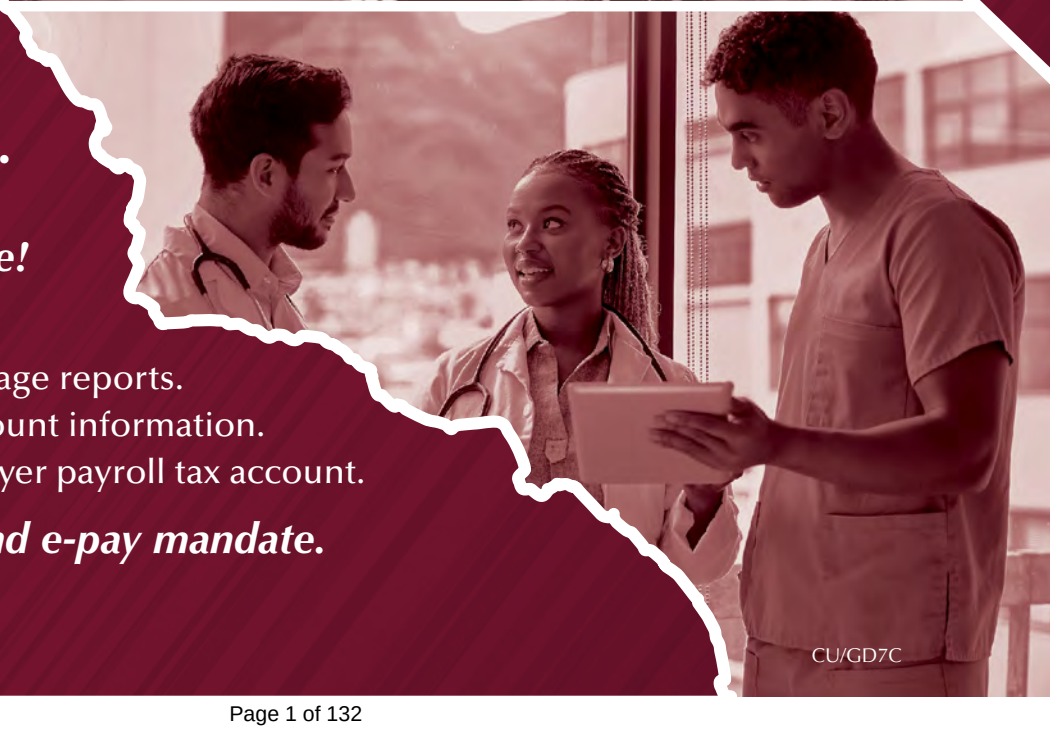
California Employer's Guide

2026

edd.ca.gov

Business e-Services
Employment Development Department



e-Services for Business. Online. Anytime.

Fast, easy, and secure!

- Make payments.
- File tax returns and wage reports.
- View and update account information.
- Register for an employer payroll tax account.

Satisfies the e-file and e-pay mandate.

DE 44 Rev. 52 (1-26) **(INTERNET)**

CU/GD7C

Important Information

Effective January 1, 2024, Senate Bill 951 removed the taxable wage limit and maximum withholdings for each employee subject to State Disability Insurance (SDI) contributions.

Electronic Reporting and Payment Requirement: All employers must electronically submit employment tax returns, wage reports, and payroll tax deposits to the Employment Development Department (EDD). For more information, visit E-file and E-pay Mandate for Employers (edd.ca.gov/efilemandate) or refer to **page 52**.

e-Services for Business: Employers can file, pay, and manage their employer payroll tax account online. For more information, visit e-Services for Business (edd.ca.gov/eServices) or refer to **page 53**.

State Information Data Exchange System (SIDES): Employers and third-party administrators can elect to electronically receive and respond to the EDD *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ) using SIDES. For more information, visit SIDES (edd.ca.gov/sides).

New Employee Registry (NER): All employers are required by law to report all newly hired or rehired employees to the NER within 20 calendar days of their start-of-work date. For more information, visit NER California's New Hire Reporting Program (edd.ca.gov/en/payroll_taxes/new_hire_reporting) or refer to **page 56**.

Payroll Tax Webinars: The EDD offers free webinars to help employers comply with state payroll tax laws. For more information, visit Payroll Tax Webinars (edd.ca.gov/payroll-tax-webinars) or refer to **page 4**.

Fraud Prevention, Detection, and Reporting: For information on how to prevent and detect fraud, visit Help Us Fight Fraud (edd.ca.gov/en/about_edd/fraud). Refer to **page 80** for information about Unemployment Insurance (UI) fraud, or **page 89** for Disability Insurance (DI) fraud.

Improper Payment of UI Benefits: Improper UI payments can raise UI taxes for all employers. Help prevent this by responding promptly to wage information requests. For more information, visit UI claim notices (edd.ca.gov/en/unemployment/responding_to_ui_claim_notices).

California Employer News and Updates: Find the latest tax news, annual updates, and resources to support you and your business. For more information, visit California Employer News and Updates (edd.ca.gov/en/payroll_taxes/employer-news).

2026 Payroll Tax Rates, Taxable Wage Limits, and Maximum Benefit Amounts

Unemployment Insurance (UI)

- The 2026 taxable wage limit is $7,000 per employee.
- The UI maximum weekly benefit amount is $450.
- The UI tax rate for new employers is 3.4 percent (.034) for a period of two to three years.
- Employer rates are available online at e-Services for Business (edd.ca.gov/eServices).

Employment Training Tax (ETT)

- The 2026 ETT rate is 0.1 percent (.001) on the first $7,000 of each employee's wages.

State Disability Insurance (SDI)

- The 2026 SDI withholding rate is 1.3 percent (.013), which provides for both State Disability Insurance (SDI) and Paid Family Leave (PFL) benefits.
- There is no SDI taxable wage limit beginning January 1, 2024. DI and PFL maximum weekly benefit amounts are available online at Quick Statistics (edd.ca.gov/en/about_edd/quick_statistics).

California Personal Income Tax (PIT) Withholding

You are not required to withhold PIT from household employees' wages. However, if both you and your employee agree to PIT withholding, the withholding is based on the amount of wages paid, the number of withholding allowances claimed by the employee, and the payroll period. For more information on PIT Withholding, refer to **page 16** and **page 20**, or visit Rates and Withholding (edd.ca.gov/en/payroll_taxes/rates_and_withholding).

Dear Household Employer,

The Employment Development Department (EDD) recognizes that the business community is essential to California's economic vitality. We are committed to making resources available to help employers with their payroll tax obligations.

We've made it easier to register, file, and pay with e-Services for Business (edd.ca.gov/eServices), available 24 hours a day, 7 days a week. View our e-Services for Business Tutorials (edd.ca.gov/en/payroll taxes/e-Services_for_business_tutorials) to see how simple getting started can be. You can file and adjust returns, make payments, update your account information, and much more!

As a valued employer, we have a Payroll Taxes (edd.ca.gov/en/payroll_taxes) resource page to help you understand your California payroll tax reporting responsibilities. You can also register for our free Payroll Tax Webinars (edd.ca.gov/payroll-tax-webinars), which help employers understand and follow their state payroll tax reporting duties. Our improved EDD website (edd.ca.gov) is a valuable guide for more information about our programs and services.

Sign up for our email subscription service (edd.ca.gov/en/about_edd/get_email_notices) to get the latest news and announcements, reminders, and information on our programs and services.

For more information about our services, webinars, or EDD forms and publications, visit the EDD website (edd.ca.gov) or call the Taxpayer Assistance Center at 1-888-745-3886.

We wish you continued growth and success in the year ahead!

Sincerely,

NANCY FARIAS
Director

Manage Your Employer Payroll Tax Account Online!

Use e-Services for Business to electronically:

- File tax returns and wage reports.
- Make payments.
- Update addresses and more.

Enroll at
e-Services for Business
(edd.ca.gov/eServices).

Go Paperless!

You can view or download this guide at
California Employer Guides
(edd.ca.gov/en/payroll_taxes/employers_guides).

Stay Updated!

For the latest tax news and employer resources, visit
California Employer News and Updates
(edd.ca.gov/en/payroll_taxes/employer-news).

Subscribe to our
Email Subscription Services
(edd.ca.gov/en/about_edd/get_email_notices).

Table of Contents

Payroll Tax Help 1

Start Here 2

Webinars to Help Employers Succeed 4

2026 Forms and Due Dates 5

California Deposit Requirements 5

About Employers 6

When Do I Become a Subject Employer? 6

When to Register 6

How to Register for an EDD Employer Payroll Tax Account Number 6

Classifying Employees 7

ABC Test, Employee or Independent Contractor 7

What Is the ABC Test? 7

ABC Test Exceptions 7

How Can I Get Additional Information on This Topic? 7

State Payroll Taxes 8

Unemployment Insurance Tax 8

Employment Training Tax 8

State Disability Insurance Tax 8

California Personal Income Tax 9

State Payroll Taxes 9

Purchase, Sell, Transfer, or Change Ownership 10

Purchase a Business 10

What Is a Successor Employer? 10

It Is Against the Law to Change or Purchase a Business Entity Solely to Obtain a Lower UI Rate 10

Additional Requirements 11

Posting Requirements 11

Required Notices and Pamphlets 11

Recordkeeping 12

Earned Income Tax Credit Information Act 13

What Are Wages? 14

Subject Wages 14

Personal Income Tax Wages 14

Are Subject Wages and Personal Income Tax Wages the Same? 14

Employers Subject to California Personal Income Tax Only 14

Meals and Lodging 15

Value of Meals 15

Value of Lodging 15

Additional Information 15

Personal Income Tax Wages Subject to California Withholding 16

How to Determine Which Wages Require PIT Withholding 16

Marital Status, Withholding Allowances, and Exemptions Form W-4 and DE 4 16

Employer Obligations for Form W-4 and DE 4 17

How to Determine PIT Withholding Amounts 17

What if Your Employee Wants Additional PIT Withholding? 17
How to Withhold PIT on Supplemental Wages 18
Quarterly Estimated Payments 18
Wages Paid to California Residents 18
Wages Paid to Nonresidents of California 19
PIT Withholding on Payments to Nonresident Independent Contractors 19
California Withholding Schedules for 2026 20
Method A - Wage Bracket Table Method 21
Method B - Exact Calculation Method 43
E-file and E-pay Mandate 52
Penalties for Paper Filing 52
Waiver 52
Online Services 53
e-Services for Business 53
Features 53
More e-Services for Business Information 53
Express Pay 54
Required Forms 55
Report of New Employee(s) (DE 34) 56
Overview 56
Report of New Employee(s) (DE 34) 57
Report of Independent Contractor(s) (DE 542) 58
Overview 58
Report of Independent Contractor(s) (DE 542) 59
Payroll Tax Deposit (DE 88) 60
Overview 60
Withholding Deposits 60
California Deposit Requirements 60
Due Dates for Quarterly Tax Deposits 61
Using Electronic Funds Transfer 61
2026 Quarterly Payment Table 61
Using a *Payroll Tax Deposit* (DE 88) Coupon 61
Late Deposit, Penalty, and Interest 61
Penalty for Failure to Deposit Payroll Taxes 61
Correcting Previously Submitted *Payroll Tax Deposit* (DE 88) 62
Correcting PIT Withheld 63
Quarterly Contribution Return and Report of Wages (DE 9) 64
Overview 64
2026 Due Dates for the *Quarterly Contribution Return and Report of Wages* (DE 9) 64
Correcting a Previously Filed DE 9 64
Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C) 65
Overview 65
2026 Due Dates for the DE 9C 65
Correcting a Previously Filed DE 9C 66
Quarterly Contribution and Wage Adjustment Form (DE 9ADJ) 67
Overview 67
Quarterly Contribution and Wage Adjustment Form (DE 9ADJ) 68

Federal Forms W-2 and 1099 ... 70
Wage and Tax Statement (Form W-2) ... 70
Information Return (Forms 1099-MISC and 1099-NEC) ... 71
How to File ... 71
Publications and Contact Information ... 71
Change to Your Business Status ... 72
Business Name and Mailing Address Change ... 72
No Longer Have Employees ... 72
Close Your Business ... 72
Reopen Your Employer Payroll Tax Account ... 72
Plant Closure or Mass Layoff ... 73
U.S. Government Contractor Job Listing Requirements ... 74
Employers' Bill of Rights ... 75
Commitment ... 75
Employer Rights ... 75
Office of the Taxpayer Rights Advocate ... 75
Taxpayer Advocate Office ... 75
Settlements Office ... 76
Protecting Your Privacy ... 76
Offers in Compromise ... 76
Unemployment Insurance – Taxes ... 77
Methods of Paying for UI Benefits ... 77
How Your UI Tax Rate Is Determined ... 77
Notice of Tax Rates ... 78
Federal Unemployment Tax Act Certification ... 78
Reserve Account Transfers ... 78
Wages in Another State ... 79
Interstate Reciprocal Coverage Elections for Multistate Workers ... 79
Tips for Reducing Your UI Tax Rate ... 79
Fraud Prevention, Detection, and Reporting ... 80
Help Us Fight Fraud ... 81
UI Rate Manipulation ... 81
Unemployment Insurance Benefits ... 82
Unemployment Insurance Funding ... 82
Benefit Amount ... 82
Benefit Qualifications ... 83
Qualifying UI Wages ... 84
UI Eligibility Determination ... 84
How to Designate an Agent or Single Address ... 84
Tax-Rated Employers or Reimbursable Employers ... 84
Reimbursable Employers ... 84
How to Request an Electronic DE 1545 ... 84
Responding to Notices ... 85
Subsequent Benefit Year ... 86
Claim Notices and Protest Time Limits ... 86
Notices of Determination, Ruling, or Modification ... 87
Unemployment Insurance Benefits – Appeal Rights ... 88

False Statement Penalty 89
Benefit Audits to Determine Fraud 89
Back Pay Award 90
Workers' Compensation Benefits 90
Statement of Charges 91
Alternate Base Period 91
Layoff Alternatives 92
Partial UI Claims 92
Work Sharing Program 92
Notice of Layoff 92
Wage Notices 92
State Disability Insurance Program 93
Taxes – Who Pays for State Disability Insurance? 93
Employee Benefits 93
Employer Claim Notices 93
SDI Online 93
Voluntary Plan 94
Self-Employed Benefits 94
Workers' Compensation Insurance 94
SDI Fraud 94
Employment and Training Services 95
Workforce Services 95
CalJOBS℠ 95
Employment Training Panel 95
Funding 95
How Is ETP Different? 96
General Information 96
Trade Adjustment Assistance 97
Work Opportunity Tax Credit 97
eWOTC 97
Labor Market Information 98
What Labor Market Information Is Available Online? 98
Multiple Location and Function Employers 98
How Your Industry Code Is Determined 98
The Importance of Occupational Information 99
How will my information be used? 99
How do I provide my information? 99
Information and Assistance by Topic 100
Glossary 108
Index 114
Instructions for Ordering Forms and Publications 119
Go Paperless! 119
Order Forms Online 119
Download Forms 119
By Phone 119

Payroll Tax Help

Online

Visit the EDD website (edd.ca.gov).

- e-Services for Business (edd.ca.gov/eServices).
- Frequently Asked Questions (edd.ca.gov/en/payroll_taxes/faq_-_payroll_taxes_general_information).
- Payroll Tax Webinars (edd.ca.gov/payroll-tax-webinars).
- Tax Practitioners (edd.ca.gov/en/payroll_taxes/tax_practitioners_information).
- Ask EDD (askedd.edd.ca.gov/s).
- California Tax Service Center (taxes.ca.gov) for federal and California tax information for businesses and individuals.
- Access forms, instructions, and publications at Online Forms and Publications (forms.edd.ca.gov/forms).

Phone

- Taxpayer Assistance Center: 1-888-745-3886 Toll-free from the U.S. or Canada
- TTY: 1-800-547-9565
- California Relay Service: 711
- Outside the U.S. or Canada: 1-916-464-3502

We are here to answer your questions from 8 a.m. to 5 p.m., Pacific time (PT), Monday through Friday.

Walk-In Offices

For more information on your payroll tax responsibilities, visit your local Employment Tax Office from 8 a.m. to 5 p.m., Pacific time (PT), Monday through Friday.

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

To find an office near you, visit the Office Locator (edd.ca.gov/office_locator).

Self-Service Offices

Tax forms and free direct-line phones are available from 8 a.m. to 5 p.m., Pacific time (PT), Monday through Friday at our self-service offices.

- **Bakersfield** 1800 30th Street, Suite 240, 93301
- **Modesto** 3340 Tully Road, Suite E-10, 95350
- **San Francisco** 745 Franklin Street, Suite 400, 94120
- **Santa Rosa** 50 D Street, Suite 100, 95404
- **Vallejo** 1440 Marin Street, Suite 114, 94590
- **Ventura** 4820 McGrath Street, Suite 220, 93003

Start Here

As a new employer, follow these steps to meet your reporting and tax obligations. Note that employer requirements may go beyond what is covered here. Refer to **page 3** for a flowchart of these steps.

Step 1 **You are a subject employer** if you pay wages for services to one or more people of over $100 during any calendar quarter.

Note: If you pay wages to people working in your home, you are a household employer. Refer to **page 6** for more information or view the *Household Employer's Guide* (DE 8829) (PDF) (edd.ca.gov/pdf_pub_ctr/de8829.pdf).

Step 2 **Register** for an EDD employer payroll tax account number online at e-Services for Business (edd.ca.gov/eServices). You must register with EDD within 15 days of becoming a subject employer. We will assign you an eight-digit employer payroll tax account number to identify your business when reporting and paying payroll taxes. Include your employer payroll tax account number on all deposits, returns, and correspondence submitted to us. For more information and registration options, refer to **page 6**.

Step 3 **Action Required:**

- Report new employees using the online *Report of New Employee(s)* (DE 34) at e-Services for Business (edd.ca.gov/eServices) within 20 calendar days of the employee's start-of-work date. All employees who are newly hired, rehired after a separation of at least 60 consecutive days, or returning to work from a furlough, separation, leave of absence without pay, or termination must be reported. If you purchase a business and keep any of its employees, they are considered new hires, and you must report them to EDD's New Employee Registry (edd.ca.gov/en/payroll_taxes/new_hire_reporting). For more information and available reporting methods, refer to **page 56**.
- Report independent contractor information using the online *Report of Independent Contractor(s)* (DE 542) at e-Services for Business (edd.ca.gov/eServices) within 20 calendar days of either paying an independent contractor $600 or more for services performed or entering into a contract for $600 or more, whichever is earlier. Independent contractor information must be reported to EDD. For more information and available reporting methods, refer to **page 58**.
- Provide your employees with pamphlets on employee withholdings, Unemployment Insurance (UI), Disability Insurance (DI), and Paid Family Leave (PFL). For more information on employee pamphlets, refer to **page 11**.
- Post an employee notice with UI, DI, 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 more information on employee notices, refer to **page 11**.

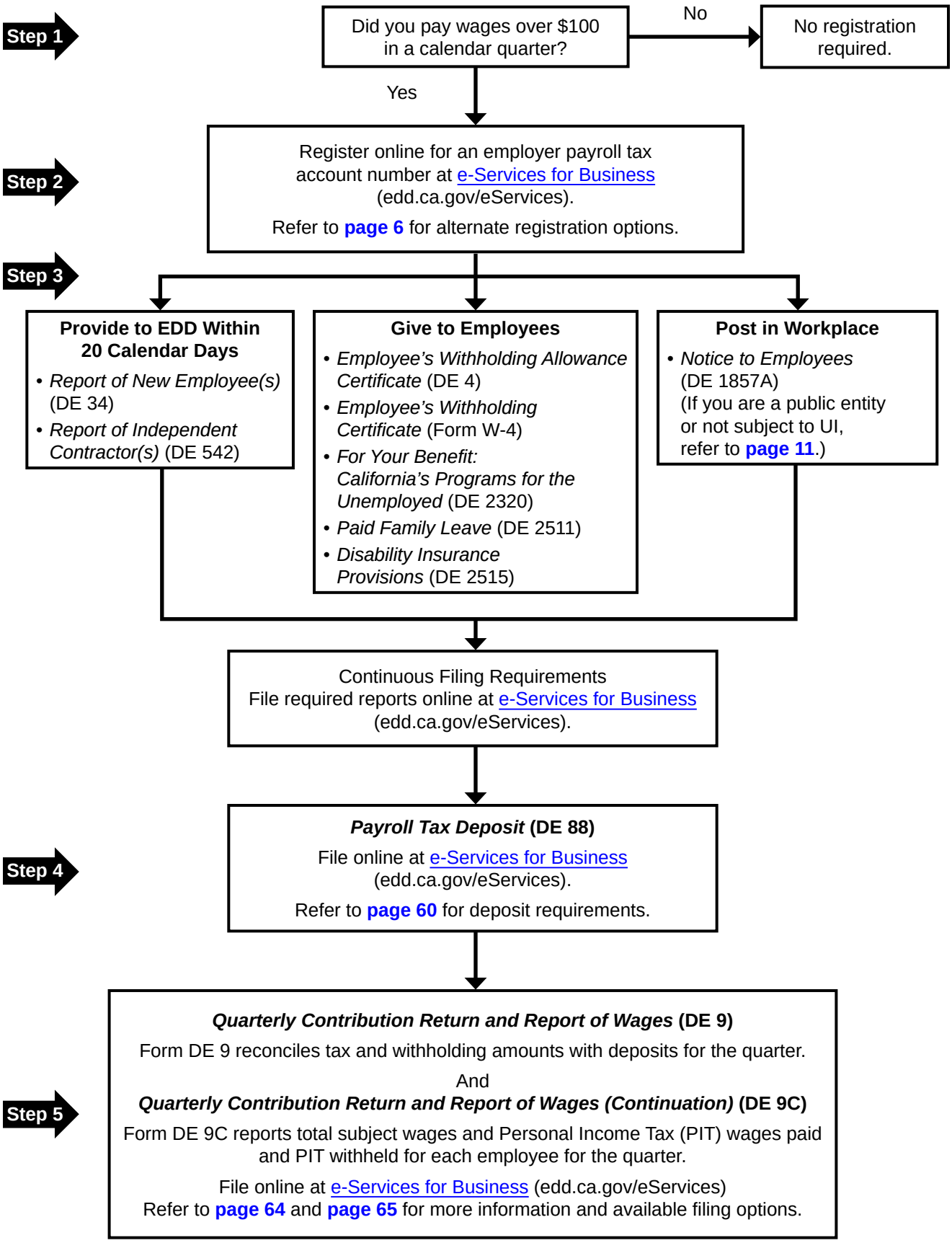
Step 4 **Make your *Payroll Tax Deposit* (DE 88) payments for UI, Employment Training Tax (ETT), State Disability Insurance (SDI), and California Personal Income Tax (PIT)** online at e-Services for Business (edd.ca.gov/eServices). Your SDI and PIT withholdings deposit due dates are based on your federal deposit schedule and the amount of accumulated PIT that you have withheld. Your UI and ETT payments are due quarterly. For more information about deposit requirements, refer to **page 60** and **page 61**.

Step 5 **File a *Quarterly Contribution Return and Report of Wages* (DE 9)** online at e-Services for Business (edd.ca.gov/eServices) to reconcile the tax and withholding amounts with your DE 88 deposits for the quarter.

File a *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) to report total subject wages paid, PIT wages, and PIT withheld for each employee for the quarter.

These reports are due on January 1, April 1, July 1, and October 1 of each year. These reports must be submitted even if you have no payroll during a quarter. For more information and available filing options, refer to **page 60** and **page 61**.

Note: Failure to complete the above steps on time may result in penalty and interest charges. For information on your federal employment tax reporting requirements, access the IRS (irs.gov) website or contact the IRS at 1-800-829-4933.


Step 1
Did you pay wages over $100 in a calendar quarter?
No
No registration required.
Yes
Step 2
Register online for an employer payroll tax account number at e-Services for Business (edd.ca.gov/eServices).
Refer to page 6 for alternate registration options.
Step 3
Provide to EDD Within 20 Calendar Days
• Report of New Employee(s) (DE 34)
• Report of Independent Contractor(s) (DE 542)
Give to Employees
• Employee's Withholding Allowance Certificate (DE 4)
• Employee's Withholding Certificate (Form W-4)
• For Your Benefit: California's Programs for the Unemployed (DE 2320)
• Paid Family Leave (DE 2511)
• Disability Insurance Provisions (DE 2515)
Post in Workplace
• Notice to Employees (DE 1857A)
(If you are a public entity or not subject to UI, refer to page 11.)
Continuous Filing Requirements
File required reports online at e-Services for Business (edd.ca.gov/eServices).
Step 4
Payroll Tax Deposit (DE 88)
File online at e-Services for Business (edd.ca.gov/eServices).
Refer to page 60 for deposit requirements.
Step 5
Quarterly Contribution Return and Report of Wages (DE 9)
Form DE 9 reconciles tax and withholding amounts with deposits for the quarter.
And
Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)
Form DE 9C reports total subject wages and Personal Income Tax (PIT) wages paid and PIT withheld for each employee for the quarter.
File online at e-Services for Business (edd.ca.gov/eServices)
Refer to page 64 and page 65 for more information and available filing options.

Webinars to Help Employers Succeed

We offer free webinars to help you understand and comply with California's payroll tax laws.

EDD offers webinars on:

- State Basic Payroll Tax Webinar
- Federal and State Basic Payroll Tax Webinar
- State Labor Law and Payroll Tax Webinar
- Employment Status Tax Webinar
- Cannabis Industry and State Payroll Tax Webinar
- AB 5 Motor Carrier Worker Classification Online Webinar

EDD and the Internal Revenue Service (IRS) jointly offer webinars on:

- Federal and state payroll reporting and withholding requirements.
- Difference between employees and independent contractors and the importance of proper worker classification.

EDD and the Department of Industrial Relations' Division of Labor Standards Enforcement jointly present webinars on:

- Wage and hour law application.
- Employer and employee rights and responsibilities.
- Record keeping, reporting, and posting requirements.

Register for a Tax Webinar!

Payroll Tax Webinar
(edd.ca.gov/payroll-tax-webinars).

Go Paperless!

View or download this guide at
California Employer's Guides
(edd.ca.gov/en/payroll_taxes/employers_guides).

2026 Forms and Due Dates

Form	Name	Due
DE 1	*Commercial Employer Account Registration and Update Form* (If you are not a commercial employer, refer to **page 6**.)	Within 15 calendar days after paying more than $100 in wages during any calendar quarter.
DE 34	*Report of New Employee(s)*	Within 20 calendar days of the start-of-work date for new or rehired employees.
DE 542	*Report of Independent Contractor(s)*	Within 20 calendar days of paying an independent contractor $600 or more or entering into a contract for $600 or more, whichever is earlier.

Report	Quarter	Due	Delinquent if Not Filed By[1]
DE 9/DE 9C	1st (January, February, March)	April 1, 2026	April 30, 2026
DE 9/DE 9C	2nd (April, May, June)	July 1, 2026	July 31, 2026
DE 9/DE 9C	3rd (July, August, September)	October 1, 2026	November 2, 2026
DE 9/DE 9C	4th (October, November, December)	January 1, 2027	February 1, 2027

California Deposit Requirements

Federal Deposit Schedule/ Requirement Is[1]	Accumulated State PIT Withholding Of	Pay Date Is	PIT and SDI Deposit Due By[2]	California *Deposit Schedule* box on the DE 88
Next-Day	Less than $350	Any payday	Quarterly	Quarterly
	$350 to $400	Any payday	15th of the following month	Monthly
	More than $400	Any payday	Next-Day	Next-Day
Semi-weekly	Less than $350	Any payday	Quarterly	Quarterly
	$350 to $400	Any payday	15th of the following month	Monthly
	More than $400	Wed., Thurs., or Fri.	Following Wednesday	Semi-weekly
	More than $400	Sat., Sun., Mon., or Tues.	Following Friday	Semi-weekly
Monthly	Less than $350	Any payday	Quarterly	Quarterly
	$350 or more	Any payday	15th of the following month	Monthly
Quarterly[3, 4] or Annually[5]	Less than $350	Any payday	April 30, 2026 July 31, 2026 November 2, 2026 February 1, 2027	Quarterly
	$350 or more	Any payday	15th of the following month	Monthly

1. 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 legal holiday, the deposit due date is extended to the following Monday.
2. Electronic transactions deposits must be settled in the state's bank account on or before the third business day following the payroll date.
3. If you have accumulated less than $350 of Personal Income Tax (PIT) and you choose to make an additional deposit before the quarterly due date, designate the deposit schedule as Quarterly on your DE 88.
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 State Disability Insurance (SDI) deductions and PIT withholdings quarterly or more often, based on the guidelines in this table. Information about federal deposit schedules is located in the Internal Revenue Service's *Employer Tax Guide* (Publication 15).
5. If your federal deposit requirement is annually, you are required to make a California payroll tax deposit quarterly or monthly based on the guidelines in this table.

About Employers

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) and Personal Income Tax (PIT) due on those wages.

All employers conducting business in California are subject to the employment tax laws of the California Unemployment Insurance Code (CUIC).

An employer is a person or legal entity that hires one or more employees to work for a wage, salary, or other compensation. Employers include sole proprietors, partnerships, corporations, nonprofit organizations, charitable organizations, foundations, limited liability companies, limited liability partnerships, public entities, including state and federal agencies, schools, associations, trusts, estates, joint ventures, and Indian tribes.

When Do I Become a Subject Employer?

You become a subject employer when you pay wages over $100 during any calendar quarter to one or more employees. 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 14**.

Private households, local college clubs, and local chapters of fraternities and sororities that employ workers to perform household services are household employers. More information about household employment is available online at Household Employer (edd.ca.gov/en/payroll_taxes/household_employer). Refer to the *Household Employer's Guide* (DE 8829) (PDF) (edd.ca.gov/pdf_pub_ctr/de8829.pdf) online or get a copy by contacting the Taxpayer Assistance Center at 1-888-745-3886.

Note: If you purchase an existing business, refer to *What Is a Successor Employer?* on **page 10**.

When to Register

Once a business hires an employee and pays wages over $100 during any calendar quarter, the business is a subject employer and must register at e-Services for Business (edd.ca.gov/eServices) or submit a registration form to us within 15 days after paying wages.

How to Register for an EDD Employer Payroll Tax Account Number

Register online using EDD's e-Services for Business (edd.ca.gov/eServices).

More Options for Registering for an Employer Payroll Tax Account Number

1. Select the registration form for your industry available at Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications). The registration forms available are:
   - *Commercial Employer Account Registration and Update Form* (DE 1)
   - *Agriculture Employer Account Registration and Update Form* (DE 1AG)
   - *Governmental Organizations, Public Schools, and Indian Tribes Registration and Update Form* (DE 1GS)
   - *Employers of Household Workers Registration and Update Form* (DE 1HW)
   - *Nonprofit Employers Registration and Update Form* (DE 1NP)
   - *Employers Depositing Only Personal Income Tax Withholding Registration and Update Form* (DE 1P)
2. Submit the completed registration form by mail or fax to EDD:
   Employment Development Department
   Account Services Group, MIC 28
   PO Box 826880
   Sacramento, CA 94280-0001
   Fax: 1-916-654-9211

Remember:

- Employment occurs when an employer engages the services of an employee for pay.
- You become a subject employer when you pay wages over $100 during any calendar quarter to one or more employees.
- You must register with EDD within 15 days of paying wages over $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.

Classifying Employees

An **employee** includes all of the following:

- Any worker who is an employee under the ABC test or Borello test.
- Any worker whose services are specifically covered by law, such as a corporate officer.

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

ABC Test, Employee or Independent Contractor

What Is the ABC Test?

An individual providing labor or services for compensation has the status of an employee and not an independent contractor, unless the hiring entity demonstrates that all three of the following are satisfied:

A. The individual is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

B. The individual performs work that is outside the usual course of the hiring entity's business.

C. The individual is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

ABC Test Exceptions

The ABC test is used for most individuals, but under specific situations, the Borello multi-factor test must be used instead of the ABC test.

For information on the ABC test, Borello test, and other ABC test exceptions, refer to *Information Sheet: Employment* (DE 231) (PDF) (edd.ca.gov/pdf_pub_ctr/de231.pdf) and visit the Employment Status Portal (labor.ca.gov/employmentstatus/).

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.

How Can I Get Additional Information on This Topic?

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

- *Employment Determination Guide* (DE 38) (PDF) (edd.ca.gov/pdf_pub_ctr/de38.pdf) – Uses a series of yes or no questions about your treatment of workers to help determine if there may be a classification issue and whether you should seek additional guidance.
- *Determination of Employment Work Status for Purposes of State of California Employment Taxes and Personal Income Tax Withholding* (DE 1870) (PDF) (edd.ca.gov/pdf_pub_ctr/de1870.pdf) – Provides questions about your worker relationships. Complete this form and return it to EDD for a written determination on whether your workers are employees or independent contractors.
- **Information Sheets** – Provide general and industry-specific information. To obtain information sheets, visit Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications) or contact the Taxpayer Assistance Center at 1-888-745-3886.
- **Independent Contractor Information** – The *Frequently Asked Questions and Answers About the California Independent Contractor Reporting Law* (DE 542FAQ) (PDF) (edd.ca.gov/pdf_pub_ctr/de542faq.pdf) and *Independent Contractors Misconceptions Brochure* (DE 573M) (PDF) (edd.ca.gov/pdf_pub_ctr/de573m.pdf) provide more information.
- **Payroll Tax Webinars** – EDD offers free webinars online to help employers comply with the California payroll tax laws. To enroll, visit Payroll Tax Webinars (edd.ca.gov/payroll-tax-webinars) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Remember:

- An employee includes a worker who is an employee under the ABC test or Borello test, and a worker whose services are specifically covered by law, such as a corporate officer. Refer to *Information Sheet: Types of Employment* (DE 231TE) (PDF) (edd.ca.gov/pdf_pub_ctr/de231te.pdf) for more information.
- An employee may perform services on a temporary or less than full time basis.
- We have several resources available to help you correctly classify your workers.

State Payroll Taxes

The Employment Development Department (EDD) administers the following California payroll tax programs:

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

Note: Paid Family Leave (PFL) is a component of the SDI program.

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

Unemployment Insurance Tax

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 funded through payroll taxes paid by the employer. 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 a period of two to three years. The UI rate could increase to a maximum of 6.2 percent (.062) or decrease to a minimum of 1.5 percent (0.015) based on an employer's experience rating and the balance in the UI Fund. For an explanation of the experience rating method, refer to *Information Sheet: California System of Experience Rating* (DE 231Z) (PDF) (edd.ca.gov/pdf_pub_ctr/de231z.pdf).

Government entities 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

What Is ETT?

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 while developing the skills of new and incumbent workers.

Who Pays It?

ETT is an employer-paid tax. Employers are subject to pay 0.1 percent (.001) for ETT on the first $7,000 in wages paid to each employee in a calendar year. The tax rate is set by statute at 0.1 percent (.001) of UI taxable wages for employers with positive UI reserve account balances and subject to section 977(c) of the California Unemployment Insurance Code (CUIC). The maximum tax is $7 per employee per year ($7,000 x .001).

State Disability Insurance Tax

What Is SDI Tax?

