INSTRUCTIONS FOR COMPLETING THE QUARTERLY CONTRIBUTION AND WAGE ADJUSTMENT FORM

The Employment Development Department’s (EDD) Quarterly Contribution and Wage Adjustment Form, DE 9ADJ, is used to make changes to the Quarterly Contribution Return and Report of Wages, DE 9, and the Quarterly Contribution Return and Report of Wages (Continuation), DE 9C.

Complete the DE 9ADJ when you are filing a claim for refund, adjusting the subject wages or taxes, adjusting Personal Income Tax (PIT) wages or withholding, correcting employee(s) Social Security number(s) (SSN) or name(s), or reporting employee(s) previously not reported to the EDD.

Use the following chart to clarify when and how you should notify the EDD of adjustments:

<table>
<thead>
<tr>
<th>TYPE OF ADJUSTMENT</th>
<th>HOW TO MAKE ADJUSTMENT</th>
<th>FORM TO USE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underpaid UI, ETT, SDI, and/or PIT prior to filing the DE 9.</td>
<td>Submit a Payroll Tax Deposit, DE 88, and pay the additional amount due including penalty and interest. Indicate the payroll date on the DE 88.</td>
<td>DE 88* (DO NOT USE A DE 9ADJ)</td>
</tr>
<tr>
<td>Overpaid UI, ETT, SDI, and/or PIT on a DE 88 prior to filing the DE 9.</td>
<td>Reduce the amount of taxes due by the amount of the overpayment on the next DE 88 submitted within the same quarter. Do not show credits on the DE 88.</td>
<td>DE 88* submitted within the same quarter. (DO NOT USE A DE 9ADJ)</td>
</tr>
<tr>
<td>Overpaid UI, ETT, SDI, and/or PIT on a DE 88 prior to filing the DE 9 and you cannot reduce the overpayment on your next deposit within the quarter.</td>
<td>Claim refund on Line J when you file your DE 9.</td>
<td>File a DE 9 at the end of the quarter. (DO NOT USE A DE 9ADJ)</td>
</tr>
<tr>
<td>Allocated the wrong amounts to specific funds on a DE 88.</td>
<td>DO NOT ADJUST. The EDD will make the necessary adjustments at the end of the quarter when your DE 9 is filed.</td>
<td>No form required.</td>
</tr>
<tr>
<td>Provided incorrect UI, ETT, SDI, and/or PIT information on the DE 9.</td>
<td>File a DE 9ADJ with correct information. NOTE: If taxes are due, send a payment for tax amount plus penalty and interest, if any, with the DE 9ADJ.</td>
<td>Complete a DE 9ADJ, Sections I and II, with the correct information.</td>
</tr>
<tr>
<td>Incorrect employee SSN or name reported on the DE 9C.</td>
<td>File a DE 9ADJ. Requires two entries in Section III. For first entry, enter the quarter, incorrect SSN, employee name, and enter zeros in total subject wages, PIT wages, and PIT withheld fields. In second entry, enter the corrected information. Refer to Example 1 on Page 2.</td>
<td>Complete a DE 9ADJ, Sections I and III.</td>
</tr>
<tr>
<td>No SSN reported for employee(s) on the DE 9C.</td>
<td>File a DE 9ADJ. Requires two entries in Section III. For first entry, enter the quarter, all zeros for the SSN filed, employee name and zeros in the subject wages, PIT wages, and PIT withheld fields. In the second entry, enter the corrected information. Refer to Example 1 on Page 2.</td>
<td>Complete a DE 9ADJ, Sections I and III.</td>
</tr>
<tr>
<td>Employee(s) not previously reported on the DE 9C.</td>
<td>Complete a DE 9ADJ with unreported employee(s) SSN and full name, total subject wages, PIT wages, and PIT withheld by quarter. Refer to Example 2 on Page 2.</td>
<td>Complete a DE 9ADJ, Sections I and III. NOTE: If a DE 9 has been filed with incorrect information, also complete Section II.</td>
</tr>
<tr>
<td>Incorrect wages and/or PIT information for employees previously reported on the DE 9C.</td>
<td>Complete a DE 9ADJ with correct wages and/or PIT information for each employee by quarter. Information provided in annual amounts instead of quarterly will be returned unprocessed. Refer to Example 2 on Page 2.</td>
<td>Complete a DE 9ADJ, Sections I and III. NOTE: If a DE 9 has been filed with incorrect information, also complete Section II.</td>
</tr>
</tbody>
</table>

*Mandatory Electronic Funds Transfer (EFT) filers must remit all State Disability Insurance (SDI)/PIT funds by EFT to avoid noncompliance penalties. You can submit payments online through e-Services for Business at www.edd.ca.gov/e-Services_for_Business to comply with the e-file and e-pay mandate. For more information on this mandate, visit www.edd.ca.gov/EfileMandate.

To complete the DE 9ADJ, provide the following information:

SECTION I: Enter business name, address, year and quarter, and the employer account number to be adjusted. Provide the reason for the adjustment.

SECTION II: ADJUSTMENTS TO WAGES AND CONTRIBUTIONS

Lines A through G:
- Column 1 - Enter the amounts previously reported on your return, report, or your most recent adjustment form. Complete all fields, even if there are no changes.
- Column 2 - Enter the amounts that you should have reported on the above return report or adjustment form. Complete all fields, even if there are no changes.
- Column 3 - Enter the difference between Column 1 and Column 2.

