personal Income Tax withholding purposes.

For additional information, please obtain Information Sheet: *Multistate Employment* (DE 231D) by accessing EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de231d.pdf, calling our automated Fax on Demand system at (877) 547-4503, or contacting our Taxpayer Assistance Center at (888) 745-3886.

TIPS FOR REDUCING YOUR UI TAX RATE

The Unemployment Insurance (UI) tax works like any other insurance premium. An employer may pay a lower rate when former employees make fewer claims on the employer's account. The following steps may help reduce your UI tax rate:

- Maintain a stable workforce. High employee turnover increases the potential for benefits to be charged to your reserve account. This could also save UI taxes.
- Submit your UI payments within the required time limits along with accurately completed *Payroll Tax Deposit* (DE 88) coupons to ensure your payments are included in calculating your UI tax rate for the following year.
- Respond timely to the *Benefit Audit* (DE 1296B and DE 1296NER). It may lead to the reversal of related charges to your reserve or reimbursable account. For additional information, refer to "Benefit Audits to Determine Fraud" on page 106.
- Respond timely to the *Notice of Unemployment Insurance Claim Filed* (DE 1101C/Z or DE 1101ER) if you believe that a former employee does not meet the UI eligibility criteria. A timely response to a DE 1101C/Z or DE 1101ER may reduce charges to your reserve account.
- Respond timely to the *Notice of Wages Used for Unemployment Insurance (UI) Claim* (DE 1545) if you believe the wages used to establish a claim are incorrect, the employee is still working, or if you believe a former employee does not meet the UI eligibility criteria. A timely response to a DE 1545 may reduce charges to your reserve account.
- Conduct and document an exit interview to help you to understand why the employee is leaving. This may result in changes to your policies or procedures that will assist you in retaining your employees.
- Permit leaves of absence because they may help keep fully trained personnel.
- Keep good personnel records to justify any action(s) taken. Give written warnings prior to discharging an employee and keep a copy of these warnings and other supporting information.
- Protest UI benefit claims for former employees who you believe are not eligible for benefits (e.g., employee voluntarily quit or was discharged for misconduct, etc.). Written documentation of the exit interview may be important in establishing your protest.
- Answer UI claim notices promptly, accurately, and in detail.
- Rehire former employees who are currently receiving UI benefits that may be charged against your reserve account.
- Report refusals of work to EDD.
- Provide clear, specific answers to telephone interview questions from EDD personnel.
- Review your *Statement of Charges to Reserve Account* (DE 428T) and report inaccuracies within the protest time limits.
- Bring witnesses with firsthand knowledge of pertinent facts when attending an appeal hearing.

For additional information on the UI program or assistance in reducing UI costs, download the *Managing Unemployment Insurance Costs* (DE 4527) booklet by accessing EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de4527.pdf.

Learn more about payroll taxes through our seminars and online courses
www.edd.ca.gov/Payroll_Tax_Seminars/

FRAUD PREVENTION, DETECTION, REPORTING, AND UI RATE MANIPULATION

The EDD recognizes your concerns about imposter fraud and the threat of identity theft. Imposter fraud and identity theft occurs when someone steals your employees' employment and/or personal information and uses that information for personal gain. We actively investigate cases of imposter fraud and are committed to taking the steps necessary to protect the integrity of the UI Fund. To assist in these efforts, you may receive a *Request for Additional Information* (DE 1326ER) asking you to validate information provided to us by an individual when we suspect a UI claim may have identity or imposter issues. Completing and returning the DE 1326ER with the requested information will assist us in resolving these issues promptly. For more information on our fraud detection and prevention activities, access EDD's Web site at www.edd.ca.gov. From the "Quick Links," select "Report Fraud." This link will take you to a page where you can select an online Fraud Reporting Form to report possible Unemployment Insurance, Disability Insurance, or Paid Family Leave fraud.

We also encourage you to take all necessary steps to protect your employees' social security numbers (SSNs) and other identifying information. A key way to protect yourself and your employees is by properly disposing of your old payroll records. California law requires you to properly destroy (i.e., shred, erase, etc.) the personal information on all records under your control. Your employees may sue you for civil damages if you fail to protect their confidential information. For more information on California privacy legislation and protecting yourself and your employees from identity theft, visit the Office of Privacy Protections' Web site at www.privacy.ca.gov/consumers.htm.

To minimize potential fraud and protect your UI reserve account, we urge you to carefully review each EDD statement and/or notice and respond as directed in a timely manner to any items for which you have questions. If you suspect your payroll or personnel data has been compromised, please report the incident immediately to our toll-free Fraud Hotline at (800) 229-6297 or submit the fraud reporting form online from the EDD's Web site at www.edd.ca.gov. From the "Unemployment" tab, go to the "For Employers" section to access the Fraud Prevention section.

Additionally, the Social Security Administration (SSA) offers employers and authorized agents service for verifying employees' SSNs. For information on how to access SSA's SSN verification service, access SSA's Web site at www.ssa.gov/employer/ssnv.htm or contact your local SSA office.

To learn about steps that you can take to fight imposter fraud, protect your employees, and control your UI costs, download the *How You Can Prevent Unemployment Insurance Imposter Fraud* (DE 2360ER) brochure from EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de2360er.pdf.

There are several types of schemes businesses use to unlawfully lower their UI contribution rates. These UI rate manipulation schemes typically involve a business with a high UI tax rate obtaining a lower UI rate through creation of a new corporate entity or purchase of a shell business with a low UI rate. The practice of UI rate manipulation threatens the stability of California's UI Fund and creates an unfair advantage for those businesses that use these schemes to lower their rates.

In 2005, California implemented a new law to prevent UI rate manipulation; it requires employers who are illegally lowering their UI rates to pay at the highest rate provided by law plus an additional 2 percent. The new law also provides for the greater of a \$5,000 penalty or 10 percent of underreported contributions, penalty, or interest for anyone knowingly advising another person or business to violate California's UI rate and reporting laws.

It also makes changes in the law regarding the transfer of UI reserve account balances. It specifies that whenever a business transfers all or part of its business or payroll to another employer, the reserve account attributable to the transferred business will also be transferred if they are under common ownership, management, or control. It also provides that the transfer will be denied if the acquisition was for the purpose of obtaining a lower UI rate.

For more information about UI rate manipulation, please access EDD's Web site at www.edd.ca.gov/Payroll_Taxes/SUTA_Dumping.htm or contact our Taxpayer Assistance Center at (888) 745-3886. If outside U.S. or Canada, call (916) 464-3502.

UNEMPLOYMENT INSURANCE (UI) FUNDING

The California UI program is funded through payroll taxes paid by employers. These taxes are placed in the UI Fund and benefits are paid to qualified claimants from this fund. The individual tax reserve account established for each employer has no monetary value. The reserve account is an accounting tool used to keep track of credits and charges made against the employer's account to determine their annual UI tax rate. For additional information, please refer to "Unemployment Insurance - Taxes" on page 97.

BENEFIT AWARD

The maximum amount of UI benefits payable to a claimant during a regular benefit year is 26 times the claimant's weekly benefit amount or one-half of the total base period earnings, whichever is less. The benefit year is a 52 week period starting on the effective date of a new UI claim. The base period on which the amount of benefits is determined is a 12-month period that is determined by the effective date of an UI claim. The quarter in which the claimant earned the highest wages determines the weekly benefit amount received. After establishing a benefit year, a claimant who interrupts the claim (by returning to work and having excessive earnings, being disqualified for benefits, or by failing to certify for benefits for an extended period of time) may request to claim benefits again by filing an additional or reopened claim during the benefit year.

Year	Current Weekly UI Benefit Award		Maximum Charged to Reserve Account for Each Employee for a Regular Claim
	Minimum	Maximum	
2010	\$40	\$450	\$11,700
2011	\$40	\$450	\$11,700

BENEFIT QUALIFICATIONS

To be eligible for UI benefits, claimants must:

- Be unemployed through no fault of their own.
- Be totally or partially unemployed and registered for work with EDD, as required.
- Be physically **able to work** in their usual occupation or in other work for which they are reasonably qualified.
- Be **available for work**, by being ready and willing to immediately accept suitable work in their usual occupation, or in an occupation for which they are reasonably qualified.
- Be actively **seeking work** on their own behalf.
- Have received a minimum amount of wages during the base period. (For additional information, please refer to "Qualifying UI Wages" on page 102.)
- Comply with regulations in regard to filing claims.

Once a claim is filed, EDD staff will determine if there are eligibility issues. An EDD representative may call employers as well as claimants to resolve eligibility issues.

A claimant may be ineligible for UI benefits if the claimant:

- Was discharged for misconduct connected to his/her work. (Proof of misconduct rests with the employer.)
- Voluntarily quit without "good cause" (includes quitting for personal reasons, to go to school, or to move).
- Files a UI claim during a recess period, if he/she worked for a school employer and had reasonable assurance of returning to work for a school employer.
- Refused suitable work without "good cause."
- Failed to take part in reemployment services.
- Failed to apply for a job when referred by a public employment office.
- Failed to make reasonable efforts to look for work.
- Failed to comply with regulations.
- Made false statements or withheld information for the purpose of receiving UI benefits.
- Is not legally entitled to work in the U.S.
- Is not able to work or is not available for work.
- Is working full-time or earns wages totaling more than 25 percent of their weekly UI benefit amount.

An individual is not eligible for UI benefits if he/she voluntarily left work due to a trade dispute. Because EDD must decide whether a claimant is disqualified from receiving benefits in a trade dispute situation, certain facts are needed. During a trade dispute, regulations require employers to respond to notices from EDD.

Certain types of employees are not covered for UI benefits. For additional information, please refer to the "Types of Employment" table on page 16 and "Types of Payments" table on page 26.

QUALIFYING UI WAGES

To have a valid UI claim, individuals must have earned:

- \$1,300 or more in **covered employment wages** in one quarter of the base period, or
- \$900 or more in **covered employment wages** in the base-period quarter with the highest earnings and earned at least 1.25 times the high quarter earnings during the entire base period.

Certain types of payments made to employees are not considered covered employment (wages) for UI purposes. For additional information, refer to the "Types of Payment" table on page 26. The table shows if certain types of jobs and types of income are taxable for UI. If the table shows that a job or type of income is "not subject" to UI tax, then that income is excluded from establishing a UI claim.