SDI allows the Disability Fund to pay Disability Insurance (DI) and PFL benefits to eligible California workers. DI benefits are paid to eligible California workers who lose wages when they are unable to work due to a non-work-related illness, injury, or pregnancy.

PFL benefits are paid to eligible California workers who take time off work to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner. Benefits are also available to new parents who need time to bond with a new child entering the family by birth, adoption, or foster care placement. Benefits are also available to California workers who participate in a qualifying event because of a spouse, registered domestic partner, parent, or child's military deployment to a foreign country.

Who Pays It?

The SDI program is funded through a payroll deduction from employees' wages. Employers withhold 1.3 percent (.013) for SDI on all subject wages paid to each employee in a calendar year. The SDI rate is set by law and may change each year.

California Personal Income Tax

What Is California PIT?

California PIT is a tax imposed on California residents' income and on income that California nonresidents derive from California. EDD reports, collects, and enforces PIT withholding. Taxes collected by the Franchise Tax Board (FTB) and EDD support California public services, such as schools, public parks, roads, health, and human services.

Who Pays It?

California PIT is withheld from employee wages based on the *Employee's Withholding Allowance Certificate* (DE 4) on file with their employer and based on the flat rate withholding when paying supplemental wages, such as bonuses, refer to **page 18**.

State Payroll Taxes

	Unemployment Insurance	Employment Training Tax	State Disability	California Personal Income Tax
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 calendar year.	First $7,000 of subject wages per employee, per calendar year.	No limit.	No limit. Refer to PIT withholding (edd.ca.gov/en/payroll_taxes/rates_and_withholding)
Tax Rate	New employer tax rate is 3.4 percent (.034) for a period of two to three years. Following this period, the tax rate is calculated annually based on each employer's previous experience and the condition of the UI Fund. 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 section 977(c) of the CUIC.	The 2026 SDI withholding rate is 1.3 percent (.013). The SDI tax rate is set by law and may change each year.	Withheld based on the *Employee's Withholding Allowance Certificate* (DE 4).
Maximum Tax (Except when employer is subject to section 977[c] of the CUIC.)	$434 per employee, per calendar year. (The amount has been calculated at the highest UI tax rate of 6.2 percent [$7,000 x .062].	$7 per employee, per calendar year ($7,000 x .001).	No maximum.	No maximum.

Note: Some types of employment are not subject to payroll taxes or PIT withholding. Refer to *Information Sheet: Types of Employment* (DE 231TE) (PDF) (edd.ca.gov/pdf_pub_ctr/de231te.pdf). Certain types of wages and benefits are not subject to payroll taxes. Refer to *Information Sheet: Types of Payments* (DE 231TP) (PDF) (edd.ca.gov/pdf_pub_ctr/de231tp.pdf). For additional assistance, contact the Taxpayer Assistance Center at 1-888-745-3886.

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 through e-Services for Business (edd.ca.gov/eServices).

If you add or remove partners or LLC members, change corporate name or officers of a business entity type, the entity normally keeps the same EDD employer payroll tax account number and continues to make payroll tax deposits and file reports as though it was the same type of ownership for the entire year. EDD must be notified of any change in the ownership of a business entity so that the taxpayer information can be updated. For more information, contact the Taxpayer Assistance Center at 1-888-745-3886. If outside the U.S. or Canada, call 1-916-464-3502.

Remember: Report changes through e-Services for Business (edd.ca.gov/eServices).

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 the Taxpayer Assistance Center at 1-888-745-3886. If outside the U.S. or Canada, call 1-916-464-3502.

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 EDD. 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 more information, download the *Requirements for Obtaining Certificate of Release of Buyer (DE 2220) When a Business Is Sold* (DE 3409A) (PDF) (edd.ca.gov/pdf_pub_ctr/de3409a.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886. If outside the U.S. or Canada, call 1-916-464-3502.

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 tax and Employment Training Tax.

What Is a Successor Employer?

A successor employer is an employer who has acquired all or part of another employer's 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 result in an immediate reduction or increase of the successor's UI tax rate. The successor employer must register the acquired business with EDD.

For more information on reserve account transfers, refer to **page 81** or call 1-916-653-7795.

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

It Is Against the Law to Change or Purchase a Business Entity Solely to Obtain a Lower UI Rate

Changing your business ownership solely for the purpose of obtaining an employer account with a lower UI contribution rate is not allowed. Section 1052 of the California Unemployment Insurance Code 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 aggressively pursues businesses practicing UI rate manipulation. To read more about UI rate manipulation, refer to **page 81**.

Additional Requirements

Posting Requirements

Once you are registered with EDD, you will receive a notice to post in your workplace that informs your employees of their rights under Unemployment Insurance (UI), Disability Insurance (DI), and Paid Family Leave (PFL). This notice must be posted in a prominent location that is easily seen by your employees. You will receive the following notice if you are subject to:

- UI, DI, and PFL – *Notice to Employees* (DE 1857A).
- UI only – *Notice to Employees - Unemployment Insurance Benefits* (DE 1857D).
- DI and PFL only – *Notice to Employees* (DE 1858).

Required Notices and Pamphlets

Provide a copy of the following notices and pamphlets to each of your employees when appropriate. The publications listed below are available at Required Notices and Pamphlets (edd.ca.gov/en/payroll_taxes/required_notices_and_pamphlets).

The following pamphlets explain your employees' benefit rights:

- *For Your Benefit: California's Programs for the Unemployed* (DE 2320) – Provides information on UI, DI, PFL, and Workforce Services benefits available to the employee and must be given when an employer discharges, lays off, or places an employee on a leave of absence. Printed copies of this notice may be provided to employees in person or via mail. Notice may also be provided via email if the following requirements are met:
  - Employers may provide this notice via email if an employee affirmatively opts into receipt of electronic statements or materials.
  - An employee may consent to receive electronic communication in writing, by email, or other form of electronic acknowledgment.
  - The acknowledgment form must:
    - Fully explain that the employee agrees to receive notice electronically.
    - Provide the employee with information about how they can revoke consent of electronic receipt.
    - Create a record of the agreement which can be provided to the employee.
  - Employees may revoke the agreement to receive notice by electronic communication at any time in writing, by email, or other form of electronic acknowledgment.
- *Disability Insurance Provisions Brochure* (DE 2515) – Provides information on DI benefits.
- *Paid Family Leave Brochure* (DE 2511) – Provides information on PFL benefits.
- Voluntary Plan Disability Insurance (VPDI) insurers have similar literature. VPDI employers must also supply claim forms to their employees. For more information on VPDI, refer to **page 94**.
- Notice required by the Earned Income Tax Credit Information Act (refer to **page 13** for details).
- Notice to Employee as to Change in Relationship – Written notice must be given immediately to employees of their discharge, layoff, leave of absence, or change in employment status, along with a DE 2320.
- Notice of plant closure or mass layoff.

  Action Required: Post the DE 1857A and provide a DE 2320, DE 2511, and DE 2515 to each of your employees. Provide the Notice to Employee as to Change in Relationship and/or Worker Adjustment and Retraining Notification (WARN) as applicable.

  No written notice is required if it is a voluntary quit, promotion or demotion, change in work assignment or location (some changes in location require a WARN notice), or if work stopped due to a trade dispute.

Note: For more information on your posting requirements, visit the California Tax Service Center (taxes.ca.gov).

Notices you prepare must include the following information.

The sample provided meets these requirements:

Notice to Employee as to Change in Relationship

(Issued pursuant to provisions of section 1089 of the California Unemployment Insurance Code.)

Name _____ SSN _____

1. You were/will be laid off/discharged on _____, 20___
(Date)

2. You were/will be on leave of absence starting _____, 20___
(Date)

3. On _____, your employment status changed/will change as follows:
(Date)

(Name of Employer) _____ (By) _____

Recordkeeping

Employers must 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 you to maintain records of payments to service providers for at least eight years in case of an employment tax audit. Your records must accurately reflect all workers employed, no longer employed, on a leave of absence, and independent contractors. Records must include the following information for each worker:

- 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 60**.)
- Disbursement records showing payments to workers.
- Other information necessary to determine payments to workers.

If you have any questions, refer to the *Information Sheet: Employment Tax Audit Process* (DE 231TA) (PDF) (edd.ca.gov/pdf_pub_ctr/de231ta.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Earned Income Tax Credit Information Act

The refundable California Earned Income Tax Credit (California EITC) and other state and federal antipoverty credits are available to low-income working individuals who earned wage income subject to California withholding or have net earnings from self-employment. The California EITC is similar to the federal Earned Income Credit (EIC) but with different income limitations. To claim the California EITC or other antipoverty credits, you must file a California income tax return and attach a completed *California Earned Income Tax Credit* (FTB 3514) form. For information on the availability of antipoverty credits, eligibility requirements, and how to get the California tax forms or get help filing, visit the Franchise Tax Board (ftb.ca.gov) and search for forms or call 1-800-852-5711.

Employers are required to provide unemployment insurance to their employees and must provide notification to employees twice during the year, informing the employee that the employee may be eligible for Volunteer Income Tax Assistance (VITA), CalFile, and state and federal antipoverty credits, including the state and federal EITC.

One notification must be provided within one week before, after, or during the time the employer provides an annual wage summary, including, but not limited to, Forms W-2 or 1099, to the employee. The second notification must be sent during the month of March of the same year in which the employer sent the first notification. The notifications are required to be handed directly to the employee or sent to the employee's last known address, except the notification required to be sent to the employee during March, may be sent electronically. Posting of the notifications on an employee bulletin board or sending them through office mail will not satisfy the notification requirements. The notices must contain substantially the same language as the notice below. All notifications sent by employers must include substantially the same language that is found in section 19854 of the Revenue and Taxation Code. This language is significantly different from prior notification language.

Based on your annual earnings, you may be eligible for the following assistance:

Volunteer Income Tax Assistance (VITA) Program – VITA is a free basic income tax return preparation program for federal and state personal income tax returns, managed by the Internal Revenue Service and operated by Internal Revenue Service partners and trained volunteers.

Federal Earned Income Tax Credit (federal EITC) – The federal EITC is a refundable credit for low-income working individuals and families. The federal EITC will not impact certain public assistance benefits. In addition, federal EITC payments are typically not used to determine eligibility for the following:

(A) Medicaid.

(B) Supplemental Security Income.

(C) Supplemental Nutrition Assistance Program.

(D) Low-income housing.

(E) Temporary Assistance for Needy Families payments.

To receive the federal EITC, you must file a federal tax return and fill out the EITC form, which can be found in the Federal Income Tax Return Booklet. For more information on your eligibility to receive the federal EITC and other federal antipoverty tax credits, visit the IRS (irs.gov).

California Earned Income Tax Credit (California EITC) and Young Child Tax Credit (YCTC) – The California EITC and YCTC are refundable credits for low-income working individuals and families. The California EITC and YCTC are similar to the federal EITC and will not impact certain public assistance benefits.

Foster Youth Tax Credit (FYTC) – The FYTC is a refundable credit for former and current foster youth between 18 and 25 years of age who were in foster care while 13 years of age or older, placed through the California foster care system, and were allowed the California EITC. The FYTC will not impact certain public assistance benefits.

To claim the California EITC, you must file a California Income Tax Return and fill out the California EITC form (Form FTB 3514) and attach it to your tax return. For more information on the availability of the credit, including eligibility requirements, or form questions, visit the Franchise Tax Board (ftb.ca.gov) and enter "CalEITC" in the search box.

You may also be eligible to have both your federal and state tax returns prepared and filed for free using VITA services. For more information on the free tax filing service, and location and hours of operation, visit the Franchise Tax Board (ftb.ca.gov) and enter "VITA" in the search box.

Additionally, you may be eligible to e-file your California return directly with the Franchise Tax Board for free using CalFile. For more information on CalFile, visit the Franchise Tax Board (ftb.ca.gov) and enter "CalFile" in the search box.

What Are Wages?

Wages are all compensation for an employee's personal services, whether paid by check, cash, electronic debit, payment apps, 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

Subject wages are the full amount of wages, regardless of the Unemployment Insurance (UI) taxable wage limits. All wages, unless excluded under the California Unemployment Insurance Code, are considered subject wages and used to determine the amount of UI, ETT, Disability Insurance, and Paid Family Leave benefits a person receives. See the inside front cover for UI taxable wage limits. The Total Subject Wages for each employee must be reported quarterly on the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C). Certain types of employment and payments are not considered subject wages. Refer to *Information Sheet: Types of Employment* (DE 231TE) and *Information Sheet: Types of Payments* (DE 231TP) online at Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Personal Income Tax Wages

Personal Income Tax (PIT) wages are cash and noncash payments subject to state income tax and must be reported on an individual's California income tax return. Most payments for employees' services are reportable as PIT wages. An employee's PIT wage calendar year total 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 on the DE 9C. For more information, refer to *Information Sheet: Personal Income Tax Wages Reported on the Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)* (DE 231PIT) (PDF) (edd.ca.gov/pdf_pub_ctr/de231pit.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

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.

Are Subject Wages and Personal Income Tax Wages the Same?

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 generally included as subject wages but are not reportable as PIT wages. Refer to the Retirement and Pension Plans section of *Information Sheet: Types of Payments* (DE 231TP) (PDF) (edd.ca.gov/pdf_pub_ctr/de231tp.pdf).
- Under certain situations, wages paid to family employees (a child under the age of 18 years employed by own father or mother, an individual employed by own son, daughter, spouse, or registered domestic partner) may not be reported as subject wages but are reportable as PIT wages. Refer to the Family Employees section of *Information Sheet: Types of Employment* (DE 231TE) (PDF) (edd.ca.gov/pdf_pub_ctr/de231te.pdf).
- 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 *Information Sheet: Types of Employment* (DE 231TE) (PDF) (edd.ca.gov/pdf_pub_ctr/de231te.pdf).

Employers Subject to California Personal Income Tax 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 *Employers Depositing Only Personal Income Tax Withholding Registration and Update Form* (DE 1P) (PDF) (edd.ca.gov/pdf_pub_ctr/de1p.pdf). The employer is liable for the required PIT, whether or not it is withheld. By law, the filing of federal Form 1099-MISC or Form 1099-NEC, issued to the employee, with the Internal Revenue Service (IRS) or Franchise Tax Board (FTB) does not relieve the employer of liability.

Meals and Lodging

Meals and lodging provided free of charge or at a reduced rate to an employee are wages. For employees covered under an employment contract or union agreement, the taxable value of meals and lodging cannot be less than the amount stated in the agreement. Meals and lodging provided for the employer's convenience and on the employer's premises are not subject to PIT.

If the cash value is not stated in an employment contract or union agreement, refer to the table below for the value of the meals and 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:

Value of Meals

Year	Three Meals per Day	Breakfast	Lunch	Dinner	Meal Not Identified
2026	$15.85	$3.25	$4.90	$7.70	$5.70
2025	$15.40	$3.15	$4.75	$7.50	$5.50

Value of Lodging

Year	Minimum Per Week	Maximum Per Month
2026	$66.10	$2,038
2025	$63.15	$1,946

The values above apply to non-maritime employees only.

For more information on meals and lodging, including values for those provided to maritime employees, visit Rates and Withholding (edd.ca.gov/en/payroll_taxes/rates_and_withholding) or contact the Taxpayer Assistance Center at 1-888-745-3886. If outside the U.S. or Canada, call 1-916-464-3502.

For historical rate information for the last eight years, visit the *Tax Rates, Wage Limits, and Value of Meals and Lodging* (DE 3395) (PDF) (edd.ca.gov/pdf_pub_ctr/de3395.pdf).

Additional Information

- Who Is an Employee? Refer to **page 7**.
- Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications)
- Information Sheets:
  - *Wages* (DE 231A) (PDF) (edd.ca.gov/pdf_pub_ctr/de231a.pdf)
  - *Types of Employment* (DE 231TE) (PDF) (edd.ca.gov/pdf_pub_ctr/de231te.pdf)
  - *Types of Payments* (DE 231TP) (PDF) (edd.ca.gov/pdf_pub_ctr/de231tp.pdf)
  - *Personal Income Tax Wages Reported on the Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)* (DE 231 PIT) (PDF) (edd.ca.gov/pdf_pub_ctr/de231pit.pdf)

Personal Income Tax Wages Subject to California Withholding

With certain exceptions, compensation for services performed by an employee is considered wages and subject to 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 employees' services.

How to Determine Which Wages Require PIT Withholding

Employers are required to withhold California PIT on most wages. To determine which wages require PIT withholding, refer to *Information Sheet: Types of Employment* (DE 231TE) and *Information Sheet: Types of Payments* (DE 231TP). These information sheets identify special classes of employment and special types of payments and their treatment for Unemployment Insurance (UI), Employment Training Tax (ETT), State Disability Insurance (SDI), and California PIT wages and withholding. Also refer to Classifying Employees on **page 7**.

To get information sheets for specific industries and types of services, visit Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications) or contact the Taxpayer Assistance Center at 1-888-745-3886. If outside the U.S. or Canada, contact 1-916-464-3502.

Marital Status, Withholding Allowances, and Exemptions Form W-4 and DE 4

Starting January 1, 2020, the IRS's *Employee's Withholding Certificate* (Form W-4) is used for federal income tax withholding only. The employee must file the state form *Employee's Withholding Allowance Certificate* (DE 4) for the appropriate PIT withholding.

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. For information on treatment of additional withholding allowances for estimated deductions, refer *to Instructions for Additional Withholding Allowances for Estimated Deductions* on **page 20** and the *Estimated Deduction table* on **page 22**.

Use of the DE 4 is no longer optional. When employees provide you with a DE 4, you must use it to determine their California PIT withholdings. You can download the *Employee's Withholding Allowance Certificate* (DE 4) (PDF) (edd.ca.gov/pdf_pub_ctr/de4.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Employees may request that no California PIT be withheld if they meet both of the following conditions:

- Incurred no liability for federal or state income tax for the prior taxable year.
- No federal or state income tax liability will be incurred for the current taxable year.

Action Required: Each employee must complete a DE 4 marking the corresponding box designating the exemption. The exemption is good for one year.

If	Then
Employee does not file a DE 4.	You may use the existing withholding certificate in your file to withhold. If you have no existing withholding certificate from the employee, then you must use Single with Zero withholding allowance.
Employee files a DE 4.	You **must** use the DE 4 to calculate and withhold California PIT. **Exception:** Do not withhold any California PIT from wages of employees who have filed Exempt on their DE 4, unless you receive a written notice from the FTB to withhold at a special rate. To maintain Exempt status, the employee must file a new DE 4 each year on or before February 15.
Employee's marital status cannot be determined from the DE 4.	Request the employee to correct the DE 4 or submit a new form. Until the new or corrected form is received, consider the employee as Single with Zero withholding allowances for California PIT withholding purposes.
Employee admits that DE 4 is false.	When you receive an invalid DE 4, do not use it to calculate PIT withholding. Ask the employee for a new DE 4. If the employee does not give you a valid DE 4, withhold PIT as if the employee was single and claiming no withholding allowances. If you have an earlier Form W-4 or DE 4 for this employee that is valid, withhold as you did before.

Employer Obligations for Form W-4 and DE 4

When you hire an employee, you must have the employee complete and provide a signed withholding exemption certificate, federal Form W-4 and a completed DE 4. The Form W-4 is used to withhold federal income tax, and the DE 4 is used for the appropriate California Personal Income Tax (PIT) withholding. If an employee fails to give you a properly completed DE 4, you must withhold state income taxes from the employee's wages as if the employee were single and claiming no withholding allowances.

The requirements for a complete exemption from state wage withholding are the same as the federal requirements. You will not deduct and withhold any tax upon a payment of wages made to an employee if there is in effect, for federal income tax purposes, a withholding exemption certificate provided to the employer that contains both of the following statements:

- The employee incurred no liability for federal income tax imposed for the prior tax year.
- The employee will incur no liability for federal income tax for the current tax year.

A DE 4 claiming exemption from withholding is valid only during the calendar year it was filed with the employer. To continue exemption from withholding in the next year, an employee must give you a new DE 4 claiming exempt status by February 15 of that year. If the employee does not provide a new DE 4, withhold tax as if the employee is single, with zero withholding allowances. If you have an earlier Form W-4 or DE 4 for this employee (not claiming exempt status) that is valid, withhold as you did before.

Employers must keep the federal Form W-4 and state DE 4 in their payroll records.

The DE 4 is considered invalid[1] if either of the following two conditions exist:

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

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

FTB or EDD may, by special direction in writing, require you, as the employer, to submit a Form W-4 or DE 4 when such forms are necessary for the administration of the withholding tax programs.

How to Determine PIT Withholding Amounts

Refer to **page 20** for the 2026 PIT withholding schedules and information on how to calculate withholdings.

What if Your Employee Wants Additional PIT Withholding?

In addition to the tax withholding requirement from salaries and wages, upon written request from the employee, you may 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 under withheld. This is true if the household income is derived from more than one source. To determine the appropriate California PIT withholding, employees must complete a DE 4. 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 their DE 4. For more information, refer to the DE 4 form and instructions

1. Pursuant to section 31.3402(f)(2)-1(e) of Title 26, Code of Federal Regulations, and section 4340-1(b) of Title 22, California Code of Regulations

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, and 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 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 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, refer to *Information Sheet: Stock Options (DE 231SK) (PDF)* (edd.ca.gov/pdf_pub_ctr/de231sk.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

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 the FTB are intended to satisfy taxes on income that is not subject to withholding. Quarterly estimates paid by an employee directly to FTB instead of proper withholdings from wages may result in an assessment to the employer. If you have questions regarding quarterly estimated payments, contact FTB at 1-800-852-5711.

Wages Paid to California Residents

If	Then
A California resident performs services in California or in another state.	Wages paid to the resident employee are subject to California PIT withholding, and PIT must be withheld from all wages paid, following the employee's DE 4. Refer to the withholding requirements on **page 16**. The wages paid must be reported as PIT wages on the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C). The PIT withheld must also be reported on the DE 9C.
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.	Make the withholding required by the other jurisdiction, and either: • For California, the amount by which the California withholding amount exceeds the withholding amount for the other jurisdiction. • 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. The wages reported as PIT wages on the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) for the year should be 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.

Wages Paid to Nonresidents of California

If	Then
A nonresident employee performs their entire service within California during the year (may include spouse of a military service member).	The wages paid to the nonresident employee are subject to California PIT withholding. The PIT must be withheld from all wages paid following the employee's DE 4. The spouse of a military service member may exclude wages from California PIT withholding by marking the corresponding box when filing a DE 4. Refer to the withholding requirements on **page 16**. The wages paid must be reported as PIT wages on the DE 9C. The PIT withheld must also be reported on the DE 9C.
A nonresident employee performs services both in California and in another state.	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. The California wages must be reported as PIT wages on the DE 9C. The PIT withheld must also be reported on the DE 9C. **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.

PIT Withholding on Payments to Nonresident Independent Contractors

For more withholding information, refer to FTB Publication 1017 Resident and Nonresident Withholding Guidelines (ftb.ca.gov/forms/misc/1017.html) for guidance regarding PIT withholding on payments to nonresident independent contractors for services performed in California or contact FTB at 1-888-792-4900.

Additional Information:

- Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications):
- Information Sheets:
  - *Multistate Employment* (DE 231D)
  - *Withholding From Pensions, Annuities, and Certain Other Deferred Income* (DE 231P)
  - *Personal Income Tax Withholding – Supplemental Wage Payments, Moving Expense Reimbursement – WARN Act Payments* (DE 231PS)
  - *Third-Party Sick Pay* (DE 231R)
  - *Types of Employment* (DE 231TE)
  - *Types of Payments* (DE 231TP)

Learn More!

To learn more about employer payroll taxes visit,

Payroll Tax Webinars

(edd.ca.gov/payroll-tax-webinars).

California Withholding Schedules for 2026

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 or salaries less than $1 million)**
- Method B – Exact Calculation Method

Method A provides a quick and 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 28 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 Solutions and Modeling Section – 516, Mail Stop A-351
PO 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 an *Employee's Withholding Allowance Certificate* (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 an existing *Employee's Withholding Allowance Certificate* (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

   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 existing 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 5 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 a DE 4 when they wish to use additional allowances for estimated deductions to reduce the amount of wages subject to withholding.

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, 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 are *greater* than the amount shown in Table 1 - Low Income Exemption Table ($727); therefore, income tax should be withheld.

Step 2	Earnings for the payroll period.	$ 900.00
	Subtract amount from Table 2 - Estimated Deduction Table.	-58.00
	Salaries and wages subject to withholding.	$ 842.00
Step 3	Total number of withholding allowances claimed.	5
	Subtract number of estimated deduction allowances claimed.	-3
	Net allowances for tax computation purposes.	2
Step 4	Refer to the appropriate wage bracket table (married person weekly taxable earnings of $842 with two deductions) to arrive at the amount of tax to be withheld.	$ 2.72

Example B: Method A - Wage Bracket Table Method. Monthly earnings of $3,500, married, and claiming six withholding allowances on Form W-4 or DE 4, four 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 ($3,149); therefore, income tax should be withheld.

Step 2	Earnings for the payroll period.	$ 3,500.00
	Subtract amount from Table 2 - Estimated Deduction Table.	-333.00
	Salaries and wages subject to withholding.	$ 3,167.00
Step 3	Total number of withholding allowances claimed.	6
	Subtract number of estimated deduction allowances claimed.	-4
	Net allowances for tax computation purposes.	2
Step 4	Refer to the appropriate wage bracket table (married person monthly taxable earnings of $3,167 with two deductions) to arrive at the amount of tax to be withheld.	$ 0.86

Method A - Wage Bracket Table Method

Method A - Table 1: Low Income Exemption Table (For Wages Paid in 2026)

Payroll Period	**Single, Dual Income Married or Married with Multiple Employers**	**Married -** (Allowances on DE 4 of Form W-4) **'0' or '1'**	**Married -** (Allowances on DE 4 of Form W-4) **'2' or more**	**Unmarried Head of Household**
Weekly	$363	$363	$727	$727
Biweekly	$727	$727	$1,454	$1,454
Semi-monthly	$787	$787	$1,575	$1,575
Monthly	$1,575	$1,575	$3,149	$3,149
Quarterly	$4,724	$4,724	$9,448	$9,448
Semi-annual	$9,448	$9,448	$18,896	$18,896
Annual	$18,896	$18,896	$37,791	$37,791
Daily/Miscellaneous	$73	$73	$145	$145

Method A - Table 2: Estimated Deduction Table (For Wages Paid in 2026)

Additional Withholding Allowances[1]	**Weekly** Payroll Period	**Bi-weekly** Payroll Period	**Semi-monthly** Payroll Period	**Monthly** Payroll Period	**Quarterly** Payroll Period	**Semi-annual** Payroll Period	**Annual** Payroll Period	**Daily/ Misc.** Payroll Period
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[2]	$192	$385	$417	$833	$2,500	$5,000	$10,000	$38

1. Number of Additional Withholding Allowances for Estimated Deductions claimed on Form W-4 or DE 4.
2. 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.

Method A - Table 3: Single Person, Dual Income Married or Married with Multiple Employers - Weekly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.61										
170	180	0.72										
180	190	0.83										
190	200	0.94										
200	210	1.05										
210	220	1.16										
220	230	1.27										
230	240	1.38										
240	250	1.49										
250	260	1.60										
260	270	1.71										
270	280	1.82										
280	290	1.93										
290	300	2.04										
300	310	2.15										
310	320	2.26										
320	330	2.39										
330	340	2.61										
340	350	2.83										
350	360	3.05										
360	370	3.27	0.04									
370	380	3.49	0.26									
380	390	3.71	0.48									
390	400	3.93	0.70									
400	410	4.15	0.92									
410	420	4.37	1.14									
420	430	4.59	1.36									
430	440	4.81	1.58									
440	450	5.03	1.80									
450	460	5.25	2.02									
460	480	5.58	2.35									
480	500	6.02	2.79									
500	520	6.46	3.23									
520	540	6.90	3.67	0.43								
540	560	7.34	4.11	0.87								
560	600	8.00	4.77	1.53								
600	640	9.00	5.76	2.53								
640	680	10.76	7.52	4.29	1.06							
680	720	12.52	9.28	6.05	2.82							
720	760	14.28	11.04	7.81	4.58	1.34						
760	810	16.26	13.02	9.79	6.56	3.32	0.09					
810	860	18.46	15.22	11.99	8.76	5.52	2.29					
860	910	20.66	17.42	14.19	10.96	7.72	4.49	1.25				
910	960	23.48	20.25	17.01	13.78	10.54	7.31	4.08	0.84			
960	1050	28.10	24.87	21.63	18.40	15.16	11.93	8.70	5.46	2.23		
1050	1160	34.70	31.47	28.23	25.00	21.76	18.53	15.30	12.06	8.83	5.59	2.36
1160	1270	41.96	38.73	35.49	32.26	29.02	25.79	22.56	19.32	16.09	12.85	9.62
1270	1380	51.60	48.37	45.13	41.90	38.67	35.43	32.20	28.96	25.73	22.50	19.26
1380	1490	61.28	58.05	54.81	51.58	48.35	45.11	41.88	38.64	35.41	32.18	28.94
1490	1600	71.48	68.25	65.01	61.78	58.55	55.31	52.08	48.84	45.61	42.38	39.14
1600 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 4: Married Persons - Weekly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.61										
170	180	0.72										
180	190	0.83										
190	200	0.94										
200	210	1.05										
210	220	1.16										
220	230	1.27										
230	240	1.38										
240	250	1.49										
250	260	1.60										
260	270	1.71										
270	280	1.82										
280	290	1.93										
290	300	2.04										
300	310	2.15										
310	320	2.26										
320	330	2.37										
330	340	2.48										
340	350	2.59										
350	360	2.70										
360	370	2.81										
370	380	2.92										
380	390	3.03										
390	400	3.14										
400	410	3.25	0.01									
410	420	3.36	0.12									
420	430	3.47	0.23									
430	440	3.58	0.34									
440	460	3.74	0.51									
460	480	3.96	0.73									
480	500	4.18	0.95									
500	520	4.40	1.17									
520	540	4.62	1.39									
540	560	5.00	1.77									
560	580	5.44	2.21									
580	600	5.88	2.65									
600	620	6.32	3.09									
620	640	6.76	3.53									
640	660	7.20	3.97									
660	680	7.64	4.41									
680	700	8.08	4.85									
700	720	8.52	5.29									
720	740	8.96	5.73	0.08								
740	760	9.40	6.17	0.52								
760	780	9.84	6.61	0.96								
780	800	10.28	7.05	1.40								
800	820	10.72	7.49	1.84								
820	840	11.16	7.93	2.28								
840	860	11.60	8.37	2.72								
860	880	12.04	8.81	3.16								

