



California Employer

Taxpayer Assistance: 1-888-745-3886



First Quarter 2020

Coronavirus 2019

The Employment Development Department (EDD) has put together some general guidance for California workers and employers impacted by the new coronavirus (COVID-19). For faster and more convenient access to EDD services, we encourage you to use our [online options](#) via a personal computer or smart device.

Worker Resources

The [Coronavirus 2019](#) and [Coronavirus 2019 Frequently Asked Questions \(FAQs\)](#) provides helpful information on programs available based on a worker's circumstance, such as Disability Insurance, Paid Family Leave, and Unemployment Insurance (UI) benefits.

UI benefits are designed to replace a portion of wages lost when a worker is unable to work through no fault of their own. The [Governor's Executive Order](#) waives the one-week unpaid waiting period, so workers can collect UI benefits for the first week they are out of work. We are working diligently to process all claims, but it can take several weeks to issue a payment once the worker is found eligible for benefits.

Visit [Coronavirus 2019](#) to learn more about each program and to start a claim.

Employer Resources

The [Coronavirus 2019](#) and [Coronavirus 2019 FAQs](#) provides helpful information on Worker Adjustment and Retraining Notification (WARN) FAQs, potential closures or layoffs, reduced work hours, and available tax assistance for employers.

Employers experiencing a slowdown in business or services because of COVID-19 can apply for the UI Work Sharing Program, which allows employers to seek an alternative to layoffs. Visit the [Work Sharing Program](#) page for more information.

For employers who had to rapidly close their businesses to prevent or mitigate the effects of COVID-19, [Executive Order N-31-20 \(PDF\)](#) temporarily suspends the 60-day notice requirement in the WARN for those that gave written notice to employees and satisfy other requirements. The EDD has [posted guidance](#) on this temporary suspension.

Employers experiencing a hardship as a result of COVID-19 may request up to a 60-day extension of time from the EDD to file state payroll reports and/or deposit state payroll taxes without penalty or interest. A written request for extension must be received within 60 days from the original delinquent date of the payment or return.

For questions, call the EDD Taxpayer Assistance Center.

- Toll-free from the US or Canada: 1-888-745-3886
- TTY: 1-800-547-9565
- Outside the US or Canada: 1-916-464-3502

Additional Resources

The Labor & Workforce Development Agency (LWDA) wants to keep workers, employers, co-workers, and families safe.

Visit [Coronavirus \(COVID-19\) Resources for Employers and Workers](#) for a centralized source of information to help guide you. The California LWDA also offers information about sick leave policies, workplace safety, and health guidance.

The Governor's Office of Business and Economic Development has compiled guidance from California agencies and departments for California employers and employees relating to COVID-19. Visit [Coronavirus 2019 \(COVID-19\)](#) for resources and FAQs for small businesses.

Employee's Withholding Allowance Certificate

Effective January 1, 2020, the Internal Revenue Service (IRS) is using the *Employee's Withholding Allowance Certificate* (Form W-4) for federal income tax withholding only.

Employees must now file the state form [Employee's Withholding Allowance Certificate \(DE 4\) \(PDF\)](#) for the appropriate California Personal Income Tax (PIT) withholding.

For additional information, refer to the [California Employer's Guide \(DE 44\) \(PDF\)](#) or call the Taxpayer Assistance Center at 1-888-745-3886.

The ABC Test Revisited

In the previous issue, we shared how Assembly Bill 5 (AB 5), effective January 1, 2020, changes California law regarding the classification of workers. Since this change affects millions of workers, we are revisiting the ABC test in this quarter's issue. The new law requires employers to classify workers as employees unless the hiring entity can prove that they meet all three conditions of the "ABC" test.

The ABC Test

- A. The person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.
- B. The person performs work that is outside the usual course of the hiring entity's business.
- C. The person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

Unless a hiring entity can prove a worker meets all three of the above conditions, the worker must be classified as an employee.

Exceptions

AB 5 also recognizes several occupations as exceptions to the ABC test. For these occupations identified in Labor Code section 2750.3, the determination of employee or independent contractor will be governed by the California Supreme Court decision in [S.G. Borello and Sons, Inc. v Department of Industrial Relations \(Borello\) \(PDF\)](#). While these occupations that meet specific criteria are exempt from the ABC test, they are still subject to employment determinations under the Borello common-law rules.

