APPLICATION FOR UNEMPLOYMENT INSURANCE, DISABILITY INSURANCE, AND PAID FAMILY LEAVE ELECTIVE COVERAGE UNDER SECTION 708(a) OF THE UNEMPLOYMENT INSURANCE CODE

Complete this application only if you meet the requirements as set forth in the attached Information Concerning Elective Coverage.

**The disclosure of your Social Security Account Number is mandatory under the Federal Tax Reform Act of 1976.*

NOTE: If you require any assistance in the completion of this application, contact the nearest Employment Tax Customer Service Office of this Department, or call (916) 654-6288. Upon completion of the application, return to: Employment Development Department, Taxpayer Assistance Center, Attn: DIEC Unit, P.O. Box 2068, Ranch Cordova, CA 95741-2068.

PLEASE TYPE OR PRINT ALL INFORMATION CLEARLY

FOR DEPARTMENT USE ONLY		
APPROVED: ☐ 708(b) ☐ 708.5	DIEC ACCOUNT #	- -
EFFECTIVE DATE	SUBJECT QUARTER	-
SEND FORMS DE 2515, DE 3816DI	☐ DE 3DI QTR(S)	
DATE FORMS SENT:	APPROVED BY:	APPROVAL DATE:
	ON-LINED BY:	ON-LINED DATE:

1. SOCIAL SECURITY NUMBER*	2. CALIF. EMPLOYER ACCOUNT NUMBER	3. SEX	YEAR OF BIRTH
- -	- -	☐ MALE ☐ FEMALE	

4. YOUR NAME FIRST MIDDLE INITIAL LAST

5. HAVE YOU APPLIED FOR ELECTIVE COVERAGE BEFORE? ☐ YES ☐ NO
IF YES, ______ MO. ______ YR.

6. MAILING ADDRESS: NUMBER OR P.O. BOX, STREET CITY ZIP CODE

7. BUSINESS NAME (IF ANY) BUSINESS TELEPHONE ( )

8. BUSINESS ADDRESS: NUMBER OR P.O. BOX, STREET CITY ZIP CODE

9. DO YOU HAVE ANY EMPLOYEES? ☐ YES ☐ NO IF NO, SEE INSTRUCTIONS

IF YES, AND YOU ARE NOT REGISTERED WITH THIS DEPARTMENT AS AN EMPLOYER, PLEASE EXPLAIN:

10. TYPE OF ORGANIZATION:
☐ CORPORATION – DO NOT SUBMIT, CORPORATE OFFICERS ARE EMPLOYEES NOT SELF-EMPLOYED.
☐ GENERAL PARTNERSHIP (INCLUDES HUSBAND AND WIFE CO-OWNERS WHO ARE BOTH ACTIVE IN THE OPERATION AND MANAGEMENT OF THE BUSINESS.)
☐ INDIVIDUAL ☐ LIMITED PARTNERSHIP – ONLY GENERAL PARTNER MAY APPLY

11. NAME(S) AND TITLE OF ALL PARTNERS (CONTINUE ON ANOTHER PAGE IS NECESSARY)

GENERAL PARTNERS	Social Security Number*	LIMITED PARTNERS	Social Security Number*

12. NATURE OF BUSINESS:
☐ RETAIL TRADE ☐ CONTRACTING ☐ SERVICE ☐ MANUFACTURING ☐ WHOLESALE TRADE ☐ REPAIRING ☐ OTHER (DESCRIBE):

13. YOUR OCCUPATION/TITLE

14. DESCRIBE THE TYPE OF SERVICE, TYPE OF CONTRACTING, OR PRODUCT SOLD.

15. IS A LICENSE OR PERMIT REQUIRED IN YOUR TRADE, BUSINESS OR OCCUPATION? ☐ YES ☐ NO IF YES, INDICATE TYPE OF LICENSE OR PERMIT REQUIRED:
DO YOU POSSESS SUCH A VALID AND ACTIVE LICENSE? ☐ YES ☐ NO
PROVIDE LICENSE/PERMIT NUMBER

16. ARE YOU CONDUCTING A SEASONAL TYPE OF BUSINESS?
☐ YES ☐ NO IF YES, AND YOU ANSWER NO IN #20, DO NOT SUBMIT, YOU ARE NOT ELIGIBLE FOR THIS COVERAGE. SEE INFORMATION SHEET ATTACHED.

17. DO YOU EXPECT TO REMAIN IN BUSINESS FOR THE NEXT EIGHT (8) CALENDAR QUARTERS?
☐ YES ☐ NO IF NO, DO NOT SUBMIT, YOU ARE NOT ELIGIBLE FOR THIS THIS COVERAGE. SEE INFORMATION SHEET ATTACHED.