— Continued on Next Page —

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	12.48	9.25	3.60	0.36							
900	920	12.92	9.69	4.04	0.80							
920	940	13.36	10.13	4.48	1.24							
940	960	13.80	10.57	4.92	1.68							
960	980	14.24	11.01	5.36	2.12							
980	1000	14.68	11.45	5.80	2.56							
1000	1020	15.12	11.89	6.24	3.00							
1020	1040	15.56	12.33	6.68	3.44	0.21						
1040	1060	16.00	12.77	7.12	3.88	0.65						
1060	1080	16.44	13.21	7.56	4.32	1.09						
1080	1100	16.88	13.65	8.00	4.76	1.53						
1100	1120	17.32	14.09	8.44	5.20	1.97						
1120	1140	17.99	14.75	8.88	5.64	2.41						
1140	1170	19.09	15.85	9.43	6.19	2.96						
1170	1200	20.41	17.17	10.09	6.85	3.62	0.39					
1200	1230	21.73	18.49	10.75	7.51	4.28	1.05					
1230	1260	23.05	19.81	11.75	8.52	5.28	2.05					
1260	1290	24.37	21.13	13.07	9.84	6.60	3.37	0.13				
1290	1320	25.69	22.45	14.39	11.16	7.92	4.69	1.45				
1320	1350	27.01	23.77	15.71	12.48	9.24	6.01	2.77				
1350	1390	28.55	25.31	17.25	14.02	10.78	7.55	4.31	1.08			
1390	1430	30.31	27.07	19.01	15.78	12.54	9.31	6.07	2.84			
1430	1470	32.07	28.83	20.77	17.54	14.30	11.07	7.83	4.60	1.37		
1470	1510	33.83	30.59	22.53	19.30	16.06	12.83	9.59	6.36	3.13		
1510	1550	35.59	32.35	24.29	21.06	17.82	14.59	11.35	8.12	4.89	1.65	
1550	1600	37.57	34.33	26.27	23.04	19.80	16.57	13.33	10.10	6.87	3.63	0.40
1600	1650	39.77	36.53	28.47	25.24	22.00	18.77	15.53	12.30	9.07	5.83	2.60
1650	1700	41.97	38.73	30.67	27.44	24.20	20.97	17.73	14.50	11.27	8.03	4.80
1700	1750	44.63	41.40	32.87	29.64	26.40	23.17	19.93	16.70	13.47	10.23	7.00
1750	1800	47.93	44.70	35.07	31.84	28.60	25.37	22.13	18.90	15.67	12.43	9.20
1800	1880	52.22	48.99	38.51	35.28	32.05	28.81	25.58	22.34	19.11	15.88	12.64
1880	1960	57.50	54.27	43.79	40.56	37.33	34.09	30.86	27.62	24.39	21.16	17.92
1960	2060	63.44	60.21	49.73	46.50	43.27	40.03	36.80	33.56	30.33	27.10	23.86
2060	2160	70.04	66.81	56.33	53.10	49.87	46.63	43.40	40.16	36.93	33.70	30.46
2160	2290	77.63	74.40	63.92	60.69	57.46	54.22	50.99	47.75	44.52	41.29	38.05
2290	2460	88.66	85.43	73.82	70.59	67.36	64.12	60.89	57.65	54.42	51.19	47.95
2460	2630	103.62	100.39	87.50	84.26	81.03	77.80	74.56	71.33	68.09	64.86	61.63
2630	2810	119.02	115.79	102.90	99.66	96.43	93.20	89.96	86.73	83.49	80.26	77.03
2810	2990	134.86	131.63	118.74	115.50	112.27	109.04	105.80	102.57	99.33	96.10	92.87
2990	3170	153.17	149.93	135.47	132.24	129.00	125.77	122.54	119.30	116.07	112.83	109.60
3170 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 5: Unmarried Head of Household - Weekly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		0	1	2	3	4	5	6	7	8	9	10 or More
		The Amount of Income Tax to Be Withheld Shall Be...										
$1	$250											
250	260	0.39										
260	270	0.50										
270	280	0.61										
280	290	0.72										
290	300	0.83										
300	310	0.94										
310	320	1.05										
320	330	1.16										
330	340	1.27										
340	350	1.38										
350	360	1.49										
360	370	1.60										
370	380	1.71										
380	390	1.82										
390	400	1.93										
400	410	2.04										
410	420	2.15										
420	430	2.26										
430	440	2.37										
440	450	2.48										
450	460	2.59										
460	470	2.70										
470	480	2.81										
480	490	2.92										
490	500	3.03										
500	520	3.20										
520	540	3.42	0.18									
540	560	3.64	0.40									
560	580	3.86	0.62									
580	600	4.08	0.84									
600	620	4.30	1.06									
620	640	4.52	1.28									
640	660	4.79	1.55									
660	680	5.23	1.99									
680	700	5.67	2.43									
700	740	6.33	3.09									
740	780	7.21	3.97	0.74								
780	820	8.09	4.85	1.62								
820	860	8.97	5.73	2.50								
860	910	9.96	6.72	3.49	0.25							
910	960	11.06	7.82	4.59	1.35							
960	1020	12.27	9.03	5.80	2.56							
1020	1080	13.59	10.35	7.12	3.88	0.65						
1080	1180	15.35	12.11	8.88	5.64	2.41						
1180	1320	18.44	15.20	11.97	8.74	5.50	2.27					
1320	1470	24.82	21.58	18.35	15.12	11.88	8.65	5.41	2.18			
1470	1620	31.94	28.70	25.47	22.23	19.00	15.77	12.53	9.30	6.06	2.83	
1620	1770	41.84	38.60	35.37	32.13	28.90	25.67	22.43	19.20	15.96	12.73	9.50
1770	1930	52.47	49.24	46.01	42.77	39.54	36.30	33.07	29.84	26.60	23.37	20.13
1930	2100	66.99	63.76	60.53	57.29	54.06	50.82	47.59	44.36	41.12	37.89	34.65
2100	2270	82.83	79.60	76.37	73.13	69.90	66.66	63.43	60.20	56.96	53.73	50.49
2270 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 6: Single Persons, Dual Income Married or Married with Multiple Employers - Biweekly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.56										
280	300	0.78										
300	320	1.00										
320	340	1.22										
340	360	1.44										
360	380	1.66										
380	400	1.88										
400	420	2.10										
420	440	2.32										
440	460	2.54										
460	480	2.76										
480	500	2.98										
500	520	3.20										
520	540	3.42										
540	560	3.64										
560	580	3.86										
580	600	4.08										
600	620	4.30										
620	640	4.52										
640	660	4.79										
660	680	5.23										
680	700	5.67										
700	720	6.11										
720	740	6.55	0.08									
740	760	6.99	0.52									
760	780	7.43	0.96									
780	800	7.87	1.40									
800	820	8.31	1.84									
820	860	8.97	2.50									
860	900	9.85	3.38									
900	940	10.73	4.26									
940	980	11.61	5.14									
980	1020	12.49	6.02									
1020	1070	13.48	7.01	0.54								
1070	1120	14.58	8.11	1.64								
1120	1170	15.68	9.21	2.74								
1170	1220	16.78	10.31	3.84								
1220	1270	18.22	11.75	5.28								
1270	1320	20.42	13.95	7.48	1.01							
1320	1370	22.62	16.15	9.68	3.21							
1370	1440	25.26	18.79	12.32	5.85							
1440	1510	28.34	21.87	15.40	8.93	2.47						
1510	1590	31.64	25.17	18.70	12.23	5.77						
1590	1710	36.04	29.57	23.10	16.63	10.17	3.70					
1710	1890	42.64	36.17	29.70	23.23	16.77	10.30	3.83				
1890	2100	55.21	48.74	42.28	35.81	29.34	22.87	16.40	9.94	3.47		
2100	2310	69.07	62.60	56.14	49.67	43.20	36.73	30.26	23.80	17.33	10.86	4.39
2310	2520	82.93	76.46	70.00	63.53	57.06	50.59	44.12	37.66	31.19	24.72	18.25
2520	2750	101.89	95.42	88.95	82.48	76.01	69.55	63.08	56.61	50.14	43.67	37.21
2750	2980	122.13	115.66	109.19	102.72	96.25	89.79	83.32	76.85	70.38	63.91	57.45
2980	3210	143.47	137.01	130.54	124.07	117.60	111.13	104.67	98.20	91.73	85.26	78.79
3210 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 7: Married Persons - Biweekly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.56										
280	300	0.78										
300	320	1.00										
320	340	1.22										
340	360	1.44										
360	380	1.66										
380	400	1.88										
400	420	2.10										
420	440	2.32										
440	460	2.54										
460	480	2.76										
480	500	2.98										
500	520	3.20										
520	540	3.42										
540	560	3.64										
560	580	3.86										
580	600	4.08										
600	620	4.30										
620	640	4.52										
640	660	4.74										
660	680	4.96										
680	700	5.18										
700	720	5.40										
720	740	5.62										
740	760	5.84										
760	780	6.06										
780	800	6.28										
800	820	6.50	0.03									
820	840	6.72	0.25									
840	860	6.94	0.47									
860	880	7.16	0.69									
880	900	7.38	0.91									
900	920	7.60	1.13									
920	940	7.82	1.35									
940	960	8.04	1.57									
960	980	8.26	1.79									
980	1000	8.48	2.01									
1000	1020	8.70	2.23									
1020	1060	9.03	2.56									
1060	1100	9.56	3.09									
1100	1140	10.44	3.97									
1140	1180	11.32	4.85									
1180	1220	12.20	5.73									
1220	1260	13.08	6.61	0.14								
1260	1300	13.96	7.49	1.02								
1300	1340	14.84	8.37	1.90								
1340	1380	15.72	9.25	2.78								
1380	1420	16.60	10.13	3.66								
1420	1460	17.48	11.01	4.54								
1460	1500	18.36	11.89	5.42								

— Continued on Next Page —

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		0	1	2	3	4	5	6	7	8	9	10 or More
		The Amount of Income Tax to Be Withheld Shall Be...										
1500	1540	19.24	12.77	6.30								
1540	1580	20.12	13.65	7.18	0.72							
1580	1620	21.00	14.53	8.06	1.60							
1620	1660	21.88	15.41	8.94	2.48							
1660	1700	22.76	16.29	9.82	3.36							
1700	1740	23.64	17.17	10.70	4.24							
1740	1780	24.52	18.05	11.58	5.12							
1780	1820	25.40	18.93	12.46	6.00							
1820	1860	26.28	19.81	13.34	6.88	0.41						
1860	1900	27.16	20.69	14.22	7.76	1.29						
1900	1940	28.04	21.57	15.10	8.64	2.17						
1940	1980	28.92	22.45	15.98	9.52	3.05						
1980	2020	29.80	23.33	16.86	10.40	3.93						
2020	2060	30.68	24.21	17.74	11.28	4.81						
2060	2100	31.56	25.09	18.62	12.16	5.69						
2100	2140	32.44	25.97	19.50	13.04	6.57	0.10					
2140	2180	33.32	26.85	20.38	13.92	7.45	0.98					
2180	2220	34.20	27.73	21.26	14.80	8.33	1.86					
2220	2260	35.09	28.62	22.16	15.69	9.22	2.75					
2260	2300	36.85	30.38	23.92	17.45	10.98	4.51					
2300	2350	38.83	32.36	25.90	19.43	12.96	6.49	0.02				
2350	2400	41.03	34.56	28.10	21.63	15.16	8.69	2.22				
2400	2450	43.23	36.76	30.30	23.83	17.36	10.89	4.42				
2450	2500	45.43	38.96	32.50	26.03	19.56	13.09	6.62	0.16			
2500	2550	47.63	41.16	34.70	28.23	21.76	15.29	8.82	2.36			
2550	2600	49.83	43.36	36.90	30.43	23.96	17.49	11.02	4.56			
2600	2650	52.03	45.56	39.10	32.63	26.16	19.69	13.22	6.76	0.29		
2650	2700	54.23	47.76	41.30	34.83	28.36	21.89	15.42	8.96	2.49		
2700	2750	56.43	49.96	43.50	37.03	30.56	24.09	17.62	11.16	4.69		
2750	2800	58.63	52.16	45.70	39.23	32.76	26.29	19.82	13.36	6.89	0.42	
2800	2850	60.83	54.36	47.90	41.43	34.96	28.49	22.02	15.56	9.09	2.62	
2850	2900	63.03	56.56	50.10	43.63	37.16	30.69	24.22	17.76	11.29	4.82	
2900	2950	65.23	58.76	52.30	45.83	39.36	32.89	26.42	19.96	13.49	7.02	0.55
2950	3000	67.43	60.96	54.50	48.03	41.56	35.09	28.62	22.16	15.69	9.22	2.75
3000	3050	69.63	63.16	56.70	50.23	43.76	37.29	30.82	24.36	17.89	11.42	4.95
3050	3150	72.93	66.46	60.00	53.53	47.06	40.59	34.12	27.66	21.19	14.72	8.25
3150	3250	77.33	70.86	64.40	57.93	51.46	44.99	38.52	32.06	25.59	19.12	12.65
3250	3350	81.73	75.26	68.80	62.33	55.86	49.39	42.92	36.46	29.99	23.52	17.05
3350	3510	87.95	81.48	75.01	68.54	62.08	55.61	49.14	42.67	36.20	29.74	23.27
3510	3670	98.51	92.04	85.57	79.10	72.64	66.17	59.70	53.23	46.76	40.30	33.83
3670	3880	110.72	104.25	97.78	91.31	84.85	78.38	71.91	65.44	58.97	52.51	46.04
3880	4090	124.58	118.11	111.64	105.17	98.71	92.24	85.77	79.30	72.83	66.37	59.90
4090	4350	140.09	133.62	127.15	120.68	114.22	107.75	101.28	94.81	88.34	81.88	75.41
4350	4610	157.25	150.78	144.31	137.84	131.38	124.91	118.44	111.97	105.50	99.04	92.57
4610	4870	176.44	169.98	163.51	157.04	150.57	144.10	137.64	131.17	124.70	118.23	111.76
4870	5150	200.20	193.74	187.27	180.80	174.33	167.86	161.40	154.93	148.46	141.99	135.52
5150	5430	224.84	218.38	211.91	205.44	198.97	192.50	186.04	179.57	173.10	166.63	160.16
5430	5770	252.12	245.66	239.19	232.72	226.25	219.78	213.32	206.85	200.38	193.91	187.44
5770	6110	283.82	277.36	270.89	264.42	257.95	251.48	245.02	238.55	232.08	225.61	219.14
6110 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 8: Unmarried Head of Household - Biweekly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		0	1	2	3	4	5	6	7	8	9	10 or More
		The Amount of Income Tax to Be Withheld Shall Be...										
$1	$560											
560	580	1.44										
580	600	1.66										
600	620	1.88										
620	640	2.10										
640	660	2.32										
660	680	2.54										
680	700	2.76										
700	720	2.98										
720	740	3.20										
740	760	3.42										
760	780	3.64										
780	800	3.86										
800	820	4.08										
820	840	4.30										
840	860	4.52										
860	880	4.74										
880	900	4.96										
900	920	5.18										
920	940	5.40										
940	960	5.62										
960	980	5.84										
980	1000	6.06										
1000	1040	6.39										
1040	1080	6.83	0.36									
1080	1120	7.27	0.80									
1120	1160	7.71	1.24									
1160	1200	8.15	1.68									
1200	1250	8.65	2.18									
1250	1300	9.20	2.73									
1300	1350	10.12	3.65									
1350	1400	11.22	4.75									
1400	1450	12.32	5.85									
1450	1500	13.42	6.95	0.49								
1500	1550	14.52	8.05	1.59								
1550	1600	15.62	9.15	2.69								
1600	1660	16.83	10.36	3.90								
1660	1720	18.15	11.68	5.22								
1720	1780	19.47	13.00	6.54	0.07							
1780	1840	20.79	14.32	7.86	1.39							
1840	1900	22.11	15.64	9.18	2.71							
1900	2000	23.87	17.40	10.94	4.47							
2000	2100	26.07	19.60	13.14	6.67	0.20						
2100	2200	28.27	21.80	15.34	8.87	2.40						
2200	2300	30.47	24.00	17.54	11.07	4.60						
2300	2440	33.11	26.64	20.18	13.71	7.24	0.77					
2440	2590	37.54	31.07	24.60	18.13	11.66	5.20					
2590	2740	44.14	37.67	31.20	24.73	18.26	11.80	5.33				
2740	2940	51.84	45.37	38.90	32.43	25.96	19.50	13.03	6.56	0.09		
2940	3140	60.64	54.17	47.70	41.23	34.76	28.30	21.83	15.36	8.89	2.42	
3140	3440	77.07	70.60	64.14	57.67	51.20	44.73	38.26	31.80	25.33	18.86	12.39
3440	3800	98.85	92.38	85.92	79.45	72.98	66.51	60.04	53.58	47.11	40.64	34.17
3800	4200	131.35	124.88	118.41	111.94	105.48	99.01	92.54	86.07	79.60	73.14	66.67
4200	4600	168.74	162.27	155.80	149.33	142.86	136.40	129.93	123.46	116.99	110.52	104.06
4600 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 9: Single Persons, Dual Income Married or Married with Multiple Employers - Semi-monthly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.79										
320	340	1.01										
340	360	1.23										
360	380	1.45										
380	400	1.67										
400	420	1.89										
420	440	2.11										
440	460	2.33										
460	480	2.55										
480	500	2.77										
500	540	3.10										
540	580	3.54										
580	620	3.98										
620	660	4.42										
660	700	4.86										
700	740	5.53										
740	780	6.41										
780	820	7.29	0.27									
820	860	8.17	1.15									
860	900	9.05	2.03									
900	940	9.93	2.91									
940	980	10.81	3.79									
980	1020	11.69	4.67									
1020	1060	12.57	5.55									
1060	1100	13.45	6.43									
1100	1140	14.33	7.31	0.29								
1140	1180	15.21	8.19	1.17								
1180	1220	16.09	9.07	2.05								
1220	1260	16.97	9.95	2.93								
1260	1300	17.85	10.83	3.81								
1300	1340	18.73	11.71	4.69								
1340	1380	20.23	13.21	6.19								
1380	1420	21.99	14.97	7.95	0.94							
1420	1460	23.75	16.73	9.71	2.70							
1460	1500	25.51	18.49	11.47	4.46							
1500	1540	27.27	20.25	13.23	6.22							
1540	1580	29.03	22.01	14.99	7.98	0.96						
1580	1620	30.79	23.77	16.75	9.74	2.72						
1620	1660	32.55	25.53	18.51	11.50	4.48						
1660	1700	34.31	27.29	20.27	13.26	6.24						
1700	1780	36.95	29.93	22.91	15.90	8.88	1.86					
1780	1860	40.47	33.45	26.43	19.42	12.40	5.38					
1860	2010	45.53	38.51	31.49	24.48	17.46	10.44	3.42				
2010	2160	54.77	47.76	40.74	33.72	26.70	19.68	12.67	5.65			
2160	2310	64.67	57.66	50.64	43.62	36.60	29.58	22.57	15.55	8.53	1.51	
2310	2520	76.55	69.54	62.52	55.50	48.48	41.46	34.45	27.43	20.41	13.39	6.37
2520	2730	90.41	83.40	76.38	69.36	62.34	55.32	48.31	41.29	34.27	27.25	20.23
2730	2980	110.42	103.40	96.38	89.36	82.35	75.33	68.31	61.29	54.27	47.26	40.24
2980	3230	132.42	125.40	118.38	111.36	104.35	97.33	90.31	83.29	76.27	69.26	62.24
3230	3480	155.67	148.65	141.63	134.61	127.59	120.58	113.56	106.54	99.52	92.50	85.49
3480 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 10: Married Persons - Semi-monthly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.79										
320	340	1.01										
340	360	1.23										
360	380	1.45										
380	400	1.67										
400	420	1.89										
420	440	2.11										
440	460	2.33										
460	480	2.55										
480	500	2.77										
500	520	2.99										
520	540	3.21										
540	560	3.43										
560	580	3.65										
580	600	3.87										
600	620	4.09										
620	640	4.31										
640	660	4.53										
660	680	4.75										
680	700	4.97										
700	720	5.19										
720	740	5.41										
740	760	5.63										
760	780	5.85										
780	800	6.07										
800	820	6.29										
820	840	6.51										
840	860	6.73										
860	880	6.95										
880	900	7.17	0.16									
900	920	7.39	0.38									
920	940	7.61	0.60									
940	960	7.83	0.82									
960	980	8.05	1.04									
980	1000	8.27	1.26									
1000	1040	8.60	1.59									
1040	1080	9.04	2.03									
1080	1120	9.48	2.47									
1120	1160	9.92	2.91									
1160	1200	10.57	3.55									
1200	1240	11.45	4.43									
1240	1280	12.33	5.31									
1280	1320	13.21	6.19									
1320	1360	14.09	7.07									
1360	1400	14.97	7.95									
1400	1440	15.85	8.83									
1440	1480	16.73	9.71									
1480	1520	17.61	10.59									
1520	1560	18.49	11.47									
1560	1600	19.37	12.35	0.10								

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If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	20.25	13.23	0.98								
1640	1680	21.13	14.11	1.86								
1680	1720	22.01	14.99	2.74								
1720	1760	22.89	15.87	3.62								
1760	1800	23.77	16.75	4.50								
1800	1840	24.65	17.63	5.38								
1840	1880	25.53	18.51	6.26								
1880	1920	26.41	19.39	7.14	0.12							
1920	1960	27.29	20.27	8.02	1.00							
1960	2000	28.17	21.15	8.90	1.88							
2000	2040	29.05	22.03	9.78	2.76							
2040	2080	29.93	22.91	10.66	3.64							
2080	2120	30.81	23.79	11.54	4.52							
2120	2160	31.69	24.67	12.42	5.40							
2160	2200	32.57	25.55	13.30	6.28							
2200	2250	33.56	26.54	14.29	7.27	0.25						
2250	2300	34.66	27.64	15.39	8.37	1.35						
2300	2350	35.76	28.74	16.49	9.47	2.45						
2350	2400	36.86	29.84	17.59	10.57	3.55						
2400	2450	37.96	30.94	18.69	11.67	4.65						
2450	2500	40.14	33.12	19.79	12.77	5.75						
2500	2550	42.34	35.32	20.89	13.87	6.85						
2550	2600	44.54	37.52	21.99	14.97	7.95	0.94					
2600	2650	46.74	39.72	23.09	16.07	9.05	2.04					
2650	2700	48.94	41.92	24.44	17.42	10.41	3.39					
2700	2750	51.14	44.12	26.64	19.62	12.61	5.59					
2750	2800	53.34	46.32	28.84	21.82	14.81	7.79	0.77				
2800	2850	55.54	48.52	31.04	24.02	17.01	9.99	2.97				
2850	2900	57.74	50.72	33.24	26.22	19.21	12.19	5.17				
2900	2950	59.94	52.92	35.44	28.42	21.41	14.39	7.37	0.35			
2950	3000	62.14	55.12	37.64	30.62	23.61	16.59	9.57	2.55			
3000	3075	64.89	57.87	40.39	33.37	26.36	19.34	12.32	5.30			
3075	3150	68.19	61.17	43.69	36.67	29.66	22.64	15.62	8.60	1.58		
3150	3225	71.49	64.47	46.99	39.97	32.96	25.94	18.92	11.90	4.88		
3225	3300	74.79	67.77	50.29	43.27	36.26	29.24	22.22	15.20	8.18	1.17	
3300	3400	78.64	71.62	54.14	47.12	40.11	33.09	26.07	19.05	12.03	5.02	
3400	3500	83.04	76.02	58.54	51.52	44.51	37.49	30.47	23.45	16.43	9.42	2.40
3500	3680	89.20	82.18	64.70	57.68	50.67	43.65	36.63	29.61	22.59	15.58	8.56
3680	3860	98.84	91.82	72.62	65.60	58.59	51.57	44.55	37.53	30.51	23.50	16.48
3860	4040	110.72	103.70	80.99	73.98	66.96	59.94	52.92	45.90	38.89	31.87	24.85
4040	4320	125.90	118.88	96.17	89.16	82.14	75.12	68.10	61.08	54.07	47.05	40.03
4320	4600	144.38	137.36	114.65	107.64	100.62	93.60	86.58	79.56	72.55	65.53	58.51
4600	4950	165.17	158.15	135.44	128.43	121.41	114.39	107.37	100.35	93.34	86.32	79.30
4950	5350	192.48	185.46	160.19	153.18	146.16	139.14	132.12	125.10	118.09	111.07	104.05
5350	5750	227.68	220.66	192.72	185.70	178.68	171.67	164.65	157.63	150.61	143.59	136.58
5750	6150	262.88	255.86	227.92	220.90	213.88	206.87	199.85	192.83	185.81	178.79	171.78
6150	6600	301.38	294.36	265.32	258.30	251.28	244.27	237.25	230.23	223.21	216.19	209.18
6600	7100	349.98	342.96	311.62	304.60	297.58	290.56	283.55	276.53	269.51	262.49	255.47
7100 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 11: Unmarried Head of Household - Semi-monthly Payroll Period
(For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	1.48										
620	640	1.70										
640	660	1.92										
660	680	2.14										
680	700	2.36										
700	720	2.58										
720	740	2.80										
740	760	3.02										
760	780	3.24										
780	800	3.46										
800	820	3.68										
820	840	3.90										
840	860	4.12										
860	880	4.34										
880	900	4.56										
900	940	4.89										
940	980	5.33										
980	1020	5.77										
1020	1060	6.21										
1060	1100	6.65										
1100	1140	7.09	0.07									
1140	1180	7.53	0.51									
1180	1220	7.97	0.95									
1220	1260	8.41	1.39									
1260	1300	8.85	1.83									
1300	1350	9.34	2.33									
1350	1400	9.89	2.88									
1400	1450	10.73	3.71									
1450	1500	11.83	4.81									
1500	1550	12.93	5.91									
1550	1600	14.03	7.01									
1600	1650	15.13	8.11	1.09								
1650	1700	16.23	9.21	2.19								
1700	1750	17.33	10.31	3.29								
1750	1800	18.43	11.41	4.39								
1800	1900	20.08	13.06	6.04								
1900	2000	22.28	15.26	8.24	1.22							
2000	2100	24.48	17.46	10.44	3.42							
2100	2200	26.68	19.66	12.64	5.62							
2200	2300	28.88	21.86	14.84	7.82	0.80						
2300	2450	31.63	24.61	17.59	10.57	3.55						
2450	2600	34.93	27.91	20.89	13.87	6.85						
2600	2800	39.56	32.54	25.52	18.50	11.48	4.47					
2800	3000	48.36	41.34	34.32	27.30	20.28	13.27	6.25				
3000	3200	57.16	50.14	43.12	36.10	29.08	22.07	15.05	8.03	1.01		
3200	3530	70.30	63.28	56.27	49.25	42.23	35.21	28.19	21.18	14.16	7.14	0.12
3530	3860	92.08	85.06	78.05	71.03	64.01	56.99	49.97	42.96	35.94	28.92	21.90
3860	4210	116.01	108.99	101.97	94.95	87.93	80.92	73.90	66.88	59.86	52.84	45.83
4210	4560	146.81	139.79	132.77	125.75	118.73	111.72	104.70	97.68	90.66	83.64	76.63
4560	4910	179.53	172.51	165.49	158.48	151.46	144.44	137.42	130.40	123.39	116.37	109.35
4910 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 12: Single Persons, Dual Income Married or Married with Multiple Employers - Monthly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	1.59										
640	680	2.03										
680	720	2.47										
720	760	2.91										
760	800	3.35										
800	840	3.79										
840	880	4.23										
880	920	4.67										
920	960	5.11										
960	1000	5.55										
1000	1050	6.04										
1050	1100	6.59										
1100	1150	7.14										
1150	1200	7.69										
1200	1250	8.24										
1250	1300	8.79										
1300	1350	9.34										
1350	1400	9.89										
1400	1450	10.73										
1450	1500	11.83										
1500	1600	13.48										
1600	1700	15.68	1.64									
1700	1800	17.88	3.84									
1800	1900	20.08	6.04									
1900	2000	22.28	8.24									
2000	2100	24.48	10.44									
2100	2200	26.68	12.64									
2200	2300	28.88	14.84	0.80								
2300	2400	31.08	17.04	3.00								
2400	2500	33.28	19.24	5.20								
2500	2600	35.48	21.44	7.40								
2600	2700	37.68	23.64	9.60								
2700	2800	41.78	27.74	13.71								
2800	2900	46.18	32.14	18.11	4.07							
2900	3000	50.58	36.54	22.51	8.47							
3000	3100	54.98	40.94	26.91	12.87							
3100	3200	59.38	45.34	31.31	17.27	3.23						
3200	3300	63.78	49.74	35.71	21.67	7.63						
3300	3450	69.28	55.24	41.21	27.17	13.13						
3450	3600	75.88	61.84	47.81	33.77	19.73	5.70					
3600	3840	84.46	70.42	56.39	42.35	28.31	14.28	0.24				
3840	4080	95.69	81.65	67.62	53.58	39.55	25.51	11.47				
4080	4410	114.50	100.46	86.43	72.39	58.36	44.32	30.28	16.25	2.21		
4410	4740	136.28	122.24	108.21	94.17	80.14	66.10	52.06	38.03	23.99	9.95	
4740	5070	158.06	144.02	129.99	115.95	101.92	87.88	73.84	59.81	45.77	31.74	17.70
5070	5470	182.15	168.11	154.08	140.04	126.01	111.97	97.93	83.90	69.86	55.83	41.79
5470	5945	220.62	206.58	192.54	178.51	164.47	150.44	136.40	122.36	108.33	94.29	80.26
5945	6445	263.52	249.48	235.44	221.41	207.37	193.34	179.30	165.26	151.23	137.19	123.16
6445	6945	309.80	295.76	281.72	267.69	253.65	239.62	225.58	211.54	197.51	183.47	169.44
6945 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 13: Married Persons - Monthly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	1.59										
640	680	2.03										
680	720	2.47										
720	760	2.91										
760	800	3.35										
800	840	3.79										
840	880	4.23										
880	920	4.67										
920	960	5.11										
960	1000	5.55										
1000	1040	5.99										
1040	1080	6.43										
1080	1120	6.87										
1120	1160	7.31										
1160	1200	7.75										
1200	1240	8.19										
1240	1280	8.63										
1280	1320	9.07										
1320	1360	9.51										
1360	1400	9.95										
1400	1440	10.39										
1440	1480	10.83										
1480	1520	11.27										
1520	1560	11.71										
1560	1600	12.15										
1600	1640	12.59										
1640	1680	13.03										
1680	1720	13.47										
1720	1760	13.91										
1760	1800	14.35	0.31									
1800	1840	14.79	0.75									
1840	1880	15.23	1.19									
1880	1920	15.67	1.63									
1920	1960	16.11	2.07									
1960	2000	16.55	2.51									
2000	2040	16.99	2.95									
2040	2080	17.43	3.39									
2080	2140	17.98	3.94									
2140	2200	18.64	4.60									
2200	2260	19.30	5.26									
2260	2320	19.96	5.92									
2320	2380	20.91	6.88									
2380	2440	22.23	8.20									
2440	2500	23.55	9.52									
2500	2560	24.87	10.84									
2560	2620	26.19	12.16									
2620	2680	27.51	13.48									
2680	2740	28.83	14.80									
2740	2800	30.15	16.12									
2800	2860	31.47	17.44									

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If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		0	1	2	3	4	5	6	7	8	9	10 or More
		The Amount of Income Tax to Be Withheld Shall Be...										
2860	2920	32.79	18.76									
2920	2980	34.11	20.08									
2980	3040	35.43	21.40									
3040	3100	36.75	22.72									
3100	3160	38.07	24.04									
3160	3220	39.39	25.36	0.86								
3220	3280	40.71	26.68	2.18								
3280	3340	42.03	28.00	3.50								
3340	3400	43.35	29.32	4.82								
3400	3460	44.67	30.64	6.14								
3460	3520	45.99	31.96	7.46								
3520	3580	47.31	33.28	8.78								
3580	3640	48.63	34.60	10.10								
3640	3700	49.95	35.92	11.42								
3700	3800	51.71	37.68	13.18								
3800	3900	53.91	39.88	15.38	1.34							
3900	4000	56.11	42.08	17.58	3.54							
4000	4100	58.31	44.28	19.78	5.74							
4100	4200	60.51	46.48	21.98	7.94							
4200	4300	62.71	48.68	24.18	10.14							
4300	4400	64.91	50.88	26.38	12.34							
4400	4500	67.11	53.08	28.58	14.54	0.51						
4500	4600	69.31	55.28	30.78	16.74	2.71						
4600	4700	71.51	57.48	32.98	18.94	4.91						
4700	4800	73.71	59.68	35.18	21.14	7.11						
4800	4900	75.91	61.88	37.38	23.34	9.31						
4900	5000	80.28	66.24	39.58	25.54	11.51						
5000	5100	84.68	70.64	41.78	27.74	13.71						
5100	5200	89.08	75.04	43.98	29.94	15.91	1.87					
5200	5300	93.48	79.44	46.18	32.14	18.11	4.07					
5300	5400	97.88	83.84	48.88	34.85	20.81	6.78					
5400	5500	102.28	88.24	53.28	39.25	25.21	11.18					
5500	5600	106.68	92.64	57.68	43.65	29.61	15.58	1.54				
5600	5700	111.08	97.04	62.08	48.05	34.01	19.98	5.94				
5700	5800	115.48	101.44	66.48	52.45	38.41	24.38	10.34				
5800	5900	119.88	105.84	70.88	56.85	42.81	28.78	14.74	0.70			
5900	6000	124.28	110.24	75.28	61.25	47.21	33.18	19.14	5.10			
6000	6200	130.88	116.84	81.88	67.85	53.81	39.78	25.74	11.70			
6200	6400	139.68	125.64	90.68	76.65	62.61	48.58	34.54	20.50	6.47		
6400	6600	148.48	134.44	99.48	85.45	71.41	57.38	43.34	29.30	15.27	1.23	
6600	6800	157.28	143.24	108.28	94.25	80.21	66.18	52.14	38.10	24.07	10.03	
6800	7000	166.08	152.04	117.08	103.05	89.01	74.98	60.94	46.90	32.87	18.83	4.80
7000	7200	174.88	160.84	125.88	111.85	97.81	83.78	69.74	55.70	41.67	27.63	13.60
7200	7450	184.78	170.74	135.78	121.75	107.71	93.68	79.64	65.60	51.57	37.53	23.50
7450	7700	199.99	185.96	146.78	132.75	118.71	104.68	90.64	76.60	62.57	48.53	34.50
7700	8000	218.14	204.11	158.88	144.85	130.81	116.78	102.74	88.70	74.67	60.63	46.60
8000	8300	237.94	223.91	178.49	164.45	150.41	136.38	122.34	108.31	94.27	80.23	66.20
8300	8750	262.69	248.66	203.24	189.20	175.16	161.13	147.09	133.06	119.02	104.98	90.95
8750	9200	292.39	278.36	232.94	218.90	204.86	190.83	176.79	162.76	148.72	134.68	120.65
9200	9850	328.69	314.66	269.24	255.20	241.16	227.13	213.09	199.06	185.02	170.98	156.95
9850	10610	378.80	364.76	315.77	301.73	287.69	273.66	259.62	245.59	231.55	217.51	203.48
10610	11370	445.68	431.64	375.76	361.72	347.69	333.65	319.62	305.58	291.54	277.51	263.47
11370	12130	512.56	498.52	442.64	428.60	414.57	400.53	386.50	372.46	358.42	344.39	330.35
12130	12930	581.20	567.16	511.28	497.24	483.21	469.17	455.14	441.10	427.06	413.03	398.99
12930	13730	662.10	648.06	585.38	571.35	557.31	543.28	529.24	515.20	501.17	487.13	473.10
13730 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 14: Unmarried Head of Household - Monthly Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	5.21										
1450	1500	5.76										
1500	1550	6.31										
1550	1600	6.86										
1600	1650	7.41										
1650	1700	7.96										
1700	1750	8.51										
1750	1800	9.06										
1800	1850	9.61										
1850	1900	10.16										
1900	1950	10.71										
1950	2000	11.26										
2000	2050	11.81										
2050	2100	12.36										
2100	2150	12.91										
2150	2200	13.46										
2200	2250	14.01										
2250	2300	14.56	0.53									
2300	2350	15.11	1.08									
2350	2400	15.66	1.63									
2400	2450	16.21	2.18									
2450	2500	16.76	2.73									
2500	2600	17.59	3.55									
2600	2700	18.69	4.65									
2700	2800	19.79	5.75									
2800	2900	21.45	7.41									
2900	3000	23.65	9.61									
3000	3100	25.85	11.81									
3100	3200	28.05	14.01									
3200	3300	30.25	16.21	2.18								
3300	3400	32.45	18.41	4.38								
3400	3500	34.65	20.61	6.58								
3500	3600	36.85	22.81	8.78								
3600	3700	39.05	25.01	10.98								
3700	3800	41.25	27.21	13.18								
3800	3900	43.45	29.41	15.38	1.34							
3900	4000	45.65	31.61	17.58	3.54							
4000	4100	47.85	33.81	19.78	5.74							
4100	4200	50.05	36.01	21.98	7.94							
4200	4300	52.25	38.21	24.18	10.14							
4300	4500	55.55	41.51	27.48	13.44							
4500	4700	59.95	45.91	31.88	17.84	3.81						
4700	4900	64.35	50.31	36.28	22.24	8.21						
4900	5150	69.30	55.26	41.23	27.19	13.16						
5150	5400	74.80	60.76	46.73	32.69	18.66	4.62					
5400	5700	85.71	71.68	57.64	43.60	29.57	15.53	1.50				
5700	6050	100.01	85.98	71.94	57.90	43.87	29.83	15.80	1.76			
6050	6450	116.51	102.48	88.44	74.40	60.37	46.33	32.30	18.26	4.22		
6450	7000	140.27	126.24	112.20	98.16	84.13	70.09	56.06	42.02	27.98	13.95	
7000	7650	179.87	165.84	151.80	137.76	123.73	109.69	95.66	81.62	67.58	53.55	39.51
7650	8380	227.17	213.14	199.10	185.06	171.03	156.99	142.96	128.92	114.88	100.85	86.81
8380	9110	291.41	277.38	263.34	249.30	235.27	221.23	207.20	193.16	179.12	165.09	151.05
9110	9840	359.57	345.53	331.50	317.46	303.43	289.39	275.35	261.32	247.28	233.25	219.21
9840 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 15: Single Persons, Dual Income Married or Married with Multiple Employers - Daily/Miscellaneous Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.08										
30	32	0.10										
32	34	0.12										
34	36	0.14										
36	38	0.17										
38	40	0.19										
40	42	0.21										
42	44	0.23										
44	46	0.25										
46	48	0.28										
48	50	0.30										
50	54	0.33										
54	58	0.37										
58	62	0.42										
62	66	0.46										
66	70	0.54										
70	74	0.63										
74	78	0.72	0.07									
78	82	0.80	0.16									
82	86	0.89	0.24									
86	90	0.98	0.33									
90	94	1.07	0.42									
94	98	1.16	0.51									
98	102	1.24	0.60									
102	106	1.33	0.68	0.03								
106	110	1.42	0.77	0.12								
110	114	1.51	0.86	0.21								
114	118	1.60	0.95	0.30								
118	122	1.68	1.04	0.39								
122	126	1.80	1.15	0.50								
126	131	1.99	1.34	0.70	0.05							
131	136	2.21	1.56	0.92	0.27							
136	141	2.43	1.78	1.14	0.49							
141	146	2.65	2.00	1.36	0.71	0.06						
146	151	2.87	2.22	1.58	0.93	0.28						
151	156	3.09	2.44	1.80	1.15	0.50						
156	161	3.31	2.66	2.02	1.37	0.72	0.07					
161	166	3.53	2.88	2.24	1.59	0.94	0.29					
166	171	3.75	3.10	2.46	1.81	1.16	0.51					
171	176	3.97	3.32	2.68	2.03	1.38	0.73	0.08				
176	186	4.30	3.66	3.01	2.36	1.71	1.06	0.41				
186	196	4.96	4.32	3.67	3.02	2.37	1.72	1.07	0.42			
196	211	5.79	5.14	4.49	3.84	3.19	2.54	1.90	1.25	0.60		
211	236	7.11	6.46	5.81	5.16	4.51	3.86	3.22	2.57	1.92	1.27	0.62
236	261	8.88	8.23	7.58	6.93	6.29	5.64	4.99	4.34	3.69	3.04	2.39
261	296	11.52	10.87	10.22	9.57	8.93	8.28	7.63	6.98	6.33	5.68	5.03
296	331	14.77	14.12	13.47	12.82	12.17	11.52	10.87	10.22	9.57	8.93	8.28
331 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 16: Married Persons - Daily/Miscellaneous Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.12										
34	36	0.14										
36	38	0.17										
38	40	0.19										
40	42	0.21										
42	44	0.23										
44	46	0.25										
46	48	0.28										
48	50	0.30										
50	52	0.32										
52	54	0.34										
54	56	0.36										
56	58	0.39										
58	60	0.41										
60	62	0.43										
62	64	0.45										
64	66	0.47										
66	68	0.50										
68	70	0.52										
70	72	0.54										
72	74	0.56										
74	76	0.58										
76	78	0.61										
78	80	0.63										
80	82	0.65										
82	84	0.67	0.02									
84	86	0.69	0.04									
86	88	0.72	0.07									
88	90	0.74	0.09									
90	92	0.76	0.11									
92	94	0.78	0.13									
94	96	0.80	0.15									
96	98	0.83	0.18									
98	100	0.85	0.20									
100	102	0.87	0.22									
102	104	0.89	0.24									
104	106	0.91	0.26									
106	108	0.94	0.29									
108	110	0.97	0.32									
110	112	1.01	0.36									
112	114	1.06	0.41									
114	118	1.12	0.47									
118	122	1.21	0.56									
122	126	1.30	0.65									
126	130	1.39	0.74	0.09								
130	134	1.48	0.83	0.18								
134	138	1.56	0.91	0.27								
138	142	1.65	1.00	0.35								
142	146	1.74	1.09	0.44								
146	150	1.83	1.18	0.53								