Resources

To learn more, visit the [Labor and Workforce FAQs](#). Join the EDD email subscription service by visiting [Get Email Notices](#) for the latest news on AB 5 and other EDD updates. If you have questions, visit [AB 5 – Employment Status Mandate](#), contact the Taxpayer Assistance Center at 1-888-745-3886, or visit your local [Employment Tax Office](#).

Seminars — Broaden Your Understanding

The EDD offers no cost, classroom-style seminars throughout the State of California so existing and new employers can understand and comply with the state payroll tax laws, such as the State Basic Payroll Tax Seminar.

We also collaborate with the IRS and the Department of Industrial Relations to provide the Federal/State Basic Payroll Tax Seminar and the State Labor Law and Payroll Tax Seminar. These two seminars integrate the requirements of both agencies, while covering their similarities and differences.

In preparation for the implementation of AB 5, effective January 1, 2020, we added the AB 5/ABC Test-Employment Status Seminar. This seminar will help employers understand the employment status changes brought on by this legislation.

Another seminar available at no cost is the Cannabis Industry and State Payroll Tax Seminar.

To find a tax seminar near you or to register online, visit the [EDD Payroll Tax Seminars page](#).

We Want To Hear From You!

The EDD strives to provide a positive customer experience to all customers receiving services. Thus, we are excited to launch the Every Customer Has Options (ECHO) survey.

It allows you an easy opt-in method to provide feedback regarding your experience with the EDD's Payroll Tax, Unemployment Insurance, and Disability Insurance programs through the following three centers:

- Taxpayer Assistance Center
- Tax Collection Section
- Benefit Overpayment Collection Section

When you call one of these three centers, you will be offered an opportunity to participate in this brief survey. If you accept, you will be automatically connected to the survey at the **end** of your call.

The survey consists of five "yes" or "no" questions on the topics of overall satisfaction, professionalism, communication, knowledge, and resolution. You may also provide additional comments after answering the five questions.

Your feedback is important as it allows us to continually improve our products and services to ensure that we meet your needs.

Thank you in advance for your support!

2020 California Deposit Requirements

Employer contributions of Unemployment Insurance and Employment Training Tax are due quarterly while monies withheld from employees' wages for State Disability Insurance (SDI) and Personal Income Tax (PIT) may require deposits more often. Deposit frequency is based on an employer's federal deposit schedule/requirement and the amount of accumulated PIT withheld. Failure to meet payroll tax deposit time frames may result in penalties. Refer to page 6 of the [California Employer's Guide \(DE 44\) \(PDF\)](#) for additional information on deposit requirements or contact the Taxpayer Assistance Center at 1-888-745-3886.

If Your Federal Deposit Schedule/ Requirement Is	And You Have Accumulated State PIT Withholding of	If Pay Date Is	PIT and SDI Deposit Is Due by	California "Deposit Schedule" Box to Indicate on the DE 88
Next-Day	Less than \$350	Any payday	Quarterly	Quarterly
	\$350 to \$500	Any payday	15 th of the following month	Monthly
	More than \$500	Any payday	Next-Day	Next-Day
Semi-Weekly	Less than \$350	Any payday	Quarterly	Quarterly
	\$350 to \$500	Any payday	15 th of the following month	Monthly
	More than \$500	Wed., Thurs., or Fri.	Following Wednesday	Semi-weekly
	More than \$500	Sat., Sun., Mon., or Tues.	Following Friday	Semi-weekly
Monthly	Less than \$350	Any payday	Quarterly	Quarterly
	\$350 or more	Any payday	15 th of the following month	Monthly
Quarterly or Annually	Less than \$350	Any payday	April 30, 2020 July 31, 2020 October 31, 2020 February 1, 2021	Quarterly
	\$350 or more	Any payday	15 th of the following month	Monthly



The 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 1-916-651-7572. TTY users, please call the California Relay Service at 711.

Employment Development
Department
PO Box 826880
Sacramento, CA 94280-0001

Produced by the EDD Strategic
Communications Division, Marketing
and Brand Management Office,
MIC 85
Loree Levy, Deputy Director
Tina Gutierrez, Editor

First Quarter
2020:
Vol. 72, No. 1