UI ELIGIBILITY DETERMINATION

The EDD schedules fact-finding telephone interviews when there are eligibility questions regarding a claim. Our staff will talk to the claimant, employer, and anyone else necessary to make a decision. Based on the decision, benefits will either be paid or denied. If benefits are denied, a notice will be issued to the claimant. If the employer responds timely to the first notice sent by the Department and addresses the issue being decided, a notice will also be sent to the employer.

NOTE: The maximum amount an employer can be charged on a regular claim is \$11,700. (Refer to "Benefit Award" on page 101.) In addition, an employer's reserve account may be subject to charges for benefits paid on a Training Extension (TE) claim. Claimants who have been approved for California Training Benefits may be eligible for a TE claim. A claimant with a TE claim is eligible to receive a maximum of 52 times his/her weekly benefit amount on the regular claim, which includes the maximum benefit award of the regular claim.

HOW TO DESIGNATE AN AGENT OR SINGLE ADDRESS

Tax-Rated Employers

Tax-Rated employers may make address changes or designate an agent by contacting EDD's Tax Branch - refer to Change of Status on page 89.

Reimbursable Employers

Public entity and non-profit employers should also submit the single agent address or agent information to EDD's Tax Branch to have the address on file changed; to have the DE 1101C/Z and tax forms sent to the designated single address, refer to "Change of Status" on page 89.

In addition:

Public entity and non-profit employers and their agents must elect to have the notice of new or additional claim (DE 1101C/Z) sent to a designated single address, per Section 806 of the California Unemployment Insurance Code.

Requests for designation of a single address should be sent to:

**Employment Development Department
Unemployment Insurance Division, MIC 40
P.O. Box 826880
Sacramento, CA 94280-0001
Fax: (916) 654-8117**

HOW TO REQUEST AN ELECTRONIC DE 1545

Employers and their agents may obtain the *Notice of Wages Used for Unemployment Insurance (UI) Claim* (DE 1545) electronically. To obtain information about Electronic Data Interchange (EDI), contact:

**Employment Development Department
Employer Assistance Unit, MIC 16
P.O. Box 826880
Sacramento, CA 94280-0001
Telephone: (916) 464-2325**

Responding to Notices

Employers need to respond in writing to the *Notice of Unemployment Insurance Claim Filed* (DE 1101C/Z or DE 1101ER), *Notice of Wages Used for Unemployment Insurance (UI) Claim* (DE 1545), or the *Notice of Potential Increased Liability For Training Extension Benefits* (DE 1545TE) if:

- The claimant was terminated or voluntarily quit.
- You have knowledge of information that might affect the claimant's eligibility for UI benefits.
- The claimant's name and social security number are not correct.
- You want a written decision of eligibility that provides you appeal rights to the Department's decision.
- The claimant's work was in non-covered employment for UI purposes and the wages should not be used to establish a UI claim, including work performed as an elected official.

If you believe the claimant is not entitled to benefits, it is important to protest **in writing** when you receive the first notice. Your response must include any facts that may affect the claimant's eligibility for UI benefits or the potential liability of your UI reserve account for benefits paid to the claimant.

Protests to the DE 1101C/Z, DE 1101ER, DE 1545, DE 1545R, or DE 1545TE should be in writing and mailed to the address noted on the form. Protests may be written on the notice or included in a separate letter and should contain the following information:

- Employer's EDD account number, name, and address.
- Claimant's name and social security number.
- Beginning date of the claim.
- Date of separation from employment.
- Dates of separation(s) and rehire(s) during and following the quarters shown on the DE 1545.
- Information supporting your belief of the claimant's ineligibility. (Refer to page 101 for a list of disqualifying events.) Protests should include specific facts and circumstances. General statements (e.g., "employee was fired for misconduct") should be supported with specific events and documentation. This will result in better eligibility decisions based on the facts.
- If the wage information listed on the DE 1545 or DE 1545TE is incorrect, please inform EDD in writing at:

**Employment Development Department
Employers Assistance Unit, MIC 16
P.O. Box 826880
Sacramento, CA 94280-0001**

Include the following information with your correction of wage information:

- Employer's EDD account number, name, and address.
 - Claimant's name and social security number.
 - Beginning date of the claim.
 - Correction to the wage information. Please provide supporting documentation to the correction, such as a copy of the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) or *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ). Refer to the *2010 California Employer's Guide* (DE 44) for prior years corrections at www.edd.ca.gov/pdf_pub_ctr/de44-10.pdf
 - Name, signature, and telephone number of the employer or employer representative preparing the wage correction.
 - Date of the wage correction.
- The protest should be signed by the person having personal knowledge of the facts or having access to records containing the facts.

REMEMBER: If a written protest is not submitted for the DE 1101C/Z, DE 1101ER, or DE 1545, you waive your right to protest your UI reserve account's potential liability for benefits paid to the claimant and your right to appeal.

Subsequent Benefit Year

If you receive a notice that a subsequent benefit year has been established, you must resubmit any facts you furnished on the initial DE 1101C/Z to be entitled to a determination and/or ruling based on such facts for the later benefit year.

CLAIM NOTICES AND PROTEST TIME LIMITS	
Notice	Postmarked within
<p>DE 1101C/Z or DE 1101ER Mailed to the last employer when a current or former employee files a new UI claim or an existing claim is reopened.</p>	<p>10 calendar days of the date mailed to you (the date is printed on the top-right side of the DE 1101C/Z and the DE 1101ER).</p>
<p>DE 1545 Issued to all base-period employers after a claimant receives the first UI payment. This notice informs each employer of the wages used to establish the claim and the amount of potential charges to their UI reserve account for that claim.</p> <p>NOTE: Employers and their agents may obtain the DE 1545 electronically. (Refer to "How to Request an Electronic DE 1545" on page 102.)</p>	<p>The deadline to submit a ruling request is located on the top-right side of the DE 1545.</p> <p>To request a ruling, submit separation information within 15 calendar days from the mail date. If wage information is incorrect, submit the information within 20 calendar days.</p>
<p>DE 1545TE Mailed to base-period employers only when a former employee has been approved for the California Training Benefits (CTB) program. This form will inform you of the maximum amount of potential benefits payable, including training extension benefits, and the amount of potential charges to your UI reserve account. When protesting a claimant's eligibility for the CTB program, employers should address the particular criteria that individuals must meet under UI Code Section 1269.</p> <p>Effective July 2011, the CTB program criteria includes UI Code Section 1269.1.</p>	<p>15 calendar days from the mail date.</p>

NOTE: If you respond late to an EDD notice, explain the reason for the delay because the above time limits may be extended for "good cause." If the reason is determined not to be for "good cause," a *Response to Employer Communication* (DE 4614) will be issued. This form can be appealed if you do not agree with the determination.

Subscribe to EDD's free e-mail subscription services
www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

NOTICES OF DETERMINATION, RULING, OR MODIFICATION

You will receive one of the following DE 1080 notices in response to eligibility issues you reported on the DE 1101C/Z, DE 1101ER, or DE 1545:

Notice	Purpose
DE 1080EZ: <ul style="list-style-type: none"> • <i>Notice of Determination</i> 	Reimbursable Employer(s): Sent to an employer who responds timely to a DE 1101C/Z, DE 1101 ER, DE 1545, and who submits information about quits and discharges. The notice informs the employer whether or not the claimant was found eligible for UI benefits. Tax-rated Employers(s): Sent to an employer who responds timely to a DE 1101C/Z, DE 1101 ER, DE 1545, or who provides eligibility information about issues other than quits or discharges that can affect a claimant's eligibility for UI benefits, such as job refusals or a claimant's unavailability for work because of school attendance, lack of child care, etc. The notice informs the employer whether or not the claimant was found eligible to receive UI benefits. Refer to page 101 for a list of disqualifying events.
<ul style="list-style-type: none"> • <i>Notice of Determination/Ruling</i> 	Sent to a tax-rated employer who responds timely to a DE 1101C/Z or DE 1101ER with eligibility information regarding a voluntary quit or discharge. The ruling portion of this notice informs the employer whether or not the reserve account will be charged for UI benefits paid.
<ul style="list-style-type: none"> • <i>Notice of Ruling</i> 	Sent to a tax-rated employer who responds timely to a DE 1545 with separation information. The separation must have occurred during or after the base period of the claim. This notice informs the employer whether or not the reserve account will be charged for UI benefits paid.
<i>Notice of Modification (DE 1080M)</i>	Sent to the employer who previously received a DE 1080EZ stating that the claimant was disqualified. This form informs the employer that the claimant's disqualification period is over. This notice does not change the original ruling issued to the employer.

REMEMBER: Employers who finance UI coverage under one of the reimbursable financing methods receive *Notices of Determination*, but do not receive *Notices of Ruling* because they do not have a UI reserve account.

The *Notice of Potential Increased Liability For Training Extension Benefits* (DE 1545TE) provides base period employers with a timely notice of maximum amount of potential unemployment insurance (UI) benefits, including training extension benefits that may be charged to their accounts. This form is mailed to base-period employers only when a former employee has been approved for the California Training Benefits (CTB) program. When protesting a claimant's eligibility for the CTB program, employers should address the particular criteria that individuals must meet under Section 1269 of the California Unemployment Insurance Code (CUIC). **Effective July 2011**, the CTB program criteria includes UI Code Section 1269.1.

UI BENEFITS – APPEAL RIGHTS

You have the right to file an appeal if you do not agree with a decision made by EDD about your:

- Former employee's right to receive UI benefits.
- UI reserve account being charged for benefits paid to a former employee.

You must send your written appeal to EDD within 20 calendar days of the date the decision was mailed to you. The EDD will send you an acknowledgment of receipt and registration of your appeal with the telephone number for the Office of Appeal hearing the case. The Office of Appeal will schedule a hearing with an Administrative Law Judge (ALJ). Both you and your former employee will be notified of the date, time, and place of the hearing at least 10 days before the hearing date. If you are filing an appeal to a *Notice of Ruling* (DE 1080EZ), the employee is not considered a party to the proceeding and is not notified of the hearing. The ALJ will conduct a hearing and give all interested parties the opportunity to present their evidence. The ALJ will consider the facts presented at the hearing and issue a written decision that is mailed to all concerned parties.

If you do not agree with the ALJ's decision, you may appeal to the California Unemployment Insurance Appeals Board (CUIAB). The CUIAB reviews appeals to decisions rendered by ALJs. Both the CUIAB and the ALJs operate impartially and independently of EDD.

The CUIAB provides the following publications to assist in filing an appeal and preparing for an administrative hearing:

- *Unemployment Appeals - A Guide for Claimants, Employers, and Their Representatives* (DE 1434).
- *Appeals Procedure* (DE 1433).

