



CALIFORNIA EMPLOYER

Important Information: Bank Change for EFT filers

Effective July 1, 2009, EDD's depository bank for the Electronics Funds Transfer (EFT) program will change to Citibank with a new data collector, Metavante Corporation. The change will impact both Automated Clearing House (ACH) credit and debit filers for Payroll Tax Deposit (DE 88) as stated below.

ACH CREDIT FILERS

ACH credit payments with a settlement date of July 2, 2009 or later must contain EDD's new bank account number and routing transit number. This information was provided in DE 28C, Special Notice, dated May 26, 2009 that was recently sent to existing ACH credit filers.

If you are new to the EDD's EFT program, the bank account information will be sent to you in our registration confirmation letter and information package.

To avoid a returned payment transaction

and possible late penalty and interest, please check with your bank and provide EDD's new bank account information allowing sufficient notice to ensure timely settlement of your ACH credit payments during the conversion period.

ACH DEBIT FILERS

Although the overall process for making ACH debit payments remains the same, please make a note of the following:

- There will be a new look to the Web site. If you pay by telephone, the number, 800-554-7500, will not change.
- In addition to a security code, a new password will be required to access the Web site. Registered EFT filers will have an opportunity to change their existing security code after the transition is completed.
- Warehousing your ACH debit payment with a settlement date after July 1,

2009, will not be allowed. Once the transition to Citibank is made, you may warehouse your payments as usual.

- The verification code will be eliminated.

For your convenience, a new electronic payment option, "Just Pay It," will be available. This option does not require EFT registration and it's free! To learn more about "Just Pay It," see the article: "All Employers Can Pay Electronically" on Page 2.

Fedwire payments are also impacted by the bank change. Contact the EFT Unit at (916) 654-9130 before initiating the Fedwire request to ensure that the banking information is correct.

If you have any questions, visit <https://eddservices.edd.ca.gov> or contact the EFT Unit at (916) 654-9130.

Tips for completing Quarterly Wage & Withholding Report

Completing the *Quarterly Wage and Withholding Report* (DE 6) correctly can save time and money for both you and the Employment Development Department (EDD). As the employer, you are ultimately responsible for the accuracy of the DE 6, even if you have a payroll service, bookkeeper, or accountant prepare it. The following guidelines can help prevent reporting errors and erroneous benefit claims:

✓ Verify that the following is correct:

- Your Employer Account Number and business name.
- The year and quarter you are reporting.
- The Social Security numbers and names of your employees.
- Your employees' wages and withholding amounts.
- Page totals and grand totals.
- The number of part-time and full-time employees in box A.

✓ When preparing the DE 6:

- Use only black ink.
- If using a pen, print neatly.
- If typing, use font size 12 in upper case letters.

- Include dollars and cents; do not use dashes or slashes.

✓ If you have no payroll for the quarter:

- Enter zeroes in each box in Item A. Check Box C, "No Payroll." Sign and date the form and send to EDD.

✓ Do not submit your DE 6 in spread sheet form:

- An alternate form DE 6, prepared by you or your payroll preparer, must first be approved by EDD's Alternate Forms Coordinator. For additional information, please call (916) 255-0649

✓ Do file your DE 6 Electronically:

Filing the DE 6 electronically is an excellent way to prepare and submit your DE 6, eliminating many of the previously mentioned errors.

For more information, visit our Web site, www.edd.ca.gov, select the "Payroll Tax" tab, then select e-Services in the Quick Links section.

If you have questions about completing the *Quarterly Wage and Withholding Report*, please call our Taxpayer Assistance Center at **1-888-745-3886**.

New FSET Approved e-File Providers . . . Just for You!

The Federal/State Employment Taxes (FSET) program allows you to transmit your Quarterly Wage and Withholding Reports, DE 6, and Annual Reconciliation Statement, DE 7, as a file attachment over the Internet using eXtensible Markup Language (XML).

Since you will need special software to file by FSET, we have listed approved software providers on our Web

site at www.edd.ca.gov. Select the Payroll Taxes tab, then select "e-Services" in the "Quick Link" section and select "Internet file transfer DE 6"(FSET). The list will be updated as new vendors are approved.

