



Fourth Quarter 2018

Discover the Many Ways You Can File and Pay

The Employment Development Department (EDD) is committed to keeping you informed about the **e-file and e-pay mandate for employers** that requires all California employers to submit their employment tax returns, wage reports, and payroll tax deposits electronically. We also want to ensure that you are equally aware of the many compliance options available to help you avoid unnecessary penalties related to non-compliance in 2019.

Your options for e-file and e-pay are:

- **e-Services for Business** – Enroll and log in to make payments, file returns, and access additional online features.
- **Federal/State Employment Taxes (FSET)** – The FSET program provides a standardized method for making tax payments and reporting employment tax and wage information in eXtensible Markup Language through a web-service based application-to-application transmission platform. For additional information, visit the **FSET** website.

Your options for e-pay (only) are:

- **NEW! Express Pay** – Allows you to make an electronic payroll tax payment with no enrollment requirement.
- **State Data Collector** – This is a third-party vendor contracted by the State of California to collect electronic funds transfer payments on behalf of the EDD and other state agencies. Payments made through the State Data Collector are for *Payroll Tax Deposit, DE 88*, only. To enroll in this method, complete an **Electronic Funds Transfer (EFT) State Data Collector Program – Vendor (Third Party) New Enrollment Request Form, DE 26**.
- **Automated Clearing House (ACH) Credit Payment Option** – The ACH Credit method allows you to make a payment by instructing your bank to debit your bank account and transfer those funds to the state's bank account.
- **Credit Card** – Credit card payments are completed through **Official Payments Corporation (OPC)** and are subject to a convenience fee.

If you are unable to file and pay electronically, please submit an **E-file and E-pay Mandate Waiver Request, DE 1245W**, today! If you are an employer with an approved e-file and e-pay mandate waiver, you will automatically receive payment coupons and tax forms in the mail.

The 2019 Annual Interest Rate Is Set at 5.0 Percent

For the period January 1, 2019, through June 30, 2019, the annual interest rate will be 5 percent (0.05), compounded daily. The daily interest factor will be 0.000137.

Interest is charged on all delinquent taxes, interest, and certain penalties.

If you have any questions about the annual interest rate for 2019, please call the Taxpayer Assistance Center at 1-888-745-3886 or visit the **EDD Interest Rate** website.

2019 Tax Rate Information Notice

You will receive your *Notice of Contribution Rates and Statement of UI Reserve Account, DE 2088*, for the year 2019 by December 31, 2018. We recommend you review all items carefully on the DE 2088, as it informs you of your 2019 tax rates and Unemployment Insurance (UI) reserve account activity.

The 2019 UI taxable wage limit and the Employment Training Tax (ETT) taxable wage limit is \$7,000 per employee. The ETT rate will remain at 0.1 percent (.001). The DE 2088 also notifies you about your 2019 State Disability Insurance rate and taxable wage limit, and if you are subject to ETT.

For more information about the DE 2088 and your protest rights, see the reverse side of your DE 2088. You can also refer to the **Explanation of the Notice of Contribution Rates and Statement of UI Reserve Account, DE 2088C**, or call the Taxpayer Assistance Center at 1-888-745-3886. In addition, you and/or your agent can access **e-Services for Business** to request more specific rate information. If you have a change of address, agent update, or other account changes, please call the Taxpayer Assistance Center at 1-888-745-3886 immediately in order to receive your DE 2088 and other important information from the EDD.

e-Services for Business. Online. Anytime.

Find Out What You Can Do Before a Disaster Strikes

Disasters can strike anywhere, anytime, and without warning. Be disaster-ready and find out now what assistance is available to your business should you need it. The EDD provides a variety of services to individuals and businesses affected by disasters in California.

If you are an employer who has been directly affected by a disaster, you may request up to a 60-day extension from the EDD to file your state payroll reports and/or deposit state payroll taxes without penalty or interest. Visit the [Emergency and Disaster Assistance for Employers](#) page on the EDD website for more information on how to request an extension, to view current State of Emergency notifications, and to find out what other types of assistance are available to you from the EDD.

Additional information about recent disasters and emergency services is available to view on the [Governor's Office of Emergency Services](#) website. You can also visit the [IRS website](#) to find out how they can help you during a disaster too.

A Reminder About W-2s and 1099s

The EDD would like to remind you not to send the "state" copy of Form W-2 or Form W-2C to the State of California (the EDD or the Franchise Tax Board [FTB]).

Forms W-2 and W-2C are not filed with the state because the e-file and e-pay mandate already requires you to report wage and withholding information electronically to the EDD on the *Quarterly Contribution Return and Report of Wages (Continuation)*, DE 9C. The EDD will share this information with the FTB.

Additionally, if you file a paper Form 1099 with the Internal Revenue Service (IRS), you do not need to send a paper copy to the FTB because the IRS will forward the information to the FTB. For information about filing Form 1099 electronically, visit [FTB – How to File](#).

**CALIFORNIA
EMPLOYER**



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.

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2019 Meals and Lodging Values

Value of Meals					Value of Lodging	
3 Meals Per Day	Breakfast	Lunch	Dinner	Meals not Identified	Minimum Per Week	Maximum Per Month
\$11.80	\$2.40	\$3.65	\$5.75	\$4.25	\$49.55	\$1,528

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