For copies of these publications, write to the California Unemployment Insurance Appeals Board at the address shown on the following page. If you have any questions about filing an appeal, please contact EDD at (800) 300-5616.

NOTE: An *Employment Development Department Appeal Form* (DE 1000M) is enclosed with all DE 1080s. The DE 1000M may be accessed through our Web site at www.edd.ca.gov/pdf_pub_ctr/de1000m.pdf.

FALSE STATEMENT PENALTY

Section 1142(a) of the California Unemployment Insurance Code (CUIC) provides that an employer may be assessed a cash penalty from 2 to 10 times the claimant's weekly benefit amount if it is determined that the employer, employer representative, employer officer, or employer agent willfully made a false statement or representation or failed to report a material fact concerning the claimant's termination of employment.

Section 1142(b) of the CUIC provides that an employer may be assessed a cash penalty from 2 to 10 times the claimant's weekly benefit amount if it is determined that the employer, employer representative, employer officer, or employer agent willfully made a false statement or representation or willfully fails to report a material fact concerning the claimant's reasonable assurance of reemployment as defined in Section 1253.3 of the CUIC.

Section 1142.1 of the CUIC provides that an employer may be assessed a cash penalty from 2 to 10 times the claimant's weekly benefit amount if it is determined that the employer, employer representative, employer officer, or employer agent, where the claimant was performing services for an educational institution as defined in Section 1253.3, willfully makes a false statement or representation or fails to report a material fact concerning the claimant's termination of employment or regarding any week during which services were performed (as provided in Section 1253.3) or any time granted to the claimant for professional development while working for that employer.

If you are not in agreement with the *Notice of Determination or Assessment Under UI Code Section 1142(A)* (DE 3807 SEP) or *Notice of Determination and/or Assessment of Employer Statement* (DE 3807RA) you may file a *Petition Rights from Notice of Assessment* (DE 2350) to an Administrative Law Judge (ALJ) of the California Unemployment Insurance Appeals Board (CUIAB). The CUIAB, established separate and apart from EDD, reviews, hears, and renders impartial and independent decisions in tax and benefit matters related to the CUIC.

Prepare an original and a copy of the petition. The petition may be informal but must be in writing and should:

- Show your EDD employer account number and the date of the assessment. (For faster processing, enclose a copy of the DE 3807SEP or DE 3807RA with your petition.)
- Provide the claimant's name and social security number.
- Clearly indicate that it is a "Petition for Reassessment."
- Describe the reason for the petition and specify the facts or grounds for requesting a reassessment.
- Be signed by you or your authorized agent.
- State your address or that of your agent, if any.

To be timely, the petition must be mailed or delivered to the office shown below **within 30 calendar days** from the date of assessment. The time to protest can be extended by an ALJ for not more than 30 days but **only** if "good cause" for the delay is shown. Mail or deliver the original and a copy of your petition for reassessment to:

**California Unemployment Insurance Appeals Board
Sacramento Office of Appeals
2400 Venture Oaks Way, Suite 100
Sacramento, CA 95833-4224**

BENEFIT AUDITS TO DETERMINE FRAUD

Each quarter, as part of EDD's fraud detection efforts, *Benefit Audit* (DE 1296B) forms are mailed to employers to request wage information for specific weeks that their employees may have worked. In addition, once a year EDD identifies all outstanding *Benefit Audit* forms for which a reply was not received. A replacement audit form is sent to those employers for **each** outstanding quarter identified.

The benefit audit identifies individuals who may have improperly received UI benefits for weeks in which they worked and had earnings. The audit process leads to the recovery of benefit payments and the potential reversal of related charges to the employer's reserve or reimbursable account when the Department determines that the claimant was not entitled to UI benefits.

As part of our continuing efforts to detect and deter fraud, EDD cross matches the social security number and Start-of-Work Date (SWD) from the New Employee Registry (NER) information reported by employers with UI benefit payment information. An accurate SWD (not the hire date) is particularly important for this cross match process. If a match is identified, an audit form will be sent to the employer requesting earnings and eligibility information. The returned employer information is used to identify benefit overpayments and to recover the unauthorized benefit payments. The NER audit enables EDD to detect fraud up to six months sooner than the quarterly Benefit Audit Process and protects the UI Fund by reducing overpayments. Employers who have responded to the NER benefit audit form will not receive a *Benefit Audit* (DE 1296B) form for the same employee for the same quarter.

BENEFIT AUDITS TO DETERMINE FRAUD (cont.)

NOTE: Employers are required by law to respond to the *Benefit Audit* (DE 1296B and DE 1296NER) forms. Your cooperation is essential to detect fraud and to protect the integrity of the UI program.

Questions or comments about the benefit audit process should be sent to:

**Employment Development Department
P.O. Box 3038, MIC 16A
Sacramento, CA 95812-3038
Telephone: (916) 464-2350**

BACK PAY AWARD

Employees who receive UI benefits and later receive back pay awards or settlements must have the Back Pay Award or settlement allocated to the period for which it was awarded. The EDD must be reimbursed an amount that equals the amount of UI benefits received if the Back Pay Award covers the same period for which UI benefits were paid. Back pay is considered wages and should be reported within 30 days from the settlement or agreement date. A determination must be made regarding who is responsible to repay EDD for the overpaid benefit amounts. If the Back Pay Award agreement states that the employer will withhold overpayment amounts from the Back Pay Award or settlement, the employer is responsible for submitting the amounts withheld to EDD to clear the overpayment. The employer must provide the claimant's name and complete social security number and information concerning the period covered by the back pay award.

At the employer's request, EDD will determine the amount of UI benefits to be repaid, establish an overpayment, and notify the claimant and employer. ("Employer" refers to both tax-rated and reimbursable employers.) Reimbursable employers will receive credits against their future charges only after the liability has been paid. For further information, contact:

**Employment Development Department
Backpay Awards Coordinator, MIC 8, OARG
P.O. Box 826806
Sacramento, CA 94280-0001
Telephone: (916) 464-2333**

WORKERS' COMPENSATION BENEFITS

Employees who received UI benefits and later receive Workers' Compensation benefits in the form of Temporary Total Disability (TTD) benefits, Vocational Rehabilitation Maintenance Allowance (VRMA), or settlements for the same period must repay EDD an amount equal to the UI benefits received. For further information, contact:

**Employment Development Department
Workers' Compensation Specialist
P.O. Box 2588
Rancho Cordova, CA 95670
Telephone: (916) 464-0713**

STATEMENT OF CHARGES

Each October, the annual *Statement of Charges to Reserve Account* (DE 428T) is mailed to you. This statement notifies you of the Unemployment Insurance (UI) benefit charges and credits to your reserve account for the prior one-year period from July 1 through June 30. 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 next tax year. 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, inform EDD immediately in order to receive your DE 428T timely.

For further information, please refer to the *Explanation and Instruction Sheet* (DE 428C) included with the DE 428T or call our Taxpayers Assistance Center at (888) 745-3886. The DE 428C is also available on EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de428c.pdf, or request from our automated Fax on Demand system at (877) 547-4503.

LAYOFF ALTERNATIVES

Partial UI Claims

The Partial UI Claim program enables employers to keep trained employees who are partially employed during slow business periods. Employers may use the Partial UI Claim program if employees are temporarily working reduced hours or have been placed on layoff status for no more than two consecutive weeks. To obtain information about Partial Claims and the partial forms, *Notice of Reduced Earnings* (DE 2063) and *Notice of Reduced Earnings (Fisherperson)* (DE 2063F), access EDD's Web site at www.edd.ca.gov/Unemployment/FAQ_-_Partial_Claims.htm.

If you participate in the program you should:

- Instruct your employees to call EDD's UI toll-free numbers to file a UI claim by phone.
- Instruct your employee to advise EDD that he/she is participating in the UI Partial program.
- Complete the employer portion of the *Notice of Reduced Earnings* (DE 2063) and issue it to your employee.
- Instruct employees to complete and sign the DE 2063 and mail it to EDD.

If the employee has no wages (does not work) for two consecutive weeks, instruct the employees to contact the EDD to obtain the regular *Continued Claim* (DE 4581) form. Participation in this program may increase the employer's UI tax rate.

For more information about partial UI claims, please call one of the toll-free UI telephone numbers on page 120 or access EDD's Web site at www.edd.ca.gov/Unemployment/Partial_Claims.htm.

Work Sharing Program

The Work Sharing program is available to employers who reduce employee wages and hours as an alternative to a temporary layoff. The affected work force or work unit(s) must consist of two or more employees. At least 10 percent of the total work force or 10 percent of the specified work unit(s) must participate in the program. The employer must sign a six-month Work Sharing plan with EDD. If, during the period of the plan, the employer does not meet the Work Sharing requirements, the business will be taken off the program. Participation in this program may increase the employer's UI tax rate. If you are interested in participating in the program or would like additional information, access EDD's Web site at www.edd.ca.gov/Unemployment/Work_Sharing_Claims.htm or contact:

**Employment Development Department
Special Claims Office
P.O. Box 419076
Rancho Cordova, CA 95741-9076**

**Telephone: (916) 464-3300
Fax: (916) 464-3333**

NOTICE OF LAYOFF

Employers with at least 100 employees who plan plant closures or mass layoffs of 50 or more full-time employees during any 30-day period at a single site of employment must give affected employees at least 60 days written notice. Please refer to "Plant Closure or Mass Layoff (WARN)" on page 92 for additional information.

WAGES NOTICES

In the event of a layoff or business closure involving 10 or more employees, EDD's Wages Notice Group will investigate and post Electronic Wages Notices (EWNs) for staff in EDD offices to use. The EWNs contain wage findings (e.g., findings on in lieu of notice pay and bonuses) to ensure consistent determinations when several employees may be affected by the same set of facts. For additional information, access EDD's Web site at www.edd.ca.gov/Unemployment/Mass_Layoffs_and_Wage_Notices.htm.

STATE DISABILITY INSURANCE (SDI) PROGRAM

The State Disability Insurance (SDI) Program provides Disability Insurance (DI) and Paid Family Leave (PFL) benefits to eligible workers experiencing a loss of wages. The SDI Program is funded by taxes withheld from employee wages.

Disability Insurance (DI) is a component of the State Disability Insurance (SDI) Program. The DI benefits are paid to eligible California workers experiencing a loss of wages when they are unable to perform their regular or customary work due to a non-work-related illness or injury, pregnancy, and childbirth.