— Continued on Next Page —

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	1.92	1.27	0.62								
154	158	2.00	1.35	0.71	0.06							
158	162	2.09	1.44	0.79	0.14							
162	166	2.18	1.53	0.88	0.23							
166	170	2.27	1.62	0.97	0.32							
170	174	2.36	1.71	1.06	0.41							
174	178	2.44	1.79	1.15	0.50							
178	182	2.53	1.88	1.23	0.58							
182	186	2.62	1.97	1.32	0.67	0.02						
186	190	2.71	2.06	1.41	0.76	0.11						
190	195	2.81	2.16	1.51	0.86	0.21						
195	200	2.92	2.27	1.62	0.97	0.32						
200	205	3.03	2.38	1.73	1.08	0.43						
205	210	3.14	2.49	1.84	1.19	0.54						
210	215	3.25	2.60	1.95	1.30	0.65						
215	220	3.36	2.71	2.06	1.41	0.76	0.11					
220	225	3.47	2.82	2.17	1.52	0.87	0.22					
225	230	3.65	3.01	2.36	1.71	1.06	0.41					
230	235	3.87	3.23	2.58	1.93	1.28	0.63					
235	240	4.09	3.45	2.80	2.15	1.50	0.85	0.20				
240	245	4.31	3.67	3.02	2.37	1.72	1.07	0.42				
245	250	4.53	3.89	3.24	2.59	1.94	1.29	0.64				
250	255	4.75	4.11	3.46	2.81	2.16	1.51	0.86	0.21			
255	260	4.97	4.33	3.68	3.03	2.38	1.73	1.08	0.43			
260	265	5.19	4.55	3.90	3.25	2.60	1.95	1.30	0.65			
265	270	5.41	4.77	4.12	3.47	2.82	2.17	1.52	0.87	0.22		
270	275	5.63	4.99	4.34	3.69	3.04	2.39	1.74	1.09	0.44		
275	280	5.85	5.21	4.56	3.91	3.26	2.61	1.96	1.31	0.66	0.01	
280	285	6.07	5.43	4.78	4.13	3.48	2.83	2.18	1.53	0.88	0.23	
285	290	6.29	5.65	5.00	4.35	3.70	3.05	2.40	1.75	1.10	0.45	
290	300	6.62	5.98	5.33	4.68	4.03	3.38	2.73	2.08	1.43	0.78	0.13
300	310	7.06	6.42	5.77	5.12	4.47	3.82	3.17	2.52	1.87	1.22	0.57
310	320	7.50	6.86	6.21	5.56	4.91	4.26	3.61	2.96	2.31	1.66	1.01
320	330	7.94	7.30	6.65	6.00	5.35	4.70	4.05	3.40	2.75	2.10	1.45
330	340	8.38	7.74	7.09	6.44	5.79	5.14	4.49	3.84	3.19	2.54	1.89
340	355	9.10	8.45	7.80	7.15	6.50	5.86	5.21	4.56	3.91	3.26	2.61
355	370	10.09	9.44	8.79	8.14	7.49	6.85	6.20	5.55	4.90	4.25	3.60
370	390	11.25	10.60	9.95	9.30	8.65	8.00	7.35	6.70	6.05	5.40	4.76
390	410	12.57	11.92	11.27	10.62	9.97	9.32	8.67	8.02	7.37	6.72	6.08
410	445	14.38	13.73	13.08	12.43	11.78	11.14	10.49	9.84	9.19	8.54	7.89
445	485	16.88	16.23	15.58	14.93	14.28	13.63	12.98	12.34	11.69	11.04	10.39
485	525	20.40	19.75	19.10	18.45	17.80	17.15	16.50	15.86	15.21	14.56	13.91
525	575	24.36	23.71	23.06	22.41	21.76	21.11	20.46	19.82	19.17	18.52	17.87
575	625	29.02	28.37	27.72	27.07	26.42	25.77	25.12	24.47	23.82	23.18	22.53
625 & Over	(Use Method B - Exact Calculation Method)											

Method A - Table 17: Unmarried Head of Household - Daily/Miscellaneous Payroll Period (For Wages Paid in 2026)

If Wages Are At Least...	But Less Than...	and the Number of Withholding Allowances Claimed is...										
		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	0.14										
58	60	0.17										
60	62	0.19										
62	64	0.21										
64	66	0.23										
66	68	0.25										
68	70	0.28										
70	72	0.30										
72	74	0.32										
74	76	0.34										
76	78	0.36										
78	80	0.39										
80	82	0.41										
82	84	0.43										
84	86	0.45										
86	88	0.47										
88	90	0.50										
90	92	0.52										
92	94	0.54										
94	96	0.56										
96	100	0.60										
100	104	0.64										
104	108	0.68	0.03									
108	112	0.73	0.08									
112	116	0.77	0.12									
116	121	0.82	0.17									
121	126	0.88	0.23									
126	131	0.93	0.28									
131	136	1.04	0.39									
136	141	1.15	0.50									
141	146	1.26	0.61									
146	151	1.37	0.72	0.07								
151	156	1.48	0.83	0.18								
156	161	1.59	0.94	0.29								
161	166	1.70	1.05	0.40								
166	171	1.81	1.16	0.51								
171	176	1.92	1.27	0.62								
176	181	2.03	1.38	0.73	0.08							
181	186	2.14	1.49	0.84	0.19							
186	191	2.25	1.60	0.95	0.30							
191	196	2.36	1.71	1.06	0.41							
196	206	2.52	1.87	1.22	0.57							
206	216	2.74	2.09	1.44	0.79	0.15						
216	226	2.96	2.31	1.66	1.01	0.37						
226	236	3.18	2.53	1.88	1.23	0.59						
236	246	3.40	2.75	2.10	1.45	0.81	0.16					
246	256	3.73	3.08	2.44	1.79	1.14	0.49					
256	276	4.39	3.74	3.10	2.45	1.80	1.15	0.50				
276	296	5.27	4.62	3.98	3.33	2.68	2.03	1.38	0.73	0.08		
296	326	6.53	5.88	5.23	4.58	3.93	3.28	2.64	1.99	1.34	0.69	0.04
326	366	8.84	8.19	7.54	6.89	6.24	5.59	4.95	4.30	3.65	3.00	2.35
366	416	12.36	11.71	11.06	10.41	9.77	9.12	8.47	7.82	7.17	6.52	5.87
416	466	16.99	16.34	15.69	15.05	14.40	13.75	13.10	12.45	11.80	11.15	10.50
466 & Over	(Use Method B - Exact Calculation Method)											

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 Tables 5-28 - 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[1] from the computed tax liability to arrive at the amount of tax to be withheld.

Example A: Weekly earnings of $210, 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 ($363); therefore, no income tax is to be withheld.

Example B: Biweekly earnings of $1,600, 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 ($1,454); therefore, income tax should be withheld.

Step 2	Earnings for biweekly payroll period.	$ 1,600.00
	Subtract amount from Table 2 - Estimated Deduction Table.	-38.00
	Salaries and wages subject to withholding.	$ 1,562.00
Step 3	Subtract amount from Table 3 - Standard Deduction Table.	-439.00
	Taxable income.	$ 1,123.00
Step 4	Tax computation from Tables 5-28 - Tax Rate Table:	
	Entry covering $1,123 (over $852 but not over $2,020).	
	• 2.2% amount over $852 (.022 x ($1,123 – $852).	$ 5.96
	• Plus the marginal amount.	+9.37
	• Computed tax.	15.33
Step 5	Subtract amount from Table 4 - Exemption Allowance Table for two regular withholding allowances.	-12.95
	Net amount of tax to be withheld.	$ 2.38

Note: Tables 5-28 provide 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.

1. 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 C: Monthly earnings of $5,100 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 ($3,149) therefore, income tax should be withheld.	
Step 2	Earnings for monthly payroll period. *Not applicable - no estimated deduction allowance claimed.*	$ 5,100.00
Step 3	Subtract amount from Table 3 - Standard Deduction Table.	-951.00
	Taxable income.	$ 4,149.00
Step 4	Tax computation from Tables 5-28 - Tax Rate Table: • Entry covering $4,149 (over $1,848 but not over $4,376).	
	• 2.2% of amount over $1,848 (.022 x ($4,149 - $1,848)).	$ 50.62
	• Plus marginal tax amount.	+20.33
	• Computed tax.	$ 70.95
Step 5	Subtract amount from Table 4 - Exemption Allowance Table for 5 regular withholding allowances.	-70.13
	Net amount of tax to be withheld.	$ 0.82

Example D: Weekly earnings of $950, unmarried head of household, and 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 ($727); therefore, income tax should be withheld.	
Step 2	Earnings for weekly payroll period. Not applicable - no estimated deduction allowance claimed.	$ 950.00
Step 3	Subtract amount from Table 3 - Standard Deduction Table.	-219.00
	Taxable income.	$ 731.00
Step 4	Tax computation from Tables 5-28 - Tax Rate Table: • Entry covering $731 (over $426 but not over $1,010).	
	• 2.2% of amount over $426 (.022 x ($731 - $426)).	$ 6.71
	• Plus marginal tax amount.	+4.69
	• Computed tax.	$ 11.40
Step 5	Subtract amount from Table 4 - Exemption Allowance Table for 3 regular withholding allowances.	-9.71
	Net amount of tax to be withheld.	$ 1.69

Example E: Semi-monthly earnings of $2,400, 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 ($1,575); therefore, income tax should be withheld.	
Step 2	Annualized wages and salary (24 x $2,400).	$ 57,600.00
	Not applicable - no estimated deduction allowance claimed.	
Step 3	Subtract amount from Table 3 - Standard Deduction Table.	-11,412.00
	Taxable income.	$ 46,188.00
Step 4	Tax computation from Tables 5-28 - Tax Rate Table:	
	Entry covering $46,188 (over $22,158 but not over $52,528).	
	• 2.2% of amount over $22,158 (.022 x ($46,188 - $22,158)).	$ 528.66
	• Plus marginal tax amount.	+243.74
	• Computed annual tax.	$ 772.40
Step 5	Subtract amount from Table 4 - Exemption Allowance Table for 4 regular withholding allowances.	-673.20
	Annual amount of tax to be withheld.	$ 99.20
	Divide by number of payroll periods in year (24).	$ 4.13

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 F: Annual earnings of $57,000, 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 ($37,791); therefore, income tax should be withheld.	
Step 2	Annualized wages and/or monthly salary (12 x $4,750).	$ 57,000.00
	Not applicable - no estimated deduction allowance claimed.	
Step 3	Subtract amount from Table 3 - Standard Deduction Table.	-11,412.00
	Taxable income.	$ 45,588.00
Step 4	Tax computation from Tables 5-28 - Tax Rate Table:	
	Entry covering $45,588 (over $22,158 but not over $52,528).	
	• 2.2% of amount over $22,158 (.022 x ($45,588 - $22,158)).	$ 515.46
	• Plus marginal tax amount.	+243.74
	• Computed annual tax.	$ 759.20
Step 5	Subtract amount from Table 4 – Exemption Allowance Table for 4 regular withholding allowances.	-673.20
	Annual amount of tax to be withheld.	$ 86.00
	Divide by number of payroll periods in year (12).	$ 7.17

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.

Method B - Exact Calculation Method

Method B - Table 1: Low Income Exemption Table

Payroll Period	**Single, Dual Income Married or Married with Multiple Employers**	**Married -** (Allowances on DE 4 of Form W-4) **'0' or '1'**	**Married -** (Allowances on DE 4 of Form W-4) **'2' or more**	**Unmarried Head of Household**
Weekly	$363	$363	$727	$727
Biweekly	$727	$727	$1,454	$1,454
Semi-monthly	$787	$787	$1,575	$1,575
Monthly	$1,575	$1,575	$3,149	$3,149
Quarterly	$4,724	$4,724	$9,448	$9,448
Semi-annual	$9,448	$9,448	$18,896	$18,896
Annual	$18,896	$18,896	$37,791	$37,791
Daily/Miscellaneous	$73	$73	$145	$145

Method B - Table 2: Estimated Deduction Table

Additional Withholding Allowances[1]	**Weekly** Payroll Period	**Bi-weekly** Payroll Period	**Semi-monthly** Payroll Period	**Monthly** Payroll Period	**Quarterly** Payroll Period	**Semi-annual** Payroll Period	**Annual** Payroll Period	**Daily/ Misc.** Payroll Period
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[2]	$192	$385	$417	$833	$2,500	$5,000	$10,000	$38

1. Number of Additional Withholding Allowances for Estimated Deductions claimed on Form W-4 or DE 4.
2. 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.

Method B - Table 3: Standard Deduction Table

Payroll Period	**Single, Dual Income Married or Married with Multiple Employers**	**Married -** (Allowances on DE 4 of Form W-4) **'0' or '1'**	**Married -** (Allowances on DE 4 of Form W-4) **'2' or more**	**Unmarried Head of Household**
Weekly	$110	$110	$219	$219
Biweekly	$219	$219	$439	$439
Semi-monthly	$238	$238	$476	$476
Monthly	$476	$476	$951	$951
Quarterly	$1,427	$1,427	$2,853	$2,853
Semi-annual	$2,853	$2,853	$5,706	$5,706
Annual	$5,706	$5,706	$11,412	$11,412
Daily/Miscellaneous	$22	$22	$44	$44

Method B - Table 4: Exemption Allowance Table

Allowances on DE 4 Or Form W-4	**Weekly** Payroll Period	**Bi-weekly** Payroll Period	**Semi-monthly** Payroll Period	**Monthly** Payroll Period	**Quarterly** Payroll Period	**Semi-annual** Payroll Period	**Annual** Payroll Period	**Daily/ Misc.** Payroll Period
0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
1	$3.24	$6.47	$7.01	$14.03	$42.08	$84.15	$168.30	$0.65
2	$6.47	$12.95	$14.03	$28.05	$84.15	$168.30	$336.60	$1.29
3	$9.71	$19.42	$21.04	$42.08	$126.23	$252.45	$504.90	$1.94
4	$12.95	$25.89	$28.05	$56.10	$168.30	$336.60	$673.20	$2.59
5	$16.18	$32.37	$35.06	$70.13	$210.38	$420.75	$841.50	$3.24
6	$19.42	$38.84	$42.08	$84.15	$252.45	$504.90	$1,009.80	$3.88
7	$22.66	$45.31	$49.09	$98.18	$294.53	$589.05	$1,178.10	$4.53
8	$25.89	$51.78	$56.10	$112.20	$336.60	$673.20	$1,346.40	$5.18
9	$29.13	$58.26	$63.11	$126.23	$378.68	$757.35	$1,514.70	$5.83
10[1]	$32.37	$64.73	$70.13	$140.25	$420.75	$841.50	$1,683.00	$6.47

1. 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 W-4 or DE 4 on a weekly payroll period would be $48.60.

Annual Payroll Period Tax Rate Tables

Method B - Table 5: Single Persons, Dual Income Married or Married with Multiple Employers

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$11,079	1.100%	$0	$0.00
$11,079	$26,264	2.200%	$11,079	$121.87
$26,264	$41,452	4.400%	$26,264	$455.94
$41,452	$57,542	6.600%	$41,452	$1,124.21
$57,542	$72,724	8.800%	$57,542	$2,186.15
$72,724	$371,479	10.230%	$72,724	$3,522.17
$371,479	$445,771	11.330%	$371,479	$34,084.81
$445,771	$742,953	12.430%	$445,771	$42,502.09
$742,953	$1,000,000	13.530%	$742,953	$79,441.81
$1,000,000 and over		14.630%	$1,000,000	$114,220.27

Method B - Table 6: Married Persons

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$22,158	1.100%	$0	$0.00
$22,158	$52,528	2.200%	$22,158	$243.74
$52,528	$82,904	4.400%	$52,528	$911.88
$82,904	$115,084	6.600%	$82,904	$2,248.42
$115,084	$145,448	8.800%	$115,084	$4,372.30
$145,448	$742,958	10.230%	$145,448	$7,044.33
$742,958	$891,542	11.330%	$742,958	$68,169.60
$891,542	$1,000,000	12.430%	$891,542	$85,004.17
$1,000,000	$1,485,906	13.530%	$1,000,000	$98,485.50
$1,485,906 and over		14.630%	$1,485,906	$164,228.58

Method B - Table 7: Unmarried/Head of Household

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$22,173	1.100%	$0	$0.00
$22,173	$52,530	2.200%	$22,173	$243.90
$52,530	$67,716	4.400%	$52,530	$911.75
$67,716	$83,805	6.600%	$67,716	$1,579.93
$83,805	$98,990	8.800%	$83,805	$2,641.80
$98,990	$505,208	10.230%	$98,990	$3,978.08
$505,208	$606,251	11.330%	$505,208	$45,534.18
$606,251	$1,000,000	12.430%	$606,251	$56,982.35
$1,000,000	$1,010,417	13.530%	$1,000,000	$105,925.35
$1,010,417 and over		14.630%	$1,010,417	$107,334.77

Daily/Miscellaneous Payroll Period Tax Rate Tables

Method B - Table 8: Single Persons, Dual Income Married or Married with Multiple Employers

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$43	1.100%	$0	$0.00
$43	$101	2.200%	$43	$0.47
$101	$159	4.400%	$101	$1.75
$159	$221	6.600%	$159	$4.30
$221	$280	8.800%	$221	$8.39
$280	$1,429	10.230%	$280	$13.58
$1,429	$1,715	11.330%	$1,429	$131.12
$1,715	$2,858	12.430%	$1,715	$163.52
$2,858	$3,846	13.530%	$2,858	$305.59
$3,846 and over		14.630%	$3,846	$439.27

Method B - Table 9: Married Persons

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$86	1.100%	$0	$0.00
$86	$202	2.200%	$86	$0.95
$202	$318	4.400%	$202	$3.50
$318	$442	6.600%	$318	$8.60
$442	$560	8.800%	$442	$16.78
$560	$2,858	10.230%	$560	$27.16
$2,858	$3,430	11.330%	$2,858	$262.25
$3,430	$3,846	12.430%	$3,430	$327.06
$3,846	$5,715	13.530%	$3,846	$378.77
$5,715 and over		14.630%	$5,715	$631.65

Method B - Table 10: Unmarried/Head of Household

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$85	1.100%	$0	$0.00
$85	$202	2.200%	$85	$0.94
$202	$260	4.400%	$202	$3.51
$260	$322	6.600%	$260	$6.06
$322	$381	8.800%	$322	$10.15
$381	$1,943	10.230%	$381	$15.34
$1,943	$2,332	11.330%	$1,943	$175.13
$2,332	$3,846	12.430%	$2,332	$219.20
$3,846	$3,886	13.530%	$3,846	$407.39
$3,886 and over		14.630%	$3,886	$412.80

Quarterly Payroll Period Tax Rate Tables

Method B - Table 11: Single Persons, Dual Income Married or Married with Multiple Employers

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$2,770	1.100%	$0	$0.00
$2,770	$6,566	2.200%	$2,770	$30.47
$6,566	$10,363	4.400%	$6,566	$113.98
$10,363	$14,386	6.600%	$10,363	$281.05
$14,386	$18,181	8.800%	$14,386	$546.57
$18,181	$92,870	10.230%	$18,181	$880.53
$92,870	$111,443	11.330%	$92,870	$8,521.21
$111,443	$185,738	12.430%	$111,443	$10,625.53
$185,738	$250,000	13.530%	$185,738	$19,860.40
$250,000 and over		14.630%	$250,000	$28,555.05

Method B - Table 12: Married Persons

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$5,540	1.100%	$0	$0.00
$5,540	$13,132	2.200%	$5,540	$60.94
$13,132	$20,726	4.400%	$13,132	$227.96
$20,726	$28,772	6.600%	$20,726	$562.10
$28,772	$36,362	8.800%	$28,772	$1,093.14
$36,362	$185,740	10.230%	$36,362	$1,761.06
$185,740	$222,886	11.330%	$185,740	$17,042.43
$222,886	$250,000	12.430%	$222,886	$21,251.07
$250,000	$371,477	13.530%	$250,000	$24,621.34
$371,477 and over		14.630%	$371,477	$41,057.18

Method B - Table 13: Unmarried/Head of Household

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$5,543	1.100%	$0	$0.00
$5,543	$13,133	2.200%	$5,543	$60.97
$13,133	$16,929	4.400%	$13,133	$227.95
$16,929	$20,951	6.600%	$16,929	$394.97
$20,951	$24,748	8.800%	$20,951	$660.42
$24,748	$126,302	10.230%	$24,748	$994.56
$126,302	$151,563	11.330%	$126,302	$11,383.53
$151,563	$250,000	12.430%	$151,563	$14,245.60
$250,000	$252,604	13.530%	$250,000	$26,481.32
$252,604 and over		14.630%	$252,604	$26,833.64

Semi-annual Payroll Period Tax Rate Tables

Method B - Table 14: Single Persons, Dual Income Married or Married with Multiple Employers

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$5,540	1.100%	$0	$0.00
$5,540	$13,132	2.200%	$5,540	$60.94
$13,132	$20,726	4.400%	$13,132	$227.96
$20,726	$28,772	6.600%	$20,726	$562.10
$28,772	$36,362	8.800%	$28,772	$1,093.14
$36,362	$185,740	10.230%	$36,362	$1,761.06
$185,740	$222,886	11.330%	$185,740	$17,042.43
$222,886	$371,476	12.430%	$222,886	$21,251.07
$371,476	$500,000	13.530%	$371,476	$39,720.81
$500,000 and over		14.630%	$500,000	$57,110.11

Method B - Table 15: Married Persons

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$11,080	1.100%	$0	$0.00
$11,080	$26,264	2.200%	$11,080	$121.88
$26,264	$41,452	4.400%	$26,264	$455.93
$41,452	$57,544	6.600%	$41,452	$1,124.20
$57,544	$72,724	8.800%	$57,544	$2,186.27
$72,724	$371,480	10.230%	$72,724	$3,522.11
$371,480	$445,772	11.330%	$371,480	$34,084.85
$445,772	$500,000	12.430%	$445,772	$42,502.13
$500,000	$742,954	13.530%	$500,000	$49,242.67
$742,954 and over		14.630%	$742,954	$82,114.35

Method B - Table 16: Unmarried/Head of Household

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$11,086	1.100%	$0	$0.00
$11,086	$26,266	2.200%	$11,086	$121.95
$26,266	$33,858	4.400%	$26,266	$455.91
$33,858	$41,902	6.600%	$33,858	$789.96
$41,902	$49,496	8.800%	$41,902	$1,320.86
$49,496	$252,604	10.230%	$49,496	$1,989.13
$252,604	$303,126	11.330%	$252,604	$22,767.08
$303,126	$500,000	12.430%	$303,126	$28,491.22
$500,000	$505,208	13.530%	$500,000	$52,962.66
$505,208 and over		14.630%	$505,208	$53,667.30

Semi-monthly Payroll Period Tax Rate Tables

Method B - Table 17: Single Persons, Dual Income Married or Married with Multiple Employers

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$462	1.100%	$0	$0.00
$462	$1,094	2.200%	$462	$5.08
$1,094	$1,727	4.400%	$1,094	$18.98
$1,727	$2,398	6.600%	$1,727	$46.83
$2,398	$3,030	8.800%	$2,398	$91.12
$3,030	$15,478	10.230%	$3,030	$146.74
$15,478	$18,574	11.330%	$15,478	$1,420.17
$18,574	$30,956	12.430%	$18,574	$1,770.95
$30,956	$41,667	13.530%	$30,956	$3,310.03
$41,667 and over		14.630%	$41,667	$4,759.23

Method B - Table 18: Married Persons

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$924	1.100%	$0	$0.00
$924	$2,188	2.200%	$924	$10.16
$2,188	$3,454	4.400%	$2,188	$37.97
$3,454	$4,796	6.600%	$3,454	$93.67
$4,796	$6,060	8.800%	$4,796	$182.24
$6,060	$30,956	10.230%	$6,060	$293.47
$30,956	$37,148	11.330%	$30,956	$2,840.33
$37,148	$41,667	12.430%	$37,148	$3,541.88
$41,667	$61,913	13.530%	$41,667	$4,103.59
$61,913 and over		14.630%	$61,913	$6,842.87

Method B - Table 19: Unmarried/Head of Household

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$924	1.100%	$0	$0.00
$924	$2,189	2.200%	$924	$10.16
$2,189	$2,822	4.400%	$2,189	$37.99
$2,822	$3,492	6.600%	$2,822	$65.84
$3,492	$4,125	8.800%	$3,492	$110.06
$4,125	$21,050	10.230%	$4,125	$165.76
$21,050	$25,260	11.330%	$21,050	$1,897.19
$25,260	$41,667	12.430%	$25,260	$2,374.18
$41,667	$42,101	13.530%	$41,667	$4,413.57
$42,101 and over		14.630%	$42,101	$4,472.29

Monthly Payroll Period Tax Rate Tables

Method B - Table 20: Single Persons, Dual Income Married or Married with Multiple Employers

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$924	1.100%	$0	$0.00
$924	$2,188	2.200%	$924	$10.16
$2,188	$3,454	4.400%	$2,188	$37.97
$3,454	$4,796	6.600%	$3,454	$93.67
$4,796	$6,060	8.800%	$4,796	$182.24
$6,060	$30,956	10.230%	$6,060	$293.47
$30,956	$37,148	11.330%	$30,956	$2,840.33
$37,148	$61,912	12.430%	$37,148	$3,541.88
$61,912	$83,334	13.530%	$61,912	$6,620.05
$83,334 and over		14.630%	$83,334	$9,518.45

Method B - Table 21: Married Persons

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$1,848	1.100%	$0	$0.00
$1,848	$4,376	2.200%	$1,848	$20.33
$4,376	$6,908	4.400%	$4,376	$75.95
$6,908	$9,592	6.600%	$6,908	$187.36
$9,592	$12,120	8.800%	$9,592	$364.50
$12,120	$61,912	10.230%	$12,120	$586.96
$61,912	$74,296	11.330%	$61,912	$5,680.68
$74,296	$83,334	12.430%	$74,296	$7,083.79
$83,334	$123,826	13.530%	$83,334	$8,207.21
$123,826 and over		14.630%	$123,826	$13,685.78

Method B - Table 22: Unmarried/Head of Household

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$1,848	1.100%	$0	$0.00
$1,848	$4,378	2.200%	$1,848	$20.33
$4,378	$5,644	4.400%	$4,378	$75.99
$5,644	$6,984	6.600%	$5,644	$131.69
$6,984	$8,250	8.800%	$6,984	$220.13
$8,250	$42,100	10.230%	$8,250	$331.54
$42,100	$50,520	11.330%	$42,100	$3,794.40
$50,520	$83,334	12.430%	$50,520	$4,748.39
$83,334	$84,202	13.530%	$83,334	$8,827.17
$84,202 and over		14.630%	$84,202	$8,944.61

Weekly Payroll Period Tax Rate Tables

Method B - Table 23: Single Persons, Dual Income Married or Married with Multiple Employers

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$213	1.100%	$0	$0.00
$213	$505	2.200%	$213	$2.34
$505	$797	4.400%	$505	$8.76
$797	$1,107	6.600%	$797	$21.61
$1,107	$1,399	8.800%	$1,107	$42.07
$1,399	$7,144	10.230%	$1,399	$67.77
$7,144	$8,573	11.330%	$7,144	$655.48
$8,573	$14,288	12.430%	$8,573	$817.39
$14,288	$19,231	13.530%	$14,288	$1,527.76
$19,231 and over		14.630%	$19,231	$2,196.55

Method B - Table 24: Married Persons

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$426	1.100%	$0	$0.00
$426	$1,010	2.200%	$426	$4.69
$1,010	$1,594	4.400%	$1,010	$17.54
$1,594	$2,214	6.600%	$1,594	$43.24
$2,214	$2,798	8.800%	$2,214	$84.16
$2,798	$14,288	10.230%	$2,798	$135.55
$14,288	$17,146	11.330%	$14,288	$1,310.98
$17,146	$19,231	12.430%	$17,146	$1,634.79
$19,231	$28,575	13.530%	$19,231	$1,893.96
$28,575 and over		14.630%	$28,575	$3,158.20

Method B - Table 25: Unmarried/Head of Household

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$426	1.100%	$0	$0.00
$426	$1,010	2.200%	$426	$4.69
$1,010	$1,302	4.400%	$1,010	$17.54
$1,302	$1,612	6.600%	$1,302	$30.39
$1,612	$1,904	8.800%	$1,612	$50.85
$1,904	$9,716	10.230%	$1,904	$76.55
$9,716	$11,659	11.330%	$9,716	$875.72
$11,659	$19,231	12.430%	$11,659	$1,095.86
$19,231	$19,431	13.530%	$19,231	$2,037.06
$19,431 and over		14.630%	$19,431	$2,064.12

Bi-weekly Payroll Period Tax Rate Tables

Method B - Table 26: Single Persons, Dual Income Married or Married with Multiple Employers

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$426	1.100%	$0	$0.00
$426	$1,010	2.200%	$426	$4.69
$1,010	$1,594	4.400%	$1,010	$17.54
$1,594	$2,214	6.600%	$1,594	$43.24
$2,214	$2,798	8.800%	$2,214	$84.16
$2,798	$14,288	10.230%	$2,798	$135.55
$14,288	$17,146	11.330%	$14,288	$1,310.98
$17,146	$28,576	12.430%	$17,146	$1,634.79
$28,576	$38,462	13.530%	$28,576	$3,055.54
$38,462 and over		14.630%	$38,462	$4,393.12

Method B - Table 27: Married Persons

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$852	1.100%	$0	$0.00
$852	$2,020	2.200%	$852	$9.37
$2,020	$3,188	4.400%	$2,020	$35.07
$3,188	$4,428	6.600%	$3,188	$86.46
$4,428	$5,596	8.800%	$4,428	$168.30
$5,596	$28,576	10.230%	$5,596	$271.08
$28,576	$34,292	11.330%	$28,576	$2,621.93
$34,292	$38,462	12.430%	$34,292	$3,269.55
$38,462	$57,150	13.530%	$38,462	$3,787.88
$57,150 and over		14.630%	$57,150	$6,316.37

Method B - Table 28: Unmarried/Head of Household

If The Taxable Income Is Over	But The Taxable Income Is Not Over	The Computed Tax is	Of the Amount Over	Plus
$0	$852	1.100%	$0	$0.00
$852	$2,020	2.200%	$852	$9.37
$2,020	$2,604	4.400%	$2,020	$35.07
$2,604	$3,224	6.600%	$2,604	$60.77
$3,224	$3,808	8.800%	$3,224	$101.69
$3,808	$19,432	10.230%	$3,808	$153.08
$19,432	$23,318	11.330%	$19,432	$1,751.42
$23,318	$38,462	12.430%	$23,318	$2,191.70
$38,462	$38,862	13.530%	$38,462	$4,074.10
$38,862 and over		14.630%	$38,862	$4,128.22

E-file and E-pay Mandate

All employers are required to electronically submit their employment tax returns, wage reports, and payroll tax deposits to EDD.

Benefits of electronic filing and payment:

- Increases data accuracy.
- Protects data through encryption.
- Reduces paper and mailing cost.
- Eliminates lost mail.

Penalties for Paper Filing

Paper Submittal	Penalty
Tax Return: • *Quarterly Contribution Return and Report of Wages* (DE 9) • *Employer of Household Worker(s) Annual Payroll Tax Return* (DE 3HW) • *Quarterly Contribution Return* (DE 3D)	$50 per return
Wage Report: • *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) • *Employer of Household Worker(s) Quarterly Report of Wages and Withholdings* (DE 3BHW)	$20 per wage item
Payroll Tax Deposit: • *Payroll Tax Deposit* (DE 88)	15% of amount due

Note: Filing a paper tax return to indicate that no wages were paid will result in a noncompliance penalty of $50.

Waiver

Employers may request a waiver from the mandate due to:

- Lack of automation.
- Severe economic hardship.
- Current exemption from the federal government.
- Another *good cause*.

Mandate waiver requests cannot be filed retroactively. EDD will approve or deny your request by mail and indicate the approval time period. Once the approval period ends, you must file and pay electronically. If you are still unable to electronically file and pay, you must submit a new waiver request to avoid any non-compliance penalties.

Download the *E-file and E-pay Mandate Waiver Request* (DE 1245W) (PDF) (edd.ca.gov/pdf_pub_ctr/de1245w.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

For more information, visit E-file and E-pay Mandate for Employers (edd.ca.gov/efilemandate).

