



Taxpayer Assistance Center 1-888-745-3886

CALIFORNIA EMPLOYER

First Quarter, 2008

Protect Yourself and Employees From Fraud

A key way to protect yourself and your employees from fraud is by properly disposing of your old payroll records.

California law requires you to properly destroy (i.e., shred, erase, etc.) the personal information on all records under your control. Your employees may sue for civil damages if you fail to protect their confidential information.

The Employment Development Department (EDD) encourages you to take all necessary steps to protect your employees' social security numbers (SSNs) and other identifying information. Here are additional steps to protect sensitive information:

- Limit access to records which contain sensitive personal information to those who need to use them in the performance of their duties.
- Do not print an individual's SSN on documents that are mailed to the individual, unless state or federal law requires the SSN to be entered on the document.
- When sending applications, forms, or other documents required by law to carry SSNs through the mail, place the SSN where it will not be seen through the envelope window. **Never** write a SSN on the outside of an envelope. Where possible, leave the SSN field on forms blank and ask the individual to fill it in before returning the form or application.
- Store paper records containing sensitive personal information in locked cabinets.
- Reduce the collection of SSNs. Do not collect them if you do not need them – then you will not have to protect them.
- The publication "Recommended Practices on Protecting the Confidentiality of Social Security Numbers" is available from the California Office of Privacy Protection at:

www.oispp.ca.gov/consumer_privacy/pdf/ssnrecommendations.pdf

For more information on California privacy legislation and protecting yourself and your employees from identity theft, visit the Office of Privacy Protections' Web site, www.privacyprotection.ca.gov

Convenience at Your Fingertips

To file and pay, log on to

<https://eddservices.edd.ca.gov>



File

Quarterly Wage and Withholding Report (DE 6), Internet File
Quarterly Wage and Withholding Report (DE 6), Internet Data
Report of Independent Contractor(s) (DE 542)
Report of New Employee(s) (DE 34)

Pay

Payroll Tax Deposit (DE 88), Electronic Payments
Payroll Tax Deposit (DE 88), Credit Card Payments

Change

Change of Address (DE 24)

Register

Open an employer account with EDD, Registration Form (DE 1)
Inactivate your employer account

Seminars Offer Valuable Tax Help

We offer no cost seminars to help you understand and comply with California payroll tax laws. Our seminars are customized to benefit new employers, established businesses, bookkeepers, and payroll agents.

Some seminar dates and locations are shown below. To view a complete list or to register for a seminar, visit our Web site at www.edd.ca.gov/taxsem or call our Taxpayer Assistance Center at 1-888-745-3886.

State Basic Payroll Tax Seminars cover how and when to report state payroll taxes and how to distinguish between employees and independent contractors.

- Capitola 3-14-08

Avoiding State Payroll Reporting Errors Tax Seminars discuss common payroll tax errors and how to avoid them.

- Westminster 3-13-08

Employee or Independent Contractor Tax Seminars include the factors that determine whether a worker is an employee or an independent contractor plus the basics of statutory employment.

- Irvine 4-02-08
- Mather 3-26-08
- Mission Viejo 5-15-08
- Rancho Santiago 3-27-08
- Sacramento 3-05-08
- Sacramento 4-22-08
- Sacramento 5-13-08
- Victorville 6-24-08

State Payroll Tax Workshops provide information on how to calculate taxes and complete payroll tax forms.

- Sacramento 4-03-08
- Sacramento 5-29-08
- Sacramento 6-18-08

How to Prevent Reporting Errors

Checklist for completing the *Quarterly Wage and Withholding Report* (DE 6)

The following checklist can help prevent reporting errors on your *Quarterly Wage and Withholding Report* (DE 6):

Are the following correct?

- Your EDD employer account number and business name.
- The year and quarter you are reporting. (Example: 08/1 for the quarter ending March 31, 2008.)
- The social security numbers and names of your employees.

Is the form completed correctly?

- Type and use font size 12 in upper case letters.
- If using a pen, print neatly.
- Use black ink only.
- Include dollars and cents.
- Do not use dashes or slashes.

Are you using an alternate form?

- Do not submit your DE 6 in spreadsheet form.
- An alternate form DE 6 must first be approved.
- Please call our Alternate Forms Coordinator at (916) 255-0649 for additional information.



Are the monetary amounts correct?

- Verify that your employees' wages and withholding amounts are correct.
- Verify that the page totals and the grand totals are correct.

If no payroll for the quarter.

- Complete the DE 6 by entering zeroes in each box in Item A. Enter a check mark or "X" in Box C, "No Payroll." Sign, date, and provide your telephone number on the form and return to EDD.

Are you still filing a paper DE 6?

-  -Services are available online to file your DE 6 and other payroll tax reports and make tax payments. This is an excellent way to eliminate many potential errors. Visit our Web site at www.edd.ca.gov, click on  -Services (Online Services)" under "Top Links" for more information.

Do you have any questions?

- Call us at 1-888-745-3886.

SDI Changes for 2008

Effective January 1, 2008, the State Disability Insurance (SDI) contribution rate is 0.8% (.008) and the SDI taxable wage limit is \$86,698. The SDI taxable wage limit is the maximum amount of wages per employee each year subject to the SDI contribution.

The maximum yearly contribution amount per employee is \$693.58.

For 2008, the maximum weekly benefit amount is \$917 per week. Claimants qualify for the maximum amount, provided they are otherwise eligible, and they have earned at least \$21,650.92 or more in at least one quarter of the base period used to calculate their claim award.

Workers covered by SDI are covered by

the Disability Insurance (DI) program and the Paid Family Leave (PFL) program. The new maximum benefit amount is applicable to DI and PFL benefit claims as prescribed in the California Unemployment Insurance Code.

For more information on SDI and PFL qualifications and to download posters, brochures, and the SDI weekly benefit amount chart, visit our Web site, www.edd.ca.gov/fleclaimdi.htm or call DI at 1-800-480-3287 and PFL at 1-877-238-4373.

Deaf, speech impaired, and hard of hearing callers should contact SDI at 1-800-563-2441 (TTY) or PFL at 1-800-445-1312 (TTY). These numbers do not accept voice calls.

Use DE 4 Calculator for California Withholding

When do employees need to complete an *Employee's Withholding Allowance Certificate* (DE 4)? The DE 4 should be used when their California personal income tax (PIT) withholding is different than their federal individual income tax withholding.

If employees claim a different marital status and/or a different number of allowances on their California personal income taxes than on federal income taxes (such as head of household), they should calculate the state withholding amount on the DE 4.

The DE 4 is also used when an employee has a large itemized deduction(s) for Cali-

fornia personal income tax that might reduce their state withholding amount.

Our online DE 4 calculator is available to assist your employees with calculating the number of allowances they should claim so they have the correct amount of PIT tax withheld.

The DE 4 form is available online at www.edd.ca.gov/taxrep/de4.pdf. The DE 4 calculator is online at www.taxes.ca.gov/de4.xls.

New Law in 2008 Requires Federal Earned Income Tax Credit Notification

As of January 1, 2008 California employers are required to notify their employees about the availability of the federal Earned Income Tax Credit (EITC).

Written notification must be provided to employees in person or by mail. Notification must be provided within one week before or after, or at the same time, that you provide an annual wage summary, including, a Form W-2 or a Form 1099.

For additional information on this requirement visit EDD's Web site at www.edd.ca.gov/eddeitc.htm. For additional information about EITC go to www.irs.gov

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EDD is a recipient of federal and state funds. It is an equal opportunity employer/program and is in compliance with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. To request alternate formats, call (916) 654-9029.

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