Paid Family Leave (PFL) is also a component of the SDI Program. The PFL provides benefits to individuals who take time off from work to care for a seriously ill child, spouse, parent, or registered domestic partner or to bond with a new child.

TAXES – WHO PAYS FOR SDI?

The SDI (DI and PFL) is funded entirely through employee payroll withholdings. Except for public agency employers, disability coverage is mandatory. Employers may choose either the State plan or a Voluntary Plan to cover their employees (refer to “Employer Sponsored Voluntary Disability Insurance Plan” on page 110 for more information). Those employees not choosing a Voluntary Plan are covered under the State plan. For more information, please access EDD’s Web site at www.edd.ca.gov or call EDD’s 24-hour Automated Call System at (916) 653-7795.

NOTE: When a worker has more than one employer during a calendar year, it is possible that excess SDI taxes may be withheld from the worker’s wages. Workers should request a refund of excess SDI withholdings on their California income tax return.

The SDI tax rate may be adjusted annually to not more than 1.5 percent (.015) or less than 0.1 percent (.001) depending on the balance in the SDI Fund. Employee contributions withheld are paid by the employer to either the SDI Fund or a Disability Insurance Voluntary Plan (refer to page 110).

EMPLOYEE BENEFITS

Eligible claimants may file for DI or PFL benefits for each occurrence of disability or period of family care leave.

The *Disability Insurance Provisions* (DE 2515) pamphlet contains general information on DI eligibility. The *Paid Family Leave Insurance Program* (DE 2511) pamphlet contains general information on PFL eligibility. The *Claim for State Disability Insurance (SDI) Benefits* (DE 2501) and *Claim for Paid Family Leave Benefits* (DE 2501F) are application forms that contain additional information.

All California employers who have employees subject to SDI taxes are required to provide the DE 2515 and the DE 2511 to each new employee. The California Unemployment Insurance Code (CUIC) requires employers to provide general DI information to each employee leaving work due to nonoccupational illness or injury, pregnancy, and childbirth. Employers are also required to provide PFL information to each employee leaving work to care for a seriously ill family member or to bond with a new child. The pamphlets and applications are provided to employers at no cost. Additional copies may be ordered by accessing EDD’s Web site at www.edd.ca.gov/Forms/default.asp, or contacting our Taxpayer Assistance Center at (888) 745-3886.

CLAIM NOTICES

When an SDI claim is filed, the employer(s) shown on the SDI claim form will receive a *Notice to Employer of Disability Insurance Claim Filed* (DE 2503). For PFL claims, employers receive a *Notice to Employer of Paid Family Leave Claim Filed* (DE 2503F). Complete and return the DE 2503 or DE 2503F **within two working days** when you have information affecting the claimant’s eligibility.

To deter disability fraud, please respond immediately if you are not the employer shown on the DE 2503 or DE 2503F, or if the claimant:

- Is not your employee.
- Has quit his/her job.
- Is receiving wages.
- Has not stopped working.
- Is known to be working for another employer.

NOTE: Because DI and PFL are paid for by employees, the filing of a DI or PFL claim will not affect the employer’s Unemployment Insurance reserve account. Therefore, the DE 2503 and DE 2503F are not the basis for a ruling, and the employer will not be notified of any determination as a result of the response on the DE 2503 or DE 2503F.

EMPLOYER SPONSORED VOLUNTARY PLAN

California law allows employers to apply to EDD for approval to establish a Voluntary Plan (VP) (which must include Paid Family Leave benefits) for their employees in lieu of the State coverage. To be approved for a VP, the employer must post a security deposit with the State Treasurer in an amount determined by EDD. The benefit rights under a VP must be as great as the State plan in all respects and better in at least one provision.

Once a VP is approved, the employer is no longer required to send SDI withholdings to EDD for those employees covered by VP. Instead, the employer holds the VP contributions in trust to pay disability or PFL VP benefit claims and approved expenses. The VP employer pays a quarterly assessment to EDD based on the taxable wages of employees participating in the plan and other factors.

A VP must provide better coverage without additional cost to the employees. Based on claims experience, excess funds may be used to increase benefit levels or lower contributions. Please note that any money collected for VP purposes must be used only for the benefit of employees who contribute to the plan.

An employer considering a VP commitment should be aware that the employer takes ultimate responsibility for the plan benefits and expenses. If the accumulated VP trust fund is inadequate to cover benefits or expenses, the employer is responsible to cover the deficit; employer loans made to the VP may be recovered from future excess VP trust funds. If a plan terminates and there are insufficient trust funds, the employer must assume the financial obligation until all plan liabilities have been met.

For additional information on the DI/PFL Voluntary Plan option, please access EDD's Web site at www.edd.ca.gov/Disability/Employer_Voluntary_Plans.htm, call (916) 653-6839 (TTY access is available at 800-563-2441), or write to:

**Employment Development Department
Disability Insurance Branch, MIC 29 VP
P.O. Box 826880
Sacramento, CA 94280-0001**

SELF-EMPLOYED BENEFITS

Self-employed individuals may elect to cover themselves for SDI benefits under provisions of the CUIC.

Self-employed individuals who elect coverage pay at a rate determined by the prior annual combined usage of all participants. For further information on elective coverage, download the Information Sheet: *Elective Coverage* (DE 231EC) at www.edd.ca.gov/pdf_pub_ctr/de231ec.pdf. The *Disability Insurance Elective Coverage Program Fact Sheet* (DE 8714CC) can be obtained from EDD's Web site at www.edd.ca.gov/pdf_pub_ctr/de8714cc.pdf. All forms can also be obtained by contacting the Disability Insurance Elective Coverage Unit at (916) 654-6288 or our Taxpayer Assistance Center at (888)745-3886.

WORKERS' COMPENSATION INSURANCE

Workers' compensation insurance is an employer paid indemnity that provides benefits to eligible workers experiencing a loss of wages when they are unable to perform their regular or customary work due to an occupational illness or injury. Generally, employees are not eligible for DI or PFL when receiving workers' compensation benefits unless the DI or PFL rate is greater than the workers' compensation rate. For additional information, contact the Department of Industrial Relations by phone (refer to the government listings in your local telephone book) or access their Web site at www.dir.ca.gov.

If you have **any** employees, you are required by law to have workers' compensation insurance. Failure to do so is a crime and may result in penalties and closure of your business.

If you have questions about workers' compensation insurance or how to obtain coverage, contact your insurance agent or the Division of Workers' Compensation at (800) 736-7401.

ADDITIONAL INFORMATION

For information regarding the SDI Program, access EDD's Web site at www.edd.ca.gov or contact our Disability Insurance benefits operations at (800) 480-3287 or Paid Family Leave Insurance benefits operations at (877) 238-4373.

NOTE: To provide affordable benefits to eligible workers, the SDI program has systems in place to detect and deter fraud. Please report suspected fraudulent activity to EDD's Fraud Hotline at (800) 229-6297.

EMPLOYMENT AND TRAINING SERVICES

EDD'S WORKFORCE SERVICES

The EDD's Workforce Services Branch provides services to bring California employers together with qualified job seekers. The EDD's Workforce Services Branch offers an Internet-based system called CalJOBSSM, a self-service labor exchange, which provides quick access to a large pool of job-ready applicants. Employers with Internet access can enter their own job listings and update or close orders.

Employers without Internet access or who have special requirements can be served by Customer Service representatives who take job-opening information by telephone or fax and assist employers in finding qualified applicants. There are no fees to use CalJOBSSM.

To register with CalJOBSSM, you will need your EDD employer account number. To access CalJOBSSM, visit our Web site at www.caljobs.ca.gov or call the Customer Support Desk at (800) 758-0398 for assistance. If you do not have an EDD employer account number, please refer to page 6 for information on obtaining one.

For more information on these and other services, visit EDD's Web site at www.edd.ca.gov/Jobs_and_Training/Our_Partners.htm or contact your nearest Workforce Service Office or One-Stop Career Center. To locate your nearest office go to www.edd.ca.gov/office_locator/.

EMPLOYMENT TRAINING PANEL

The Employment Training Panel (ETP) provides funding to employers to assist in upgrading the skills of their workers through training that leads to good paying, long-term jobs. The ETP was created in 1982 by the California State Legislature and has invested over \$1 billion to train more than 800,000 California workers since inception. The ETP is a funding agency, not a training agency. Businesses determine their own training needs and how best to provide training.

Purpose: The ETP funds training that results in high-wage, secure, long-term, full-time employment in targeted industries to improve California's competitiveness in a global economy and the skills of the State's workforce. Approximately \$70 to \$100 million in job training funds are provided annually to California employers. The ETP primarily funds retraining of currently employed workers in companies threatened by out-of-state competition and has placed special emphasis on training for small businesses with fewer than 100 employees.

Funding

In 1982, the Legislature established the Employment Training Tax (ETT). All tax-rated employers, including new employers, are subject to the ETT. Employers with positive reserve accounts are assessed 0.1 percent (.001) on the first \$7,000 of each employee's wages. Employers do not pay the ETT while their accounts have a negative reserve balance, but they must pay a higher rate of Unemployment Insurance (UI) tax. The maximum ETT collected is \$7 per employee, per year.

How Is ETP Different?

The ETP's performance-based standards ensure that training results in high-wage, secure jobs. For a contractor to earn reimbursement, trainees must receive at least eight hours of training, complete a minimum of 90 days full-time employment following the completion of training, receive at least the required ETP minimum wage, and use the skills learned during the training on the job. The employer selects the courses, trainers, and types of training that best meet their business needs.

For additional information, access ETP's Web site at www.etp.ca.gov or contact one of the following ETP offices:

North Hollywood	(818) 755-1313	San Diego	(619) 686-1920
Sacramento Central Office	(916) 327-5640	San Francisco Bay Area Regional Office	(650) 655-6930
		Sacramento Regional Office	(916) 327-5239

EMPLOYMENT TRAINING PANEL (cont.)

General Information

The ETP contracts directly with tax-rated employers, groups of employers (including associations and chambers of commerce), training agencies, vocational schools, Workforce Investment Boards (WIB), and grant recipients under the Workforce Investment Act (WIA).