Online Services

e-Services for Business

e-Services for Business allows employers, employer representatives, and payroll agents to manage employer payroll tax accounts online at no cost. With a one-time enrollment, you can use e-Services for Business to electronically submit employment tax returns, wage reports, and payments 24 hours a day, 7 days a week.[1]

Features

- Register, close, or re-open an employer payroll tax account.
- File, adjust, and print tax returns and wage reports.
- Make payments.
- Change or move a payment.
- Report changes to your business.
- Protest Unemployment Insurance (UI) benefit charges or UI rates.
- Authorize a power of attorney.
- View notices and letters.
- Report new employees or independent contractors.
- Request a transfer of a reserve account.

Benefits

- Fulfills the e-file and e-pay mandate for employers.
- No cost to enroll and use.
- Provides confirmation when your return, report, or payment is received.
- Saves time by saving basic account information for future transactions.
- Reduces paper and mailing cost.

Enroll in
e-Services for Business
(edd.ca.gov/eServices)
for e-file and e-pay.
Fast, easy, and secure!

More e-Services for Business Information

How To:	Answers to frequently asked questions about:
• Create a username and password. • Register for an employer payroll tax account number. • File a tax return and wage report. • Make a payroll tax deposit, and more! e-Services for Business Tutorials (edd.ca.gov/en/payroll_taxes/e-Services_for_Business_Tutorials).	• Accessing an employer payroll tax account. • Registering, closing, or reopening an account. • Filing forms and making payments. • Filing benefit charge, rate protests, and more! Frequently Asked Questions (edd.ca.gov/eServicesfaqs).

1. The *Report of New Employee(s)* (DE 34) and *Report of Independent Contractor(s)* (DE 542) can be filed from 5 a.m. to 12 midnight Pacific time (PT), 7 days a week.

Express Pay

Employers and employer representatives or payroll agents can make electronic tax payments without enrolling in e-Services for Business. Just enter an employer payroll tax account number or Letter ID and payment information to submit a payroll tax deposit or account payment online. Visit File and Pay Options (edd.ca.gov/en/payroll_taxes/file_and_pay) to make a payment today.

For more information regarding e-Services for Business (edd.ca.gov/eServices), contact the Taxpayer Assistance Center at 1-888-745-3886.

Go Paperless!

View or download this guide at
California Employer's Guides
(edd.ca.gov/en/payroll_taxes/employers_guides).

Learn More!

To learn more about employer payroll taxes visit,
Payroll Tax Webinars
(edd.ca.gov/payroll-tax-webinars).

Required Forms

Under California law, you are required to report specific information periodically or upon 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 (UI), Disability Insurance (DI), and Paid Family Leave (PFL) 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.

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)
- *Employer of Household Worker(s) Annual Payroll Tax Return* (DE 3HW)
- *Quarterly Contribution Return* (DE 3D)
- *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C)
- *Employer of Household Worker(s) Quarterly Report of Wages and Withholdings* (DE 3BHW)

Stay Updated!

For the latest tax news and employer resources, visit
California Employer News and Updates
(edd.ca.gov/en/payroll_taxes/employer-news).

Subscribe to our
Email Subscription Services
(edd.ca.gov/en/about_edd/get_email_notices).

Report of New Employee(s) (DE 34)

Overview

Employers are required by law to report all newly hired or rehired employees to the New Employee Registry (NER) within 20 calendar days of their start-of-work date, which is the first day services were performed for wages.

- Newly Hired employees are individuals who have not previously been included on your payroll.
- Rehired employees are individuals who were previously included on your payroll, left your employment, and were rehired after a separation of at least 60 consecutive days.

If you acquire an ongoing business and employ any of the former employees, they are considered new hires, and you should report them to the EDD's NER. 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 or rehired employee so that the NER data can be cross matched to the UI benefit payment file. This will result in the early detection and prevention of UI benefit overpayments.

Options for Reporting New or Rehired Employees:

- File through e-Services for Business (edd.ca.gov/eServices).
- Download and mail or fax the *Report of New Employee(s)* (DE 34) (PDF) (edd.ca.gov/pdf_pub_ctr/de34.pdf).
- Order the DE 34 at Online Forms and Publications (forms.edd.ca.gov/forms).

You must report all newly hired or rehired employees within 20 calendar 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 Certificate* (Form W-4) and state *Employee Withholding Allowance Certificate* (DE 4), you must report the employee as a new hire. If the returning employee has been separated or removed from payroll records for at least 60 consecutive days, then you need to report the employee as a rehire.

Include the following information when reporting new or rehired employees:

Employer Information	Employee Information
• EDD eight-digit employer payroll tax account number. • Federal employer identification number (FEIN). • Business name. • Business address. • Contact person and phone number.	• First name, middle initial, and last name. • Social Security number. • Home address. • Start-of-work date.

Refer to sample DE 34 form on **page 57**.

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 DE 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
PO Box 997016
West Sacramento, CA 95799-7016
Fax: 1-916-319-4400

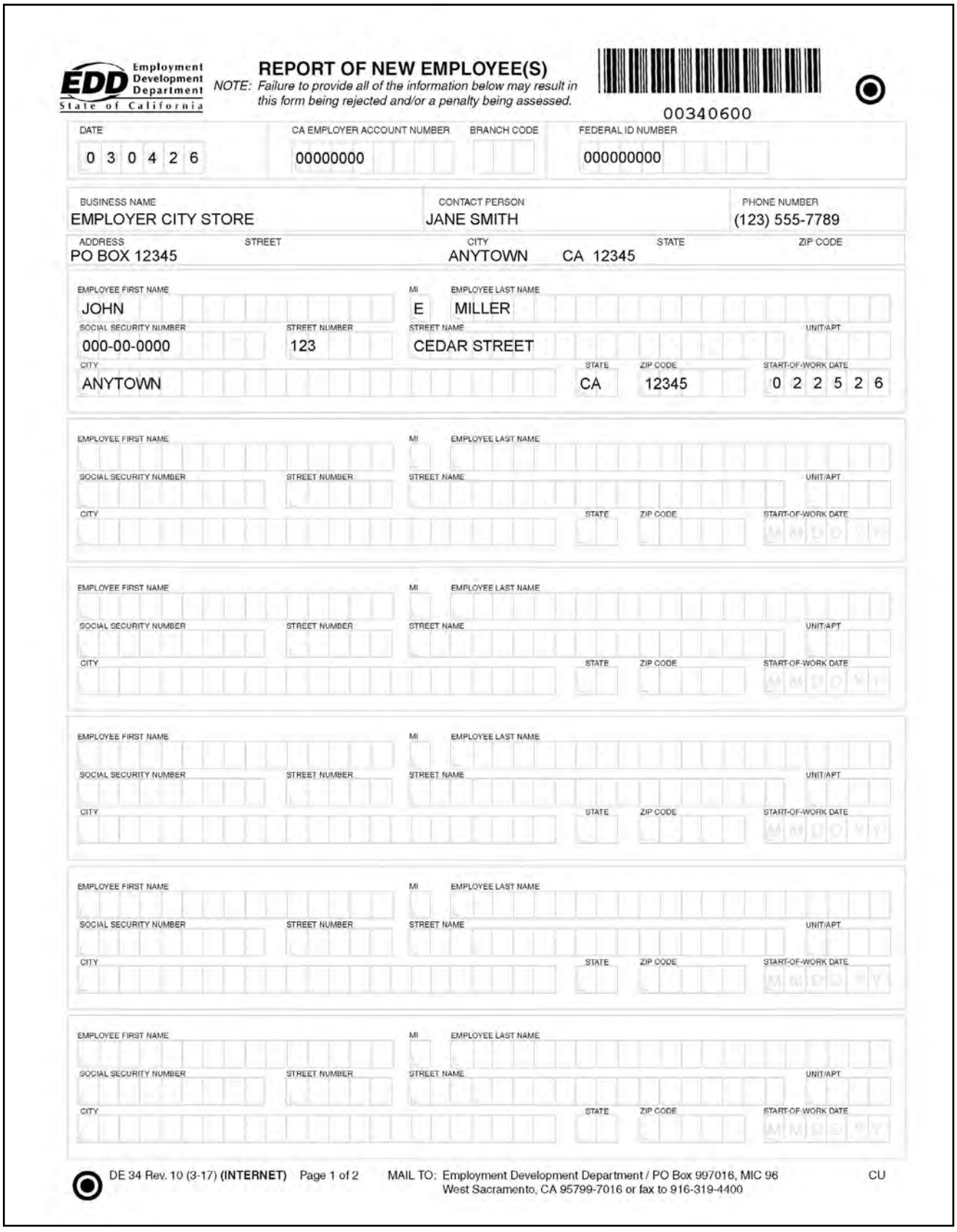
Employers who hire employees in more than one state may elect to electronically report all newly hired employees to one state in which they have employees. Multistate employers who choose to file in one state must notify the Office of Child Support Services (ocsp.acf.hhs.gov/csp/mser).

You can file online using e-Services for Business (edd.ca.gov/eServices). It's fast, easy, and secure. If you file electronically, do not file a paper DE 34.

For more information on new employee electronic filing, refer to the *Electronic Filing Guide for the New Employee Registry Program* (DE 340) (PDF) (edd.ca.gov/pdf_pub_ctr/de340.pdf) or the California New Employee Registry FAQs (edd.ca.gov/en/payroll_taxes/faq_-_california_new_employee_registry), or contact the Taxpayer Assistance Center at 1-888-745-3886.

Report of New Employee(s) (DE 34)

For Illustrative and Reference Purposes Only. File this form online through e-Services for Business (edd.ca.gov/eServices).



Employment Development Department
State of California

REPORT OF NEW EMPLOYEE(S)

NOTE: Failure to provide all of the information below may result in this form being rejected and/or a penalty being assessed.

00340600

DATE	CA EMPLOYER ACCOUNT NUMBER	BRANCH CODE	FEDERAL ID NUMBER
0 3 0 4 2 6	00000000		000000000

BUSINESS NAME	CONTACT PERSON	PHONE NUMBER
EMPLOYER CITY STORE	JANE SMITH	(123) 555-7789

ADDRESS / STREET	CITY	STATE	ZIP CODE
PO BOX 12345	ANYTOWN	CA	12345

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME	SOCIAL SECURITY NUMBER	STREET NUMBER	STREET NAME	UNIT/APT	CITY	STATE	ZIP CODE	START-OF-WORK DATE
JOHN	E	MILLER	000-00-0000	123	CEDAR STREET		ANYTOWN	CA	12345	0 2 2 5 2 6

DE 34 Rev. 10 (3-17) **(INTERNET)** Page 1 of 2

MAIL TO: Employment Development Department / PO Box 997016, MIC 96
West Sacramento, CA 95799-7016 or fax to 916-319-4400

CU

Report of Independent Contractor(s) (DE 542)

Overview

Any business or government entity that is required to file the federal Forms 1099-MISC or 1099-NEC for personal services performed must also report specific information to the Employment Development Department (EDD) regarding any independent contractor providing services to you or your business. The Independent Contractor Reporting (ICR) information assists California's Department of Child Support Services and Department of Justice in locating parents for the purpose of collecting delinquent child support payments. An independent contractor is an individual who is not an employee under the ABC test or Borello test, or statutory employee of a business or government entity for California purposes and who receives compensation for, or executes a contract for, services performed for a business and/or government entity, either in or outside of California.

Options for Reporting Independent Contractors:

- File through e-Services for Business (edd.ca.gov/eServices).
- Download and mail or fax the *Report of Independent Contractor(s)* (DE 542) (PDF) (edd.ca.gov/pdf_pub_ctr/de542.pdf).
- Order the DE 542 at Online Forms and Publications (forms.edd.ca.gov/forms).

Important Due Dates: Independent **contractor** information must be reported to EDD within 20 calendar 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 Forms 1099-MISC or 1099-NEC after the close of the calendar year.

Include the following information when reporting independent contractors:

Business or Government Entity (Service-Recipient) Information	Independent Contractor (Service-Provider) Information
• Federal employer identification number (FEIN). • EDD eight-digit employer payroll tax account number (if applicable). • Social Security number (if no FEIN number or eight-digit EDD employer payroll tax account number). • Business or government entity name, address, and phone number. • Contact person.	• First name, middle initial, and last name (do not use company name). • Social Security number (do not use FEIN). • 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 on **page 59**.

Filing an Informal Report

If you are not able to get a DE 542 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
PO Box 997350
Sacramento, CA 95899-7350
Fax: 1-916-319-4410

If you are reporting a large number of independent contractors, we encourage you to send the information electronically. You can file online using e-Services for Business (edd.ca.gov/eServices).
If you file electronically, do not file a paper DE 542.

For more information on **ICR electronic filing**, refer to the *Frequently Asked Questions and Answers About the California Independent Contractor Reporting Law* (DE 542FAQ) (PDF) (edd.ca.gov/pdf_pub_ctr/de542faq.pdf), and Independent Contractor Reporting (edd.ca.gov/en/payroll_taxes/independent_contractor_reporting/), or contact the Taxpayer Assistance Center at 1-888-745-3886.

Report of Independent Contractor(s) (DE 542)

For Illustrative and Reference Purposes Only. File this form online through e-Services for Business (edd.ca.gov/eServices).

Employment Development Department
State of California

REPORT OF INDEPENDENT CONTRACTOR(S)

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

05420101

SERVICE-RECIPIENT (BUSINESS OR GOVERNMENT ENTITY):

DATE	FEDERAL ID NUMBER	CA EMPLOYER ACCOUNT NUMBER	SOCIAL SECURITY NUMBER
031426	000000000	00000000	000000000

SERVICE-RECIPIENT NAME / BUSINESS NAME	CONTACT PERSON
EMPLOYER CITY STORE	JANE SMITH

ADDRESS	PHONE NUMBER	
PO BOX 12345	123	5557899

CITY	STATE	ZIP CODE
ANYTOWN	CA	12345

SERVICE-PROVIDER (INDEPENDENT CONTRACTOR):

FIRST NAME	MI	LAST NAME
HENRY	A	KENNEDY

SOCIAL SECURITY NUMBER	STREET NUMBER	STREET NAME	UNIT/APT
000000000	2954	HILLCREST DRIVE	

CITY	STATE	ZIP CODE
ANYCITY	CA	12345

START DATE OF CONTRACT (M M D D Y Y)	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE (M M D D Y Y)	CHECK HERE IF CONTRACT IS ONGOING
030426	1000.00	063026	

FIRST NAME | MI | LAST NAME

SOCIAL SECURITY NUMBER | STREET NUMBER | STREET NAME | UNIT/APT

CITY | STATE | ZIP CODE

START DATE OF CONTRACT (M M D D Y Y) | AMOUNT OF CONTRACT | CONTRACT EXPIRATION DATE (M M D D Y Y) | CHECK HERE IF CONTRACT IS ONGOING

FIRST NAME | MI | LAST NAME

SOCIAL SECURITY NUMBER | STREET NUMBER | STREET NAME | UNIT/APT

CITY | STATE | ZIP CODE

START DATE OF CONTRACT (M M D D Y Y) | AMOUNT OF CONTRACT | CONTRACT EXPIRATION DATE (M M D D Y Y) | CHECK HERE IF CONTRACT IS ONGOING

MAIL TO: Employment Development Department • PO Box 997350, MIC 96 • Sacramento, CA 95899-7350
or Fax to 916-319-4410

DE 542 Rev. 9 (6-17) **(INTERNET)**

Page 1 of 2

Payroll Tax Deposit (DE 88)

Overview

The *Payroll Tax Deposit* (DE 88) is used to report and pay Unemployment Insurance (UI) tax, Employment Training Tax (ETT), State Disability Insurance (SDI) tax withholding, and Personal Income Tax (PIT) withholding to the Employment Development Department (EDD). Employers can enroll and use e-Services for Business (edd.ca.gov/eServices) to make deposits.

Important Due Dates:

- If you do not withhold PIT or if accumulated PIT withholdings are less than $350, all payroll taxes (UI, ETT, SDI, and PIT) are due each quarter on January 1, April 1, July 1, and October 1.
- If PIT withholdings are $350 or more, SDI and PIT may need to be deposited more often. Refer to **page 5** for the California Deposit Requirements table.

Withholding Deposits

All employers must electronically submit payroll tax deposits to EDD. Although employer contributions of UI and ETT are due quarterly, **withholdings from employee wages for SDI and PIT may need to be deposited more often**. The SDI and PIT deposit due dates are based on each employer's federal deposit schedule or requirement and the amount of accumulated PIT the employer has withheld. Details are provided below and in the table on **page 62**. For information on federal deposit schedules, download the IRS *Employer's Tax Guide* (Publication 15, Circular E) at IRS (irs.gov) or contact the IRS at 1-800-829-3676.

A penalty of 15 percent plus interest will be charged on late payroll tax payments.

California Deposit Requirements

Deposit Schedule	Required Definition
Next-Day	You are required to make next-day SDI and PIT deposits if you are required to make federal next-day deposits and you accumulate more than $400[1] in California PIT during one or more payroll periods. **If you accumulate $350 to $400[1] in PIT during one or more pay periods, refer to monthly requirements below.** The next-day deposit schedule requires deposits to be made by the next business day. Business days do not include Saturdays, Sundays, or legal holidays.
Semi-weekly	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 $400[1] in California PIT during one or more payroll periods. **If you accumulate $350 to $400[1] in PIT during one or more pay periods, refer to monthly requirements below.** 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. Semi-weekly depositors always have three business days after the end of the semi-weekly period to make a deposit. If any of the three business days after the end of the semi-weekly period is a legal holiday, you will have an additional business day to make your deposit.
Monthly	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. Monthly deposits are due by the 15th of the following month. If the 15th is a Saturday, Sunday, or legal holiday, the last timely date would be the next business day. You are required to make monthly SDI and PIT deposits if you are required to make federal semi-weekly or next-day deposits **and you accumulate $350 to $400[1] in California PIT during one or more months of a quarter.**
Quarterly	**Quarterly tax payments are due and delinquent on the same dates as the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C).** Refer to the 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. Employer contributions for UI and ETT are due quarterly. However, they may be submitted more often with any required SDI and PIT deposits.

1. California PIT deposit threshold may be adjusted annually. Refer to the California Deposit Requirements on **page 5**.

Due Dates for Quarterly Tax Deposits

Using Electronic Funds Transfer

Electronic Funds Transfer (EFT) transactions, regardless of the method of transmission, e-Services for Business (edd.ca.gov/eServices), vendor, or Federal and State Employment Taxes program, for quarterly Unemployment Insurance (UI) tax, Employment Training Tax (ETT), State Disability Insurance (SDI) withholding, and Personal Income Tax (PIT) withholding payments must settle in the state's bank account on or before the timely settlement date. Refer to the last column in the table below for specific settlement dates.

2026 Quarterly Payment Table

Reporting Period	Taxes Due	Last Timely Date (initiate on or before)	Timely Settlement Date
January, February, March	April 1, 2026	April 30, 2026	May 1, 2026
April, May, June	July 1, 2026	July 31, 2026	August 3, 2026
July, August, September	October 1, 2026	November 2, 2026	November 3, 2026
October, November, December	January 1, 2027	February 1, 2027	February 2, 2027

To ensure timely settlement of your electronic payments:

- EFT Automated Clearing House (ACH) debit transactions must be completed before 3 p.m., Pacific time (PT), on or before the last timely date to ensure a timely settlement date.
- The EFT 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.

Using a *Payroll Tax Deposit* (DE 88) Coupon

All employers must electronically submit payroll tax deposits to EDD. Refer to **page 52** for more information on the e-file and e-pay mandate and related noncompliance penalties. Employers who have an approved e-file and e-pay mandate waiver can mail the tax payments with a DE 88 to EDD. **A penalty of 15 percent plus interest will be charged on late payroll tax payments.** The filing due dates and delinquency dates for 2026 quarterly payroll tax deposits are:

Reporting Period	Filing Due Date	Delinquent if Not Paid By
January, February, March	April 1, 2026	April 30, 2026
April, May, June	July 1, 2026	July 31, 2026
July, August, September	October 1, 2026	November 2, 2026
October, November, December	January 1, 2027	February 1, 2027

Late Deposit, Penalty, and Interest

When tax payments are sent electronically, the settlement date is used to determine timeliness. The postmark date on mailed tax payments to EDD determines their timeliness. If the last timely filing date falls on a Saturday, Sunday, or legal holiday, the next business day is the last timely date. **A penalty of 15 percent plus interest will be charged on late payroll tax payments.** The interest rate is reestablished every six months. Refer to the Interest Rate on Overdue Taxes (edd.ca.gov/en/payroll_taxes/interest_rate).

Note: If payments are not made on time, you will receive a *Statement of Account* (DE 2176) detailing the delinquent balance. If the balance isn't paid, a state tax lien may be issued and recorded with the County Recorder's Office and the Secretary of State. Tax lien information then becomes a matter of public record.

Penalty for Failure to Deposit Payroll Taxes

Employers must withhold payroll taxes and send them to EDD. Failing to do so, even by mistake, can result in a misdemeanor charge. 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.

Correcting Previously Submitted *Payroll Tax Deposit* (DE 88)

Payroll tax deposits can be corrected online through e-Services for Business (edd.ca.gov/eServices) even if the deposit was made using another electronic payment method or a paper DE 88 coupon.

The following table clarifies when and how to notify EDD of adjustments to payroll tax deposits.

Type of Adjustment	How to Make Adjustment
Overpaid UI, ETT, SDI, or PIT on a DE 88 **prior to filing your DE 9 for the quarter**.	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 (negative amounts) on the DE 88. If you cannot reduce the overpayment on your next deposit within the quarter, claim the amount overpaid in the **Total Taxes Due or Overpaid** field of your DE 9 when you file your return for the quarter.
Underpaid UI, ETT, SDI, or PIT **prior to filing your DE 9 for the quarter**.	Submit a DE 88 to pay the amount due, including penalty and interest. To find current rates or to calculate interest, visit Interest Rate on Overdue Taxes (edd.ca.gov/en/payroll_taxes/interest_rate). Indicate the payroll date on the DE 88. The penalty amount is 15% of the portion of the payment that is late.
Allocated the wrong amounts to specific funds on a DE 88 **prior to filing the DE 9 for the quarter**.	**Do Not Adjust:** EDD will make the necessary adjustments at the end of the quarter when you file your DE 9.
Underpaid UI, ETT, SDI, or PIT and your **DE 9 was previously filed with correct information**.	Submit a DE 88 for the additional amount due for the quarter, including any penalty and interest, or pay the balance due when you receive a *Statement of Account* (DE 2176) in the mail. To find current rates or to calculate interest, visit Interest Rate on Overdue Taxes (edd.ca.gov/en/payroll_taxes/interest_rate). The penalty amount is 15% of the portion of the payment that is late.

Note: Overwithheld SDI or California PIT must be credited or refunded to your employee before you can take a credit or receive a refund from EDD. You should obtain a receipt from the employee whenever a credit adjustment or refund of overwithheld tax is made.

Refer to How to Correct Filed Reports, Returns, or Deposits (edd.ca.gov/en/payroll_taxes/how_to_correct_prior_reports_or_deposits) or **page 67** if adjustments are needed to the DE 9 or DE 9C.

Learn More!

To learn more about employer payroll taxes visit,

Payroll Tax Webinars

(edd.ca.gov/payroll-tax-webinars).

Correcting PIT Withheld

Type of Adjustment	How to Make Adjustment
Overwithheld PIT and: • DE 9 was filed. • DE 9C was filed. • ***Wage and Tax Statement* (Form W-2) was issued to the employees.**	The employee will receive a credit for the PIT withholding when filing a California state income tax return with the Franchise Tax Board (FTB). • Do not refund PIT withholding to the employee. • Do not change the California PIT withholding amount shown on the employee(s) Form W-2. • Do not file a claim for refund with EDD.
Overwithheld or Underwithheld PIT: • DE 9 was filed. • DE 9C was filed. • **Prior to issuing Form W-2 to the employees.**	Upon receiving written permission from an employee, you are authorized to adjust any overwithholding or underwithholding of California PIT from the employee. You should obtain a receipt from the employee whenever the overwithheld PIT is credited or refunded to the employee. Refer to How to Correct Filed Reports, Returns, or Deposits (edd.ca.gov/en/payroll_taxes/how_to_correct_prior_reports_or_deposits) or **page 67** for instructions on how to request an adjustment to the DE 9 and DE 9C.
Overwithheld or Underwithheld PIT: • DE 9 was filed. • DE 9C was filed. • **Form W-2 was issued to the employees with the wrong amounts.**	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 the FTB.

When **written permission** is obtained from an employee, you are authorized to adjust any overwithheld or underwithheld California PIT from the employee if the adjustment is made within the same calendar year and before the IRS Form W-2 is issued.

Overwithheld SDI or California PIT must be credited or refunded to your employee before you can take a credit or receive a refund from EDD.

Note: A claim for refund must be filed within 3 years of the last timely date of the quarter being adjusted, or within 6 months after an assessment becomes final, or within 60 days from the date of the overpayment, whichever date occurs later.

Go Paperless!

View or download this guide at

California Employer's Guides

(edd.ca.gov/en/payroll_taxes/employers_guides).

Quarterly Contribution Return and Report of Wages (DE 9)

Overview

Employers use the *Quarterly Contribution Return and Report of Wages* (DE 9) to reconcile payroll tax payments and total subject wages reported for the quarter. You must electronically file a DE 9 and a *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) each quarter. As an active employer, you must file a DE 9 each quarter even if you paid no wages during the quarter. Your DE 9 should indicate that no wages were paid for the quarter. If you no longer have employees or are no longer in business, refer to **page 72** for filing instructions.

Filing a paper return to indicate that no wages were paid will result in a noncompliance penalty of $50. If you need to report wages after your account has been inactivated or ceased, you must reactivate the account and file the DE 9 and DE 9C electronically.

2026 Due Dates for the *Quarterly Contribution Return and Report of Wages* (DE 9)

Report Covering	Due Date	Delinquent if Not Filed By
January, February, March	April 1, 2026	April 30, 2026
April, May, June	July 1, 2026	July 31, 2026
July, August, September	October 1, 2026	November 2, 2026
October, November, December	January 1, 2027	February 1, 2027

Penalty and interest will be charged on late reports. If the **Delinquent if Not Filed By** date falls on a Saturday, Sunday, or legal holiday, the **Delinquent if Not Filed By** date is extended to the next business day.

Note: For reporting purposes, wages are taxable when paid, when constructively paid, or when an employee receives payment other than cash.

Important: All employers must electronically submit employment tax returns DE 9, wage reports DE 9C, and payroll tax deposits to EDD. Refer to **page 52** for more information on the e-file and e-pay mandate and related noncompliance penalties.

- 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 balance is not paid, a state tax lien may be issued. If a state tax lien is issued, it will be recorded at the county recorder's office and the Secretary of State. A Notice of State Tax Lien information is a matter of public record after it is recorded.
- **A penalty of $50 plus interest** will be charged for filing a paper tax return DE 9 and DE 9C. For more information, visit E-file and E-pay Mandate for Employers (edd.ca.gov/efilemandate) or refer to **page 52**.

Correcting a Previously Filed DE 9

The DE 9 can be corrected through e-Services for Business (edd.ca.gov/eServices) even if originally filed using another electronic filing method or a paper form. If you made an error on a DE 9, you could submit an adjustment request as follows:

Online

Log in to e-Services for Business (edd.ca.gov/eServices) and access the previously filed DE 9 you want to correct.

For step-by-step instructions:

- Refer to How to Correct Filed Reports, Returns, or Deposits (edd.ca.gov/en/payroll_taxes/how_to_correct_prior_reports_or_deposits).
- View the e-Services for Business Tutorials (edd.ca.gov/en/payroll_taxes/e-services_for_business_tutorials).

Paper

Complete and mail the *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ). Refer to **page 68** and **page 69** for more information and a sample DE 9ADJ form.

Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)

Overview

Employers use the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) to report employee wages subject to Unemployment Insurance (UI) tax, Employment Training Tax (ETT), State Disability Insurance (SDI) tax, and to report Personal Income Tax (PIT) wages and PIT withheld. As an active employer, you must electronically file a DE 9C each quarter even if you paid no wages during the quarter indicating you do not have the payroll to report. If you no longer have employees or are no longer in business, refer to **page 72** for filing instructions. If you need to report wages after your account has been inactivated or ceased, you must reactivate the account and file the return and wage report electronically.

2026 Due Dates for the DE 9C

Report Covering	Due Date	Delinquent if Not Filed By
January, February, March	April 1, 2026	April 30, 2026
April, May, June	July 1, 2026	July 31, 2026
July, August, September	October 1, 2026	November 2, 2026
October, November, December	January 1, 2027	February 1, 2027

Penalty and interest will be charged on late reports. If the **Delinquent if Not Filed By** date falls on a Saturday, Sunday, or legal holiday, the **Delinquent if Not Filed B**y date is extended to the next business day.

Note: For reporting purposes, wages are taxable when paid, when constructively paid, or when an employee receives payment other than cash. If wages are still unpaid at the time the DE 9C is due, wages due to an employee that were not paid within the time required by law should be reported by filing the *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ) online through e-Services for Business with *Wages Legally Due but Unpaid* noted as the reason for adjustment. This will ensure that an employee receives proper wage credit for the quarter when the wages should have been paid. However, the employment taxes due on these wages should be paid when the wages are actually or constructively paid to the employee.

Important:

- 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, contact the Taxpayer Assistance Center at 1-888-745-3886.
- **All employers are required to electronically submit employment tax returns, wage reports, and payroll tax deposits to EDD.** Refer to **page 52** for more information on the e-file and e-pay mandate and related noncompliance penalties.
- A wage item penalty of **$20 per employee** will be charged for late reporting or unreported employee wages.
- A wage noncompliance penalty of **$20 per employee** will be charged for filing a paper DE 9C.
- Before submitting your DE 9C, make sure the following are correct:
  - The quarter you are reporting.
  - Your employer payroll tax account number.
  - The names of your employees and their Social Security numbers.

Correcting a Previously Filed DE 9C

Correct the DE 9C through e-Services for Business (edd.ca.gov/eServices) even if originally filed using another electronic filing method or a paper form.

If you made an error on a DE 9C, submit an adjustment request as follows:

Online

Log in to e-Services for Business (edd.ca.gov/eServices) and access the previously filed DE 9C you want to correct. For step-by-step instructions:

- Refer to How to Correct Filed Reports, Returns, or Deposits (edd.ca.gov/en/payroll_taxes/how_to_correct_prior_reports_or_deposits).
- View the e-Services for Business Tutorials (edd.ca.gov/en/payroll_taxes/e-services_for_business_tutorials).

Paper

Complete and mail a DE 9ADJ. Refer to **page 68** and **page 69** for more information and a DE 9ADJ sample form.

Go Paperless!

View or download this guide at

California Employer's Guides

(edd.ca.gov/en/payroll_taxes/employers_guides).

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(edd.ca.gov/en/about_edd/get_email_notices).

Quarterly Contribution and Wage Adjustment Form (DE 9ADJ)

Overview

Employers use the *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ) to make corrections to previously filed tax returns and wage reports. Corrections can also be made electronically through e-Services for Business (edd.ca.gov/eServices).

Refer to How to Correct Filed Reports, Returns, or Deposits (edd.ca.gov/en/payroll_taxes/how_to_correct_prior_reports_or_deposits) for detailed instructions on how to request adjustments to the DE 9 and DE 9C through e-Services for Business or on paper adjustment forms.

The table below includes instructions on how to request adjustments on the paper DE 9ADJ. Detailed instructions are provided on the *Instructions for Completing the Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ-I) (PDF) (edd.ca.gov/pdf_pub_ctr/de9adji.pdf).

Type of Adjustment	How to Make Adjustment
Reported incorrect UI, ETT, SDI, or PIT information on a **previously filed DE 9**.	• Complete sections I, II, III, and V of the **DE 9ADJ**. Also, complete section IV (items A and C) of the **DE 9ADJ** if a correction is needed to the DE 9C for the quarter. If an amount was overpaid, claim the amount overpaid in the **Total Taxes Due or Overpaid** field of your **DE 9ADJ**. • If taxes are due, send a payment with the **DE 9ADJ** for the additional tax amount plus penalty and interest. To find current rates or to calculate interest, visit Interest Rate on Overdue Taxes (edd.ca.gov/en/payroll_taxes/interest_rate). The penalty amount is 15% of the portion of the payment that is late.
Did not report employees on a **previously filed DE 9 and DE 9C**.	• Complete sections I, II, III, IV (items A and C), and V of the **DE 9ADJ**. • If taxes are due, send a payment with the **DE 9ADJ** for the additional tax amount plus penalty and interest. To find current rates or to calculate interest, visit Interest Rate on Overdue Taxes (edd.ca.gov/en/payroll_taxes/interest_rate). The penalty amount is 15% of the portion of the payment that is late.
Reported employees on a previously filed DE 9 and DE 9C in error.	• Complete sections I, II, III, IV (items A and C), and V of the **DE 9ADJ**. If an amount was overpaid, claim the amount overpaid in the **Total Taxes Due or Overpaid** field of your **DE 9ADJ**.
Reported incorrect wages or PIT information on a **previously filed DE 9C**.	• Complete sections I, II, IV (items A and C), and V of the **DE 9ADJ**. Refer to page 3 through page 5 of the **DE 9ADJ-I** for detailed instructions and examples of wage line adjustments. Also, complete section III of the **DE 9ADJ** if a correction is needed to the DE 9 for the quarter. • If taxes are due, send a payment with the **DE 9ADJ** for the additional tax amount plus penalty and interest. To find current rates or to calculate interest, visit Interest Rate on Overdue Taxes (edd.ca.gov/en/payroll_taxes/interest_rate). The penalty amount is 15% of the portion of the payment that is late.
Reported incorrect employee Social Security number (SSN) or name on a **previously filed DE 9C**.	Complete sections I, II, IV (items A and C), and V of the **DE 9ADJ**. Refer to page 3 through page 5 of the **DE 9ADJ-I** for detailed instructions and examples of wage line adjustments.
No SSN reported for employees on a **previously filed DE 9C**.	Complete sections I, II, IV (items A and C), and V of the **DE 9ADJ**. Refer to page 3 through page 5 of the **DE 9ADJ-I** for detailed instructions and examples of wage line adjustments.
Incorrect wage plan codes reported on the **DE 9C**.	Complete sections I, II, IV (items A and B, or items A and C), and V of the **DE 9ADJ**. If correcting wage plan codes for all employees, complete items A and B in section IV. If correcting the wage plan codes for individual employees, complete items A and C in section IV (C1 through C6 and C9) for each affected employee. Refer to the *Information Sheet: Reporting Wage Plan Codes on Quarterly Wage Reports and Adjustments* (DE 231WPC) (PDF) (edd.ca.gov/pdf_pub_ctr/de231wpc.pdf) for information on wage plan codes and which wage plan code corrections do not need to be reported.

Contact the Taxpayer Assistance Center at 1-888-745-3886 for additional assistance.
A completed sample DE 9ADJ is shown on **page 68** and **page 69**.

Quarterly Contribution and Wage Adjustment Form (DE 9ADJ)

For Illustrative and Reference Purposes Only. File this form online through e-Services for Business (edd.ca.gov/eServices). Examples were created using 2025 rates. Refer to inside front cover for 2026 rates.

