

ELECTRONIC FILING GUIDE for the

New Employee Reporting Program



Cover + 8 pages

For Assistance . . .

For questions regarding the New Employee Registry Program, you may access the Employment Development Department's (EDD) [New Hire Reporting](#) Web page or call (916) 657-0529

For questions regarding electronic filing, call e-Services Customer Service between 8:00 a.m. and 5:00 p.m., PT, Monday through Friday, at:
(916) 651-6945
Fax (916) 654-7340
E-mail e-Services Section at:
ecom@edd.ca.gov

OR

Write to:
e-Services Section, MIC 15A
Employment Development Department
P.O. Box 826880
Sacramento, CA 94280-0001

**Please direct all general tax filing questions to
EDD's Taxpayer Assistance Center toll-free at
(888) 745-3886**

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 (888) 745-3886 (voice), or TTY (800) 547-9565.

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I. INTRODUCTION

Background – New Employee Registry Program

Senate Bill 1423 established a New Employee Registry within the Employment Development Department (EDD) effective April 1, 1993. This legislation assisted the Department of Justice and the Department of Social Services with the location of parents who should have been paying child support. The law required employers, who did business in specific industries, to report any employees who had been hired, rehired or returned to work after April 1, 1993. The targeted industries were required to report newly hired or rehired employees within 30 days of hire.

One component of the Welfare Reform Act (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) was improvement of the welfare of children through enhancement of child support enforcement. The federal government expanded new employee reporting nationwide to locate more child support debtors. State legislation (Assembly Bill 67) passed to conform to the federal mandate and required the expansion of the New Employee Registry (NER) program by July 1, 1998. The NER is a centralized, confidential system that receives information on all new hires in the State of California within twenty (20) calendar days of the employee's start-of-work date. This information is used by state and federal agencies to locate parents nationwide who are delinquent in their child support payments. The new reporting requirements also aid in reducing Unemployment Insurance (UI) benefit overpayments by allowing ineligible UI claimants to be detected more quickly.

II. GENERAL INFORMATION

Required Information for Reporting New Employees

The following information is required when reporting new employees to EDD:

Employer Information

- Business name, address, and telephone number
- EDD employer account number
- Federal Employer Identification Number (FEIN)

Employee Information

- First name, middle initial, and last name
- Social Security Number
- Address
- Start-of-work date

Filing Deadline

New employee information must be submitted within twenty (20) calendar days of the employee's start-of-work date. Electronic transmitters are required to submit two monthly reports that are not less than 12 days nor more than 16 days apart. No report should be submitted if there are no new employees to report.

Penalties

The EDD may assess a penalty of \$24 for each failure to report a new hire, unless the failure is due to good cause. The EDD may assess a penalty of \$490 if the failure to report a new hire is the result of conspiracy between the employer and employee not to supply the required report **or** to supply a false or incomplete report.

Multi-State Reporting Option

Multi-state employers who transmit their new hire information electronically may designate one state in which any employee works to transmit all new hire reports. You must notify the Secretary of the U.S. Department of Health and Human Services in writing of your choice to report to only one state and identify the chosen state by completing a [Multistate Employer Notification Form](#). For assistance in completing the form, you may call the Multi-State Employee Registry Help Desk at (410) 277-9470 between 8:00 a.m. and 5:00 p.m., ET.

Electronic Reporting Advantages

We encourage employers to report electronically. Following are some of the advantages of electronic reporting:

- Fast, easy, and secure way to report.
- Simple one-time online enrollment to use e-Services for Business applications.
- Ability to view and edit your returns/reports prior to submission.
- Confirmation that the report has been received by EDD.
- No mailing costs.

III. ELECTRONIC REPORTING

e-Services for Business Enrollment

To file reports/returns electronically, you must enroll to use EDD's e-Services for Business and establish a Username and password. Tax preparers (payroll agents, payroll services, CPAs, or other employer representatives) can establish their own Username and password to report on behalf of their clients. Once the Username and password have been established, you can use all of the e-Services for Business applications to manage your account, file reports/returns, and pay taxes.

To enroll to use e-Services for Business, start at the [e-Services for Business](#) Web page, click on the **e-Services for Business Login** option, and follow the prompts. Please review the password rules as most enrollment problems are caused by the selection of an invalid password.

Electronic Filing Options for Reporting New Employee(s)

The EDD offers a secure Web site to report your *Report of New Employee(s)* (DE 34) information. The following electronic filing options are available:

➤ **File Report of New Employee(s)**

The **File Report of New Employee(s)** option allows employers to complete and submit their DE 34 information online. This program is designed for employers to enter the information for up to 30 new employees in one submission. To use the **File Report of New Employee(s)** option:

1. Start at the [e-Services for Business](#) Web page.
2. Select the **e-Services for Business Login** option.
3. Enter your Username and password and click on the **Login** button.
4. Under "My Accounts" at the bottom of the screen, click on the Employment Tax **account number** that you are reporting for.
5. Click on **File Report of New Employee(s)**.
6. Follow the prompts to complete the DE 34.
7. Review and submit the completed DE 34.

You will receive immediate confirmation that the report was successfully filed.

➤ **Attach a Return File**

The **Attach a Return File** option allows employers to submit their DE 34 information as a file attachment over the Internet. Please see Appendix A for the file format, file specifications, general record usage information, and record layouts. To use the **Attach a Return File** option:

1. Start at the [e-Services for Business](#) Web page.
2. Select the **e-Services for Business Login** option.
3. Enter your Username and password and click on **Login**.
4. Click on **Attach a Return File**.
5. From the "Type" dropdown box, select **DE 34, NER, ZIP**.

