



Second Quarter 2016

## Mandatory E-file and E-pay Phase-In for Employers Begins in 2017

A new state law mandating employers to file and pay electronically is coming into effect soon.

Beginning January 1, 2017, employers with 10 or more employees must electronically submit employment tax returns, wage reports, and payroll tax deposits to the Employment Development Department (EDD). This requirement will apply to all remaining employers

beginning January 1, 2018.

With e-file and e-pay, your information is protected with encryption and your returns and payments post sooner to your employer payroll tax account. You will benefit from reduced paper and mailing costs and will no longer have to worry about lost or misdirected mail.

The EDD's [e-Services for Business](#) can help you meet the mandate at no cost. All

you need is an Internet connection. No special software is required.

For assistance with enrolling, filing, or paying with [e-Services for Business](#), contact the Taxpayer Assistance Center at 888-745-3886, Monday through Friday, 8 a.m. to 5 p.m. (Pacific Time).

Enroll now. It's fast, easy, and secure.

Look for more reminders as the deadline for the requirement draws near.

## Updated e-Services for Business Tutorials Are Easier to Use

The EDD has recently updated the e-Services for Business tutorials.

The changes make it easier and quicker to find the tutorials you need to better manage your employer payroll tax accounts. The updated tutorials are more concise, strategically categorized, and easy to find.

The list of tutorials includes:

### Enroll/Register/Login

- I Want to Enroll for a Username and Password to Use Employer Services Online.
- I Want to Register for a California Employer Payroll Tax Account Number.
- I Want to Register for a California Employer Payroll Tax Account

Number for Employers of Household Workers.

- I Want to Enroll as an Employer in e-Services for Business.
- I Want to Enroll as an Agent and Add Access to Accounts in e-Services for Business.

### Returns/Payments

- I Want to File a *Quarterly Contribution Return and Report of Wages* (DE 9) or *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C).
- I Want to Make a *Payroll Tax Deposit* (DE 88) Payment.
- I Want to Set Up Stored Bank Account Information.
- I Want to Set Up a Shared Payment

Source or Make a Bulk Payment .

- I Want to Adjust a *Quarterly Contribution Return and Report of Wages* (DE 9) or *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C).

### Other

- I Want to File a *Report of Independent Contractor(s)* (DE 542) or *Report of New Employee(s)* (DE 34).
- I Want to Get My UI Rate or Update Account Information.
- I Want to Get Bulk Rates or Attach a Return File.

You can view the tutorials at [e-Services for Business Tutorials](#) 24 hours a day, 7 days a week.

## Statement of Charges to Your UI Reserve Account Is Coming in September

You will receive your annual *Statement of Charges to Reserve Account* (DE 428T) in the mail in September. This statement notifies you of the Unemployment Insurance (UI) benefit charges and credits to your reserve account during the fiscal year July 1, 2015, through June 30, 2016.

The itemized charges to your reserve

account are based on the UI benefits paid to your former employees. These charges may increase your UI contribution rate for the 2017 tax year. Review your DE 428T and respond within 60 days of the statement issued date to protest charges you believe to be incorrect.

If you have address changes and/or agent

updates, you must immediately notify the EDD in order to receive your DE 428T.

For more information, refer to the [Explanation and Instruction Sheet-Statement of Charges to Reserve Account](#) (DE 428C) included with the DE 428T or call the Taxpayer Assistance Center at 888-745-3886.

**Online. Anytime. e-Services for Business.**

# Bank Change Will Affect Electronic Funds Transfer Filers

Effective July 1, 2016, the EDD's depository bank for the Electronic Funds Transfer (EFT) program will change to Union Bank with a new State Data Collector, First Data Government Solutions.

The change will impact both the Automated Clearing House (ACH) credit and the ACH debit filers for *Payroll Tax Deposit* (DE 88) payments.

## ACH Credit Filers

ACH credit payments with a settlement date of July 5, 2016, or later must contain the EDD's new bank account number and routing transit number. This information was already provided in the *Important Notification* (DE 28C) sent to ACH credit filers in May 2016.

To avoid any returned payment transactions and possible late payment penalty and interest, you must provide your bank with the EDD's new bank account information. You will need to give sufficient notice to ensure timely settlement of your ACH credit payments during the conversion period.

**Important:** If you are using a bank

program to make your payments to the EDD, check with your bank to ensure it is using your valid eight-digit EDD employer payroll tax account number to submit your payments and NOT your federal Employer Identification Number.

## ACH Debit Filers

The overall process for making ACH debit payments will remain the same; however, please make a note of the following:

- State Data Collector's website: There will be a new look to the State Data Collector's website. Registered users using the current vendor's system must create a new profile on the new vendor system [www.govone.com/PAYCAL](http://www.govone.com/PAYCAL) with their EDD employer payroll tax account number and current security code on or after July 1, 2016.

**Note:** If you pay by phone, your payment process remains the same. Continue to use 800-554-7500 to make a payment.

- One-Time Payment through First Data: If you are not registered in the

statewide EFT program or need to make an online payment right away, you may submit your electronic payment through First Data's website by using the One-Time Payment option. To submit your payment, visit [www.govone.com/PAYCAL](http://www.govone.com/PAYCAL).

- Warehousing Payments: You will not be allowed to warehouse your ACH debit payment with a settlement date of July 1, 2016, using the current EDD vendor. You may, however, warehouse your payments with Union Bank once the transition is made.
- Fedwire Payments: Fedwire payments are also impacted by the bank change. Contact the e-Pay Unit at 916-654-9130 before initiating a Fedwire request to ensure the banking information is correct.

**Important:** You must have a valid EDD employer payroll tax account number before registering for the ACH debit method. You may register online for an employer payroll tax account number by using [e-Services for Business](#).

For more information on the EFT program, visit [Electronic Funds Transfer \(EFT\)](#) or contact the Taxpayer Assistance Center at 888-745-3886.

## Check Your Records, Send Unclaimed Property to the State Controller's Office

As a business owner in California, it is important to be familiar with California's unclaimed property law.

Whether you are starting a business, relocating, expanding, or closing, it is important to regularly review your books and records to determine if your business holds any property that is considered unclaimed. Such items may be reportable to the State Controller's Office (SCO).

For decades, California's unclaimed property law has required banks, corporations, insurance companies, and other businesses to report and transfer money to the SCO after a period of no activity.

Common types of unclaimed property include:

- Uncashed payroll checks
- Accounts payable checks
- Refunds
- Accounts receivable

- Credit balances
- Bank accounts
- Customer overpayments
- Money orders
- Insurance proceeds

The SCO safeguards lost or forgotten property for as long as it takes to reunite it with the rightful owners. Once the items are turned over to the SCO, there is no deadline for someone to submit a property claim.

The Outreach and Compliance Unit of the SCO's Unclaimed Property Division provides business education and resources.

For assistance, call 916-464-6088, or visit [Reporting Resources](#), or email [UPDHolderOutreach@sco.ca.gov](mailto:UPDHolderOutreach@sco.ca.gov).

In addition, you may search the SCO [online database](#) to see if the state is safeguarding any property belonging to you.

## CALIFORNIA EMPLOYER

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