Employment Development Department
State of California

Quarterly Contribution and Wage Adjustment Form

The *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ) is used to request corrections to information previously reported on a *Quarterly Contribution Return and Report of Wages* (DE 9) and/or *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C). **A claim for refund** must be filed within 3 years of the last timely date of the quarter being adjusted, 6 months after an assessment becomes final, or 60 days from the date of the overpayment, whichever date occurs later.

You can also file adjustments to previously filed returns online through the Employment Development Department (EDD) e-Services for Business (edd.ca.gov/e-Services_for_Business). Refer to the *Instructions for Completing the Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ-I) (PDF) (edd.ca.gov/pdf_pub_ctr/de9adji.pdf) for additional information.

Check the box that applies: ☐ If only adjusting the DE 9, complete Sections I, II, III, and V. ☐ If only adjusting the DE 9C, complete Sections I, II, IV, and V. ☐ If adjusting DE 9 and DE 9C, complete all sections.

Section I: Employer Information. Complete all fields (Please print).

Business Name: JOHN AND JANE SMITH

Street Address: PO BOX 12345

City, State, ZIP Code: ANYTOWN,CA 12345

Quarter: 25/1

Employer Account Number: 000-0000-0

Section II: Reason for Adjustment. Enter a detailed reason for the adjustments requested. (Required)

ADDITIONAL WAGES AND WITHHOLDINGS REPORTED.SSN/NAME CORRECTION FOR ONE EMPLOYEE.

Section III: Request to Adjust the DE 9. Complete all fields. If requesting a credit (decrease) to SDI or PIT, you must also complete **Line O** below.	(1) Amounts Reported on DE 9 or Most Recent Adjustment Form	(2) Amounts That Should Have Been Reported	(3) Difference Debit/(Credit)
A. Total Subject Wages	9,000.00	18,500.50	9,500.50
B. Unemployment Insurance (UI) Taxable Wages	7,000.00	14,000.00	7,000.00
C. State Disability Insurance (SDI) Taxable Wages	9,000.00	18,500.50	9,500.50
D. Employer's UI Contributions (UI rate 3.4 % times B)	238.00	476.00	238.00
E. Employment Training Tax (ETT rate 0.1 % times B)	7.00	14.00	7.00
F. SDI Withheld (SDI rate 1.2 % times C) (Includes Paid Family Leave)	108.00	222.01	114.01
G. Personal Income Tax (PIT) Withheld	150.00	350.55	200.55
H. **Subtotal** (Add amounts on Lines D, E, F, and G)	503.00	1,062.56	559.56
I. Plus: Erroneous SDI Deductions Not Refunded (Refer to **Note** below)		0.00	
J. Less: Contributions and Withholdings Paid for the Quarter		503.00	
K. **Total Taxes Due or Overpaid** (H2 + I – J). (If balance is due, complete L, M, and N)		559.56	
L. Penalty (If balance is due, calculate 15% of the amount on Line K)		83.93	
M. Interest (Refer to the DE 9ADJ-I for instructions)		4.25	
N. **Total Due** (Lines K + L + M)		647.74	

O. **SDI and PIT overpayments.** If requesting a credit (decrease) to SDI or PIT, you must answer the following questions:	SDI Deductions	PIT Deductions
1. Was the credit claimed above (column 3) withheld from the wages of employee(s)?	☐ Yes ☐ No	☐ Yes ☐ No
2. If yes, has this amount been refunded to the employee(s)?	☐ Yes ☐ No	☐ Yes ☐ No
3. Was the correct PIT reported on the Form W-2 issued to the employee(s)?		☐ Yes ☐ No

Note: SDI and PIT deductions are employee contributions. The EDD cannot refund these amounts unless you first refund the erroneous deductions to the employee(s). **If you have issued Form(s) W-2, do not refund PIT overwithholdings or change the amount reported on the employee(s) Form W-2.** The employee will receive a credit for the PIT overwithheld when they file their *California Income Tax Return* (Form 540) with the Franchise Tax Board. If you are requesting a PIT credit for a prior year because you paid the EDD more than the amount withheld from the employee(s), attach a copy of Form(s) W-2 filed for each affected employee. Refer to the DE 9ADJ-I for additional instructions.

Sign on Page 2 and Mail To: Employment Development Department / PO Box 989073 / West Sacramento, CA 95798-9073

DE 9ADJ Rev. 4 (1-23) **(INTERNET)** Page 1 of 2 CU

Quarterly Contribution and Wage Adjustment Form (DE 9ADJ) (Continued)

For Illustrative and Reference Purposes Only. File this form online through e-Services for Business (edd.ca.gov/eServices). Examples were created using 2025 rates. Refer to inside front cover for 2026 rates.

Employment Development Department
State of California

Business Name: JOHN AND JANE SMITH

Quarter	Employer Account Number
25/1	000-0000-0

Section IV: Request to Adjust the DE 9C. Complete **Item A** for all DE 9C adjustments. Complete **Item B** only for wage plan code corrections to all employees. Complete **Item C** to request adjustments to individual employee information.

A. **DE 9C Grand Totals for the Quarter**

A1. Enter the correct grand totals for all employees for the quarter.

Total Subject Wages	Total PIT Wages	Total PIT Withheld
18,500.50	18,500.50	350.55

A2. Enter the number of employees full-time and part-time who worked during or received pay subject to UI for the pay period which includes the 12th of the month.

1st Month	2nd Month	3rd Month
1	2	2

A3. Enter the correct total number of wage lines **for all employees** for the quarter.

Wage Item Count
2

B. **Wage Plan Code Corrections for All Employees.** Leave blank if not correcting all wage plan codes. Refer to the *Information Sheet: Reporting Wage Plan Codes on Quarterly Wage Reports and Adjustments* (DE 231WPC) (PDF) (edd.ca.gov/pdf_pub_ctr/de231wpc.pdf) for additional information.

Enter Number of Employees: _____ Prior Plan Code: ____ Correct Plan Code: _____
(Item C below is not required if only adjusting wage plan codes for all employees.)

C. **Individual Wage Line Adjustments.** Identify the adjustment type for each affected employee and complete the fields indicated. Include only the wage lines that need to be corrected. Make corrections to the quarter(s) in which the information was originally reported. Do not report negative amounts.

Adjustment Type	Fields to Complete for Each Affected Employee
Add employee(s) not previously reported.	C1 – C6. Leave C7 – C9 blank.
Remove employee(s) reported in error.	C1 – C6. Enter 0.00 in C3 – C5.
Adjust wages or PIT amounts previously reported.	C1 – C6. Leave C7 – C9 blank.
Correct employee name(s).	C1 – C6 and C7. Leave C8 – C9 blank.
Correct a Social Security number (SSN).	C1 – C6 and C8. Leave C7 and C9 blank.
Correct wage plan code for one or more employees but not all.	C1 – C6 and C9. Leave C7 and C8 blank.
Multiple adjustments.	C1 – C6 and C7 – C9 if they apply to adjustment.

Enter the information that **should have been reported** in fields C1 – C6. If a correction reduces wages or withholdings amount to zero, enter 0.00 in the field.

For name, SSN, or plan code corrections, enter the information **previously reported** in fields C7 – C9. Leave these fields blank for all other adjustment types.

C1. Social Security Number (SSN)	C2. Employee Name (First, Middle Initial, Last)	C3. Total Subject Wages	C4. PIT Wages	C5. PIT Withheld	C6. Plan Code	C7. Previously Reported Name (First, Middle Initial, Last)	C8. Previously Reported SSN	C9. Previously Reported Plan Code
000-00-0000	THOMAS T TAYLOR	9,500.50	9,500.50	200.55	S			
000-00-0000	HARRY L JONES	9,000.00	9,000.00	150.00	S	HAROLD L JONES	999-99-9999	

Please attach additional pages if reporting more than 3 wage line adjustments.

Section V: Declaration. I declare that the information herein is true and correct to the best of my knowledge. (A signature is required on all adjustments)

Signature Jane Smith Title OWNER Date 01/05/2026

Print Name JANE SMITH Phone (123)555-7890 Email Jane123@gmail.com

Sign and Mail To: Employment Development Department / PO Box 989073 / West Sacramento, CA 95798-9073

DE 9ADJ Rev. 4 (1-23) **(INTERNET)** Page 2 of 2

Federal Forms W-2 and 1099

Wage and Tax Statement (Form W-2)

Employers are required to annually prepare a federal *Wage and Tax Statement* (Form W-2) for each employee. For tax year 2026, employers must provide each employee with a Form W-2 by February 1, 2027.[1] Prepare the Form W-2 on the federal and state four-part paper form. To obtain these forms, visit the IRS (irs.gov).

For information on Form W-2 reporting requirements, refer to the IRS Employer's Tax Guide (Publication 15, Circular E) (irs.gov/publications/p15). For federal instructions on completing Form W-2, refer to the IRS publication *2026 General Instructions for Forms W-2 and W-3*. To obtain these publications, visit the IRS (irs.gov) or call the IRS at 1-800-829-3676.

In addition to required federal information, employers must include PIT wages, PIT withheld, and SDI tax withheld in the following Form W-2 boxes:

Form W-2

Box	Enter
Box 14 (Other)	The abbreviation CASDI or SDI withheld.
Box 16 (state wages, tips, etc.)	California PIT wages.
Box 17 (state income tax)	California PIT withheld.
Box 19 (local income tax)	Local income taxes withheld for city or local community.

Note:

- If no boxes are available for SDI, you are required to provide your employees with a separate written statement containing:
  - Your business or entity name, address, federal employer identification number (FEIN), and the EDD eight-digit employer payroll tax account number.
  - The employee's name, address, state, and Social Security number.
  - The amount of SDI tax withheld or paid directly by you under the state plan.
- If the wages were not subject to SDI, show *CASDI 0* (zero).
- If you paid SDI taxes without withholding SDI from the employee's wages, you should show the SDI taxes as if they were withheld and increase the amount you report according to the formula as shown on the *Information Sheet: Taxes Paid by an Employer* (DE 231Q) (PDF) (edd.ca.gov/pdf_pub_ctr/de231q.pdf).
- If you are covered under an authorized Voluntary Plan Disability Insurance (VPDI), enter VPDI and the VPDI amount withheld in Box 14.

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

- Federal and California differences in definition of:
  - Employee (refer to *Information Sheet: Types of Employment* [DE 231TE]).
  - Taxable wages (refer to *Information Sheet: Types of Payments* [DE 231TP]).
  - The DE 231TE and DE 231TP are available on Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications).
- Residency of the employee (refer to **page 18**).
- If the employee performs services in more than one state.

For more information on federal and California differences, contact the Taxpayer Assistance Center at 1-888-745-3886. If the employee performs services in more than one state, contact the other states 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 *General Instructions for Forms W-2C and W-3C* for guidance on completing an IRS *Corrected Wage and Tax Statement* (Form W-2C). To obtain these forms, visit the IRS (irs.gov) or call the IRS at 1-800-829-3676.

1. Failing to provide a Form W-2 to each employee, or providing a fraudulent statement, are subject to a **penalty of fifty dollars ($50)** for each such failure as imposed pursuant to 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, Form 1099-MISC, or Form 1099-NEC) to misclassified employees as provided pursuant to section 13052.5 of the CUIC. The amount of the penalty is determined based upon the unreported payments for personal services multiplied by the maximum rate as provided pursuant to section 17041 of the Revenue and Taxation Code. Contact the EDD Taxpayer Assistance Center at 1-888-745-3886 for assistance.

Do not send a copy of Form W-2 or Form W-2C to the Employment Development Department (EDD) or the Franchise Tax Board (FTB). Forms 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 (Forms 1099-MISC and 1099-NEC)

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 2026, you must provide a statement to each independent contractor by February 1, 2027,[1] containing the information provided to the IRS and FTB. If you do not use the official IRS Form 1099-MISC or 1099-NEC to provide the statement to recipients, refer to the IRS Publication 1179 (irs.gov/forms-pubs/about-publication-1179) for specific rules about substitute statements.

How to File

FTB recommends that you file under the IRS Combined Federal and State Filing program. When you are approved and use the IRS Combined Federal and State Filing program, you only have to file once. The IRS will forward your California information returns to FTB. The following forms may be filed under this program: Forms 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-NEC, 1099-OID, 1099-PATR, 1099-R, and 5498. For information on the IRS Combined Federal and State Filing program, call the IRS at 1-866-455-7438.

If you are not participating in the Combined Federal and State Filing program, did not file by paper with the IRS, and file 250 or more information returns of one type, you must file electronically directly with FTB. If you file less than 250 returns, you may file by paper or electronically with FTB.

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 applies to paper filing only.

Generally, FTB's reporting requirements are the same as the IRS reporting requirements. For specific differences, contact the Information Reporting Program Help Desk (irphelp@ftb.ca.gov).

Publications and Contact Information

Visit the IRS (irs.gov) to obtain Form 1099 reporting requirements and instructions, the IRS Publication 1220, and the IRS General Instructions for Forms 1099, 1098, 5498, and W-2G, or call 1-800-829-3676.

Note: California PIT withheld from pension, annuity, and other deferred income should be reported on the IRS form *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.* (Form 1099-R). For instructions on completing Form 1099-R, refer to IRS Instructions for Forms 1099-R and 5498. To obtain instructions, visit the IRS (irs.gov) or call the IRS at 1-800-829-3676.

For more information, contact:

Internal Revenue Service
1-866-455-7438
irs.gov
mccirp@irs.gov

Franchise Tax Board
ftb.ca.gov
irphelp@ftb.ca.gov

Note: All employers are required to notify all their employees of the federal Earned Income Tax Credit. Refer to **page 13** for details.

1. Failure to provide an *Information Return* (Form 1099), if required, may result in a penalty against you for each independent contractor who is not provided with the required return. This penalty may be imposed pursuant to section 13052.5 of the California Unemployment Insurance Code or section 19175 of the Revenue and Taxation Code (R&TC). The amount of the penalty is the unreported payments for personal services multiplied by the maximum rate as provided pursuant to section 17041 of the R&TC. Contact the EDD Taxpayer Assistance Center at 1-888-745-3886 for assistance.

Change to Your Business Status

Registered employers must report any change in business status to EDD.

Employers or their authorized representative may report changes to an employer payroll tax account using e-Services for Business (edd.ca.gov/eServices).

For more information, visit Changes to Your Business (edd.ca.gov/en/payroll_taxes/changes_to_your_business).

Business Name and Mailing Address Change

Changes to your business such as:

- Legal name of organization.
- Doing business as (DBA) name.
- Personal name (for example, marriage).
- Change in ownership of the business.
- Business physical or mailing address.

You are required to notify EDD of any change to your business status.
Use e-Services for Business (edd.ca.gov/eServices).

No Longer Have Employees

If you no longer have employees and will not be reporting wages in any future quarter, you must **submit a final DE 88, DE 9, and DE 9C**. You may close your employer payroll tax account using e-Services for Business (edd.ca.gov/eServices). For instructions on how to reopen your employer payroll tax account, visit the e-Services for Business FAQs (edd.ca.gov/eServicesfaqs) category Register, Close, or Reopen an Employer Payroll Tax Account.

If you currently do not have employees, but may have employees in future quarters, you are **required to file your DE 9 and DE 9C stating you have no payroll to report every quarter**, otherwise, EDD may presume you have employees and assess your account.

Close Your Business

You are **required to submit a final DE 88, DE 9, and DE 9C within 10 days** of closing a business, **regardless** of the normal due dates. You must close your employer payroll tax account using e-Services for Business (edd.ca.gov/eServices). For instructions on how to reopen your employer payroll tax account, visit the e-Services for Business FAQs (edd.ca.gov/eServicesfaqs) category Register, Close, or Reopen an Employer Payroll Tax Account.

Reopen Your Employer Payroll Tax Account

Request to reopen your employer payroll tax account on e-Services for Business (edd.ca.gov/eServices) if:

- You paid wages over $100 in the current calendar year or within the preceding calendar year and pay wages in any amount in the current calendar year.
- You **did not** have payroll in the preceding calendar year and you paid wages over $100 in any calendar quarter in the current calendar year.

Plant Closure or Mass Layoff

Federal and California Worker Adjustment and Retraining Notification (WARN) laws require covered employers to provide 60 days advance notice of a mass layoff, relocation, or termination. 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 acquire skill training or retraining that will allow these employees to successfully compete in the job market.

Employers should review the federal WARN law and the California WARN law Labor Code section 1400-1408 for a full understanding of the notification requirements. The California WARN law also applies to an employer's relocation of a call center as defined in California Labor Code section 1409-1413.

For more information on federal and state WARN requirements, visit WARN information for employers (edd.ca.gov/en/jobs_and_training/layoff_services_warn).

Employers who meet the conditions of a pharmacy or grocery establishment who otherwise do not meet the conditions of the California WARN Act but are conducting a closure, must adhere to the requirements outlined in Chapter 42, Division 8 of the Business and Professions Code, Food and Prescription Access: Grocery and Pharmacy Closures (leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=BPC&division=8.&title=&part=&chapter=42.&article=). If the employer does meet the conditions of a California WARN, then a separate notice as outlined in SB-1089 Food and Prescription Access: Grocery and Pharmacy Closures is not required. For more information about this law, visit Senate Bill (SB) 1089 Frequently Asked Questions (edd.ca.gov/en/jobs_and_training/senate-bill-sb-1089-frequently-asked-questions).

Employers conducting a mass layoff, relocation or termination are encouraged to work with the Local Workforce Development Areas (Local Areas), who provide Rapid Response services. Rapid Response is a proactive, business-focused program to assist companies facing potential layoffs or plant closures. Rapid Response Teams provide early intervention assistance to help avoid potential layoffs and assist workers facing job losses. They provide important information about the services available under the Workforce Innovation and Opportunity Act (WIOA) and EDD's Workforce Services and UI programs. To learn more about Rapid Response services, contact the Local Workforce Area (edd.ca.gov/en/jobs_and_training/local_area_listing) near you.

Workers dislocated by foreign trade may be eligible for Trade Adjustment Assistance (TAA) services, such as assistance with job search, training, and case management services. For more information about the TAA program, refer to **page 97**.

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California Employer News and Updates

(edd.ca.gov/en/payroll_taxes/employer-news).

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(edd.ca.gov/en/about_edd/get_email_notices).

U.S. Government Contractor Job Listing Requirements

Employers with U.S. government contracts or subcontracts, who meet the criteria listed in the table below, must list job openings with the state workforce agency job bank, known as CalJOBS℠ (caljobs.ca.gov) in California. Doing this allows EDD to comply with federal compliance inquiries from the Office of Federal Contractor Compliance Program (OFCCP). Contractors may post their job openings on the National Labor Exchange (NLx) (usnlx.com), however, CalJOBS℠ does not maintain permanent records of jobs imported from the NLx or other third-party job sites. 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. They must also file an annual VETS-4212 Federal Contract Reporting with the U.S. Department of Labor to disclose the total number of current employees in each job category and at each hiring location. For more information, visit the U.S. Department of Labor (dol.gov/agencies/vets/programs/vets4212).

The table provides the general provisions of the Federal Contractor Reporting requirements.

Subject	Subject Prior to December 1, 2003	On or After December 1, 2003
Job Listings	Employers with a federal government contract of $25,000 or more, prior to December 1, 2003, and not modified on or after December 1, 2003, if more than $100,000, must list applicable job openings with the state National Labor Exchange website. In California, employers must first register and list applicable jobs within CalJOBS℠. (41 CFR 60-250.40)	Government contractors with a federal government contract of $150,000 or more, must list applicable job openings with the state workforce agency job bank (CalJOBS℠ in California), or the local American Job Center (known as the employment service delivery system) where the openings occur. Listing these employment openings is one type of affirmative action the contractor takes to recruit and hire qualified veterans. The contractor has some immediate actions to take as soon as it has a minimum threshold contract, and it has some ongoing actions it must take for as long as it continues to be a federal contractor subject to the Vietnam Era Veteran's Readjustment Assistance Act.
VETS-4212 Federal Contract Reporting	Employers with a federal government contract of $25,000 or more, entered into prior to December 1, 2003, and not modified on or after December 1, 2003, if more than $100,000, must file a VETS-4212 Federal Contract Reporting. (38 United States Code, sections 4211 and 4212)	Employers with a federal government contract of $150,000 or more entered into or modified on or after December 1, 2003, must file a VETS-4212 Federal Contract Reporting. (38 United States Code, sections 4211 and 4212)
Affirmative Action Program	Employers with a federal government contract of $50,000 or more, entered into prior to December 1, 2003, and not modified on or after December 1, 2003, if more than $100,000 and have 50 or more employees, must prepare, implement, and maintain a written Affirmative Action Plan for each of its establishments. (41 CFR 60-250.40)	Government contractors with a federal government contract of $150,000 or more, must prepare, implement, and maintain a written Affirmative Action Plan for each of its establishments. (41 CFR 60-300.40)

Employers' Bill of Rights

Commitment

The Employment Development Department (EDD) is committed to applying the payroll tax laws of the State of California in an equitable and impartial manner. We developed the following 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, 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 **page 110** for the definition of *good cause*.)
- Request a filing extension of up to two months. The law provides that EDD may grant a filing extension when the governor declares a state of emergency if the employer is directly affected by an emergency or disaster.
- Request a waiver of penalty by showing *good cause* for filing a late report or making a late payment.
- An impartial audit and a full explanation of our findings if your business is selected for an audit.
- Discuss the issues 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) (PDF) (edd.ca.gov/pdf_pub_ctr/de195.pdf) brochure has been developed to inform you of your rights during the employment taxation process. For more information, contact the Taxpayer Assistance Center at 1-888-745-3886.

Office of the Taxpayer Rights Advocate

EDD's Tax Branch established the Office of the Taxpayer Rights Advocate (OTRA), which is responsible for providing a clear and 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.

Employment Development Department
Tax Branch, MIC 93
Taxpayer Advocate Office
PO Box 826880
Sacramento, CA 94280-0001

Toll-free Phone: 1-866-594-4177
Phone: 1-916-654-8957
Fax: 1-916-449-9498
Email: TaxTSDTAO@edd.ca.gov

Settlements Office

The Settlements Program provides employers and the state with an opportunity to avoid the cost of prolonged litigation associated with resolving disputed payroll tax issues (for example, petitions for reassessment, appeals, or denial of claim for refund).

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. All settlement agreements are subject to approval by an Administrative Law Judge with the California Unemployment Insurance Appeals Board (CUIAB) and depending on the reduction of tax and penalties, some require approval by the CUIAB Appeals Board and/or the Attorney General's office. If you have questions, refer to the *Information Sheet: Settlements Program* (DE 231SP) (PDF) (edd.ca.gov/pdf_pub_ctr/de231sp.pdf) or contact the Settlements Office at 1-916-653-9130 or the Taxpayer Assistance Center at 1-888-745-3886.

Settlement offers must be in writing. You can email, fax, or mail in your settlement offers to the Settlements Office:

taxtsdsg@edd.ca.gov
Fax: 1-916-449-2161
Employment Development Department
Settlements Office, MIC 93
PO Box 826880
Sacramento, CA 94280-0001

Protecting Your Privacy

EDD recognizes that your privacy is a personal and fundamental right without exception. We value and protect your privacy, and place strict controls on the gathering and use of personally identifiable data. Your personal information is not disclosed, made available, or otherwise used for purposes other than those specified at or before the time of collection, except with your consent or as authorized by law or regulation.

Payroll tax and benefit information collected and maintained 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 records by submitting a *Power of Attorney Declaration* (DE 48) (PDF) (edd.ca.gov/pdf_pub_ctr/de48.pdf) online through e-Services for Business (edd.ca.gov/eServices) or by contacting the Taxpayer Assistance Center at 1-888-745-3886.

If you have further questions regarding your privacy rights, contact the Tax Information Security Office at 1-916-654-5981.

Offers in Compromise

An Offer 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, refer to the *Information Sheet: Offers in Compromise* (DE 631C) (PDF) (edd.ca.gov/pdf_pub_ctr/de631c.pdf) or contact the OIC office at 1-916-464-2739.

Unemployment Insurance – Taxes

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 most employers. For a detailed explanation of the experience rating method, refer to the *How Your UI Tax Rate Is Determined* section below, obtain *Information Sheet: California System of Experience Rating* (DE 231Z) (PDF) (edd.ca.gov/pdf_pub_ctr/de231z.pdf), or contact the Taxpayer Assistance Center at 1-888-745-3886.

Reimbursable Method

Public entities and nonprofit organizations, described under section 501(c)(3) of the Internal Revenue Code, have the option to become 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 entity 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, refer to *Information Sheet: Nonprofit and/or Public Entities* (DE 231NP) *and Potential Liability for Unemployment Insurance (UI) Benefits When Electing the Reimbursable Method of Financing Under the California Unemployment Insurance Code (CUIC)* (DE 1378F). To obtain these publications, visit Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications) or contact the Taxpayer Assistance Center at 1-888-745-3886.

For more information, contact:

Employment Development Department
Reimbursable Accounting Group, MIC 19
PO Box 826880
Sacramento, CA 94280-0001
Phone: 1-916-653-5846

School Employees Fund Method

California public school districts, kindergarten through 12th grade, California community colleges, and charter schools may elect to participate in the School Employees Fund (SEF), which is a special UI reimbursable financing method available for school districts. For more information, visit SEF (edd.ca.gov/en/payroll_taxes/school_employees_fund) or contact the SEF Unit at 1-916-653-5380.

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. New employers are assigned a 3.4 percent (.034) UI contribution rate for a period of two to three years. This will depend on when the employer meets the criteria under section 982(b) of the California Unemployment Insurance Code (CUIC). After that, an employer's UI contribution rate is determined by their experience rating and the condition of the UI Fund.

Notice of Tax Rates

Each December, EDD mails the *Notice of Contribution Rates and Statement of UI Reserve Account* (DE 2088). The notice contains your tax rates and wage limits for the upcoming year. Update your address or agent information with EDD as soon as possible to avoid delays in receiving your notice.

For State Disability Insurance rate information, visit Tax-Rated Employers (edd.ca.gov/tax-rated-employers).

You may protest any item on the DE 2088 except Employment Training Tax, which is specifically set by law. To protest online, visit e-Services for Business (edd.ca.gov/eServices). You must provide a valid Letter ID with the associated tax rate year you are protesting within 60 days of the issued date on the notice. You may also file a protest in writing which must be postmarked within 60 days of the issued date on the notice. Include your employer payroll tax account number, the specific items you wish to protest, and the reason you are protesting. An extension of up to 60 days may be granted for *good cause* if your request is submitted before the protest deadline.

For more information about the DE 2088 or protest information, review the *Explanation of the Notice of Contribution Rates and Statement of UI Reserve Account (DE 2088) for the Period Shown on Your DE 2088 (DE 2088C) (PDF)* (edd.ca.gov/pdf_pub_ctr/de2088c.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Federal Unemployment Tax Act 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) were 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 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. You may request a FUTA Recertification at Ask EDD (askedd.edd.ca.gov/s) and follow the prompts under Payroll Tax.

On an annual basis, the 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). If there is an *out-of-balance* condition, it must be reconciled, or the IRS or EDD may issue an assessment. A common reason for an *out-of-balance* is a change of entity or federal employer identification number (FEIN) that has not been updated with EDD. You can view or update your FEIN and make changes to your account at e-Services for Business (edd.ca.gov/eServices).

For more FUTA information, visit the FUTA Information page (edd.ca.gov/en/payroll_taxes/federal-unemployment-tax-act) or contact EDD's FUTA Certification Unit at 1-916-654-8545.

Reserve Account Transfers

When an employer acquires all or part of an ongoing business and continues to operate it without substantial reduction of personnel, you may request the previous owner's UI reserve account balance by completing an *Application for Transfer of Reserve Account* (DE 4453). This form can be filed electronically through e-Services for Business (edd.ca.gov/eServices). If approved, the UI tax rate will be recalculated and may result in an immediate reduction or increase in the UI tax rate. For further information regarding reserve account transfers, call 1-916-653-7795.

Note:

- When a UI reserve account transfer is 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.

Wages in Another State

Section 930.1 of the California Unemployment Insurance Code (CUIC) provides that a California employer who pays wages to an employee for employment subject to the unemployment insurance laws of another state, and reports to that state, can use such wages in computing the UI taxable wage limit in the same calendar year if the individual is subsequently transferred to California.

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 CUIC (sections 602 and 603), the employer may request to report the individual's services to one state.

Upon approval for UI and State Disability Insurance purposes of state unemployment compensation law, 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 more information, refer to the *Information Sheet: Multistate Employment* (DE 231D) (PDF) (edd.ca.gov/pdf_pub_ctr/de231d.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Tips for Reducing Your UI Tax Rate

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 payroll tax account. The following steps may help reduce your UI tax rate:

- Maintain a stable workforce; it could save you UI taxes. High employee turnover increases the potential of benefits charged to your reserve account.
- Submit your *Payroll Tax Deposit* (DE 88) on time to make sure your UI contributions are counted toward your UI tax rate for the following year.
- Respond timely to the *Benefit Audit* (DE 1296B, DE 1296NER, and DE 1296NBA). It may lead to the reversal of related charges to your reserve or reimbursable account. For more information, refer to *Benefit Audits to Determine Fraud* on **page 89**.
- Respond timely to the *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ or DE 1101ER) if you believe that a former employee does not meet the UI eligibility criteria. A timely response may reduce charges to your reserve account. For added convenience, employers and third-party administrators can elect to electronically receive and respond to the DE 1101CZ through the State Information Data Exchange System (SIDES). Visit SIDES (edd.ca.gov/sides) to learn more.
- 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. Written documentation of the exit interview may be important in supporting your protest.
- Permit leaves of absence because they may help keep fully trained personnel.
- Keep good personnel records to justify any actions taken. Give written warnings prior to discharging an employee and keep a copy of these warnings and other supporting information. For more information, refer to the *Recordkeeping* section on **page 12**.
- Protest UI benefit claims for former employees who you believe are not eligible for benefits (for example, employee voluntarily quit or was discharged for misconduct, etc.). 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 at Ask EDD (askedd.edd.ca.gov/s/) and follow the prompts under Unemployment Insurance Benefits.
- Provide clear, specific answers to phone 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 more information on the UI program or assistance in reducing UI costs, refer to the booklet *Managing Unemployment Insurance Costs* (DE 4527) (PDF) (edd.ca.gov/pdf_pub_ctr/de4527.pdf).

Fraud Prevention, Detection, and Reporting

EDD recognizes your concerns about impostor fraud and the threat of identity theft. Impostor fraud and identity theft occurs when someone steals employment or personal information and uses that information for personal gain. We actively investigate cases of impostor fraud and are committed to taking the steps necessary to protect the integrity of the Unemployment Insurance (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 fraudulent claim was filed. Completing and returning the DE 1326ER with the requested information will assist us in resolving these issues promptly. For more information, visit our fraud detection and prevention activities (edd.ca.gov/en/unemployment/responding_to_ui_claim_notices).

We also encourage you to take all necessary steps to protect your employees' Social Security numbers (SSN) and other identifying information. An important way to protect yourself and your employees is by properly disposing of any personnel records. California law requires you to properly destroy (for example, 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 Protection (oag.ca.gov/privacy).

To minimize potential fraud and protect your UI reserve account, we urge you to carefully review each EDD statement and notice and respond as directed in a timely manner as needed. If you suspect your payroll or personnel data has been compromised, report the incident immediately to our Fraud Hotline at 1-800-229-6297 or by submitting a fraud reporting form (edd.ca.gov/en/about_edd/fraud).

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

To learn about steps that you can take to fight impostor fraud, protect your employees, and control your UI costs, review the brochure *How You Can Prevent Unemployment Insurance Impostor Fraud* (DE 2360ER) (PDF) (edd.ca.gov/pdf_pub_ctr/de2360er.pdf).

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Help Us Fight Fraud

The *underground economy* refers to those individuals and businesses that deal in cash or use other schemes to conceal their activities and their true tax liability from government licensing, regulatory, and taxing agencies.

The underground economy is also referred to as tax evasion, tax fraud, cash pay, tax gap, payments under-the-table and off-the-books. When businesses operate in the underground economy, they gain an unfair advantage over businesses that comply with the law because they do not pay workers' compensation insurance and state and federal payroll taxes. EDD, in partnership with several other governmental agencies, follows leads and conducts on-site inspections of businesses throughout the state. Visit EDD Underground Economy Operations (UEO) programs (edd.ca.gov/en/payroll_taxes/underground_economy_operations) to learn more.

To report businesses that are paying workers undocumented cash payments, failing to carry workers' compensation insurance, or not complying with labor and licensing laws, complete an *Underground Economy Operations Lead Referral/Complaint Form* (DE 660 in English or DE 660/S in Spanish) (PDF) or contact the UEO at:

Hotline: 1-800-528-1783
Email: ueo@edd.ca.gov
Fax: 1-916-227-2772
Online: askedd.edd.ca.gov/ReportFraud.aspx

- To obtain the brochure *Paying Cash Wages "Under the Table"* (DE 573CA in English or DE 573CA/S in Spanish), visit Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications) or order copies online at Online Forms and Publications (forms.edd.ca.gov/forms).
- Further information about how to help EDD fight fraud may be found in the brochure *Help Us Fight Fraud* (DE 2370) (PDF) (edd.ca.gov/pdf_pub_ctr/de2370.pdf).

UI Rate Manipulation

UI rate manipulation schemes typically involve a business with a high UI tax rate obtaining a lower UI rate through the creation of a new corporate entity or through the 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.

UI rate manipulation is illegal, and employers who illegally lower their UI rates will be required to pay at the highest rate provided by law plus an additional 2 percent. The 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.

This law also made changes regarding the transfer of UI reserve account balances and specified that whenever a business transferred 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, visit UI rate manipulation (edd.ca.gov/en/payroll_taxes/suta_dumping) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Learn More!

For the latest tax news and employer resources, visit
California Employer News and Updates
(edd.ca.gov/en/payroll_taxes/employer-news).

Unemployment Insurance Benefits

Unemployment Insurance Funding

The California Unemployment Insurance (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. The individual 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 more information, refer to *Unemployment Insurance Taxes* on **page 77**.

Benefit Amount

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 consists of four calendar quarters of three months each. When a base period begins, and which calendar quarters are used, depends on the date the claim begins and whether the claim is for UI or for Disability Insurance (DI).

For UI, there are two types of base periods that may be used to establish a claim: the Standard Base Period (SBP) and the Alternate Base Period (ABP). The SBP is the first four of the last five completed calendar quarters prior to the beginning date of the UI claim. If a claimant does not have sufficient wages in the SBP to establish a claim, EDD will consider whether the claimant qualifies to file a claim using the ABP. The ABP is the four most recently completed calendar quarters prior to the beginning date of the claim. The ABP can only be used to file a UI claim when there are not enough wages earned in the SBP to file a monetarily valid UI claim. Refer to **page 91** for more information about the ABP.

Current Weekly UI Benefit Amount			Maximum Charged to Reserve Account for Each Employee for a Regular Claim
Year	Minimum	Maximum	
2026	$40	$450	$11,700
2025	$40	$450	$11,700

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(edd.ca.gov/en/payroll_taxes/employer-news).

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(edd.ca.gov/en/about_edd/get_email_notices).