18. HOW MANY HOURS A DAY, WEEK, MONTH DO YOU PERFORM YOUR SERVICES? <u>INCLUDE</u> ADMINISTRATIVE HOURS AND TIME SPENT SOLICITING CUSTOMERS.
DAY__________ (HOURS) WEEK________ (HOURS) MONTH _________ (HOURS) (COMPLETE ALL THREE)

19. DO YOU LIMIT THE NUMBER OF HOURS YOU PERFORM SERVICES?
☐ YES ☐ NO (IF YES, EXPLAIN IN #29)

20. DO YOU PERFORM SERVICES IN YOUR TRADE, BUSINESS, OR OCCUPATION CONTINUOUSLY THROUGHOUT THE YEAR? (INCLUDE TIME SPENT DOING OFFICE WORK, SOLICITING CUSTOMERS AND MAINTAINING MACHINERY AND EQUIPMENT.)
☐ YES ☐ NO

IF NO, EXPLAIN.

21. HOW LONG HAVE YOU HAD EMPLOYEES WORKING FOR YOU?

__________ YEAR(S) _______________ MONTH(S) IF LESS THAN ONE YEAR, GIVE DATE FIRST EMPLOYEE WAS HIRED ____/____/____

22. IF YOU ARE SELF-EMPLOYED, AND ALSO AN EMPLOYEE, DO YOU RECEIVE THE MAJOR PART OF YOUR REMUNERATION FROM YOUR SELF-EMPLOYMENT?

☐ YES ☐ NO

IF NO, EXPLAIN MAJOR SOURCE OF REMUNERATION.

23. WHAT PERCENTAGE OF YOUR INCOME FROM SERVICES IS RECEIVED FROM YOUR TRADE, BUSINESS, OR OCCUPATION?

____________%

24. IF YOU WERE SELF-EMPLOYED DURING THE LAST TWO YEARS, WHAT WAS YOUR NET PROFIT AS SHOWN ON YOUR IRS SCHEDULE SE?

________	$__________	________	$__________
YEAR	NET PROFIT	YEAR	NET PROFIT

PLEASE SUBMIT COPIES OF YOUR IRS SCHEDULES SE FOR THE LAST TWO YEARS.

IF YOU HAVE NEVER FILED A SCHEDULE SE WITH THE IRS DID YOU HAVE NET PROFIT IN EXCESS OF $4,600 LAST YEAR? ☐ YES ☐ NO

IF YOU HAVE BEEN IN BUSINESS FOR LESS THAN ONE YEAR, DID YOUR AVERAGE NET PROFIT EXCEED $1,150 PER QUARTER? ☐ YES ☐ NO

IF YOU HAVE BEEN IN BUSINESS LESS THAN ONE QUARTER, DO YOU EXPECT YOUR AVERAGE NET PROFIT TO EXCEED $1,150 PER QUARTER DURING THE FIRST YEAR IN BUSINESS? ☐ YES ☐ NO

IF YOU ANSWERED NO TO ALL THE QUESTIONS, DO NOT SUBMIT THIS APPLICATION UNTIL YOU EARN THE REQUIRED MINIMUM NET PROFIT IN YOUR TRADE, BUSINESS, OR OCCUPATION.

25. WERE YOU CONVICTED OF A MISDEMEANOR UNDER THE UNEMPLOYMENT INSURANCE CODE DURING THE LAST EIGHT (8) CALENDAR QUARTERS? (SEE ATTACHED INFORMATION SHEET.)

☐ YES ☐ NO IF YES, EXPLAIN:

26. DO YOU PRESENTLY HAVE AN ILLNESS, FAMILY CARE NEED OR DISABILITY BONDING NEED WHICH PREVENTS YOU FROM CURRENTLY PERFORMING **ALL** YOUR REGULAR AND CUSTOMARY SERVICES IN CONNECTION WITH YOUR TRADE, BUSINESS OR OCCUPATION?

☐ YES ☐ NO IF YES, WAIT TO SUBMIT UNTIL YOU ARE ABLE TO PERFORM ALL DUTIES.

27. HAVE YOU BEEN DISABLED OR ON LEAVE TO BOND WITH A NEW CHILD OR TO CARE FOR A SERIOUSLY ILL FAMILY MEMBER DURING THE LAST THREE MONTHS?

☐YES ☐ NO

IF YES, DID YOU FILE A CLAIM FOR BENEFITS?

☐ YES ☐ NO

WHEN DID YOU RESUME YOUR USUAL DUTIES? (DO NOT FILE THIS APPLICATION IF YOU ARE CURRENTLY DISABLED.) ______/______/______

28. ON WHAT DATE DO YOU WISH ELECTIVE COVERAGE TO COMMENCE? KEEP IN MIND THAT THE COMMENCEMENT DATE OF AN ELECTIVE COVERAGE AGREEMENT SHALL NOT BE PRIOR TO THE FIRST DAY OF THE CALENDAR QUARTER IN WHICH THE APPLICATION IS FILED, NOR LATER THAN THE FIRST DAY OF THE FOLLOWING CALENDAR QUARTER.