The ETP funds the following types of training programs to promote a healthy labor market in a growing, competitive economy:

- **Retraining** – Helps companies facing out-of-state competition by upgrading the job skills of current employees.
- **New-Hire** – Funds training of unemployed workers eligible to receive California UI benefits or who have exhausted UI benefits within 24 months of the training.
- **Special Employment Training (SET)** – Provides limited funding for the following additional categories:
 - **Frontline Workers** – Supports the retraining of frontline workers in occupations that pay the State average hourly wage in businesses that do not meet the ETP's standard project criteria.
 - **Workers in High Unemployment Areas** – Provides training funds for workers in areas with unemployment rates at least 25 percent higher than the average rate for California.
 - **Small Business Skills** – Funds training for small business owners to enhance the competitive position of their business. Owners must have at least one but no more than nine full-time employees.
 - **Workers With Multiple Barriers to Employment** – Funds are provided to train individuals with barriers to full-time employment such as, but not limited to physical disabilities, lack of work history, limited communication, and literacy skills.
 - **Seasonal Industries** – May provide training funds for workers employed by companies in seasonal industries.

TRADE ADJUSTMENT ASSISTANCE

The Trade and Globalization Adjustment Assistance Act of 2009 program was established to help American workers who lost their jobs or had their hours and wages reduced as a result of increased imports from other countries or as a result of a shift in production to a country that has entered into a free trade agreement with the U.S.

This program provides training, job search assistance, relocation assistance, and weekly income support to trade impacted workers. To obtain a *Petition for Trade Adjustment Assistance* (ETA 9042A) workers may access the U.S. Department of Labor's (DOL) Web site at www.doleta.gov/tradeact, contact any local EDD Workforce Service office, or call the UI toll-free telephone number listed on page 120. Workers should file an application simultaneously with both the Office of Trade Adjustment Assistance and the State Trade Act coordinator.

For additional information on the Trade Act program call the DOL at (202) 693-3560.

Subscribe to EDD's free e-mail subscription services
www.edd.ca.gov/about_EDD/Get_Email_Notices.htm

WORK OPPORTUNITY TAX CREDIT

The Work Opportunity Tax Credit (WOTC) Program promotes the hiring of individuals who qualify as a member of a target group and provides federal income tax credits to employers who hire these individuals.

Employers must apply for and receive certification from EDD that their new hire meets the eligibility criteria for one of the eleven target groups before they can claim a WOTC on their federal tax return.

For identification of the target groups and additional information, please visit our Web site at www.edd.ca.gov/Jobs_and_Training/Work_Opportunity_Tax_Credit.htm or call (866) 593-0173.

WORKFORCE INVESTMENT ACT

The federal Workforce Investment Act (WIA) of 1998 provides the framework for a national workforce preparation and employment system. Title I of WIA authorizes and funds a number of employment and training programs in California. Workforce investment activities authorized by WIA are provided at the local level to individuals in need of those services, including job seekers, dislocated workers, youth, incumbent workers, new entrants to the workforce, veterans, persons with disabilities, and employers. The WIA's primary purpose is to provide workforce investment activities that increase the employment, job retention, earnings, and occupational skill attainment of participants.

These programs help prepare Californians to participate in the State's workforce, increase their employment and earnings potential, improve their educational and occupational skills, and reduce their dependency on welfare. In turn, this improves the quality of the workforce and enhances the productivity and competitiveness of California's economy.

The WIA authorizes a variety of services to employers. Services are designed and administered by Local Workforce Investment Boards (LWIB). Local services are provided by One-Stop Centers and may include:

- Applicant screening/referral
- Business closure assistance
- Customized training
- Enterprise zone tax credits
- Entrepreneurial training
- Job placement assistance
- Labor market information
- On-the-job training
- Training subsidies

The WIA is administered by LWIBs in partnership with local elected officials. The LWIBs are comprised of representatives from private sector business, organized labor, community-based organizations, local government agencies, and local education agencies. The LWIBs designate One-Stop Career Center operators, provide policy guidance, and oversee the job training activities within local areas.

For more information, access EDD's Web site at www.edd.ca.gov/Jobs_and_Training/Workforce_Investment_Act.htm or contact the Workforce Services Branch at (916) 654-7799.

LABOR MARKET INFORMATION

Purpose: The EDD's Labor Market Information Division (LMID) collects, analyzes, and publishes information about California's labor market that helps employers, policy makers, and researchers with important business decisions.

What Labor Market Information Is Available on the Web?

On our Web site at www.labormarketinfo.edd.ca.gov we have information that will assist you in making important business decisions. There is a special page with information just for employers – From the “Labor Market Info” tab, go to the “**Customer Center**” section then to “**Business/Employers**.” From this page, you have links to:

- **Affirmative Action and Equal Employment Opportunity Planning Information**
- **Local Area Profile** – Get an overview of labor market information in the state or a county, including employment and unemployment, industry payroll data, wages, consumer price index, and more.
- **Occupational Profile** – Get a description, wages, employment outlook, training providers, and skills for specific occupations. Use this information to create job descriptions for your vacancy announcements or compare wages you pay to average local wages.
- **CalJOBSSM** – California's Job Opening system where you can post your job vacancies and review résumés of prospective employees at no cost.
- Information from the Department of Industrial Relations at www.dir.ca.gov, about workplace issues, including those related to benefits, meal breaks, and pay.
- **Training and Apprenticeships** – Find out what training is available to develop the skills of your employees.
- Other EDD resources, labor market publications and the data library.

For assistance, contact your local Labor Market Consultant at www.calmis.ca.gov/file/resource/LMIConsultants.pdf or contact LMID at (916) 262-2162.

Multiple Location and/or Function Employers

When an employer maintains a business with more than one physical location or conducts more than one business activity/function at the same location, and the secondary locations have a total of 10 or more employees, the employer is considered to be a multiple establishment employer. A primary location is defined as the one with the highest number of employees. If your firm fits the multiple location criteria and you are not currently completing a *Multiple Worksite Report* (BLS 3020), please contact LMID's Employment and Payroll Group at (916) 262-1856.

REMEMBER: Filing the *Multiple Worksite Report* is mandatory and must be done on a quarterly basis.

The LMID mails the federal form, *Multiple Worksite Report* (BLS 3020), to multiple worksite business owners at the close of each quarter (e.g. December 31, 2010). Employers have until the end of the following month (e.g. February 1, 2011) to return the BLS 3020 form to EDD.

How Your Industry Code Is Determined

All businesses and government organizations are assigned an industry classification code from the North American Industry Classification System (NAICS), which allows the U.S. Bureau of Labor Statistics to tabulate national and state economic data by industry. Most new employers are assigned an industry code based on their response on Section P (industry activity) of the *Registration Form for Commercial Employers* (DE 1). Each year, selected employers are sent an *Industry Verification Form* (BLS 3023 VS) to verify the accuracy of their industry code. Other employers, who have not yet been assigned an industry code, may receive an *Industry Classification Form* (BLS 3023 CA). For additional information, call (800) 562-3366.

NOTE: Please answer **ALL** questions about your business and industry thoroughly when completing the registration form (DE 1, Section P), the BLS 3023 VS, and/or the BLS 3023 CA. This will help us accurately determine your firm's industry code.

INFORMATION AND ASSISTANCE BY TOPIC

If you have any questions regarding the following topics, please contact the designated agency or office:

TOPIC	DESCRIPTION	CONTACT
California Personal Income Tax (PIT) Withholding	To request the California PIT withholding tables or for information on whether payments are subject to California PIT withholding.	EDD Taxpayer Assistance Center Telephone: (888) 745-3886 Outside U.S. or Canada call (916) 464-3502 www.edd.ca.gov
	Information on programming your computer or acceptable computer software programs to calculate California PIT withholding. NOTE: When you call Franchise Tax Board's (FTB) assistance number, please request to speak to their Statistical Research Section so they can provide the appropriate assistance.	Statistical Research Section Franchise Tax Board MS 351 P.O. Box 1468 Sacramento, CA 95812-1468 Automated phone service: (916) 845-7057 tax practitioner line Assistance: (800) 852-5711 Hearing-impaired: (800) 822-6268 (TTY) www.ftb.ca.gov
California Tax Service Center (CTSC)	This is a joint tax agency Web site. It contains tax related information from the Employment Development Department, the Franchise Tax Board, Board of Equalization, and the Internal Revenue Service.	www.taxes.ca.gov
CalJOBSSM	An Internet-based job and résumé listing system that increases public access to employment services. Employers may call their local Workforce Service Office or One-Stop Career Center site for assistance in entering job openings or selecting job seekers.	EDD Workforce Services Division, MIC 50 P.O. Box 826880 Sacramento, CA 94280-0001 CalJOBS SM assistance: (800) 758-0398 8 a.m. to 5 p.m., Pacific Time (PT) Monday through Friday www.caljobs.ca.gov www.edd.ca.gov/Office_Locator/
Disability Insurance (DI)	Disability Insurance (DI) is a component of the State Disability Insurance (SDI) Program and provides benefits to individuals unable to perform their regular or customary work due to a non-work related illness or injury, pregnancy, and childbirth.	EDD Disability Insurance Telephone English: (800) 480-3287 Spanish: (866) 658-8846 TTY: (800) 563-2441 Employers may press "0" at the menu to speak with a representative. www.edd.ca.gov/Disability/Disability_Insurance.htm

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www.edd.ca.gov/Payroll_Tax_Seminars/

TOPIC	DESCRIPTION	CONTACT
Expanded e-Services for Business	A convenient and secure method for managing your employer tax account, filing most of your returns and reports and paying tax deposits and liabilities over the Internet. Refer to page 87 for additional information.	EDD E-mail: ecom@edd.ca.gov https://eddservices.edd.ca.gov
Economic Development	The EDD's Labor Market Information Division offers data on occupational wages and outlook, employment by industry, and State and local labor market.	EDD Labor Market Information Division Telephone: (916) 262-2162 www.labormarketinfo.edd.ca.gov
Employee Eligibility to Work	Under federal law, employers are required to verify that every individual (citizen, national, or alien) whom they hire has the right to work in the United States (U.S.). The U.S. Citizenship and Immigration Services (USCIS) require you to complete an <i>Employment Eligibility Verification</i> (Form I-9) for each person hired to verify employment eligibility.	U.S. Citizenship and Immigration Services Business Liaison Automated phone service: (800) 357-2099 Request a copy of the <i>Handbook for Employers: Instructions for Completing Form I-9 (M-274)</i> . www.uscis.gov/portal/site/uscis
Employer Requirements	The Taxpayer Assistance Center can answer your payroll tax questions (e.g., employee and independent contractor status, employer registration, independent contractor reporting, and new employee reporting).	EDD Taxpayer Assistance Center Telephone: (888) 745-3886 www.edd.ca.gov/Payroll_Taxes/Contact_US_About_Payroll_Taxes.htm
Employer Rights During the Employment Tax Audit and Collection Process	Employer rights are protected by the Taxpayer Advocate Office during the employment tax audit and collection process. You may request assistance from this office after first attempting to resolve an issue with an EDD representative, supervisor, and office manager.	EDD Taxpayer Advocate Office, MIC 93 P.O. Box 826880 Sacramento, CA 94280-0001 Toll-Free: (866) 594-4177 Telephone: (916) 654-8957 Fax: (916) 654-6969 www.edd.ca.gov/Payroll_Taxes/Taxpayer_Advocate.htm