Benefit Qualifications

To be eligible for Unemployment Insurance benefits, claimants must:

- Be unemployed through no fault of their own.
- Be totally or partially unemployed and registered for work with EDD as required.
- Accurately report all earnings during their weekly claim certification – even those from part-time or temporary work.
- 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 more information, refer to the *Qualifying UI Wages* section on **page 84**.
- 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 their work, proof of misconduct rests with the employer.
- Voluntarily quit without *good cause*, including quitting for personal reasons, to go to school, or to move.
- Files a UI claim during a recess period, if they 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 to 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 earning wages totaling more than 25 percent of their weekly UI benefit amount.
- Voluntarily left work due to a trade dispute.

Certain types of employees are not covered for UI benefits. For more information, refer to:

- *Information Sheet: Types of Employment* (DE 231TE).
- *Information Sheet: Types of Payments* (DE 231TP).

The DE 231TE and DE 231TP are available at Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications).

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 more information, refer to *Information Sheet: Types of Payments* (DE 231TP) (PDF) (edd.ca.gov/pdf_pub_ctr/de231tp.pdf). 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

EDD schedules fact-finding phone interviews or sends questionnaires when there are eligibility questions regarding a claim. Our staff will talk to the claimant, employer, and appropriate third parties as 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 EDD 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 Amount* on **page 82**. 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, a program established to retain displaced workers who need new skills to return to work, may be eligible for a TE claim. A claimant with a TE claim is eligible to receive a maximum of 52 times their 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 or Reimbursable Employers

Tax-Rated or Reimbursable Employers can make address changes or designate an agent by contacting EDD's Tax Branch. Refer to *Change to Your Business Status* information on **page 72**.

Reimbursable Employers

Public entity and nonprofit 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 *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ) and tax forms sent to the designated single address, refer to *Change to Your Business Status* information on **page 72**.

In addition, public entity and nonprofit employers and their agents must elect to have the notice of new or additional claim (DE 1101CZ or DE 1101ER) sent to a designated single address, per section 806 of the California Unemployment Insurance Code.

Send requests for designation of a single address to:

Employment Development Department
Unemployment Insurance Division, MIC 40
PO Box 826880
Sacramento, CA 94280-0001
Fax: 1-916-654-8117

How to Request an Electronic DE 1545

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

Employment Development Department
Employer Assistance Unit, MIC 16
PO Box 826880
Sacramento, CA 94280-0001
Phone: 1-916-464-2325

Responding to Notices

You need to respond timely and in writing to the *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ 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 your appeal rights to EDD'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 and within the protest time limits. Refer to **page 86** for the *Claim Notices and Protest Time Limits* table. 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 1101CZ, DE 1101ER, DE 1545, DE 1545R, or DE 1545TE should be in writing and mailed to the address noted on the form within the protest time limits of that form. Employers and third-party administrators can elect to electronically receive and respond to EDD's *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ) using SIDES (edd.ca.gov/sides). Protests may be written on the notice or included in a separate letter and should contain the following information:

- Employer's payroll tax account number, name, and address.
- Claimant's name and Social Security number.
- Beginning date of the claim.
- Date of separation from employment.
- Dates of separations and rehires during and following the quarters shown on the DE 1545.
- Information supporting your belief of the claimant's ineligibility. Refer to **page 83** for a list of disqualifying events. Protests should include specific facts and circumstances. General statements (for example, 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, inform EDD in writing at:
  Employment Development Department
  PO Box 980104
  West Sacramento, CA 95798-0104

  Include the following information with your correction of wage information:

  - Employer's payroll tax account number, name, and address.
  - Claimant's name and Social Security number.
  - Beginning date of the claim.
  - Correction to the wage information. 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).
  - Name, signature, and phone number of the employer or employer representative preparing the wage correction.
  - Date of the wage correction.
- The protest should be signed by the person who has personal knowledge of the facts or has access to records containing the facts.

Note: If a written protest is not submitted, or submitted untimely for the DE 1101CZ, DE 1101ER, DE 1545, or DE 1545TE, you waive your right to protest your UI reserve account's potential liability for benefits paid to the claimant and your right to appeal EDD's determination.

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 *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ or DE 1101ER) to be entitled to a determination or ruling based on such facts for the later benefit year.

Claim Notices and Protest Time Limits

Notice	Postmarked Within
DE 1101CZ 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.	10 calendar days of the date mailed to you. The date is printed on the top right side of the DE 1101CZ and the DE 1101ER.
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. **Note:** Employers and their agents may obtain the DE 1545 electronically. Refer to *How to Request an Electronic DE 1545* on **page 84**.	The deadline to submit a ruling request is located on the top right side of the DE 1545. To request a ruling, submit separation information within 15 calendar days from the mail date. If wage information is incorrect, submit the information within 30 calendar days.
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 former employee's eligibility for the CTB program, employers should address the particular criteria that individuals must meet under section 1269 and 1269.1 of the California Unemployment Insurance Code.	15 calendar days from the mail date.

Note: If you respond late, provide the reason you are submitting the eligibility information untimely, and EDD will determine if you had *good cause* for not submitting your response timely. If there is a finding of *good cause*, you will be entitled to receive a notice of determination or ruling. If it is determined that you did not have *good cause* for the late response, a *Response to Employer Communication* (DE 4614) will be issued. This form can be appealed if you disagree with the determination. Also, if you respond untimely with eligibility information, EDD will conduct a determination of eligibility with the claimant regardless of whether you are entitled to a notice of determination or ruling.

Learn More!

To learn more about employer payroll taxes visit,

Payroll Tax Webinars

(edd.ca.gov/payroll-tax-webinars).

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 *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ 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).

Notice	Postmarked Within
DE 1080CZ: *Notice of Determination*	**Reimbursable Employers** Sent to an employer who responds timely to a DE 1101CZ or DE 1101ER, and who submits information about quits and discharges. The notice informs the employer whether or not the claimant was found eligible for Unemployment Insurance (UI) benefits. **Tax-rated and Reimbursable Employers** Sent to an employer who responds timely to a DE 1101CZ, DE 1101ER, DE 1545, or DE 1545TE, 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 childcare, etc. The notice informs the employer whether or not the claimant was found eligible to receive UI benefits. Refer to **page 83** for a list of disqualifying events.
DE 1080CZ: *Notice of Determination/ Ruling*	Sent to a tax-rated employer who responds timely to a DE 1101CZ 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.
DE 1080CZ: *Notice of Ruling*	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.
DE 1080M: *Notice of Modification*	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.

Note: 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 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 sections 1269 and 1269.1 of the CUIC.

Unemployment Insurance Benefits – Appeal Rights

You have the right to file an appeal if you do not agree with a decision made by the Employment Development Department (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 30 calendar days of the date the decision was mailed** to you. EDD will send you an acknowledgment of receipt and registration of your appeal with the phone 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 1080CZ), the employee is not considered a party to the proceedings 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 parties concerned.

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 the ALJ. Both the CUIAB and the ALJ's operate impartially and independently of EDD.

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

- *Appeals Procedure* (DE 1433)
- *Office of Appeals Tax Hearing Information Pamphlet* (DE 6412TF)

For copies of these publications, write to the California Unemployment Insurance Appeals Board at the address shown on the following page. You can also download these forms from CUIAB (cuiab.ca.gov). If you have any questions about filing an appeal, contact EDD at 1-800-300-5616.

Note: An EDD *Appeal Form* (DE 1000M) (PDF) (edd.ca.gov/pdf_pub_ctr/de1000m.pdf) is enclosed with all DE 1080s.

Stay Updated!

For the latest tax news and employer resources, visit
California Employer News and Updates
(edd.ca.gov/en/payroll_taxes/employer-news).

Subscribe to our
Email Subscription Services
(edd.ca.gov/en/about_edd/get_email_notices).

False Statement Penalty

Section 1142(a) of the CUIC provides that an employer or the employer's agent 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's representative, employer's officer, or employer's agent willfully made a false statement or misrepresentation or failed to report a material fact concerning the claimant's termination of employment.

Section 1142(b) of the CUIC provides that an employer or the employer's agent 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's representative, employer's officer, or employer's 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 or Assessment Under UI Code Section 1142(B)* (DE 3807 RA), you may file a Petition for Reassessment to an Administrative Law Judge (ALJ), of the California Unemployment Insurance Appeals Board (CUIAB), refer to the *Notice of Petition Rights* (DE 2350). 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 payroll tax account number and the date of the assessment. For faster processing, enclose a copy of the DE 3807 SEP or DE 3807 RA 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

The benefit audit process leads to the recovery of improper UI benefit payments and the potential reversal of related charges to the employer's reserve account when EDD determines that the claimant was not entitled to UI benefits. EDD has several processes to detect and deter fraud, thereby protecting the integrity of the UI program. The *Benefit Audit* (DE 1296B) identifies individuals who may have improperly received UI benefits for weeks in which they worked and had earnings. Each quarter, as part of EDD's fraud detection efforts, DE 1296B audit forms are mailed to employers to request wage information for specific weeks that their California employees may have worked.

Each quarter, EDD also runs a crossmatch with other states' wage records. If it appears an individual may have worked in another state while receiving California UI benefits, then an *Interstate Unemployment Insurance Benefit Payment Audit* (IB 8605) form will be sent to out-of-state employers.

Additionally, as part of our continuing efforts to detect and deter fraud, EDD crossmatches the Social Security number and start-of-work date (SWD) daily from the New Employee Registry information reported by employers with UI benefit payment information. An accurate SWD, not the hire date, is important for this crossmatch process. If a match is identified, a *New Employee Registry Benefit Audit* (DE 1296NER) 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 improper benefit payments.

The DE 1296NER audit form 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 DE 1296NER audit form will not receive a DE 1296B audit form for the same employee for the same quarter.

Similar to the NER crossmatch, EDD runs the National Directory of New Hires (NDNH) crossmatch on a weekly basis which identifies work earnings with employers in other states. When the NDNH crossmatch identifies an overlap between the SWD reported by the employer and weeks the claimant certified for UI benefits, a *New Hire Benefit Audit* (DE 1296NBA) form is mailed to the employer.

Employers are required by state and federal laws to respond to the DE 1296B, the DE 1296NER, the IB 8605, and the DE 1296NBA benefit audits. Employers' participation in these processes is essential to detect potential fraud and to protect the integrity of the UI program.

Send questions or comments about the benefit audit process to:

Employment Development Department
PO Box 3038, MIC 16A
Sacramento, CA 95812-3038
Phone: 1-866-401-2849

For more information, visit Benefit Fraud (edd.ca.gov/en/unemployment/completing_benefit_audit_forms).

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. 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
UI Overpayment Center, #017
PO Box 1043
Atwood, CA 92811-1044
Phone: 1-714-687-4400

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
PO Box 2588
Rancho Cordova, CA 95670
Phone: 1-916-464-0713

Statement of Charges

Each September, 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 from July 1 through June 30 of the previous fiscal year. 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 calendar year. It is important to review your statement carefully and respond timely if you do not agree with the charges. To protest online, visit e-Services for Business (edd.ca.gov/eServices). You must provide a valid Letter ID for the period you are protesting within 60 days of the issued date on the notice. File a protest in writing postmarked within 60 days of the issued date on the notice. An extension of up to 60 days may be granted for *good cause* (refer to **page 110**) if your request is submitted before the protest deadline. When filing your protest, you must include your EDD eight-digit employer payroll tax account number, the corresponding claimant's name, Social Security number, claim date, the dollar amount, total number of claimants protested, and the specific reason for protesting. Protests with missing information will be returned.

Protest charges may be submitted online through e-Services for Business or by mail to:

Employment Development Department
Contribution Rate Group
PO Box 826831
Sacramento, CA 94230-6831

For a sample form and detailed instructions on how to file a protest, refer to the *DE 428T Protest Sample Form* (DE 428C) by visiting Payroll Taxes – Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications) or contact the Taxpayer Assistance Center at 1-888-745-3886.

To ensure your DE 428T is received timely, make the necessary updates to your address or agent information. For your convenience, these updates can be submitted online using e-Services for Business.

Alternate Base Period

The Alternate Base Period (ABP) program requires EDD to use more recently earned wages to calculate monetary eligibility for new UI claims for unemployed individuals who do not qualify for a UI claim using the Standard Base Period (SBP). SBP uses the wages earned in the first four of the last five completed calendar quarters prior to the beginning date of the UI claim. ABP uses the wages earned in the four most recently completed calendar quarters.

In addition to employers' current quarterly wage reporting, if the ABP wages are not shown in EDD's database, employers will be asked to provide the wages for claimants. At times, employers may be asked to provide wages prior to the quarterly wage reporting. EDD will only request wages from employers if it appears that claimants have enough wages to qualify for a UI claim using the ABP. If it is necessary for EDD to obtain the wages from the employer, EDD will mail the employer a *Request for Wages* (DE 1919) to request wage information for each of the five most recently completed quarters. This will assist EDD in determining if the claimant qualifies for a claim using the SBP or ABP. Employers have 10 days to respond to EDD's request.

In addition to mailing the employer a DE 1919, EDD will mail the claimant an *Affidavit of Wages* (DE 23A) to request the wage information. If the employer does not respond to EDD's request for wage information within the 10 days, and the claimant provides the DE 23A along with tangible evidence of the wages earned, EDD will file the claim based on the wage information provided by the claimant.

If the base period wages on an ABP claim are later adjusted when the quarterly wages are reported by the employer, an overpayment may not be established on the ABP claim unless the claim was based on fraudulent information provided by the claimant. Meaning, if employers do not respond timely to EDD original DE 1919, they may incur reserve account charges they might not have otherwise incurred.

Layoff Alternatives

Partial UI Claims

The Partial Unemployment Insurance (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. For information about partial claims and the partial forms, refer to the *Notice of Reduced Earnings* (DE 2063) and *Notice of Reduced Earnings (Fisherperson)* (DE 2063F) by visiting Partial Claims (edd.ca.gov/en/unemployment/partial_claims).

If you participate in the program, you should:

- Instruct your employees to call EDD UI toll-free numbers to file a UI claim by phone.
- Instruct your employees to advise EDD they are participating in the Partial UI Claims program.
- Complete the employer portion of the *Notice of Reduced Earnings* (DE 2063) and issue it to your employees.
- Instruct employees to complete and sign the DE 2063 and mail it to EDD.

If an employee has no wages and does not work for two consecutive weeks, instruct the employee to contact 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, contact one of the toll-free UI phone numbers on **page 105** or visit Partial Claims (edd.ca.gov/en/unemployment/partial_claims).

Work Sharing Program

The Work Sharing program is available to employers who reduce employee wages and hours as an alternative to a layoff. The affected workforce or work units must consist of two or more employees who comprise at least 10 percent of the workforce or work units and the employer must meet other requirements to participate. The employer must sign a *Work Sharing (WS) Unemployment Insurance Plan Application* (DE 8686) with EDD and comply with all requirements to remain eligible for participation. The DE 8686 must be periodically renewed. 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, visit Work Sharing Program (edd.ca.gov/worksharing) or contact:

Employment Development Department
Special Claims Office
PO Box 419076
Rancho Cordova, CA 95741-9076
Phone: 1-916-464-3343
Fax: 1-916-464-2616
Alternate fax: 1-916-464-3333

Note: Employees participating in the Work Sharing or Partial Claims programs cannot use Tele-Cert or the EDD UI Online to certify for UI weekly benefits. Participants of these programs are required to continue using the existing paper continued claim form by mail.

Notice of Layoff

Employers who have employed 75 or more full and part-time employees in the preceding 12 months and are planning plant closures, or layoffs of 50 or more employees within a 30-day period, or relocation of at least 100 miles affecting any number of employees, must give affected employees at least 60 days written notice. Employees must have been employed for at least six of the 12 months preceding the date of required notice to be counted. Refer to the *Plant Closure* or *Mass Layoff* section on **page 73** for more information.

Wage Notices

In the event of a layoff or business closure involving 10 or more employees, the EDD Wages Notice Group will investigate and post Electronic Wages Notices (EWN) for staff in the EDD offices to use. The EWNs contain wage findings (for example, 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 more information, visit Mass Layoffs and Wage Notices (edd.ca.gov/en/unemployment/mass_layoffs_and_wage_notices).

State Disability Insurance Program

The State Disability Insurance (SDI) program provides Disability Insurance (DI) and Paid Family Leave (PFL) benefits to eligible workers who need to take time off work due to a disability or family leave. DI provides partial wage replacement benefits to eligible California workers who have a loss of wages when they are unable to work due to a non-work-related illness, injury, or pregnancy. PFL covers family leave and provides benefits to eligible workers who take time off to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner. Benefits are available to new parents who need time off work to bond with a new child through birth, adoption, or foster care placement. Benefits are also available to eligible workers who take time off work to participate in a qualifying event because of a spouse, registered domestic partner, parent, or child's military deployment to a foreign country.

Taxes – Who Pays for State Disability Insurance?

The SDI program, which includes DI and PFL, is funded through mandatory employee payroll deductions for most California workers. California law requires employers to provide coverage for employees with payroll over $100 in a calendar quarter. There are a few exceptions. Some of those specifically excluded are:

- Some domestic workers.
- Some governmental employees.
- Employees of interstate railroads.
- Employees of some nonprofit agencies.
- Individuals claiming a religious exemption.

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 Disability Fund. Employee contributions withheld are paid by the employer to either the Disability Fund or a Voluntary Plan (refer to **page 94**).

Employee Benefits

Eligible employees may file for DI benefits for each occurrence of disability or PFL benefits up to the maximum number of weeks allowed within any 12-month period to care, bond, or participate in a qualifying event because of a family member's military deployment to a foreign country. The brochure *Disability Insurance Provisions* (DE 2515) contains general information on DI eligibility. The *Paid Family Leave Brochure* (DE 2511) contains general information on PFL eligibility. The *Claim for Disability Insurance (DI) Benefits* (DE 2501) and *Claim for Paid Family Leave (PFL) Benefits* (DE 2501F) are paper forms that contain applications to file for benefits and additional program information. Employees can also apply electronically through SDI Online (edd.ca.gov/en/disability/sdi_online).

California employers whose employees are subject to SDI contributions must provide new employees with the DE 2515 and the DE 2511 and post the *Notice to Employees* (DE 1857A) poster. The California Unemployment Insurance Code (CUIC) requires employers to provide general DI information to each employee unable to work due to a non-work-related illness, injury, or pregnancy. Employers are also required to provide PFL information to each employee requesting time off to care for a seriously ill family member, to bond with a new child, or to participate in a qualifying event from a family member's military deployment to a foreign country. The brochures and applications are provided to employers at no cost. Additional copies may be ordered at Online Forms and Publications (forms.edd.ca.gov/forms) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Employer Claim Notices

When a DI claim is filed, the employers reported on the DI claim form will receive a *Notice to Employer of Disability Insurance Claim Filed* (DE 2503). When a PFL claim is filed, the employers will receive a *Notice of Paid Family Leave (PFL) Claim Filed* (DE 2503F). Employers are required to complete and return the DE 2503 or DE 2503F within two working days. The DE 2503 can also be submitted electronically using SDI Online (edd.ca.gov/en/disability/sdi_online).

To deter fraud, respond immediately if you are not the employer shown on the DE 2503 or DE 2503F, or if the individual filing for benefits:

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

Note: Your Unemployment Insurance reserve account will not be affected when your employees file DI or PFL claims. Because employees pay for DI and PFL through payroll deductions, you will not be notified of claimant employee eligibility for DI and PFL benefits.

SDI Online

SDI Online is an electronic claim filing system available to employers, individuals filing for benefits, physicians or practitioners, Voluntary Plan employers, and third-party administrators for submission of DI and PFL claim information. Employers can securely submit employee information (for example, wages earned, last day worked, etc.) for DI claims online. For more information, visit SDI Online (edd.ca.gov/en/disability/sdi_online).

Voluntary Plan

California law allows an employer to apply to EDD for approval of a Voluntary Plan (VP) for the payment of DI and PFL benefits in place of the mandatory SDI coverage. A VP must provide all the benefits of SDI, at least one benefit that is better than SDI, and it cannot cost employees more than SDI. To be approved for a VP, the employer must post a security deposit with EDD.

Once a VP is approved, the employer is no longer required to send SDI withholdings to EDD for those employees covered by the VP. Instead, if the plan is paid by the employees, the employer holds the VP contributions in a trust fund to pay DI or PFL benefit claims and approved expenses. The employer may enlist a greater benefit by paying for the plan rather than having the employees pay for it. 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. 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. The employer may loan or gift the plan: any 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 more information on **VP options**, refer to the *Employers' Guide to Voluntary Plan Procedures* (DE 2040) (PDF) (edd.ca.gov/pdf_pub_ctr/de2040.pdf), call TTY 1-800-563-2441, and California Relay Service (711): Provide the DI number 1-800-480-3287, or email VPProgram@edd.ca.gov.

Self-Employed Benefits

Any self-employed individual who receives the major part of their income from the trade, business, or occupation in which they are self-employed may elect coverage for themselves. Under provisions in the CUIC, self-employed individuals who are employers may elect UI and SDI or SDI coverage only for themselves. Self-employed individuals who are not employers may only elect SDI coverage for themselves.

Self-employed individuals who elect coverage pay at a rate determined by the prior annual combined usage of all participants.

For more information on elective coverage, refer to the *Information Sheet: Elective Coverage for Employers and Self-Employed Individuals* (DE 231EC) (PDF) (edd.ca.gov/pdf_pub_ctr/de231ec.pdf).

For more information, refer to the *Fact Sheet: Disability Insurance Elective Coverage Program (DIEC)* (DE 8714CC) (PDF) (edd.ca.gov/pdf_pub_ctr/de8714cc.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

Workers' Compensation Insurance

Workers' compensation insurance is an employer paid insurance 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 SDI when receiving workers' compensation benefits unless the SDI rate is greater than the workers' compensation rate. For more information, visit the Department of Industrial Relations (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 1-800-736-7401.

SDI Fraud

To provide affordable benefits to eligible workers, the SDI program has systems in place to detect and deter fraud. Help Us Fight Fraud (edd.ca.gov/en/about_edd/fraud) by reporting suspected fraudulent activity to the Ask EDD (askedd.edd.ca.gov/askedd/s/categorydetails?category=Report_Fraud) fraud reporting form or contact the Fraud hotline at 1-800-229-6297 or fax 1-866-340-5484.

Employment and Training Services

Workforce Services

The Employment Development Department (EDD) provides a comprehensive range of employment and training services in partnership with state and local agencies through numerous America's Job Center of California℠ (AJCC) locations statewide. EDD administers several federal employment and training programs, the largest being the Workforce Innovation and Opportunity Act (WIOA) Title I Adult, Dislocated Worker and Youth programs and the Title III Wagner-Peyser Act Employment Service program. These programs provide job seekers with access to employment, education, training, and supportive services to succeed in California's labor market and help match employers with the skilled workers they need to compete in the economy.

Employers may access the following services offered by the WIOA and Wagner-Peyser programs at an AJCC:

- Applicant screenings and referrals
- Recruitment services
- Business closure assistance
- Customized training
- Job placement assistance
- Labor market information
- On-the-job training
- CalJOBS℠

To locate your nearest AJCC, visit EDD's Office Locator (edd.ca.gov/office_locator).

CalJOBS℠

CalJOBS℠ is California's online labor exchange system which provides quick access to a large pool of job-ready candidates. Employers can post job openings, browse resumes, and find qualified candidates for employment.

Employers without internet access or who have special requirements can be served by customer service representatives who take job opening information by phone or fax and assist employers in finding qualified applicants. There is no fee to use CalJOBS℠.

To register with CalJOBS℠, you will need your EDD employer payroll tax account number. Visit CalJOBS℠ (caljobs.ca.gov) or call the CalJOBS℠ Employer Help Desk at 1-877-622-4997 for assistance. If you do not have an EDD employer payroll tax account number, refer to **page 6** for information about obtaining one.

Visit employment and training services (edd.ca.gov/en/jobs_and_training/employer_information) for more information or locate your nearest America's Job Center of California℠ (edd.ca.gov/office_locator).

Employment Training Panel

The Employment Training Panel (ETP) is a statewide business-labor training and economic development program. The 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 approximately $2 billion for the successful training and employment retention of more than 1.6 million workers by over 102,000 California businesses to date. The ETP is a funding agency, not a training agency. Businesses determine their own training needs and how best to provide training.

The ETP funds training to foster job creation and the retention of workers in secure, full-time employment in targeted industries in order to improve California's competitiveness in a global economy and to advance the skills of the state's workforce. The ETP's Core Funding Program 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 in California.

Funding

The legislature established the Employment Training Tax (ETT) in 1982. 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. The ETP's Core Funding Program is funded by the ETT. The ETP has also received additional funding for alternative programs. This additional funding has been through partnerships with the California Energy Commission (CEC), as well as through funding from the Labor and Workforce Development Agency (LWDA) to fund specific training programs.

How Is ETP Different?

The ETP's performance-based contracts ensure that ETP funded training results in good-paying, secure jobs. Before an employer may earn training cost reimbursement, trainees must receive a certain number of training hours and must complete the required retention period at their job, depending on the contract type, as well as meet the required ETP minimum wage. The employer determines the training courses, trainers, and types of training that best meet their business needs.

General Information

The ETP contracts directly with tax-rated employers, groups of employers, including associations and chambers of commerce, training agencies, vocational schools, Workforce Development Boards (WDB), and grant recipients under the Workforce Innovation and Opportunity Act (WIOA).

Under its Core Funding Program, the ETP funds the following types of training to promote a healthy labor market in a growing and competitive economy:

- **Retraining –** Helps companies facing out-of-state competition by upgrading the job skills of current employees.
- **New-Hire Training –** Trains unemployed workers eligible to receive California UI benefits or who have exhausted UI benefits within 24 months of the start of training.
- **Special Employment Training (SET) –** The ETP provides limited funding for SET projects to improve the skills and employment security of frontline workers (workers directly producing goods or services) in occupations that pay at least the state average hourly wage. SET projects are not subject to ETP's out-of-state competition requirement but are a priority for workforce training. SET funding also allows training of frontline workers who earn below the state average, if they are in the following categories:
  - Workers in High Unemployment Areas – Provides training funds for workers in areas where the unemployment rate is significantly higher than the state average.
  - Small Business Skills – 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 – Training for individuals with barriers to full-time employment, such as, but not limited to, physical disabilities, lack of work history, and limited communication and literacy skills.
  - Seasonal Industries – Training funds for workers employed by companies in seasonal industries.

For more information, including how to apply for funds, eligible entities, training methods, reimbursement rates, and ETP Annual Reports, visit ETP (etp.ca.gov). Interested parties may also contact one of the following ETP offices:

Sacramento Central Office	1-916-737-4200
North Hollywood Regional Office	1-747-256-3430
Sacramento Regional Office	1-916-737-4239
San Diego Regional Office	1-619-695-5670
San Francisco Bay Area Regional Office	1-650-745-7640

Go Paperless!

View or download this guide at

California Employer's Guides

(edd.ca.gov/en/payroll_taxes/employers_guides).

Trade Adjustment Assistance

The Trade Adjustment Assistance (TAA) program is a federal program that assists U.S. workers who have lost or may lose their jobs as a result of foreign trade.

The TAA program is administered by EDD and provides benefits and services to workers who are a part of a certified worker group and who are determined eligible for individual benefits and services, including: training, employment and case management services, job search and relocation allowance, and income support while attending approved training. To obtain and file a *Petition for Trade Adjustment Assistance* (ETA 9042), workers may visit the U.S. Department of Labor website (dol.gov/agencies/eta/tradeact/petitioners), contact any America's Job Center of California℠, or contact the EDD TAA State Coordinator at WSB_TAA@edd.ca.gov.[1]

For more information about the TAA program, visit Trade Adjustment Assistance (edd.ca.gov/en/jobs_and_training/trade_act).

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers for hiring individuals from certain target groups who have consistently faced significant barriers to employment.

To be considered for the tax credit, employers must submit properly completed forms to EDD within 28 days of the employee's start date to determine if their new hire meets the eligibility criteria.

For identification of target groups and additional information, visit Work Opportunity Tax Credit (edd.ca.gov/wotc), call 1-866-593-0173, or email WOTCSupport@edd.ca.gov.

eWOTC

eWOTC is an online service to submit, view, and manage Work Opportunity Tax Credit Request for Certification applications. This system significantly increases efficiency in processing new applications and decreases the waiting period for approvals.

To take full advantage of the benefits offered by eWOTC, employers with 25 or more employees and all agents or consultants must complete a one-time eWOTC enrollment (edd.ca.gov/wotc) to be able to submit Work Opportunity Tax Credit Request for Certification applications online.

Employers with 24 employees or less, and without agent or consultant representation, are also encouraged to submit new applications online through eWOTC, but they may also mail applications to the address below. Mailed applications will take longer to process.

Employment Development Department
Work Opportunity Tax Credit Authorization Center
2901 50th Street
Sacramento, CA 95817

1. Effective July 1, 2022, the TAA Program entered a phased termination under section 285(a) of the Trade Act of 1974, as amended. Until further notice, the Department of Labor may not issue any new determinations and may not review any requests for reconsideration. Therefore, EDD is currently unable to provide benefits and services to dislocated workers unless the workers were certified by a previously certified petition, and separated or threatened with separation from their job on or before June 30, 2022.

Labor Market Information

The Labor Market Information Division (LMID) collects, analyzes, and publishes information about California's labor market and economy. Labor market information helps employers, policy makers, and researchers develop plans and make important business decisions.

What Labor Market Information Is Available Online?

To access labor market data that is of interest to employers and the business community, visit the LMID website (labormarketinfo.edd.ca.gov). Labor market information is organized by customer type. Select **LMI by Customer** to find information specific to employers' needs, such as:

- Affirmative Action and Equal Employment Opportunity Planning Information – Get population, labor force, and summaries of occupational information to help with developing affirmative action programs.
- Labor Market Information for Business and Employers – Find links to wage statistics, benefits information, data for your business plans, local labor market profiles, and more.
- National Compensation Survey – A federal survey of employee salaries, wages, and benefits.
- Quarterly Census of Employment and Wages – The program serves as a near census of monthly employment and quarterly wage information at the state and county levels and provides the most detailed industry data available.
- Local Area Profiles – Find an overview of labor market information in the state or a county, including employment and unemployment, industry payroll information, wages, the consumer price index, and more.
- Employment Projections – Estimates the changes in industry and occupational employment over time resulting from industry growth, technological change, and other factors.

Information about workplace issues, including those related to benefits, meal breaks, and pay are available from the Department of Industrial Relations (dir.ca.gov).

For assistance, contact the LMID at ContactLMID@edd.ca.gov or your local Labor Market Researcher (labormarketinfo.edd.ca.gov/file/resource/LMIResearchers.pdf).

Multiple Location and Function Employers

When an employer maintains a business with more than one physical location or conducts more than one business activity or function at the same location, and the second location has 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), contact the LMID's Employment and Payroll Group at 1-855-728-7973.

Note: Filing the BLS 3020 is mandatory and must be done on a quarterly basis.

The LMID mails the federal form BLS 3020 to multiple worksite business owners at the close of each quarter (for example, December 31, 2025). Employers have until the end of the following month (for example, January 31, 2026) to return the BLS 3020 form to the Employment Development Department.

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 to section R (Industry Activity) of the *Commercial Employer Account Registration and Update Form* (DE 1). Each year, selected employers are sent an *Industry Verification Form* (BLS 3023-NVS or NVM) to verify the accuracy of their industry code and physical location address. This process is known as the *Annual Refiling Survey*. Other employers, who have not yet been assigned an industry code, may receive an *Industry Classification Form* (BLS 3023-NCA). Answer all questions about your business and industry thoroughly when completing these forms. For more information, call 1-800-562-3366.

Note: The BLS 3023-NVS form can be filed electronically by using the Web ID and password provided by the Bureau of Labor Statistics. To complete the form electronically, visit the Annual Refiling Survey (idcfars.bls.gov).

The Importance of Occupational Information

The LMID collects data directly from employers primarily using surveys, such as the Occupational Employment and Wage Statistics (OEWS) Survey, to learn about the occupations used by employers and the wages paid for those occupations. The OEWS program produces employment, and wage estimates annually for more than 800 occupations by industry and geographic area.

Occupational information creates the basis of good decisions made by employers, job seekers, workforce and economic development professionals, educators, public program planners, and policy makers. For example:

- Employers use occupational information for salary negotiations, to project future skills needs, and to keep a competitive edge in the local community.
- Job seekers use occupational information to become better informed about the education, training, skill, and ability requirements for specific occupations thus enabling them to make better decisions when preparing and applying for desired jobs.
- Economic developers use wage data for business attraction and retention.
- Educators and trainers use occupational information to identify areas where vocational and educational programs are needed and to create or modify the curriculum to better prepare students to meet the needs of employers.

How will my information be used?

The information employers provide will be used for statistical purposes only. All identifying information for non-government establishments will be held in strict confidence to the full extent permitted by law. OEWS information is used to support education and training decisions to help build a skilled workforce.

How do I provide my information?

Reporting electronically is easy and secure. Employers can fill out our online form or upload or email a spreadsheet. Many payroll systems will produce an electronic report with the information we need; remove personally identifiable information including employee names and Social Security numbers. Data can be submitted by:

- **Online:** Go to Occupational Employment and Wage Statistics (OEWS) (idcfoews.bls.gov). Log in using the unique IDCF number sent to you in the request.
- **Email:** Send an electronic spreadsheet with the number of workers in each job classification along with the hourly or annual wages to OEWSCalifornia@idcfmail.bls.gov.
- **Mail:** Send the completed form in the enclosed postage-paid envelope.
- **Fax:** 1-916-651-5780
- **Phone:** 1-800-826-4896

It is extremely important that employers respond to a request for information from the LMID and BLS. Our ability to obtain information from employers about the occupations found in California is essential for the development of tools used by decision-makers throughout our economy. If you have received an OEWS Survey, or would like more information about this program, contact EDD:

- **Email:** LMIOccupationalSurvey@states.bls.gov
- **Phone:** 1-800-826-4896
- **Online:** Go to Additional OEWS FAQs (bls.gov/respondents/oes/faqs.htm).

To access occupational information, visit Labor Market Information (labormarketinfo.edd.ca.gov) and under the **LMI by Subject section**, select **Occupations** or **Wages**.

