

**SOLE SHAREHOLDER/CORPORATE OFFICER EXCLUSION STATEMENT  
(Section 637.1, California Unemployment Insurance Code)**

Please print or type. Prepare an original and one copy. Mail or Fax immediately upon completion to the address shown on the back of this form. **Do not wait to file with the Quarterly Wage and Withholding Report (DE 6) as it is effective in the calendar quarter filed.** Retain the copy with your payroll records.

Employer Account No. \_\_\_\_\_

Federal Employer Identification No. (FEIN) \_\_\_\_\_

Corporation Name \_\_\_\_\_

Doing Business As \_\_\_\_\_

Corporation Mailing Address \_\_\_\_\_  
Street City State ZIP Code

Contact Person's Telephone ( ) \_\_\_\_\_ Fax Number ( ) \_\_\_\_\_

Sole Shareholder Name \_\_\_\_\_ SSA # \_\_\_\_\_

Sole Shareholder's Spouse Name ( ) \_\_\_\_\_ SSA # \_\_\_\_\_

**Eligibility Requirements**

In a private corporation, any person who is a corporate officer and sole shareholder, or the only shareholder other than his or her spouse, may file a statement electing to be excluded only from state disability insurance coverage for contributions and benefits\*.

I hereby declare that I am a corporate officer of the above-named corporation organized for profit, and I am

**CHECK ONLY ONE**       the sole shareholder or  
 the only shareholder other than my spouse.

**Election Statement**

I hereby elect to be excluded from any rights to state disability insurance benefits based on wages paid to me by this corporation.  
 Spouse (if electing)

**IMPORTANT - PLEASE NOTE CAREFULLY**

The corporation must report your wages and pay contributions for unemployment insurance unless your corporation is not subject to the Federal Unemployment Tax Act (FUTA). Only certain types of nonprofit and agricultural corporations are not subject to FUTA.

I understand this statement is effective in the calendar quarter filed and remains in effect for not less than two complete calendar years and in all subsequent calendar quarters until withdrawn. Any changes in the ownership of the stock or status of the corporate officer may terminate this exemption. I also understand that this exclusion applies only to State Disability Insurance taxes administered by the State of California and has no effect on the administration of Federal Unemployment Insurance taxes.

Sole Shareholder's Signature \_\_\_\_\_ Date \_\_\_\_\_

Sole Shareholder's Spouse Signature \_\_\_\_\_ Date \_\_\_\_\_

<b>FOR DEPARTMENT USE ONLY</b>	
EFF. DATE _____	LTR. SENT _____
EXAMINER _____	DATE _____

**SEE REPORTING INSTRUCTIONS ON REVERSE SIDE**

\* Includes Paid Family Leave (PFL) contributions beginning January 1, 2004, and PFL benefits beginning July 1, 2004.

## REPORTING INSTRUCTIONS

The sole shareholder wages must be reported on a separate Quarterly Wage and Withholding Report (DE 6). Write "Sole Shareholder" across the top of the DE 6.

Report all other employees on a separate DE 6.

File a single Annual Reconciliation Statement (DE 7) and include all of the corporation's employees, including the sole shareholder.

## GENERAL INFORMATION

If the corporation does not have an Employer Account Number, attach a completed DE 1 or DE 1AG Registration Form with your election.

**Do not delay in filing this form.** It is important to file the form during the calendar quarter in which you want the exemption to take effect. The exemption becomes effective the first day of the calendar quarter in which it is filed. A delay in filing this form may cause your exemption to take effect in the next calendar quarter. Do not file this form with your DE 6 or any other Department form.

The exemption may be terminated after two complete calendar years have passed. The corporate officer/sole shareholder must submit a written withdrawal to the Department for termination.

The exemption may be terminated at any time by a change in stock ownership or status of the corporate officer as described in Section 637.1, California Unemployment Insurance Code.

If you have any questions concerning the exemption or reporting requirements, please contact the Department at the address below.

### State of California

**EMPLOYMENT DEVELOPMENT DEPARTMENT  
TAXPAYER ASSISTANCE CENTER, ATTN: SPECIALIZED COVERAGE DESK  
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Rancho Cordova, CA 95741-2068  
Phone: (916) 654-6288  
Fax: (916) 464-2904**