TOPIC	DESCRIPTION	CONTACT
Employment Development Department (EDD) Web Site	Provides a variety of information on EDD's programs and services, forms and publications, and links to other government sites.	EDD www.edd.ca.gov
Employment Tax Rates and Unemployment Insurance Benefit Charges	<p>A <i>Notice of Contribution Rates and Statement of UI Reserve Account</i> (DE 2088) is mailed annually by December 31 to notify employers of their UI, ETT, and SDI tax rates. For additional information, refer to page 98.</p> <p>A <i>Statement of Charges to Reserve Account</i> (DE 428T) is mailed annually in October. This statement is an itemized list of UI charges to your reserve account. For additional information, refer to page 107.</p> <p>Protests to the DE 2088 and DE 428T must be submitted within 60 days of the "mail date" on the notice.</p>	EDD Contribution Rate Group, MIC 4 P.O. Box 826880 Sacramento, CA 94280-0001 Telephone: (916) 653-7795 (24-hour automated telephone system)
Employment Training Panel	Provides funds to train and retain workers in targeted industries. Includes retraining current employees, training new hires, and five Special Employment Training programs. For additional information, refer to pages 112 and 113.	Employment Training Panel North Hollywood (818) 755-1313 Sacramento (916) 327-5640 Central Office Sacramento Regional Office (916) 327-5329 San Diego (619) 686-1920 San Francisco Bay Area Regional Office (650) 655-6930 www.etp.ca.gov
Federal Tax Requirements	For federal employment tax and personal income tax requirements, contact the Internal Revenue Service (IRS). The federal <i>Employer's Tax Guide</i> (Publication 15, Circular E) and <i>Employer's Supplemental Tax Guide</i> (Publication 15-A) are available from IRS.	Internal Revenue Service Telephone: (800) 829-4933 www.irs.gov
Federal Unemployment Tax Act (FUTA) Certification	The method IRS uses to verify with the states that the credit claimed on the Form 940 or Form 1040, Schedule H, was actually paid to the state. Refer to page 98 for additional information.	EDD FUTA Certification Unit Telephone: (916) 654-8545
Forms - Alternate Tax Forms - Tax Forms and Publications	<p>The requirements and approval for using alternate forms to file your payroll tax reports can be obtained by contacting the Alternate Forms Coordinator.</p> <p>Tax forms and publications are available through the Internet, our automated Fax on Demand system, and Employment Tax Offices.</p>	<p>EDD Alternate Forms Coordinator Telephone: (916) 255-0649</p> <p>EDD Less than 25 copies: (888) 745-3886 25 copies or more: (916) 322-2835 Fax on Demand: (877) 547-4503 www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm www.edd.ca.gov/Office_Locator/</p>

TOPIC	DESCRIPTION	CONTACT
Job Referral and Recruitment Services	All questions regarding EDD Workforce Services or Workforce Investment Act (WIA) services.	EDD or local One-Stop Career Center www.edd.ca.gov/office_locator/ Employers: www.edd.ca.gov/Jobs_and_Training/Hire_workers.htm WIA: www.edd.ca.gov/Jobs_and_Training/Workforce_Investment_Act.htm www.edd.ca.gov/Jobs_and_Training/Find_a_Job.htm
Labor Law Requirements	All questions regarding labor law requirements, such as minimum wage, hours, overtime, and workers' compensation requirements.	Department of Industrial Relations (refer to the government listing in your local telephone book). www.dir.ca.gov/
Labor Market Information	California's labor market information can help you with your important business decisions. Data available includes occupational employment and wage data, industry employment, labor force, and selected population characteristics.	EDD Labor Market Information Division Telephone: (916) 262-2162 www.labormarketinfo.edd.ca.gov
Paid Family Leave (PFL)	PFL is a component of the State Disability Insurance (SDI) program and provides benefits to individuals unable to work due to the need to care for a seriously ill family member or to bond with a new child.	EDD Paid Family Leave Telephone English: (877) 238-4373 Spanish: (877) 379-3819 Cantonese: (866) 692-5595 Vietnamese: (866) 692-5596 Armenian: (866) 627-1567 Tagalog: (866) 627-1569 Punjabi: (866) 627-1568 TTY (nonverbal): (800) 445-1312 www.edd.ca.gov/Disability/Paid_Family_Leave.htm
Payroll Tax Seminars	Seminar topics include reporting requirements, how to complete payroll tax forms, and independent contractor and employee issues.	EDD Taxpayer Assistance Center Telephone: (888) 745-3886 Register online at www.edd.ca.gov/Payroll_Tax_Seminars
Reimbursable Method of Paying Unemployment Insurance (UI) Benefits	Public employers and certain nonprofit organizations have the option of becoming "reimbursable" employers. Employers using this method to pay UI benefits are required to reimburse the UI Fund on a dollar-for-dollar basis for all UI benefits paid to their former employees.	EDD Reimbursable Accounting Group, MIC 19 P.O. Box 826880 Sacramento, CA 94280 Telephone: (916) 653-5846

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INFORMATION AND ASSISTANCE BY TOPIC

TOPIC	DESCRIPTION	CONTACT
School Employees Fund (SEF)	School employers may elect to participate in the SEF (UI program) to finance UI benefits.	EDD School Employees Fund, MIC 13 P.O. Box 826880 Sacramento, CA 94280 Telephone: (916) 653-5380 www.edd.ca.gov/Payroll_Taxes/School_Employees_Fund.htm
State Disability Insurance (SDI) Program	The SDI Program is comprised of two benefit programs, Disability Insurance (DI) and Paid Family Leave (PFL). Disability Insurance benefits are paid to eligible California workers experiencing a loss of wages when they are unable to perform their regular or customary work due to a non- work-related illness, or injury, pregnancy, and childbirth. Paid Family Leave benefits are paid to California workers unable to work because they need to care for a seriously ill family member or bond with a new child. The SDI Program is funded by taxes withheld from the employee's wages.	EDD State Disability Insurance Office Telephone English: (800) 480-3287 Spanish: (866) 658-8846 TTY: (800) 563-2441 Employers may press "0" at the menu to speak with a representative. www.edd.ca.gov/Disability
Tax Debt – California Payroll Taxes		
- Offers in Compromise	Enables a qualified tax debtor to eliminate an employment tax liability at less than full value.	EDD Offers in Compromise Telephone: (916) 464-2739
- Settlements Program	Provides employers and the State an opportunity to avoid the cost of prolonged litigation associated with resolving disputed employment tax issues.	EDD Settlements Office, MIC 93 P.O. Box 826880 Sacramento, CA 94280-0001 Telephone: (916) 653-9130 Fax: (916) 653-7986
Tax Information		
- Assistance Center	For general tax information, call our toll-free number. Center staff are available 8 a.m. to 5 p.m., PT, Monday through Friday. The Center is closed on State holidays.	EDD Taxpayer Assistance Center Telephone: (888) 745-3886 Outside U.S. or Canada call (916) 464-3502.
- EZ Access Information Topics and Fax on Demand	Prerecorded messages covering more than 50 topics and tax forms and publications by fax are available 24 hours a day by calling our toll-free telephone number.	EDD Telephone: (877) 547-4503
Taxpayer Advocate Office	If you are unable to resolve an employment tax problem with an EDD representative, supervisor, and office manager, you can contact the Taxpayer Advocate Office for assistance.	EDD Taxpayer Advocate Office, MIC 93 P.O. Box 826880 Sacramento, CA 94280-0001 Toll-Free: (866) 594-4177 Telephone: (916) 654-8957 Fax: (916) 654-6969 www.edd.ca.gov/Payroll_Taxes/Taxpayer_Advocate.htm

TOPIC	DESCRIPTION	CONTACT
Tele-Reg	Register by telephone and receive your EDD employer account number over the phone.	EDD Account Services Group Telephone: (916) 654-8706
Underground Economy	Investigates businesses that are paying workers undocumented cash payments or not complying with labor and licensing laws.	EDD Underground Economy Operations Hotline: (800) 528-1783 E-mail: ueo@edd.ca.gov www.edd.ca.gov/Payroll_Taxes/Underground_Economy_Operations.htm
Unemployment Insurance (UI) Benefits	Provides temporary income to unemployed workers who meet the UI eligibility requirements.	EDD Unemployment Insurance Office To file by telephone: English (800) 300-5616 Spanish (800) 326-8937 Cantonese (800) 547-3506 Vietnamese (800) 547-2058 Mandarin (866) 303-0706 TTY (nonvoice) (800) 815-9387 UI program self service (866) 333-4606 Employers should press “3” for the employer menu (available in English and Spanish) that provides UI and Workforce Service information or access EDD’s Web site at www.edd.ca.gov/unemployment/default.htm Go to the “Contact UI” section. To file by mail: Print out the <i>UI Unemployment Application</i> (DE 11011) from EDD’s Web site at www.edd.ca.gov/Unemployment/Filing_a_Claim.htm Go to “Filing a Claim” section. To file online via the Internet: Complete the eApply4UI application from EDD’s Web site at https://eapply4ui.edd.ca.gov/
Workers’ Compensation Insurance	If you have employees, you are required by law to have workers’ compensation insurance coverage. Failure to do so is a crime and may result in penalties and closure of your business.	Your insurance agent or Division of Workers’ Compensation Telephone: (800) 736-7401 www.dir.ca.gov
Workforce Service	The EDD’s Workforce Services Branch offers a variety of services that bring employers with job openings together with qualified job seekers.	EDD Workforce Services site nearest you. www.edd.ca.gov/Office_Locator/

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www.edd.ca.gov/Payroll_Tax_Seminars/

