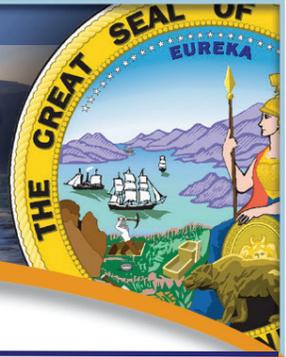




# California Employer

Taxpayer Assistance: 888-745-3886



Third Quarter 2014

## New Employee Report Aids Children

California employers are required to report newly hired employees by completing a *Report of New Employee(s)* (DE 34) to the Employment Development Department (EDD) within 20 days of their start-of-work date. In addition, any employee who is rehired after a separation of at least 60 consecutive days must also be reported within 20 days. Employers can submit the DE 34 online using the EDD's [e-Services for Business](#).

The EDD provides the new hire data to the Department of Child Support Services (DCSS) and to the National Directory of New Hires. The purpose of the program is to help locate parents to collect delinquent child support payments.

The DCSS may use the information to issue Income Withholding Orders (IWO) to attach an employee's wages to collect delinquent child support. For your convenience, the DCSS offers employers electronic options to receive IWOs and to remit payments:

- To receive IWO's electronically, sign up at [Income Withholding Orders](#).
- To remit payments, go to [Make a Payment](#).

Timely filing of the DE 34 reports helps children receive their support payments and may also assist in the early detection and prevention of Unemployment Insurance benefit overpayments.

## Seminar Helps Employers Get Started

Are you a new employer? Do you need help getting started? If so, we have a great seminar just for you.

The Federal/State Basic Payroll Tax Seminar is designed to assist you in complying with California payroll tax laws and is available in multiple locations throughout the state. You will learn:

- California payroll reporting requirements, including forms,

employer obligations, reporting, and payment requirements.

- Independent contractor reporting requirements.
- Electronic filing and payment requirements and options.
- Federal payroll reporting requirements, including Forms 940, 941, 1099, W-2, W-9, and alternative filing.

To register, go to [Tax Seminars](#).

## Independent Contractor Report Aids Child Support

Businesses and government entities that are required to file a federal Form 1099-MISC for services received from an independent contractor may be required to report specific independent contractor information to the EDD.

This information is used to locate parents who are delinquent in their child support obligations.

The independent contractor reporting requirements apply if you meet all of the following conditions:

- You have to file a Form 1099-MISC

for the services performed by the independent contractor.

- You pay the independent contractor \$600 or more, or enter into a contract for \$600 or more.
- The independent contractor is an individual or sole proprietorship.

To report your independent contractor information, you are required to submit the *Report of Independent Contractor(s)* (DE 542).

For more information about this requirement, visit: [Independent Contractor Reporting Requirements](#).

## Amateur Coach Could be Employee Subject to Payroll Tax

Do you pay a coach for a school sports program, travel sports team, or league-sponsored sports event? These workers may be employees and payments for their services may be subject to employment taxes.

The most important factor in determining whether a worker/coach is an employee is the right of the principal to control the manner and means of accomplishing a desired result. The [Information Sheet: Employment](#) (DE 231) lists 11 factors to consider in determining whether a worker is an employee or independent contractor. The determination will depend upon a group of factors in relationship to the services being performed rather than a single controlling factor. For information on other types of workers in the amateur sports industry such as officials, assistant coaches, trainers, directors, administrators, and administrative support, please refer to the following resources:

- [Information Sheet: Amateur Athletic Officials](#) (DE 231AA)
- [Information Sheet: Wages](#) (DE 231A)
- [Information Sheet: Nonprofit and/or Public Entities](#) (DE 231NP)
- [Information Sheet: Types of Employment](#) (DE 231TE)

For further assistance on the employment status of coaches, please contact our Taxpayer Assistance Center at 1-888-745-3886, or visit the nearest Employment Tax Office listed in the [California Employer's Guide](#) (DE 44) and on our website at [Office Locator](#).

## Who Is a Household Employer?

If you pay wages for someone to work in or around your home, you may be considered a household employer. A household employer must report when he/she employs one or more individuals and pays cash wages of \$750 or more in a calendar quarter.

Refer to the table below for a partial list of workers to determine what is or what is not considered a household employee. A household employee may perform services on a part-time or full-time basis.

These are examples of household employees:

- Baby-Sitters
- Butlers
- Caretakers
- Chauffeurs
- Cooks
- Crews of private yachts
- Gardeners
- Home health care workers
- Housekeepers
- Janitors
- Laundry workers
- Maids
- Personal valet
- Pilots of private airplanes for family use
- Waiters/waitresses

These are not household employees:

- Carpenters
- Electricians
- Librarians
- Musicians
- Nurses leased from a nursing registry
- Painters
- Plumbers
- Private secretaries
- Tutors
- Workers leased from an employee leasing service
- Workers provided by independent businesses (for example: a janitorial service, catering service, gardening service, or pool maintenance service)

More information is available at [Household Employers](#).

## Have You Made a Change to Your Business?

A change of status for an employer occurs when you:

- Purchase or sell a business.
- Change business ownership.
- Change your business name.
- Change your mailing address.
- No longer have employees.
- Close your business.

To report your change, go to [e-Services for Business](#) or contact the Taxpayer Assistance Center at 1-888-745-3886 to request a form.

## Penalty Has Increased

Effective the 3rd quarter 2014, penalties for late filing and late deposits increased from 10% to 15%. In addition, penalties charged for not reporting employee wage information increased from \$10 per employee to \$20 per employee. For more information, refer to the [EDD website](#).

## CALIFORNIA EMPLOYER

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