Information and Assistance by Topic

If you have any questions regarding the following topics, 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 (edd.ca.gov) • Taxpayer Assistance Center: 1-888-745-3886 • Outside the U.S. or Canada: 1-916-464-3502
California Tax Service Center (CTSC)	This is a joint tax agency website. It contains tax-related information from the Employment Development Department (EDD), the Franchise Tax Board (FTB), the California Department of Tax and Fee Administration (CDTFA), and the Internal Revenue Service (IRS).	• CTSC (taxes.ca.gov)
CalJOBS℠	An online labor exchange system featuring self-service options to search for jobs, build resumes, find qualified candidates for employment, and gather information on education and training programs. Employers and job seekers may contact the nearest America's Job Center of California℠ for additional assistance. To locate your nearest office, visit Office Locator (edd.ca.gov/office_locator).	• CalJOBS℠ Employer Helpdesk Monday through Friday 8 a.m. to 4:30 p.m., Pacific time (PT) • Email: Caljobsemployer@edd.ca.gov • Phone: 1-877-622-4997 • CalJOBS℠ (caljobs.ca.gov) • Central Office Workforce Services Division, MIC 50 PO Box 826880 Sacramento, CA 94280-0001 • Jobs and Training (edd.ca.gov/jobs_and_training)
Disability Insurance (DI)	DI is a component of the State Disability Insurance (SDI) program. DI provides partial wage replacement benefits to California workers who are unable to work due to a non-work-related illness, injury, or pregnancy.	• EDD Disability Insurance: ▪ English: 1-800-480-3287 ▪ Spanish: 1-866-658-8846 ▪ TTY: 1-800-563-2441 ▪ California Relay Service: 711 • Employer/Licensed Health Professional Help Line: 1-855-342-3645 This phone number is dedicated to employers and licensed health professionals only. • EDD Disability Insurance (edd.ca.gov/en/disability/disability_insurance)
e-Services for Business	A convenient and secure method for managing your employer payroll tax account, filing most of your returns and reports, and paying tax deposits and liabilities online. Refer to **page 53** for more information.	• e-Services for Business (edd.ca.gov/eServices) • Taxpayer Assistance Center: 1-888-745-3886

Topic	Description	Contact
Economic Development	EDD's Labor Market Information Division offers data on occupational wages and outlook, employment by industry, and state and local labor market.	• Labor Market Information (labormarketinfo.edd.ca.gov) • Email: ContactLMID@edd.ca.gov
Employee Eligibility to Work	Under federal law, employers are required to verify that every individual (citizen, national, or other) whom they hire has the right to work in the U.S. The U.S. Citizenship and Immigration Services (USCIS) requires you to complete an *Employment Eligibility Verification* (Form I-9) for each person hired to verify employment eligibility.	• U.S. Citizenship and Immigration Services (uscis.gov) • Business Liaison Automated Phone Service: 1-800-357-2099 • Request a copy of the *Handbook for Employers: Guidance for Completing Form I-9* (M-274).
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).	• Taxpayer Assistance Center (edd.ca.gov/en/payroll_taxes/contact_us_about_payroll_taxes) • Phone: 1-888-745-3886
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 the EDD representative, supervisor, and office manager.	• Taxpayer Advocate (edd.ca.gov/en/payroll_taxes/taxpayer_advocate) • Taxpayer Advocate Office, MIC 93 PO Box 826880 Sacramento, CA 94280-0001 • Toll-Free: 1-866-594-4177 • Phone: 1-916-654-8957 • Fax: 1-916-449-9498
Employment Development Department Website	Provides a variety of information on EDD programs and services, forms and publications, and links to other government sites.	• EDD (edd.ca.gov)
Employment Tax Rates	A *Notice of Contribution Rates and Statement of UI Reserve Account* (DE 2088) is mailed annually by December 31 to notify employers of their UI and ETT tax rates. For more information, refer to **page 78**. Protests to the DE 2088 must be submitted within 60 days of the *issued date* on the notice.	• EDD Rate Management Group, MIC 4 PO Box 826880 Sacramento, CA 94280-0001 • Phone: 1-916-653-7795 (24-hour automated phone system)

Topic	Description	Contact
Employment Training Panel	Provides employers funding to train and retain workers in targeted industries in performance-based contracts. Includes retraining current employees, training new hires (unemployed individuals), and Special Employment Training program. For more information, refer to **page 95**.	• Employment Training Panel (etp.ca.gov) • Sacramento Central Office: 1-916-737-4200 • **Regional Offices:** ▪ North Hollywood: 1-747-256-3430 ▪ Sacramento: 1-916-737-4239 ▪ San Diego: 1-619-695-5670 ▪ San Francisco Bay Area: 1-650-745-7640
Federal Tax Requirements	For federal employment tax and personal income tax requirements, contact the Internal Revenue Service (IRS). The federal *Employer's Tax Guide* (Publication 15, Circular E) and *Employer's Supplemental Tax Guide* (Publication 15-A) are available from the IRS.	• Internal Revenue Service (irs.gov) • Phone: 1-800-829-4933
Federal Unemployment Tax Act (FUTA) Certification	The method the 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 78** for more information.	• EDD FUTA Certification Unit: 1-916-654-8545
Forms - Alternate Tax Forms	The requirements and approval for using alternate forms to file your payroll tax reports can be obtained by contacting the alternate forms coordinator.	• EDD Alternate Forms Coordinator: 1-916-255-0649
Forms - Payroll Tax Forms and Publications	Tax forms and publications are available on the Internet and Employment Tax Offices.	• Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications) • Phone (less than 25 copies): 1-888-745-3886 • Phone (25 copies or more): 1-916-322-2835
Job Referral and Recruitment Services	EDD's Workforce Services offers a variety of services that bring employers with job openings together with qualified job seekers.	• America's Job Center of California℠ (edd.ca.gov/en/jobs_and_training/tclobby) • Employer Information (edd.ca.gov/en/jobs_and_training/employer_information)
Labor Law Requirements	Information about workplace issues, including those related to benefits, meal breaks, and pay are available on the DIR website.	• Department of Industrial Relations (dir.ca.gov)
Labor Market Information	California's labor market information can help with important business decisions. Data available include occupational employment and wage data, industry employment, labor force, and selected population characteristics.	• Labor Market Information (labormarketinfo.edd.ca.gov) • Phone: 1-916-262-2162

Topic	Description	Contact
Paid Family Leave (PFL)	PFL is a component of the State Disability Insurance (SDI) program. PFL provides partial wage replacement benefits to California workers who take time off work to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner. Benefits are available to new parents who need time off work to bond with a new child through birth, adoption, or foster care placement. Benefits are also available to eligible workers who take time off work to participate in a qualifying event because of a spouse, registered domestic partner, parent, or child's military deployment to a foreign country.	• EDD Paid Family Leave: ▪ English: 1-877-238-4373 ▪ Spanish: 1-877-379-3819 ▪ TTY: 1-800-445-1312 ▪ California Relay Service: 711 • Employer Licensed Health Professional Help Line: 1-855-342-3645 This phone number is dedicated to employers and licensed health professionals only. • EDD Paid Family Leave (edd.ca.gov/en/disability/paid-family-leave)
Payroll Tax Webinars	Webinar topics include reporting requirements, how to complete payroll tax forms, and independent contractor and employee issues.	• EDD Taxpayer Assistance Center: 1-888-745-3886 • Register online at Payroll Tax Webinars (edd.ca.gov/payroll-tax-webinars).
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 PO Box 826880 Sacramento, CA 94280 • Phone: 1-916-653-5846
School Employees Fund (SEF)	Only California public school employers (kindergarten through 12th grade), California community colleges, and charter schools may elect to participate in the SEF (UI program) to finance UI benefits.	• EDD School Employees Fund, MIC 13 PO Box 826880 Sacramento, CA 94280 • Phone: 1-916-653-5380 • School Employees Fund (edd.ca.gov/en/payroll_taxes/school_employees_fund)
Small Business Assistance Center	Located on the California Tax Service Center website, it provides helpful information about starting, running, or closing your business.	• California Tax Service Center (taxes.ca.gov)

Topic	Description	Contact
State Disability Insurance (SDI) Program	SDI program provides two benefits: Disability Insurance (DI) and Paid Family Leave (PFL). DI provides partial wage replacement benefits to California workers who are unable to work due to a non-work-related illness, injury, or pregnancy. PFL provides partial wage replacement benefits to California workers who take time off work to care for a seriously ill family member, to bond with a new child, or to participate in a qualifying event because of a family member's military deployment to a foreign country. The SDI program is funded through employee payroll deductions.	• EDD Disability Insurance: ▪ English: 1-800-480-3287 ▪ Spanish: 1-866-658-8846 ▪ TTY: 1-800-563-2441 ▪ California Relay Service: 711 • EDD Paid Family Leave: ▪ English: 1-877-238-4373 ▪ Spanish: 1-877-379-3819 ▪ TTY: 1-800-445-1312 ▪ California Relay Service: 711 • Employer/Licensed Health Professional Help Line: 1-855-342-3645 This phone number is dedicated to employers and licensed health professionals only. • EDD State Disability Insurance (edd.ca.gov/disability).
SDI Online	SDI Online is our electronic claim filing system available to employees and licensed health professionals, for submission of Disability Insurance (DI) and Paid Family Leave (PFL) claim information. Employers, Voluntary Plan (VP) employers, and third-party administrators can use SDI online to securely submit employee information for DI claims online.	• EDD SDI Online Employer/Licensed Health Professional Help Line: 1-855-342-3645 This phone number is dedicated to employers and licensed health professionals only. • SDI Online (edd.ca.gov/en/disability/sdi_online) • VP email: VPProgram@edd.ca.gov
State Information Data Exchange System (SIDES)	SIDES is a secure and timely way for employers and third-party administrators to electronically receive and respond to EDD's *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ). SIDES streamlines communication to help employers manage their UI account and reduce improper payments.	• EDD SIDES E-Response Technical Support: 1-855-327-7057 • SIDES Web Service Technical Support: SIDES-support@naswa.org This number is for employers with inquiries related specifically to SIDES. Employers with questions about the Unemployment Insurance (UI) program should use the phone numbers listed below under Unemployment Insurance Benefits.
Tax Debt – California Payroll Taxes: Offers in Compromise	Enables a qualified tax debtor to compromise a final employment tax liability at less than full value.	• EDD Offers in Compromise: 1-916-464-2739
Tax Debt – California Payroll Taxes: 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 PO Box 826880 Sacramento, CA 94280-0001 • Phone: 1-916-653-9130 • Fax: 1-916-449-2161

Topic	Description	Contact
Taxpayer Assistance Center	For general tax information, the Taxpayer Assistance Center staff is available 8 a.m. to 5 p.m., Pacific time (PT), Monday through Friday. The Taxpayer Assistance Center will be closed on state holidays.	• EDD Taxpayer Assistance Center: 1-888-745-3886 • Outside the U.S. or Canada: 1-916-464-3502 • TTY: 1-800-547-9565 • California Relay Service: 711
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.	• Taxpayer Advocate (edd.ca.gov/en/payroll_taxes/taxpayer_advocate) • Taxpayer Advocate Office, MIC 93 PO Box 826880 Sacramento, CA 94280-0001 • Toll-Free: 1-866-594-4177 • Phone: 1-916-654-8957 • Fax: 1-916-449-9498
Underground Economy	Investigates businesses that are paying workers undocumented cash payments or not complying with labor, taxes, and licensing laws.	• Underground Economy Operations (edd.ca.gov/en/payroll_taxes/underground_economy_operations) • Phone: 1-800-528-1783 • Email: ueo@edd.ca.gov

Topic	Description	Contact
Unemployment Insurance (UI) Benefits	Provides temporary income to unemployed workers who meet the UI eligibility requirements.	• Unemployment Insurance (UI) customer service representatives are available through the toll-free numbers listed below. When you call, an automated system will provide a menu of services. Press “2” for the employer menu that provides UI and job service information. ▪ English and Spanish 1-800-300-5616 ▪ Armenian: 1-855-528-1518 ▪ Cantonese: 1-800-547-3506 ▪ Korean: 1-844-660-0877 ▪ Mandarin: 1-866-303-0706 ▪ Tagalog: 1-866-395-1513 ▪ Vietnamese: 1-800-547-2058 ▪ TTY: 1-800-815-9387 ▪ California Relay Service: 711 ▪ UI Program Self-service: 1-800-300-5616 • **Employer Information** Customers who have filed a claim for UI benefits may call the automated self-service number at 1-800-300-5616. After selecting your language preference and listening to a brief message, press “2” for the employer menu for UI information. You can access information about UI claim processing, hiring assistance, UI fraud, California payroll tax information, and an explanation of various employer forms. In addition, there is a variety of UI information available for employers and claimants by visiting EDD (edd.ca.gov). Information includes answers to several of the most frequently asked questions. • **Claimant Information** File for UI benefits using one of the following methods: ▪ **Online:** UI Online℠ is the fastest and most convenient way to file your UI claim. Visit UI Online℠ (edd.ca.gov/en/unemployment/ui_online) to get started. ▪ **Phone:** Call one of the phone numbers listed above and speak with an EDD representative 8 mail your UI application, use the address on the form and allow additional time for processing. a.m. to 5 p.m. Pacific time (PT), Monday through Friday, except on state holidays. ▪ **Fax or Mail:** When filing a new claim through UI Online℠, some customers will be instructed to fax or mail their UI application to EDD. If this occurs, the paper *Unemployment Insurance Application* (DE 1101I) will display. For faster and more secure processing, fax the completed form to the number listed on the form. If you decide to mail your UI application, use the address on the form and allow additional time for processing.

Topic	Description	Contact
Unemployment Insurance Benefit Charges	A *Statement of Charges to Reserve Account* (DE 428T) is mailed annually in September. This statement is an itemized list of UI charges to your reserve account. For more information, refer to **page 91**. Protests to the DE 428T must be submitted within 60 days of the **issued date** on the notice.	• EDD Contribution Rate Group, MIC 4 PO Box 826831 Sacramento, CA 94320-6831 • 1-916-653-7795 (24-hour automated phone system)
Voluntary Plan	California law allows an employer to apply to the EDD for approval of a Voluntary Plan (VP) for the payment of Disability Insurance (DI) and Paid Family Leave (PFL) benefits in place of the mandatory State Disability Insurance (SDI) state plan. A VP must provide all the benefits of SDI, at least one benefit that is better than SDI, and it cannot cost employees more than SDI. Once a VP is approved, an employer is no longer required to send SDI withholdings to EDD. Instead, the employer holds the contributions in a separate trust fund to pay the DI and PFL benefits and approved expenses.	• EDD Voluntary Plan (edd.ca.gov/en/disability/employer_voluntary_plans) • VPProgram@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.	• Workers' Compensation Insurance (dir.ca.gov/dwc) • Your insurance agent or Division of Workers' Compensation: 1-800-736-7401
Workforce Services	Through a variety of services, EDD connects employers with job openings with qualified job seekers.	• Find a local EDD office or America's Job Center of California℠ (edd.ca.gov/office_locator).
Work Opportunity Tax Credit (WOTC)	EDD is the WOTC certifying agency for California employers. WOTC promotes the hiring of individuals who qualify as a member of a target group and provides a federal tax credit to employers who hire these individuals.	• EDD Work Opportunity Tax Credit (edd.ca.gov/en/jobs_and_training/work_opportunity_tax_credit) • 1-866-593-0173 • WOTCSupport@edd.ca.gov

Glossary

Automated Clearing House (ACH)

Any entity that operates as a clearing house for electronic debit or credit transactions pursuant to an Electronic Funds Transfer agreement with an association that is a member of the National ACH Association.

Base Period

The base period consists of four calendar quarters of three months each. When a base period begins and which calendar quarters are used depends on what date the claim begins and whether the claim is for Unemployment Insurance (UI) or for State Disability Insurance (SDI). For UI, there are two types of base periods: the Standard Base Period (see Base Period, Standard [UI]) and Alternate Base Period (see Base Period, Alternate [UI]). The Alternate Base Period can only be used to file a UI claim when there are not enough wages earned in the Standard Base Period to file a monetarily valid UI claim. For SDI, a base period covers 12 months and is divided into 4 consecutive quarters. The base period includes wages subject to SDI tax which were paid approximately 5 to 18 months before the claim start date.

Base Period, Alternate (UI)

The UI Alternate Base Period is the last four completed calendar quarters prior to the beginning date of the claim. The Alternate Base Period can only be used if an individual cannot monetarily establish a valid UI claim using the Standard Base Period.

Base Period Employer

Employers who paid the earnings used to establish a UI claim and calculate an award.

Base Period, Standard (UI)

The UI Standard Base Period is the first four of the last five completed calendar quarters prior to the beginning date of the claim.

CCR

The California Code of Regulations (govt.westlaw.com/calregs).

CUIAB

The California Unemployment Insurance Appeals Board (cuiab.ca.gov).

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 programs (PIT). The CUIC (leginfo.legislature.ca.gov/faces/codes.xhtml).

Cash Wages

Checks, currency, payment apps, and electronic debit payments.

Charges

Amounts deducted from an employer's reserve account or amounts reimbursable for state UI benefits paid to former employees.

Claim

An application for Unemployment Insurance (UI), Disability Insurance (DI), or Paid Family Leave (PFL) benefits.

- UI - The process that establishes a UI benefit year is called a new claim. *Weekly Continued Claim* (DE 4581) forms are used by claimants to certify for UI benefits during the benefit year. EDD has two additional methods that unemployed individuals may use to certify for UI benefits. Rather than filling out and submitting a paper DE 4581 by mail, EDD Tele-Cert allows individuals to certify for benefits using the phone and EDD UI Online allows individuals to certify for UI benefits through the EDD website. 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 during the benefit year.
- DI - The application that establishes a DI benefit period is called an initial claim. Subsequent certifications on that DI claim are called continued claims. For each separate period of disability, a new first initial claim must be filed.

- PFL - The application that establishes a PFL benefit period is called an initial claim. Subsequent certifications on that claim are called continued claims. For each separate period of family leave, an initial claim must be filed.

Claimant

A California wage-earner who files a claim for UI, DI, or PFL benefits.

Contributions

Payroll tax payments for UI, Employment Training Tax (ETT), and State Disability Insurance (SDI). The California Unemployment Insurance Code refers to taxes under its provisions as *contributions*. In this guide, *contributions* are generally referred to as taxes.

Deposit

An amount of money electronically submitted to EDD with a *Payroll Tax Deposit* (DE 88) through various payment methods, including e-Services for Business, ACI Payments, Inc. (Credit Cards), and Automated Clearing House (ACH) Debit or Credit. The preferred method is through e-Services for Business (edd.ca.gov/eServices). For more information, refer to **page 60**.

Determination

A decision regarding a claimant's eligibility to receive UI, DI, or PFL benefits.

Disability Insurance (DI)

Benefits paid to eligible California workers who have a loss of wages when they are unable to work due to a non-work-related illness, injury, or pregnancy. DI is a component of the State Disability Insurance (SDI) program and funded through employee payroll deductions.

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.

Employee

A wage-earner in employment covered by the CUIC.

Employer Payroll Tax Account Number

EDD's eight-digit employer payroll tax account number assigned to each registered employer (e.g., 000-0000-0). Always refer to your EDD employer payroll tax account number when communicating with EDD. Omission of your employer payroll tax account number may result in delays in processing payments, reporting documents, and correspondence.

Employment Taxes

Unemployment Insurance (UI) Tax, Employment Training Tax (ETT), State Disability Insurance (SDI) Tax, 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 the 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, primarily businesses facing out-of-state competition.

Employment Training Tax (ETT)

An employer-paid tax that funds jobs skills training for employees in targeted industries to improve the competitiveness of California businesses. Employers subject to ETT pay one-tenth of one percent (.001) of the first $7,000 in wages paid to each employee per year.

E-file and E-pay Mandate

State law requires all employers to electronically submit employment tax returns, wage reports, and payroll tax deposits to EDD. Beginning January 1, 2018, all employers became subject to this requirement.

e-Services for Business

Online tool that allows employers to manage their employer payroll tax accounts online. New employers can register for an EDD employer payroll tax account number online. Registered employers can access account and payment information, file most returns and reports, including New Employee Registry (NER) and Independent Contractor Reporting (ICR), pay tax deposits and tax liabilities, review statements, correspondence and email messages, obtain tax rates, change addresses, make payment arrangements, and close or reopen their account. For more information about EDD's e-Services for Business, refer to **page 53**.

eWOTC

Online service to submit, view, and manage Work Opportunity Tax Credit (WOTC) Request for Certification applications. For more information, refer to **page 97**.

Excluded Employment

Employment specifically excluded from coverage pursuant to the CUIC.

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 late tax report or submitting a late payment. 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, refer to the *Information Sheet: Waiver of Penalty Policy* (DE 231J) (PDF) (edd.ca.gov/pdf_pub_ctr/de231j.pdf) or contact the Taxpayer Assistance Center at 1-888-745-3886.

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. Refer to **page 7** for Independent Contractor determination reference material. For more information about filing the *Report of Independent Contractor(s)* (DE 542), refer to **page 58**.

Interstate Benefit Audit

Each quarter, EDD runs a crossmatch with wages earned in other states against California's Unemployment Insurance Benefits paid file. When the crossmatch identifies an overlap between the earnings reported by the out-of-state employers and weeks the claimant was paid UI benefits, the system automatically generates the *Interstate Unemployment Insurance Benefit Payment Audit* (IB 8605) that is mailed to the out-of-state employers.

Labor Market Information (LMI)

California's labor market information can help in making important business decisions. Data available includes occupational employment and wage data, industry employment, labor force, occupation and industry projections of employment, and selected population characteristics.

Mid-month Employment

The number of full-time and part-time employees who worked during or received pay subject to UI for the payroll period that includes the 12th 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 calendar days of their start-of-work date. Refer to *Report of New Employee(s)* (DE 34) on **page 56**.

North American Industry Classification System (NAICS)

The six-digit industry classification code that identifies the primary business functions of an employer's business. Visit the United States Census Bureau (census.gov/naics) for more information.

Paid Family Leave (PFL)

Benefits paid to eligible California workers who take time off work to care for a seriously ill family member, to bond with a new child, or to participate in a qualifying event because of a family member's military deployment to a foreign country. PFL is a component of the State Disability Insurance (SDI) program and is funded through employee payroll deductions.

Payroll Period

The frequency you pay wages: daily, weekly, bi-weekly (every two weeks), 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) Tax, Employment Training Tax (ETT), State Disability Insurance (SDI) Tax, 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 employees' services. The calendar year total for PIT wages should agree with the amount reported on the individual's *Wage and Tax Statement* (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 *Employee's Withholding Allowance Certificate* (DE 4) on file with the employer.

Predecessor

A previous owner registered with EDD as an employer.

Prepayments (UI and ETT)

UI or ETT taxes that an employer voluntarily sends to EDD during a quarter even though they are not due until the end of the quarter.

Quarter

A three-month period in a calendar year, as shown below:

Quarter	Months in Quarter
1st	January, February, March
2nd	April, May, June
3rd	July, August, September
4th	October, November, December

Registered Domestic Partner

A domestic partnership registered with the Secretary of State (SOS) 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 is 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 the EDD 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 is available only to California public schools (kindergarten through 12th grade), California community colleges, and charter schools.

SDI Online

An electronic claim filing system available to individuals filing for benefits and licensed health professionals for submission of Disability Insurance (DI) and Paid Family Leave (PFL) claim information. Employers, Voluntary Plan (VP) employers, and third-party administrators can use SDI Online to securely submit employee information (e.g., wages earned, last day worked, etc.) for DI claims.

Service-Provider

An individual (independent contractor) 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 a service-provider (independent contractor) or executes a contract for services to be performed by an independent contractor in or outside of California.

Settlement Date

The date of an electronic payment transaction is completed and posted on the books of the Federal Reserve Bank and the state's bank account.

SIDES

State Information Data Exchange System allows employers and third-party administrators to electronically receive and respond to the EDD's *Notice of Unemployment Claim Filed* (DE 1101CZ).

Social Security Number (SSN)

A nine-digit number issued to an individual by the Social Security Administration. All employee wage records and claim actions are filed under this number, rather than by name.

State Disability Insurance (SDI)

The SDI program provides Disability Insurance (DI) and Paid Family Leave (PFL) benefits to eligible workers who need time off work because of disability or family leave. DI benefits are paid to eligible California workers who have a loss of wages when they are unable to work due to an illness, injury, or pregnancy. PFL benefits are paid to eligible California workers who take time off work to care for a seriously ill family member, to bond with a new child, or to participate in a qualifying event because of a family member's military deployment to a foreign country. The SDI program is funded by mandatory payroll deductions from employee wages.

Subject Employer

An employer who is liable pursuant to the rules and provisions of the CUIC.

Subject Quarter

The 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 *Information Sheet: Types of Employment* (DE 231TE) and *Information Sheet: Types of Payments* (DE 231TP).

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.

Tax Return

A *Quarterly Contribution Return and Report of Wages* (DE 9) or an *Employer of Household Workers Annual Payroll Tax Return* (DE 3HW). Quarterly household employers are required to file a tax return each quarter to reconcile California payroll tax payments and the total subject wages reported. Annual household employers are required to file the tax return annually.

Taxable Wage Limit

The maximum amount of an employee's wages that certain taxes apply to in a calendar year. Refer to the inside front cover of this publication for taxable wage limits.

Taxable Wages

Compensation paid for covered employment up to the applicable 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. UI is funded by employer payroll taxes.

Voluntary Plan (VP)

California law allows an employer to apply to the EDD for approval of a VP for the payment of DI and PFL benefits in place of the mandatory SDI state plan. A VP must provide all the benefits of SDI, at least one benefit that is better than SDI, and it cannot cost employees more than SDI. Once a VP is approved, an employer is no longer required to send SDI withholdings to EDD for those employees covered by the VP. Instead, if the plan is paid by employees, the employer holds the VP contributions in a separate trust fund to pay the DI or PFL benefits and approved expenses. The employer may enlist a greater benefit by paying for the plan rather than having the employees pay for it. The VP employer pays a quarterly assessment to EDD based on the taxable wages of employees participating in the plan and other factors.

Wage Detail

A *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) filed each quarter listing employee(s) full name, SSN, total subject wages, PIT wages, and PIT withholding.

Wage Report

A *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) or an *Employer of Household Worker(s) Quarterly Report of Wages and Withholdings* (DE 3BHW). Both quarterly and annual household employers are required to file a wage report each quarter to report employee wage and payroll tax withholding information.

Wages

All payments made to employees, whether paid by check, cash, payment apps, 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 10 different target groups.

Worker Adjustment and Retraining Notification (WARN) Act

Protects employees, their families, and communities by requiring that employers give a 60-day notice to the affected employees and both state and local representatives prior to a mass layoff, relocation, or termination.

Index

Address Change 72
Adjustments 62
Alternate Base Period 91
Appeal Rights - Unemployment Insurance (UI) Claims 88
Back Pay Award 90
Benefit Audits 89
Benefits
- Disability Insurance (DI) 93
- Paid Family Leave (PFL) 93
- Unemployment Insurance (UI) 82

Billings - Reimbursable UI Method 77
Bonuses 18
Business Name Change 72
Claim Notices
- *Notice of Paid Family Leave (PFL) Claim Filed* (DE 2503F) 93
- *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ) 85
- *Notice of Wages Used for Unemployment Insurance (UI) Claim* (DE 1545) 85
- *Notice to Employer of Disability Insurance Claim Filed* (DE 2503) 93

Closing Business 72
Cost-of-Benefits (Reimbursable) Method 77
Deposit
- Correcting Payroll Tax Deposits 62
- Delinquent 61
- Due Dates 61
- Requirements 60

Disability Insurance
- Self-Employed Benefits 94
- State Disability Insurance (SDI) Program 93
- Voluntary Plan 94

Discharge 83
Elective Coverage (Disability Insurance) 94
Employee - Definition 7
Employee or Independent Contractor? 7
Employer 6
- Definition 6
- Employer Rights 75
- How to Register 6
- When Do I Become a Subject Employer? 6

Employer Notices
- *Notice of Determination/Ruling* (DE 1080EZ) 87
- *Notice of Modification* (DE 1080M) 87
- *Notice of Paid Family Leave (PFL) Claim Filed* (DE 2503F) 93
- *Notice of Potential Increased Liability for Training Extension Benefits* (DE 1545TE) 86
- *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ) 85
- *Notice of Wages Used for Unemployment Insurance (UI) Claim* (DE 1545) 85
- *Notice to Employer of Disability Insurance Claim Filed* (DE 2503) 93

Employer Obligations for Form W-4 and DE 4 17
Employer-Sponsored Voluntary Plan 94
Employer UI Contribution Rates 77
Employment and Training Services 95
Employment Training
- Funding 95
- Panel (ETP) 95
- Tax (ETT) 8

Entity Change 10
Escrow Clearance 10
e-Services for Business 53
Estimated Payments 18
Experience Rating 77
False Statement Penalty 89
Federal Unemployment Tax Act (FUTA) Certification 78
Firing an Employee Notice 73
Forms
- Alternate Filing Options 53
- Due Dates 5
- *Employee's Withholding Certificate* (Form W-4) 16
- How to Obtain Forms and Publications 119
- *Payroll Tax Deposit* (DE 88) 60
- *Quarterly Contribution and Wage Adjustment Form* (DE 9ADJ) 67
- *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C) 65
- *Quarterly Contribution Return and Report of Wages* (DE 9) 64
- *Report of Independent Contractor(s)* (DE 542) 58
- *Report of New Employee(s)* (DE 34) 56

Fraud Prevention, Detection, Reporting, and UI Rate Manipulation 80
Income Tax
- California Personal Income Tax (PIT) Withholding Tables 22

Independent Contractor or Employee? 7
Independent Contractor Reporting Requirements 58
Interstate Benefit Audit 89
Labor Market Information 98
Layoff
- Rapid Response Team 73
- Worker Adjustment and Retraining Notification (WARN) 73

Leave of Absence 11
Lodging 15
Marital Status for Personal Income Tax (PIT) Reporting 16
Meals 15
Multiple Location and Function Employers 98
Multiple Worksite Report (BLS 3020) 98
New Employee Registry (NER) 56

New Employer
Employment Training Tax (ETT) Rate ... 8
Unemployment Insurance (UI) Tax Rate ... 8
No Longer Have Employees ... 72
Nonresident Employees ... 19
Notices
Notice of Contribution Rates and Statement of UI Reserve Account (DE 2088) ... 78
Notice of Determination (DE 1080EZ) ... 87
Notice of Modification (DE 1080M) ... 87
Notice of Paid Family Leave (PFL) Claim Filed (DE 2503F) ... 93
Notice of Ruling (DE 1080EZ) ... 87
Notice of Unemployment Insurance Claim Filed (DE 1101CZ) ... 85
Notice of Wages Used for Unemployment Insurance (UI) Claim (DE 1545) ... 86
Notices for Employees ... 11
Notice to Employer of Disability Insurance Claim Filed (DE 2503) ... 93
Obtaining an EDD Employer Payroll Tax Account ... 6
Offers in Compromise (OIC) ... 76
Office of the Taxpayer Rights Advocate ... 75
Ordering Forms and Publications ... 119
Overpayments
Correcting a Previously Filed DE 9 ... 64
Correcting Prior DE 88 ... 62
Paid Family Leave (PFL) ... 93
Partial Unemployment Insurance (UI) Claim ... 92
Payroll Tax Deposit (DE 88) ... 60
Personal Income Tax (PIT)
Marital Status ... 16
Schedules ... 20
Supplemental Wages ... 18
Wages ... 14
Withholding ... 16
Protests
Notice of Unemployment Insurance Claim Filed (DE 1101CZ) ... 86
Notice of Wages Used for Unemployment Insurance (UI) Claim (DE 1545) ... 86
Purchase a Business ... 10
Quarterly Contribution and Wage Adjustment Form (DE 9ADJ) ... 67
Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C) ... 65
Correcting a Previously Filed DE 9C ... 66
Due Dates ... 65
Quarterly Contribution Return and Report of Wages (DE 9) ... 64
Correcting a Previously Filed DE 9 ... 64
Due Dates ... 64
Quarterly Estimated Payments ... 18
Registration for EDD Employer Payroll Tax Account Number ... 6
How to Register ... 6
When Do I Become a Subject Employer? ... 6
Reimbursable Method of Paying for UI ... 77
Reopen Your Employer Payroll Tax Account ... 72

Report of Independent Contractor(s) (DE 542) 58
Report of New Employee(s) (DE 34) 56
Required Postings, Notices, and Pamphlets 11
Reserve Account
- Experience Rating 77
- Reserve Account Transfers (Successor Employers) 78
- *Statement of Charges to Reserve Account* (DE 428T) 91

Rulings
- *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ) 85
- *Notice of Wages Used for Unemployment Insurance (UI) Claim* (DE 1545) 85

Sale of Business 10
School Employees Fund Method of Paying for UI Benefits 77
Settlements Office 76
SIDES 85
State Disability Insurance (SDI)
- Benefits 93
- Elective Coverage 94
- Employer Responsibilities 93
- Self-Employed Benefits 94
- Voluntary Plan 94
- Who Pays? 8

Subject Wages 14
Successor Employer 10
Supplemental Wage Payments 18
Tax Deposits
- Delinquent Deposits 61
- Deposit Requirements 60
- Electronic 61

Taxes
- Who Is an Employee? 7
- Withholding Allowances and Exemptions 16

Taxpayer Advocate Office 75
Tax Rate
- Experience Rating 77
- How Your Unemployment Insurance (UI) Tax Rate Is Determined 77

Tips for Reducing Your Unemployment Insurance (UI) Tax Rate 79
Trade Adjustment Assistance 97
Transfer of Business, Successor Employer 10
Underground Economy 81
Unemployment Insurance (UI)
- Benefits 82
- Employer Responsibilities 85
- Rate 78
- Standard Base Period (BSP) and Alternate Base Period (ABP) 91
- Who Pays? 8

Voluntary Plan 94

Wages Subject to:
Personal Income Tax (PIT) 14
State Disability Insurance (SDI) Tax 8
Unemployment Insurance (UI) Tax 8
WARN 73
Withholding
Delinquent 61
Electronic 61
Requirements 60
Withholding Deposit
Marital Status 16
Withholding Schedules Personal Income Tax (PIT) 20
Withholding Statements
Employee's Withholding Allowance Certificate
Federal (Form W-4) 16
State (DE 4) 16
Information Return (Form 1099) 71
Wage and Tax Statement (Form W-2) 70
Worker Adjustment and Retraining Notification (WARN) 73
Workers' Compensation Insurance 94
Work Opportunity Tax Credit (WOTC) 97
Work Sharing Program 92

Instructions for Ordering Forms and Publications

The EDD provides easy access to its forms, publications, and information sheets by phone or online on the EDD website (edd.ca.gov).

Reminder: All employers are required to electronically submit employment tax returns, wage reports, and payroll tax deposits to the Employment Development Department (EDD). Refer to **page 52** for information on the e-file and e-pay mandate and related noncompliance penalties.

Go Paperless!

The *California Employer's Guide* (DE 44) (edd.ca.gov/en/payroll_taxes/employers_guides) is available online.

Order Forms Online

Online Forms and Publications (forms.edd.ca.gov/forms)

Download Forms

Payroll Taxes - Forms and Publications (edd.ca.gov/en/payroll_taxes/forms_and_publications)

By Phone

- For quantities of 25 or more, call 1-916-322-2835.
- For quantities of 24 or less, call 1-888-745-3886.

If you require additional assistance, contact the Taxpayer Assistance Center at 1-888-745-3886.

Stay Updated!

For the latest tax news and employer resources, visit
California Employer News and Updates
(edd.ca.gov/en/payroll_taxes/employer-news).

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State of California

Labor and Workforce Development Agency

Employment Development Department

EDD is an equal opportunity department for this information.
If you need help or services because of a disability, call 1-888-745-3886 (voice)
or TTY 1-800-547-9565. If you use a TTY, call the California Relay Service at 711.

Employment Development Department
State of California

PO Box 826880, Sacramento CA 94280-0001

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