Account Number	The eight-digit EDD employer account number assigned to each registered employer (e.g., 000-0000-0). Always refer to your EDD employer account number when communicating with EDD. Omission of your employer account number may result in delays in processing payments, reporting documents, and correspondence.
Automated Clearing House (ACH)	Any entity that operates as a clearing house for electronic debit or credit transactions pursuant to an Electronic Funds Transfer (EFT) agreement with an association that is a member of the National ACH Association.
Base Period	The first four of the last five quarters preceding the effective date of the claim.
CCR	California Code of Regulations, which is available on the Internet at www.calregs.com .
CUIAB	California Unemployment Insurance Appeals Board
California Unemployment Insurance Code (CUIC)	The laws administering California's Unemployment Insurance (UI), Employment Training Tax (ETT), State Disability Insurance (SDI), and Personal Income Tax (PIT) programs. The CUIC is available on the Internet at www.leginfo.ca.gov/calaw.html .
Cash Wages	Checks and currency paid to employees.
Charges	Amounts deducted from an employer's reserve account or amounts reimbursable for State UI benefits paid to former employees.
Claim	An application for UI, DI, or PFL benefits. <ul style="list-style-type: none"> • Unemployment Insurance (UI) - The process that establishes a UI benefit year is called a new claim. Weekly continued claim forms are used by claimants to certify for UI benefits during the benefit year. After establishing a benefit year, claimants can interrupt their claims for a variety of reasons, for example the claimant may receive a disqualification, obtain intervening employment or fail to continue to certify for benefits. The claimant may request to reopen an existing claim with a claim balance by filing an additional or reopened claim during the benefit year. • Disability Insurance (DI) - The application that establishes a DI benefit period is called a first claim. Subsequent certifications on that claim are called continued claims. For each separate period of disability, a new (first) claim must be filed. • Paid Family Leave (PFL) - The application that establishes a PFL benefit period is called a first claim. Subsequent certifications on that claim are called continued claims. For each separate period of family care leave, a new first claim must be filed.
Claimant	A wage-earner who files a claim for UI, DI, or PFL benefits.
Contributions	Employer's payroll tax payments for UI and ETT. The CUIC refers to taxes under its provision as "contributions." In this guide, "contributions" are generally referred to as "taxes."
Deposit	An amount of money sent to EDD with a <i>Payroll Tax Deposit</i> (DE 88) coupon or any of the various payment options available on EDD's e-Services for Business Web site at https://eddservices.edd.ca.gov . For more information, refer to page 73.
Determination	A decision regarding a claimant's eligibility to receive UI, DI, or PFL benefits.
Disability Insurance (DI)	Benefits paid to eligible California workers experiencing a loss of wages when they are unable to perform their regular or customary work due to a non-work-related illness or injury, pregnancy, and childbirth. DI is a component of the State Disability Insurance (SDI) Program and funded through SDI employee payroll withholdings.
Electronic Funds Transfer (EFT)	An electronic method of remitting State payroll tax payments. Funds are transferred from your bank account (with payment information) to the State's account, eliminating the need to send a <i>Payroll Tax Deposit</i> (DE 88) coupon and paper check.
Employee	A wage-earner in employment covered by the CUIC.

Employment Taxes	Unemployment Insurance (UI), Employment Training Tax (ETT), State Disability Insurance (SDI), and Personal Income Tax (PIT) withholding.
Employment Training Fund	A special fund in the State Treasury for depositing into or transferring all ETT contributions collected from employers.
Employment Training Panel (ETP)	Administers the employment training funds that are provided by ETT to train, and retain workers with job skills needed by employers. Funds may be used to train unemployed individuals or to train and retain current workers of businesses facing out-of-state competition.
Employment Training Tax (ETT)	An employer-paid tax that provides funds to train employees in targeted industries to improve the competitiveness of California businesses. Employers subject to ETT pay one-tenth of one percent (.001) on wages paid to each employee in a calendar year, up to the UI taxable wage limit, refer to inside cover of this publication.
Exempt Employment	Employment specifically excluded from coverage under the CUIC.
Expanded e-Services for Business	Improved online access which allows employers to manage their employer tax accounts through the Internet. New employers can register for an EDD employer tax account online. Registered employers can access account and payment information, file most returns and reports, pay tax deposits and tax liabilities, review statements, correspondence, and e-mail messages, obtain tax rebates, change addresses, make payment arrangements, and close their account. For additional information about EDD's Expanded e-Services for Business, refer to page 87.
Experience Rating	The system by which an employer's UI contribution rate is determined each calendar year based on previous employment experience.
Good Cause	A substantial reason that provides a legal basis for an employer filing a tax report or payment late. "Good cause" cannot exist unless there are unusual circumstances or circumstances that could not be reasonably foreseen (for example, earthquakes or floods). For more information, please call the Taxpayer Assistance Center at (888) 745-3886.
Household Employment	Describes employment of a household nature.
Independent Contractor	An independent contractor (service-provider) is any individual who is not an employee of the service-recipient for California purposes and who receives compensation or executes a contract for services performed for that business or government entity in or outside of California. For independent contractor reporting requirements, refer to page 71.
Labor Market Information	California's labor market information can help you with your important business decisions. Data available includes occupational employment and wage data, industry employment, labor force, and selected population characteristics.
Mid-month Employment	The number of full-time and part-time employees who worked during or received pay for the payroll period that includes the 12 th day of the month.
Multiple Establishment Employer	An employer that maintains a business at more than one physical location and/or conducts more than one business activity/function at the same location and the secondary locations have a total of 10 or more employees.
New Employee Registry (NER)	California's new hire reporting program. Employers are required to report their new or rehired employees within 20 days of their start-of-work date (refer to " <i>Report of New Employees</i> " [DE 34] on page 69).

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North American Industry Classification System (NAICS)	The six-digit industry classification code that identifies the primary business functions of an employer's business.
Paid Family Leave (PFL)	Benefits paid to eligible California workers unable to work due to the need to care for a seriously ill family member or to bond with a new child. The PFL is a component of the State Disability Insurance (SDI) Program and funded through SDI employee payroll withholdings.
Payroll Period	The frequency you pay wages: daily, weekly, bi-weekly (every two weeks), or semi-monthly (twice a month), etc.
Payroll Records	Records providing an accurate account of all workers (employed, laid off, on a leave of absence, or an independent contractor) and all payments made.
Payroll Taxes (State)	Unemployment Insurance (UI), Employment Training Tax (ETT), State Disability Insurance (SDI), and Personal Income Tax (PIT) withholding.
Personal Income Tax (PIT) Wages	All wages paid during the periods that are subject to PIT, even if they are not subject to PIT withholding. The PIT wages consist of all compensation for services by employees for their employer and include, but are not limited to, salaries, fees, bonuses, commissions, and payments in forms other than cash or checks. Wages in any form other than cash or checks are measured by the fair market value of the goods, lodging, meals, or other compensation given in payment for the employee's services. The calendar year total for PIT wages should agree with the amount reported on the individual's <i>Wage and Tax Statement</i> (Form W-2), in Box 16 (State Wages, Tips, etc.).
Personal Income Tax (PIT) Withholding	California PIT is withheld from employees' pay based on the <i>Employee's Withholding Allowance Certificate</i> (Form W-4 or DE 4) on file with the employer.
Predecessor	A previous owner registered with EDD as an employer.
Prepayments (UI and ETT)	The UI and ETT taxes that an employer voluntarily sends to EDD during a quarter even though they are not due until the end of the quarter.
Registered Domestic Partner	A domestic partnership registered with the Secretary of State in California pursuant to Section 297 of the Family Code.
Reimbursable Employer	A public entity employer or certain types of nonprofit employers who are permitted by law to be billed for UI benefits after they are paid to former employees.
Reserve Account	A book account kept for each tax-rated employer to measure employment experience and set the employer's UI tax rate.
Ruling on Benefit Claim	For tax-rated employers, a ruling is EDD's decision as to whether an employer's reserve account will be charged for UI benefits. The ruling is based on the reason for separation.
Ruling on Tax Question	A decision, in writing, as to an employer's subject status or tax liability in the stated circumstances.
School Employees Fund (SEF)	A UI financing method available only to public schools (kindergarten through 12 th) community colleges, and charter schools.
SDI	State Disability Insurance.
Service-Provider	A service-provider (independent contractor) is any individual who is not an employee of the service-recipient for California purposes and who receives compensation or executes a contract for services performed for that business or government entity in or outside of California.
Service-Recipient	Any business or government entity that, for California purposes, pays compensation to an independent contractor (service-provider) or executes a contract for services to be performed by an independent contractor in or outside of California.
Settlement Date	The date an electronic payment transaction is completed and posted on the books of the Federal Reserve Bank and the State's bank account.

SSN	Also known as social security number. All employee wage records and claim actions are filed under this number, rather than by name.
State Disability Insurance (SDI)	The SDI Program provides DI and Paid Family Leave (PFL) benefits to eligible workers experiencing a loss of wages. The SDI Program is funded by taxes withheld from employee wages.
Subject Employer	An employer who is liable under the rules and regulations of the CUIIC.
Subject Quarter	Calendar quarter when an employer first meets the requirements for reporting their payroll taxes.
Subject Wages	Subject wages are used to determine UI, DI, and PFL benefits. Generally, all wages are considered subject wages regardless of the UI and SDI taxable wage limits. Refer to the inside front cover of this guide for current rates and taxable wage limits. For special classes of employment and payments that may not be considered subject wages, refer to the "Types of Employment" table which begins on page 16 and "Types of Payments" table which begins on page 26.
Successor	A change in ownership or a new ownership of a business already registered with EDD as an employer.
Tax-Rated Employer	An employer who is required to register with EDD and pay UI taxes each year on wages paid to each of their employees, up to the UI taxable wage limit.
Taxable Wage Limits	The maximum amount of an employee's wages that certain taxes apply to in a calendar year. Refer to the inside cover of this publication for taxable wage limits.
Taxable Wages	Compensation paid for "covered employment" up to the taxable wage limits for the year. Compensation includes wages and allowances such as meals, lodging, and other payments in lieu of money for services rendered in employment.
Unemployment Insurance (UI)	Benefits paid to eligible California workers who are unemployed. Recipients must meet specific qualifications to receive benefits. The UI is funded by employer payroll taxes.
UI and ETT Prepayment	Any UI and ETT taxes that an employer voluntarily sends to EDD during a quarter even though they are not due until the end of the quarter.
Voluntary SDI Plan	California law allows employers or a majority of employees to apply to EDD for approval of a Voluntary Plan (VP) for the payment of Disability Insurance (DI) and Paid Family Leave (PFL) insurance benefits to their employees in lieu of the mandatory State Plan coverage. Once a VP is approved, the employer is no longer required to send SDI withholdings to EDD. Instead, the employer holds the contributions in a separate trust fund to pay Disability and PFL insurance claims and approved expenses.
Wage Detail	<i>Quarterly Contribution Return and Report of Wages (Continuation)</i> (DE 9C) filed each quarter listing employee(s) full name, SSN, total subject wages, PIT wages, and PIT withholding.
Wages	All payments made to employees, whether paid by check, cash, or the reasonable cash value of noncash payments, such as meals and lodging.
Work Opportunity Tax Credit (WOTC)	Federal tax credits for employers who hire and retain job seekers from any one of eleven different target groups.
Worker Adjustment and Retraining Notification (WARN) Act	Requires certain employers to give advance notice in the event of a plant closure or mass layoff.

