The Employment Development Department (EDD) is committed to maintaining the integrity of the Unemployment Insurance (UI) program, which includes ensuring that UI benefits are properly paid and employers’ accounts are properly charged. The EDD’s partnership with the employer community is essential to preventing improper benefit payments and thereby reducing UI costs.

Employers who receive the Benefit Audit Form (DE 1296B), Notice of Unemployment Insurance Claim Filed (DE 1101C/Z) or Notice of Wages Used for Unemployment Insurance Claim (DE 1545) will promptly need to complete and return the forms with accurate information so that the EDD can identify and prevent erroneous claims as quickly as possible. These notices are the primary method by which employers can provide eligibility information to better manage their reserve accounts and assist the EDD in making proper eligibility decisions.

In addition, employers are required by law to report new or rehired employees, who work in California, to the New Employee Registry (NER) within twenty (20) days of their hiring date by completing the Report of New Employee(s) (DE 34).

Not only is this information used by the state and county agencies to assist in locating parents who are delinquent in their child support obligations, it helps the EDD detect fraud by identifying employees who may be inappropriately or fraudulently collecting UI benefits while continuing to work.

The EDD conducts a daily audit in which the NER data is compared with UI claims. This is not an audit of employer records, but a process designed to determine if an employee continued to file for UI benefits after returning to work. This audit process is critical in helping to protect the employer’s UI reserve account from being charged incorrectly and subsequently being subject to higher tax rates based on that incorrect information.

The EDD will issue an administrative decision to the employee if the employee has been overpaid UI benefits due to fraudulent or non-fraudulent misrepresentation, withholding of a material fact, erroneous statement, or through an EDD error.

The decision includes the audit results and establishes an overpayment. The overpayment liability includes the amount the individual was overpaid, and may include a 30 percent penalty, if the overpayment was fraudulent.

The EDD’s Benefit Overpayment Collection Section (BOCS) collects on these overpayments through voluntary repayment agreements and through involuntary earnings withholding orders, as well as offsets from UI benefits, the Franchise Tax Board and the State Lottery. The amount collected is deposited back into the UI Fund which may be credited to the employer’s UI reserve account.

Your timely and accurate responses on the forms help prevent UI fraud which, in turn, helps to prevent improper payment of benefits.

For more information, visit the EDD website at: http://edd.ca.gov/Unemployment/Benefit_Audit.htm

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**Have You Tried e-Services for Business?**

It is a great time to start using the Employment Development Department’s e-Services for Business. It’s faster and easier than ever!

Recent enhancements have created a faster system that can be used on multiple operating systems and platforms, including tablets and smart phones. Microsoft Silverlight is no longer required to access the program.

Over 115,000 employers are currently enrolled in e-Services for Business and the number is growing daily. It’s a fast, easy and secure way to manage your payroll tax account online. Simply go to [https://eddservices.edd.ca.gov](https://eddservices.edd.ca.gov) select the e-Services for Business Login option and follow the prompts.

Some of the most popular online features for employers and their agents include the ability to:
- Pay Payroll Tax Deposit (DE 88) and other payroll tax liabilities.
- File and amend returns and reports.
- View account information, including current balance, payment history, prior returns, payments, and correspondence.
- Request your current payroll tax rate as well as rates for the past three years.
- Update your account profile, including your mailing address.

E-Services for Business users save time and postage with our online system.

Other benefits of e-Services for Business include:
- **Speed:** Avoid potential mail delays and reduce processing time.
- **Accuracy:** Built-in edits help you identify errors and correct them online.
- **Convenience:** Most features are available 24 hours a day, seven days a week.
- **Security:** Our secure site protects your confidential information.
- **Confirmation:** We provide you with a confirmation number to acknowledge receipt of your information.

If you are not using e-Services for Business, why not start today?
Seminars Offer Valuable Payroll 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.

These 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 website at www.edd.ca.gov/Payroll_Tax_Seminars/ or call our Taxpayer Assistance Center at 888-745-3886.

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

Concord 7/17/12
Fresno 6/20/12
Fresno 8/9/12

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.

Fresno 8/29/12
Oakland 6/27/12
Sacramento 8/7/12
San Francisco 7/10/12

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 8/22/12
Oakland 8/8/12
Sacramento 7/18/12
Sacramento 9/12/12
San Francisco 7/12/12
Stockton 7/18/12

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

Fresno 7/18/12
Oakland 6/20/12
Oakland 9/19/12
Sacramento 8/22/12
San Francisco 9/18/12
San Rafael 7/31/12

How to Manage Unemployment Insurance Costs Tax 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.

Oakland 8/22/12
San Francisco 8/1/12

Some seminars are offered in Spanish. For information regarding Spanish seminars, visit our website at www.edd.ca.gov/Payroll_Tax_Seminars/ and select “En Español.”

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