☐ FIRST DAY OF CURRENT QUARTER ☐ DAY FIRST EMPLOYEE HIRED ☐ FIRST DAY OF NEXT QUARTER

29. ADDITIONAL INFORMATION (USE THIS SPACE TO MORE FULLY DISCUSS THE ABOVE QUESTIONS).

NOTE: DO NOT SEND PAYMENT WITH THIS APPLICATION. YOU WILL BE NOTIFIED WHEN PAYMENT IS DUE. THIS IS AN APPLICATION FOR COVERAGE NOT A REQUEST FOR INFORMATION. IF YOU NEED ADDITIONAL INFORMATION, PLEASE SEE THE NOTE ON THE FRONT OF THIS FORM. IF YOU ARE ILLEGALLY IN THE UNITED STATES, YOU ARE NOT ELIGIBLE FOR BENEFITS AND ARE LIABLE TO REPAY ANY BENEFITS PAID TO YOU.

I, the undersigned, declare that the statements made on this application are true and correct to my best knowledge and belief. I understand that providing false information will result in denial or termination of coverage. I hereby elect and make application to have my services considered as employment subject to the Unemployment Insurance Code for unemployment insurance, disability insurance, and paid family leave. I hereby authorize the verification of any information provided by me on this application. I understand that this election must remain in effect for two complete calendar years unless I no longer meet all of the eligibility requirements of Section 704 of the California Unemployment Insurance Code or I meet the conditions for termination of coverage under Section 704.1 of the Code.

SIGNATURE OF APPLICANT	DATE
RESIDENCE ADDRESS (NUMBER OF P.O. BOX, STREET, CITY, AND ZIP CODE)	RESIDENCE TELEPHONE ( )

APPLICATION MUST BE SIGNED TO BE VALID

INFORMATION CONCERNING UNEMPLOYMENT INSURANCE, DISABILITY INSURANCE, AND PAID FAMILY LEAVE ELECTIVE COVERAGE UNDER SECTION 708(a) OF THE CALIFORNIA UNEMPLOYMENT INSURANCE CODE

Do not send any payment with this application. Contributions are not payable in advance.

You will receive a written notice of the approval or denial of your application.

NOTE: If you want to elect only disability insurance and paid family leave coverage under Section 708(b) or 708.5 of the Code, you should file application form DE 1378 DI.

If your elective coverage agreement is approved, instructions will be sent to you for filing your returns and paying the premiums due. Your agreement is subject to the requirements and conditions outlined below. ***Please retain this page for reference.***

PERSONS ELIGIBLE TO ELECT COVERAGE

An individual who is an employer under Section 675 of the Code, or two or more individuals (general partners) who have qualified. Each individual who applies must provide evidence of an annual net profit of at least $4,600 or an average of $1,150 per quarter if in business for less than one year.

Individual proprietors and general partners are eligible to apply for coverage. (It is not required that all active general partners be included in the election.) An active general partnership also includes a husband and wife co-ownership in which both spouses are active in the operation and management of the business. Limited partners and corporate officers are considered to be employees subject to the compulsory provisions of the Code, the same as all other employees, and are not eligible to elect self-coverage.

CONDITIONS FOR DENIAL OF COVERAGE

Section 704 provides that an election under Section 708(a) shall not be approved if it is found that any of the following conditions exist:

(a) The self-employed individual is currently unable to perform his or her regular and customary work due to injury or illness. (If you are currently disabled and unable to perform all of your regular and customary services, you must wait until you recover from your disability before you can elect coverage.)

(b) The employing unit or self-employed individual is ***not*** normally and continuously engaged in a regular trade, business or occupation. Normally and continuously engaged in a regular trade, business or occupation means to be regularly performing services and engaged in an uninterrupted pattern of work which is customary for the trade or business.

If you regularly work less than the normal customary full-time hours typical for your industry or trade, you are ***not*** normally and continuously engaged in a regular trade, business or occupation. Self-employment hours include time spent doing office work, soliciting customers and maintaining machinery/equipment.

A self-employed individual or individual who is an employer in a trade, business or occupation that requires a valid and active license and does not possess such a license is ***not*** normally and continuously engaged in a regular trade, business or occupation.

(c) The employing unit or self-employed individual intends to discontinue the regular trade, business or occupation within eight calendar quarters.

(d) The regular trade, business or occupation of the employing unit or self-employed individual is seasonal in its operations.

(e) The major portion of the self-employed individual's remuneration is not derived from his or her trade, business, or occupation.

(f) The self-employed individual is unable to provide a copy of his or her IRS Schedule SE for the preceding year showing a net profit of at least $4,600 or to certify to an average net profit of at least $1,150 per quarter since becoming self-employed or for the preceding four quarters, whichever period is less.