Topic	PAGE
Address Change.....	89
Adjustments.....	77
Alternate Filing Options	87
Appeal Rights - Unemployment Insurance (UI) Claims	105
Back Pay Award	107
Benefit Audits	106
Benefits:	
Paid Family Leave (PFL)	109
State Disability Insurance (SDI).....	109
Unemployment Insurance (UI).....	101
Billings - Reimbursable UI Method	97
Bonuses	14
Business Name Change.....	89
Claim Notices:	
<i>Notice of Claim Filed</i> (DE 1101C/Z)	103
<i>Notice of Wages Used for Unemployment Insurance (UI) Claim</i> (DE 1545).....	102
<i>Notice to Employer of Paid Family Leave Claim Filed</i> (DE 2503F)	109
<i>Notice to Employer of State Disability Claim Filed</i> (DE 2503)	109
Closing Business	89
Commissions	14
Cost-of-Benefits (Reimbursable) Method	97
Deposit:	
Delinquent	76
Due Dates.....	75
Requirements	74
Correcting Payroll Tax Deposits	77
Disability Insurance:	
Self-Employed Disability Insurance	110
State Disability Insurance (SDI).....	109
Voluntary Plan (for employees)	110
Discharge	101
Domestic Employment (See Household Employment).....	19
Expanded e-Services for Business	87
Elective Coverage (Disability Insurance).....	110
Employee - Definition	7
Employee or Independent Contractor.....	7
Employer:	
Definition.....	6
How to Register	6
Employer Rights	95
When Do I Become an Employer	6
Employer Notices:	
<i>Notice of Claim Filed</i> (DE 1101C/Z)	103
<i>Notice of Determination/Ruling</i> (DE 1080EZ).....	105
<i>Notice of Modification</i> (DE 1080M).....	105
<i>Notice of Wages Used for Unemployment Insurance (UI) Claim</i> (DE 1545).....	103
<i>Notice of Potential Increased Liability for Training Extension Benefits</i> (DE 1545TE).....	105
<i>Notice to Employers of State Disability Claim Filed</i> (DE 2503)	109
Employer Obligations for the Form W-4 or DE 4	13
Employer Sponsored Voluntary Plan.....	110
Employer UI Contributions Rates	98
Employment Services.....	111
Employment Training:	
Fund	111
Panel (ETP)	111
Tax (ETT)	8

Topic	PAGE
Employment Types (table).....	16
Entity Change.....	88
Escrow Clearance.....	88
Estimated Payments.....	14
Experience Rating.....	97
False Statement Penalty.....	106
Federal Unemployment Tax Act (FUTA) Certification.....	98
Firing an Employee.....	101
Notice.....	90
Forms:	
Alternate Filing Options.....	87
DE 9 <i>Quarterly Contribution Return and Report of Wages</i>	80
DE 9ADJ <i>Quarterly Contribution and Wage Adjustment Form</i>	79
DE 9C <i>Quarterly Contribution Return and Report of Wages (Continuation)</i>	83
DE 34 <i>Report of New Employee(s)</i>	69
DE 88 <i>Payroll Tax Deposit</i>	73
DE 542 <i>Report of Independent Contractor(s)</i>	71
Due Dates.....	5
How to Obtain Forms and Publications.....	129
Fraud Prevention and Detection.....	100
Gifts.....	28
Household (Domestic) Employment.....	19
Income:	
Deferred Compensation (Retirement and Pension Plan).....	30
Income Tax:	
California Personal Income Tax (PIT) Withholding Tables.....	36
Independent Contractor or Employee.....	7
Independent Contractor Reporting Requirements.....	71
Labor Market Information.....	114
Layoff:	
Rapid Response Team.....	93
Worker Adjustment and Retraining Notification (WARN).....	92
Written Notice Requirements.....	90
Leasing Agency Employers.....	25
Leave of Absence.....	90
Lodging.....	11
Marital Status for Personal Income Tax (PIT) Reporting.....	12
Meals.....	11
Multiple Location and/or Function Employers.....	114
Multiple Worksite Report (BLS 3020).....	114
New Employee Registry (NER).....	69
New Employer:	
ETT Rate.....	8
UI Tax Rate.....	8
No Longer Have Employees.....	89
Nonresident Employees.....	15
<i>Notice of Claim Filed (DE 1101C/Z)</i>	103
<i>Notice of Determination (DE 1080EZ)</i>	105
<i>Notice of Wages Used For Unemployment Insurance (UI) Claim (DE 1545)</i>	103
<i>Notice to Employer of State Disability Claim Filed (DE 2503)</i>	109
Notices for Employees.....	90
Obtaining an EDD Employer Account Number.....	6
Offers in Compromise (OIC).....	96

Topic	PAGE
Office of the Taxpayer Rights Advocate	95
Ordering Forms and Publications	129
Overpayments:	
Correcting Prior DE 9	79
Correcting Prior DE 88	77
Paid Family Leave	109
Partial UI Claims	108
Payment Types (table)	26
<i>Payroll Tax Deposit</i> (DE 88)	73
Personal Income Tax (PIT):	
Marital Status	12
Schedules	36
Supplemental Wages	14
Wages	10
Withholding	12
Plant Closures	92
Protests:	
<i>Notice of Claim Filed</i> (DE 1101C/Z)	104
<i>Notice of Wages Used for Unemployment Insurance (UI) Claim</i> (DE 1545)	104
Purchase a Business	88
<i>Quarterly Contribution and Wage Adjustment Form</i> (DE 9ADJ)	79
<i>Quarterly Contribution Return and Report of Wages</i> (DE 9)	
Correcting Errors	79
Due Dates	79
Ordering Forms	79
<i>Quarterly Contribution Return and Report of Wages (Continuation)</i> (DE 9C)	
Correcting Errors	82
Due Dates	82
Quarterly Estimated Payments	14
Quitting Business	89
Recordkeeping	94
Registration for EDD Employer Account Number:	
When Do You Become an Employer	6
How to Register	6
Reimbursable Method of Paying for UI Benefits	97
<i>Report of New Employees(s)</i> (DE 34)	69
<i>Report of Independent Contractor(s)</i> (DE 542)	71
Required Notices and Pamphlets	90
Reserve Account:	
Charges	107
Experience Rating	97
<i>Notice of Contribution Rates and Statement of UI Reserve Account</i> (DE 2088)	98
Reserve Account Transfers (Successor Employers)	98
Retirement and Pension Plans	30
Rulings:	
<i>Notice of Claim Filed</i> (DE 1101C/Z)	105
<i>Notice of Wages Used for Unemployment Insurance (UI) Claim</i> (DE 1545)	105
Sale of Business	88
School Employees Fund Method of Paying for UI Benefits	97
Settlements Office	96
Severance Pay	14
Sick Pay (Third-Party)	32
Sole Shareholder - Corporate Officer	21
State Disability Insurance (SDI):	
Benefits	109
Elective Coverage	110
Employer Responsibilities	109
Voluntary Plan	110
Who Pays	9

Topic	PAGE
Stock Options	14
Subject Wages	10
Successor Employer.....	89
Supplemental Wage Payments	14
Tax Deposits:	
Delinquent Deposits	76
Deposit Requirements.....	74
Electronic.....	76
Tax Offices (Listing)	2
Tax Rate:	
Experience Rating	97
How Your UI Tax Rate Is Determined	97
<i>Notice of Contribution Rates and Statement of UI Reserve Account (DE 2088)</i>	98
Taxes:	
Who Is an Employee	7
Withholding Allowances and Exemptions.....	12
Taxpayer Advocate Office	95
Termination.....	101
Third-Party Sick Pay.....	32
Tips for Reducing Your UI Tax Rate.....	99
Trade Adjustment Assistance	112
Trade Disputes	101
Transfer of Business, Successor Employer.....	88
Underground Economy.....	9
Unemployment Insurance (UI):	
Benefits	101
Employer Responsibilities	103
Rate	97
Who Pays	9
Vacation Pay	35
Voluntary Plan	110
Wages Subject to:	
Personal Income Tax (PIT)	10
State Disability Insurance (SDI) Tax.....	8
Unemployment Insurance (UI) Tax	8
WARN.....	92
Withholding Deposit:	
Delinquent	76
Electronic.....	76
Marital Status	12
Requirements	74
Types of Employment (table)	16
Types of Payments (table)	26
Withholding Schedules - Personal Income Tax (PIT).....	36
Withholding Statements:	
<i>Employee's Withholding Allowance Certificate:</i>	
Federal (Form W-4)	12
California (DE 4)	12
<i>Information Return (Form 1099)</i>	85
<i>Wage and Tax Statement (Form W-2)</i>	85
Work Opportunity Tax Credit	113
Work Sharing Program	108
Worker Adjustment and Retraining Notification (WARN).....	92
Workers' Compensation Insurance	110
Workforce Investment Act	113

Instructions for Ordering Forms and Publications

The Employment Development Department (EDD) provides easy access to its forms, publications, and information sheets by telephone, fax on demand or through our Web site at www.edd.ca.gov. If you require additional assistance contact the Taxpayer Assistance Center at (888) 745-3886.

By Telephone: - For quantities of 25 or more, call (916) 322-2835.
- For quantities of less than 25, call (888) 745-3886 (toll-free).

Fax on Demand: Call (877) 547-4503 to get most tax forms, publications, and information sheets faxed to you.

On the Internet: www.edd.ca.gov/Forms
Most frequently used forms are available on the EDD Web site.

The *Payroll Tax Deposit* (DE 88) booklets must be reordered using the form enclosed in your DE 88 booklet. If you have not received a DE 88 booklet, contact the Taxpayer Assistance Center at **(888) 745-3886**.

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