

Reporting Wage Plan Codes on Quarterly Wage Reports and Adjustments

Wage plan codes are letter indicators used by Employment Development Department (EDD) automated data systems to determine whether the Total Subject Wages reported for an employee can be used for Unemployment Insurance (UI) and Disability Insurance (DI) benefit claims, including Paid Family Leave (PFL).

Employers are required to include a wage plan code along with the Social Security number (SSN), last name, first name, middle initial, total subject wages, Personal Income Tax (PIT) wages, and PIT withholdings for each employee when submitting one of the following EDD forms electronically:

- *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C).
- *Employer of Household Worker(s) Quarterly Report of Wages and Withholdings* (DE 3BHW).
- *Quarterly Wage and Withholding Report* (DE 6) (2010 4th quarter and prior).

How to Determine the Wage Plan Codes for Your Account

The valid wage plan codes for each employment payroll tax account are correlated to the UI, DI, and PIT reporting on the account. Use the **Employer Account and Wage Plan Code Correlation Table** on page 3 to determine which wage plan codes are valid and should be used for the employees on your account. The **Plan Code Descriptions Table** on page 4 includes a description of each of the individual plan codes.

Review the wage plan codes carefully since, in some cases, reporting the incorrect wage plan code may cause employee benefits to be delayed or denied.

Wage Plan Codes on Wage Reports Submitted Through e-Services for Business

The valid wage plan codes for each employment payroll tax account are available when you complete a wage report directly on your account through e-Services for Business. If multiple wage plan codes are valid for the account, the wage plan code field will include a drop down box to allow you to select the appropriate plan code for the employee.

Paper Wage Reports

Employers do not report wage plan codes when filing a paper DE 9C, DE 3BHW, or DE 6. The EDD determines the correct wage plan code for the employees based on:

- The subject funds for the account.
- Whether the wage report is marked as Sole Shareholder/Religious/Third-Party Sick Pay.
- Whether Box B of the wage report is marked (for Voluntary Plan for Disability Insurance employers).

Correcting Wage Plan Codes

It may not be necessary to submit a [Quarterly Contribution and Wage Adjustment Form \(DE 9ADJ\) \(PDF\)](http://edd.ca.gov/pdf_pub_ctr/de9adj.pdf) (edd.ca.gov/pdf_pub_ctr/de9adj.pdf) or a [Voluntary Plan for Disability Insurance Quarterly Adjustment Form \(DE 938\) \(PDF\)](http://edd.ca.gov/pdf_pub_ctr/de938.pdf) (edd.ca.gov/pdf_pub_ctr/de938.pdf) if a wage plan code was reported incorrectly on a previously filed wage report.

Please refer to the **Employer Account and Wage Plan Code Correlation Table** on page 3 for scenarios that require a wage plan code correction.

In general, the following rules apply regarding wage plan codes:

- **If there is only one valid wage plan code for the account**, we will change any invalid wage plan code to the correct plan code for the account. You do not need to submit an adjustment form to correct wage plan codes on previously filed wage reports. However, ensure that the wage plan code is reported correctly on future wage reports to prevent any delays in the processing of your wage report information.
- **If there are multiple valid wage plan codes for the account and you reported an incorrect wage plan code**, complete an adjustment request as follows:

On a Paper DE 9ADJ or DE 938:

- **Sections I and II:** Complete all fields and include a detailed reason in the **Reason for Adjustment**.

- **Section III:** Complete fields only if a correction is also needed to the tax return.
- **Section IV:** Complete Items A1-A3 to report the correct grand totals for the quarter. **If the wage plan codes need to be corrected for all employees** to the same wage plan code, complete Item B. Provide the number of employees with the incorrect plan codes, the wage plan code previously reported for the employees, and the wage plan code that should have been reported for all of the employees. **If correcting the wage plan codes for one or more individual employees**, complete Item C for each affected employee. Enter the information that should have been reported for the employee in fields C1-C6 and enter the previously reported wage plan code in field C9.
- **Section V:** Complete all fields. A signature is required for all adjustments.

Refer to the [Instructions for Completing the Quarterly Contribution and Wage Adjustment Form \(DE 9ADJ\) \(DE 9ADJ-I\) \(PDF\)](#) (edd.ca.gov/pdf_pub_ctr/de9adji.pdf) or the [Instructions for Completing the Voluntary Plan for Disability Insurance Quarterly Adjustment Form \(DE 938\) \(DE 938-I\) \(PDF\)](#) (edd.ca.gov/pdf_pub_ctr/de938i.pdf) for detailed instructions on how to complete the paper adjustment forms.

Through e-Services for Business:

- Access the wage report online.
- Select **Adjust Return**.
 - Step 1:** Select **Yes** on “Do you have payroll to report?” then select **Next**.
 - Step 2:** To import a csv file with the wage lines that need to be corrected: select **Yes** and **Import a Wage file**. Refer to **CSV Instructions** for formatting instructions. Select **Next** when file has successfully loaded.
 - Step 3:** To enter wage lines manually, select **No** to the question “Do you want to import a file?” then select **Next**. If wage lines are displayed, select **Clear All Fields** to clear all prior wage information reported and enter only the employee wage lines that need to be corrected. Be sure to select the correct wage plan code for each employee. **Do not report any adjustments other than wage plan code corrections on the request**. When all wage line information has been completed, select **Next**.
 - Step 4:** Enter the **Amended Wage Totals** for all employees for the quarter and select **Next**.
 - Step 5:** Enter a detailed note in the **Reason for Adjustment** field, indicating that the wage plan codes on the reported wage lines need to be corrected from the *original wage plan code* to the *corrected wage plan code*.
 - Step 6:** Complete the information requested in the **Declaration**. Select **Submit** when all information has been provided.
- Repeat the steps for each wage report that needs to be corrected.