III. ELECTRONIC REPORTING (Continued)

6. Use the browse button to locate and select the file to be attached (maximum file size 5MB).
7. If there are errors in the file, the "Type" box will turn red. All errors need to be corrected before the file will be accepted.
8. Follow the prompts to complete the DE 34.
9. Review and submit the completed DE 34.

You will receive immediate confirmation that the report was successfully filed.

➤ **Bulk Transmissions (XML and Web Services)**

Several states, the Internal Revenue Service, and some software vendors developed the Federal/State Employment Taxes (FSET) Program to provide a standardized method for filing federal and state employment tax and wage reports in eXtensible Markup Language (XML). The FSET Program allows you to transmit reports/returns and make *Payroll Tax Deposit* (DE 88) payments application-to-application using Web services. The FSET Program is open to:

- Employers who want to either develop their own software or use the services of a participating payroll service provider or transmitter.
- Software developers, transmitters, and payroll service providers that act as reporting agents.

You can download the *Federal/State Employment Taxes Information Guide* (DE 545), the FSET DE 34 schema, and the forms needed to enroll in the FSET Program from the [Bulk Transmission \(XML and Web Services\)](#) Web page. If you would like to use the services of a payroll service provider or transmitter to file your reports, a link to the list of EDD approved FSET vendors is also located on this Web page.

APPENDIX A

New Employee File Format

- Data must be recorded in standard ASCII code created on MS/PC-DOS operating system.
- Data must be written in **UPPER CASE LETTERS ONLY**.

File Specifications

- The file name should be reported as "**4NEWHIRE.**"
- Each record in the file must be created with a fixed length of 175 characters.
- If record delimiters are used (CR – Carriage Return followed by LF - Line Feed), they must follow the last character of each record and be placed in positions 176 and 177, respectively.
- You may report multiple employers in the same file. However, each employer must have a valid State Employer Account Number.

Record Types

The following three record types are required to create a new hire report:

- **Code E4 – Employer Record** identifies an employer whose new hire information is being reported.
- **Code W4 – Employee Data Record** is used to report individual new employee data. A separate Code W4 record must be generated for each new hire to be reported.
- **Code T4 - Total Record** contains the total number of Code W4 records reported since the last Code E4 record. A Code T4 record must be generated for each Code E4 record.

Code E4 – Employer Record Layout

CODE E4 – EMPLOYER RECORD

LOCATION	FIELD	LENGTH	DESCRIPTION AND REMARKS
			Note: Blank fill means to use the spacebar to fill a field.
1-2	Record Identifier	2	Enter "E4." Each state employer account number and branch must begin with a Code "E4" record.
3-11	Federal Employer Identification Number (FEIN)	9	Enter the employer's assigned FEIN. Omit hyphens.
12-19	State Employer Account Number	8	Enter the number assigned by the California EDD. A seven digit account number followed by a check digit. Omit hyphens (Example: If your employer account number is 123-4567-8 positions 12-19 should contain the value 12345678).
20-22	Branch Code	3	If registered with EDD as a branch coded employer, enter the applicable branch code for each employee. Left justify and blank fill.
23-67	Employer Name	45	Enter the employer's name. Left justify and blank fill.
68-107	Street Address	40	Enter the employer's street address. Left justify and blank fill.
108-132	City	25	Enter the employer's city. Left justify and blank fill.
133-134	State	2	Enter the employer's state. Use the standard United States Postal Service (USPS) state abbreviation.
135-139	ZIP Code/Foreign Postal Code	5	Enter a valid ZIP Code. For a foreign address, use this field for the Foreign Postal Code. Left justify and blank fill.
140-143	ZIP Code Extension	4	Enter the four digit extension of the ZIP Code. Left justify and blank fill. If this field is not applicable, blank fill.
144-175	Blank	32	Blank fill.

APPENDIX A (Continued)

Code W4 – Employee Data Record Layout

CODE W4 – EMPLOYEE DATA RECORD

LOCATION	FIELD	LENGTH	DESCRIPTION AND REMARKS Note: Blank fill means to use the spacebar to fill a field.
1-2	Record Identifier	2	Enter "W4".
3-11	Employee SSN	9	Enter the employee's social security number.
12-27	Employee First Name	16	Enter the employee's first name. Left justify and blank fill.
28	Employee Middle Initial	1	Enter the employee's middle initial. Left justify and blank fill. If no middle initial, blank fill.
29-58	Employee Last Name	30	Enter the employee's last name. Left justify and blank fill.
59-98	Employee Street Address	40	Enter the employee's street address. Left justify and blank fill.
99-123	City	25	Enter the employee's city. Left justify and blank fill.
124-125	State	2	Enter the employee's state. Use the standard USPS state abbreviation.
126-130	ZIP Code/Foreign Postal Code	5	Enter a valid ZIP Code. For a foreign address, use this field for the Foreign Postal Code. Left justify and blank fill.
131-134	ZIP Code Extension	4	Enter the four digit extension of the ZIP Code. Left justify and blank fill. If this field is not applicable, blank fill.
135-142	Employee Start-of-Work Date	8	Enter the start-of-work date in a YYYYMMDD format.
143-175	Blank	33	Blank fill.

Code T4 – Total Record Layout

CODE T4 – TOTAL RECORD

LOCATION	FIELD	LENGTH	DESCRIPTION AND REMARKS Note: Blank fill means to use the spacebar to fill a field.
1-2	Record Identifier	2	Enter "T4".
3-13	Number of Employees Reported	11	Enter the total number of Code "W4" records reported since the last Code "E4" record. Right justify and zero fill.
14-175	Blank	162	Blank fill.
