

A note from EDD's Director's Office:

California's new Paid Family Leave insurance program now in effect —

With the new year, California launched the Paid Family Leave (PFL) insurance program signed into law in September of 2002.

The program is paid for by employees, and starting January 1, they will pay an additional .08 percent on their State Disability Insurance (SDI) contribution.



There are also new requirements and benefits under Paid Family Leave. The Employment Development Department (EDD) has developed a Paid Family

Leave brochure (DE 2511) offering details of the program. The law requires you to provide this brochure to all employees hired on or after January 1, 2004, and to all employees who leave work on or after July 1, 2004, to care for a seriously ill family member or to bond with a new child.

All California workers who are covered by SDI also are covered for PFL benefits. The PFL insurance program provides a maximum of six weeks of Paid Family Leave benefits in a 12-month period.

Benefits can be paid for claims that begin on or after July 1, 2004.

For more information on PFL, please visit our Web site at www.edd.ca.gov/direp/pflind.asp. To order the brochure on PFL, please visit our Web site at www.edd.ca.gov/direp/pflpub.asp or call 1-877-BE-THERE (1-877-238-4373). The PFL claim form (*Claim for Paid Family Leave Benefits*, DE 2501F) will be available to order in April 2004.

Herb K. Schultz
Acting Director
Sally McKeag
Chief Deputy Director

Self-employed? You can protect yourself against loss of income —

Did you know that if you are self-employed, you can still protect yourself against a loss of income due to injury or illness? With the Disability Insurance Elective Coverage (DIEC) program, you will enjoy these important advantages:

- Income protection, whether or not an injury or illness is work-related.
- A benefit waiting period of only seven days.
- Premium charges that do not discriminate because of age, occupation, or previous health history.
- Up to 39 weeks of benefit payments.
- Benefits for pregnancy-related disabilities.

To qualify for these benefits, you must apply for DIEC, be approved for coverage, and pay quarterly premiums prior to becoming disabled.

Generally, a minimum of seven months must elapse before a new member is eligible to receive benefits.



DIEC enrollees are also eligible for Paid Family Leave (PFL) benefits, which are provided if you need time off to care for a seriously ill child, spouse, parent or

domestic partner, or to bond with a new child. EDD offers these programs as a safety net to self-employed individuals doing business in California.

For more information, please contact us at 1-888-745-3886 or visit our Web site:

- Frequently asked questions about DIEC: www.edd.ca.gov/direp/difaq9.htm
- To download a DIEC application: www.edd.ca.gov/taxrep/de1378di.pdf
- For information on PFL: www.edd.ca.gov/direp/pflind.asp

Need help filling out EDD forms? Check out our updated forms guide —

To better assist you in completing your EDD forms, we have revised and expanded our *Sample Forms Guide* (DE 45).



This publication includes more than 30 of the most frequently used forms for payroll taxes, unemployment insurance,

disability insurance and labor market information.

The guide outlines the following information for each form:

- The purpose of the form and how to obtain it.
- When the form is due (if applicable).
- A sample of the completed form.

- Tips for completing the form.
- Common errors to avoid when completing the form.
- Answers to the most frequently asked questions about the form.

To order your copy, please visit our Web site at www.edd.ca.gov/taxrep/de45.pdf or call us at 1-888-745-3886.

New feature added to electronic payment method on the Internet

Good news – the Electronic Funds Transfer (EFT) Internet payment system has a handy new feature.

If you are an Automated Clearing House (ACH) debit filer, you can now view your payment history online at www.payments-govonesolutions.com/caedd.



This new feature makes the EFT program an even more efficient method of making and tracking your payroll tax deposits (DE 88). Just enter your EDD employer account number and EFT

security code, and then select the “Payment Inquiry” button.

You may view all of your debit EFT payments made by any electronic method (telephone, software, or Internet). Once a payment has been posted, it may be viewed for up to 600 days. You should find this feature especially helpful at year-end for the Annual Reconciliation (DE 7) process.

For more information on our payment Web site or using the EFT program, please call us at (916) 654-9130.

Are you aware of UI rate manipulation? —————

In an attempt to circumvent the experience rating system that determines Unemployment Insurance (UI) tax rates, some employers deliberately try to manipulate their rates by using schemes such as creating new business entities or transferring payroll between these entities.

This practice, known as UI rate manipulation or state unemployment tax avoidance, is considered to be in violation of the California Unemployment Insurance Code (CUIC). UI rate manipulation also causes you and other employers to pay more than your fair share for UI and creates an uneven playing field for businesses. The EDD actively pursues the identification and review of businesses

suspected of UI rate manipulation, and will assess fraud penalties in cases that involve intentional rate manipulation. We are currently conducting outreach efforts to advise employers and tax advisors that the practice of UI rate manipulation is in violation of the CUIC.



If you are aware of anyone who is practicing or advocating rate manipulation schemes, please contact EDD’s Taxpayer Assistance Center at 1-888-745-3886. The information you provide will assist us in contacting employers or tax advisors to determine if they are practicing rate manipulation.

Have you been to a Small Business Fair yet? —————

You are invited to attend one of our upcoming Small Business Fairs. The fairs are held in locations throughout California and offer helpful workshops on federal, state, and local tax and business requirements.



For further details or to check on upcoming fairs, visit the State Board of Equalization’s Web site at www.boe.ca.gov/sutax/tpsched.htm. These events are free, but reservations are recommended if you plan to attend a workshop.

- **San Diego**
Point Loma Nazarene University
March 12, 8:30 a.m. – 4 p.m.
Call: (760) 744-6284
E-mail: sdtaxday@boe.ca.gov

- **Visalia**
Lamp Litter Inn
May 13, 8 a.m. – 1:30 p.m.
Call: (559) 248-4200
E-mail: centralcaltaxday@boe.ca.gov
- **Los Angeles**
West Los Angeles College
May 14, 9 a.m. – 2 p.m.
Call: (310) 342-1080
E-mail: lataxday@boe.ca.gov
- **Redding**
Red Lion Hotel
May 20, 8 a.m. – 1 p.m.
Call: (530) 224-4886
E-mail: norcaltaxday@boe.ca.gov
- **San Francisco**
Hiram Johnson State Building
May 21, 8:30 a.m. – 2:30 p.m.
Call: (415) 356-6113
E-mail: basmbus@boe.ca.gov

Correction for the Employer’s Guide

In the 2004 *California Employer’s Guide* (DE 44), the information on page 9 regarding the maximum Unemployment Insurance (UI) tax per employee and the highest UI rate is incorrect.

The correct maximum UI tax per employee for 2004 is \$434, and the highest UI tax rate is 6.2 percent.

Please note these changes in your guide, and use the tax rates stated in your *Notice of Contribution Rates and Statement of Unemployment Insurance Reserve Account for Calendar Year 2004* (DE 2088). We apologize for the inconvenience.

PAYROLL TAX INFORMATION

- General Tax Information, 1-888-745-3886
Address Changes, or
Payroll Tax Forms
- Forms Requests (916) 322-2835
(25+ copies) Fax: (916) 928-5910
- Employer Account # (916) 654-7041
Registration Info. Fax: (916) 654-9211
- Electronic Funds (916) 654-9130
Transfer Fax: (916) 654-7441
- EDD’s Web site: www.edd.ca.gov

CALIFORNIA EMPLOYER



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