Line I: Penalty: Penalty of 15% (10% for periods prior to the 3rd quarter of 2014) of Line H(2)-Line L is due if you are paying additional taxes with this adjustment form.

Line J: Interest: Interest is computed on the total of Line H and Line I. Since the interest rate changes periodically, please visit the EDD website at www.edd.ca.gov/Payroll_Taxes/Interest_Rate.htm to provide you with the daily interest rate, call the Taxpayer Assistance Center at 888-745-3886 for interest calculation, or you can visit your nearest Employment Tax Office which can be found on the EDD website at www.edd.ca.gov/office_locator.
Line K: Erroneous SDI Deductions Not Refunded: Since SDI deductions (includes Paid Family Leave amount) are employee contributions, the EDD cannot refund these contributions to you unless the erroneous deductions have been first refunded to the employees.

Line L: Enter total contributions and withholdings paid.

Box 1 and Box 2: This is necessary to allow SDI and/or PIT credit or for a refund to be issued.

The SDI (includes Paid Family Leave amount) and PIT deductions are employee contributions. The EDD cannot refund these contributions to you unless you first refund the erroneous deductions to the employee(s).

You may claim a credit or refund of PIT overwithheld from an employee’s wages when the excess amount is credited or refunded to the employee during the same calendar year and the excess amount is not shown on the Wage and Tax Statement, Form W-2, issued to the employee. If you paid the EDD more than the amounts withheld from an employee’s wages, and you want a refund, you can adjust the amount reported on this form.

NOTE: If you have issued a Form W-2, do not refund the PIT overwithholdings to the employee nor change the PIT withholding amount on the Form W-2. The employee will receive a credit when the California Resident Income Tax Return, Form 540, is filed with the Franchise Tax Board.

PREPARER OR RESPONSIBLE INDIVIDUAL MUST SIGN FORM, INCLUDING TITLE, PHONE NUMBER, AND DATE. REQUEST FOR REFUNDS OR CREDITS WILL NOT BE PROCESSED WITHOUT A SIGNATURE.

SECTION III: If it is necessary to add or adjust information that was previously reported on the DE 9C, complete this section of the DE 9ADJ. Do not report negative amounts. Make corrections to the quarter(s) in which the information was originally reported.

EXAMPLE 1 (Incorrect SSN or name reported for employee):

If SSN or name changes involve multiple quarters and you have no adjustments to wages and/or PIT information, complete one adjustment form to make the changes.

<table>
<thead>
<tr>
<th>TYPE OF ADJUSTMENT</th>
<th>HOW TO MAKE ADJUSTMENT</th>
</tr>
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</table>
| Incorrect SSN or name reported for employee(s). | 1. Enter the year/quarter (YY/Q), incorrect SSN or name, employee full name, and enter zeros in total subject wages, PIT wages, and PIT withheld.  
2. Enter the year/quarter (YY/Q), correct SSN or name, employee full name, total subject wages, PIT wages, and PIT withheld. |
| No SSN reported for employee(s). | 1. Enter the year/quarter (YY/Q), all zeros (000-00-0000) for SSN, employee full name, and enter zeros for total subject wages, PIT wages, and PIT withheld.  
2. Enter the year/quarter (YY/Q), SSN, employee full names, total subject wages, PIT wages, and PIT withheld. |

YEAR / QUARTER: 17/1  
SOCIAL SECURITY NUMBER: 000-00-0000  
EMPLOYEE NAME (FIRST, MIDDLE, INITIAL, LAST): HARRY L JONES  
TOTAL SUBJECT WAGES: 0.00  
PIT WAGES: 0.00  
PIT WITHHELD: 0.00

YEAR / QUARTER: 17/1  
SOCIAL SECURITY NUMBER: XXX-XX-XXXX  
EMPLOYEE NAME (FIRST, MIDDLE, INITIAL, LAST): HARRY L JONES  
TOTAL SUBJECT WAGES: 8800.00  
PIT WAGES: 8800.00  
PIT WITHHELD: 102.75

EXAMPLE 2 (Incorrect PIT information reported):

If you have adjustments to wages and/or PIT information in multiple quarters, a separate DE 9ADJ will need to be completed for each quarter.

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</table>
| Employee(s) not previously reported on the DE 9C. | To add unreported employee(s) (NOTE: This correction only requires one entry for each employee):  
1. Enter the year/quarter (YY/Q), the unreported employee(s) SSN and full name, total subject wages, PIT wages, and PIT withheld. |
| Incorrect wages and/or PIT information on employee(s) previously reported on the DE 9C. | For each correction (NOTE: This correction only requires one entry for each employee):  
1. Enter the year/quarter (YY/Q), employee(s) SSN and full name. Enter correct total subject wages, PIT wages, and/or PIT withheld. If no changes to the previously reported information, leave the field blank (do not enter zero). |

YEAR / QUARTER: 17/1  
SOCIAL SECURITY NUMBER: 000-XX-0000  
EMPLOYEE NAME (FIRST, MIDDLE, INITIAL, LAST): CHRISTY Z LANG  
TOTAL SUBJECT WAGES: 5400.00  
PIT WAGES: 5400.00  
PIT WITHHELD: 152.00

For assistance in completing the DE 9ADJ or to obtain additional information, contact the Taxpayer Assistance Center at 888-745-3886. For TTY (non verbal) access, call 800-547-9565.