If you have questions about FSET, or if you are interested in becoming an e-File Provider, please call 1-866-592-1651.

All Employers Can Pay Electronically

Effective July 1, 2009, EDD's depository bank for the EFT program will change to Citibank with a new data collector, Metavante Corporation.

This change introduces an additional electronic method to make your Payroll Tax Deposit (DE 88) using **Citibank's/Metavante's "Just Pay It" program** . . . and it's free!

If you are not registered in EDD's EFT program, make only one payment per year, and/or need to make a payment right away, you may make your payment electronically through Metavante's Web site by transferring money from your bank

to EDD's bank through the "Just Pay It" program.

It's simple as well as free! All you need is an active EDD employer account number and your bank routing and account numbers. Payments made before 3:00 p.m. Pacific Time will settle on the next banking day. If you do not have an EDD employer account number, visit EDD's e-Services for Business web page to open an account online, or call (888) 745-3886.

To learn how to use "Just Pay It", go to <https://eddservices.edd.ca.gov> or call us at (916) 654-9130.

Seminars Offer Valuable Tax Help

We offer seminars on various tax-related topics to help you understand and comply with California payroll tax laws. Some seminars are presented in partnership with federal or state agencies to provide information on related federal tax and labor law topics. Our courses are customized to benefit new employers, established businesses, bookkeepers, and payroll agents. Seminars are conducted at various locations throughout the state with no charge to participants.

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

State Labor Law and Payroll Tax Seminars are co-presented by the Employment Development Department and the Department of Industrial Relations. Topics include employer reporting and payment requirements, common wage and hour law application, and basics of how to distinguish between employees and independent contractors.

Fresno	7-28-09
Modesto	8-13-09
Redwood City	6-29-09
Sacramento	9-3-09
Sunnyvale	8-5-09

How to Manage Unemployment Insurance Costs Seminars cover how Unemployment Insurance (UI) rates are calculated, how to reply to UI notices, and what you can do as an employer to minimize your UI costs.

Mountain View	7-21-09
San Francisco	8-26-09
San Rafael	6-30-09

State Payroll Tax Workshops provide hands-on training in calculating taxes and completing payroll tax forms.

Atwater	7-23-09
Fresno	9-30-09
Oakland	9-9-09
Redwood City	9-23-09
Sacramento	6-26-09
Sacramento (Mather)	7-22-09
San Rafael	9-23-09
Woodland	9-9-09

Federal/State Basic Payroll Tax Seminars cover federal and state payroll reporting requirements, including forms, payment requirements, electronic filing and independent contractor reporting.

Concord	7-22-09
Fremont	7-14-09
Fresno	9-9-09
Moreno Valley	6-25-09
Sacramento	6-24-09
Sacramento (Mather)	7-29-09
San Bernardino	6-30-09
San Francisco	7-15-09
San Francisco	8-19-09
San Marcos	6-25-09
San Rafael	7-29-09
Stockton	7-8-09

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.

Fremont	8-11-09
Fresno	8-19-09
Sacramento	7-1-09
Sacramento	9-11-09
San Francisco	6-24-09
San Rafael	8-13-09
Stockton	7-9-09
Victorville	6-23-09

Federal Law Makes COBRA Coverage More Affordable

Certain unemployed workers will find health insurance more affordable following the enactment of new federal legislation, the American Recovery and Reinvestment Act of 2009.

The law changes the Consolidated Omnibus Budget Reconciliation Act (COBRA) to allow certain unemployed persons to pay only 35% of the cost of the insurance.

COBRA has long allowed workers to continue health coverage through their former employer's health plan but until now the former employees were required to pay the full cost of the insurance. Employers will now pay 65% of the cost but the money will be returned to them in the form of a federal tax credit. The new COBRA subsidy provisions also apply to insurers required to offer continuation coverage under state law (Cal-COBRA) similar to the federal COBRA.

All aspects of COBRA are handled by federal authorities. For more information go to the U.S. Department of Labor Web site at <http://www.dol.gov/ebsa/cobra.html> and the Internal Revenue Service at <http://www.irs.gov/newsroom/article/0,,id=204505,00.html> The following link is for employers with fewer than 20 employees: <http://www.cms.hhs.gov/COBRAContinuationofCov/>

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