(g) The employing unit or self-employed individual has failed to make a return or to pay contributions within the time required, pursuant to the CUIC, and there is an unpaid amount of contributions owing by the employing unit or self-employed individual.

(h) A prior elective coverage agreement under Section 708(a) was terminated as seasonal in nature, for failure to file a return or pay contributions, for filing a false statement during the application process or for a conviction as outlined in paragraph (i) below within the preceding eighteen (18) month period.

(i) The employing unit or any officer or agent or person having charge of the affairs of the employing unit, or the self-employed individual has been convicted within the preceding eight consecutive calendar quarters of any violation under Chapter 10. For the purposes of this subdivision, a plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction irrespective of whether an order granting probation or other order is made suspending the imposition of the sentence or whether sentence is imposed for execution thereof is suspended.

COST OF COVERAGE

The disability insurance/paid family leave rate is computed each calendar year on or about November 30 to ensure program solvency. Members receive notification of the following year's premium rate, reportable "income credits," and premiums payable with their fourth quarter premium notice. You may estimate the cost of coverage using form DE 3DI-I or call the telephone number shown on the front of your application for assistance.

The unemployment insurance rate you will use is the same one used for your employees and regardless of your actual earnings, you will be required to report both *total* and *taxable* quarterly "wages" in the amount determined by the Department pursuant to the formula provided in the Code. Total wage information is necessary to provide maximum benefits and to serve as a basis for collecting contributions for the coverage.

For reporting the proper amount of wages see Instruction Sheet (DE 3F) which will be mailed to you each quarter with your quarterly reporting forms.

QUARTERLY REPORTS REQUIRED

The disability insurance/paid family leave Quarterly Premium Notice, DE 3DI, and the Quarterly Wage and Withholding Report, DE 6, must be filed each quarter whether or not payments are due. These notices are normally mailed by the last day of the calendar quarter. The reports and payments are due on the first day of the following calendar quarter and become delinquent if not paid on or before the last day of that month. **Failure to receive a reporting form does not relieve you of the responsibility to make your payments on time.** Submitting the DE 3DI with disability or paid family leave information is not a claim for benefits. Contact the disability insurance (800-480-3287) or paid family leave (877-238-4373) benefit office to file a claim.

REPORTABLE COMPENSATION FOR DISABILITY INSURANCE

Any adjustment of the reportable income credits and premiums due to disability or paid family leave must be noted on the DE 3DI quarterly report. If you have any questions regarding computing or adjusting the premium base and premiums, contact your local Employment Tax Customer Service Office or call the Elective Coverage Unit at (916) 654-6288.

For an explanation of reportable compensation for unemployment insurance refer to form DE 3F.

BENEFIT ELIGIBILITY

The Employment Development Department determines eligibility for unemployment insurance, disability insurance, and paid family leave benefits pursuant to the CUIC and authorized regulations. **Generally, a minimum of seven months must elapse from the commencement date of coverage before a valid claim may be filed based solely on income credits reportable under your election.** Eligibility is dependent on a number of factors including: Proof of a claimant's eligibility; filing of a timely claim for benefits; filing and payment of all required reports and amounts due. Weekly disability or paid family leave benefits are payable under elective coverage regardless of whether the claimant continues to receive any compensation from his/her business.

Disability benefits cover both work related and nonoccupational injuries and illnesses. For more disability benefit information, see the pamphlet entitled "Disability Insurance Provisions," DE 2515, or contact your disability insurance field office at 800-480-3287. For information on paid family leave, refer to Paid Family Leave, DE 2511, or call paid family leave at 877-238-4373.

CANCELLATION/TERMINATION OF ELECTIVE COVERAGE

A participant may cancel his/her elective coverage agreement as of January 1 of any calendar year, only if the agreement has been in effect for two complete calendar years, by filing a letter with the Department requesting termination **on or before** January 31 of that year.

The Department may terminate the unemployment insurance coverage if the employer no longer qualifies as an employer for one complete calendar year.

The Department may terminate your entire elective coverage agreement if it is found that any of the "Conditions for Denial of Coverage" exist or you meet one of the other conditions for termination of coverage by the Department found in Section 704.1 CUIC. They are: 704.1(a)(5) The self-employed individual reports a net profit of less than $4,600 on his or her IRS Schedule SE for a third consecutive year. 704.1(a)(7) The employing unit or self-employed individual, or a representative thereof, is found to have filed a false statement in order to be considered eligible for elective coverage. You will be given written notification of the Department's termination of your elective coverage agreement and will have 30 days to file a Petition for Review of the termination of elective coverage. The termination shall not affect the liability of the self-employed individual for any premiums due, owing or unpaid to the Department. Termination by the Department may affect your ability to draw benefits.