Employer Account and Wage Plan Code Correlation Table

Use the table below to determine which wage plan codes are valid for the account.

The **Plan Code Descriptions Table** on page 4 includes a description of each of the individual plan codes.

Type		Employment Account is Subject to the Following:			Valid Wage Plan Codes for Account	When Plan Code Corrections Are Needed (Scenarios)
		Unemployment Insurance (UI)	Disability Insurance (DI)	Personal Income Tax (PIT)		
Most Employers	Accounts Subject to UI and SDI	Tax-Rated or Reimbursable	State Disability Insurance (SDI)	Subject, Not Subject, or PIT Optional	Use: <ul style="list-style-type: none"> • R for employees with a valid SDI exclusion • S for employees subject to UI and SDI • S for employees only subject to PIT 	Submit a DE 9ADJ to correct the wage plan codes only if: <ul style="list-style-type: none"> • You reported R and it should be S. • You reported S and it should be R. • You reported A, J, L, P, or U and it should be R.
Other Employer Types	Accounts Covered Under a Voluntary Plan for Disability Insurance (VPDI) <i>(VPDI employers can have employees covered under VPDI and some covered under SDI)</i>	Tax-Rated or Reimbursable	VPDI and SDI	Subject, Not Subject, or PIT Optional	Use: <ul style="list-style-type: none"> • R for employees with a valid DI exclusion • S for employees covered under UI and SDI • S for employees only subject to PIT • U for employees covered by UI and VPDI 	Submit a DE 938 to correct the wage plan codes only if: <ul style="list-style-type: none"> • You reported U or R and it should be S. • You reported R or S and it should be U. • You reported A, J, L, or P and it should be R.
		Not Subject	VPDI	Subject or Not Subject	Use L for all employees	Do not file corrections to wage plan codes for prior quarters. Be sure to report correct wage plan code on future quarters.
	Accounts Not Subject to UI <i>(Applies to domestic employers who have reported \$750 to \$999 and some public entities)</i>	Not Subject	SDI	Subject, Not Subject, or PIT Optional	Use J for all employees	Do not file corrections to wage plan codes for prior quarters. Be sure to report correct wage plan code on future quarters.
	Accounts Not Subject to DI <i>(Applies to some public entities)</i>	Tax-Rated or Reimbursable	Not Subject	Subject, Not Subject, or PIT Optional	Use A for all employees	Do not file corrections to wage plan codes for prior quarters. Be sure to report correct wage plan code on future quarters.
Accounts Only Subject to PIT	Not Subject	Not Subject	Subject, or PIT Optional	Use P for all wage lines	Do not file corrections to wage plan codes for prior quarters. Be sure to report correct wage plan code on future quarters.	

Plan Code Descriptions Table

The table below includes the description of the individual wage plan codes. Keep in mind that the wage plan code is correlated to the subject funds on the employer's EDD account. Refer to the **Employer Account and Wage Plan Code Correlation Table** on page 3 to determine if the wage plan code is valid for the account.

Wage Plan Code	Description of Employee Benefit Coverage and Use of Wage Plan Code
A	<p>The employee's total subject wages can only be used for UI benefit purposes.</p> <p>Used on accounts not covered by SDI or VPDI.</p>
J	<p>The employee's total subject wages can only be used for SDI benefit purposes.</p> <p>Used on accounts not covered by a State Tax-Rated or Reimbursable UI plan.</p>
L	<p>The employee's total subject wages can only be used for VPDI benefit purposes.</p> <p>Used on VPDI accounts not covered by a State Tax-Rated or Reimbursable UI plan.</p>
P	<p>The employee wages and/or withholdings are reported under an account that is only subject for PIT withholding purposes.</p>
R	<p>The employee's total subject wages can only be used for UI benefit purposes.</p> <p>This plan code is only valid for employees with one of the following DI exclusions when reported on an account subject to UI and SDI or VPDI:</p> <ul style="list-style-type: none"> • Sole Stockholders who have filed a Sole Shareholder/Corporate Officer Exclusion Statement (DE 459) (PDF) (edd.ca.gov/pdf_pub_ctr/de459.pdf) and have been approved for a DI exclusion under section 637.1 of the California Unemployment Insurance Code (CUIC) (leginfo.legislature.ca.gov/faces/codes.xhtml). • Third Party Sick Pay recipients who claim an exclusion under section 931.5 of the CUIC. • Religious Employees who have a Religious DI exclusion under section 2902 of the CUIC.
S	<p>The employee's total subject wages can be used for SDI and UI benefit purposes.</p> <p>Note: S can also be used for employees who are only subject to PIT and are being reported under an account that is subject to UI and SDI.</p>
U	<p>The employee's total subject wages can be used for VPDI or UI benefit purposes.</p> <p>Used on VPDI accounts covered by a State Tax-Rated or Reimbursable UI plan.</p>

Additional Information

Please refer to the [Electronic Filing Guide for the Quarterly Wage and Withholding Program \(DE 8300\) \(PDF\)](#) (edd.ca.gov/pdf_pub_ctr/de8300.pdf) for additional information regarding the reporting of employee wage information on electronic wage reports.

If you need help determining the correct wage plan code for your employees, please contact the Taxpayer Assistance Center at 1-888-745-3886 or call the Tax and Wage Correction Group at 1-916-654-9018.

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, and/or alternate formats need to be made by calling 1-888-745-3886 (voice) or TTY 1-800-547-9565.

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