

ELECTRONIC FILING GUIDE for the

New Employee Registry Program

If you have questions concerning the
New Employee Registry (NER) program, you may
access the Employment Development Department's (EDD)
New Employee Registry – California's New Hire Reporting Program web
page www.edd.ca.gov/Payroll_Taxes/New_Hire_Reporting.htm
or contact 1-916-657-0529.

For assistance regarding the New Employee Registry electronic filing,
visit the New Employee Registry Frequently Asked Questions web page at
www.edd.ca.gov/Payroll_Taxes/FAQ_-_California_New_Employee_Registry.htm.

**Please direct all general tax filing questions to
the EDD Taxpayer Assistance Center toll-free at
1-888-745-3886.**

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 1-888-745-3886 (voice) or TTY 1-800-547-9565.

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I. INTRODUCTION

Background – New Employee Registry Program

Senate Bill 1423 established a New Employee Registry (NER) 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 an 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 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 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.

INFORMATION

Program Requirements for Reporting New Employees

All California employers must report all newly hired employees, who work in California, to the New Employee Registry within 20 calendar days of the employee's start-of-work date, which is the first day of work. In addition, any employee who is rehired after a separation of at least 60 consecutive days must also be reported within the 20 days.

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

Employer Information

- Business name, contact person name, address, and phone number
- California EDD employer payroll tax 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 20 calendar days of the employee's start-of-work date. Employers who transmit electronically are required to submit two monthly reports that are not less than 12 days and not more than 16 days apart. Each employee needs to be reported only once if there is no break in employment. No report should be submitted if there are no new or rehired employees to report.

Penalties

The EDD may assess a penalty of \$24 for each failure to report the hiring or rehiring of an employee, as required and within the time required, 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.

Multistate Reporting Option

Employers who have employees in two or more states and who transmit their new hire information electronically may designate one state in which any employee works to transmit all new hire reports to. 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 New Hire Reporting* (OMB 0970-0166), which can be downloaded at

www.acf.hhs.gov/css/resource/ocse-multistate-employer-registration-contacts.

The form can also be completed electronically at <https://ocsp.acf.hhs.gov/OCSE/>. For assistance in completing the form, contact the Multistate Employer Registry Help Desk at 1-410-277-9470 between 9 a.m. and 5 p.m., Eastern Time.

III. ELECTRONIC REPORTING

Electronic Reporting Advantages

The EDD offers many electronic filing options and encourages employers to report electronically. The advantages of electronic reporting include:

- Simple one-time online enrollment to use the e-Services for Business applications.
- Fast, easy, and secure way to submit your report.
- Confirmation that the report has been received by the EDD.
- No mailing costs.

e-Services for Business Enrollment

To file returns/reports electronically through e-Services for Business, you must establish a username and password. Tax preparers (payroll agents, payroll services, certified public accountants [CPA], or other employer representatives) can establish their own username and password to report on behalf of their clients.

To enroll, go to **www.edd.ca.gov/e-Services_for_Business**. Select **Enroll** and follow the prompts. Tutorials and Frequently Asked Questions are also available at the above link.

Electronic Filing Options for Reporting New Employee(s)

The EDD offers a secure website to submit the *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. The pop up blocker must be disabled in order to use the ***File Report of New Employee(s)*** option:

1. Start at the **e-Services for Business** web page:
www.edd.ca.gov/e-Services_for_Business
2. Select the **Log In** option. (Do not bookmark this page.)
3. Enter your username and password and then select **Login**.
4. Select the **Employment Tax** link and then select the **Show All** link.
5. Select the **File Report of New Employee(s)**.
6. Follow the prompts to complete the DE 34.
7. Review and submit the completed DE 34.

Once your report is successfully submitted, you will receive a confirmation number.

III. ELECTRONIC REPORTING (Continued)

➤ Upload a Bulk Return File

The **Upload a Bulk 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 Upload a Bulk Return File, log into e-Services for Business at:

www.edd.ca.gov/e-Services_for_Business

1. After successful log in, under “I Want To,” select **Upload a Bulk Return File**.
2. From the “Attachment Type”, select NER and select **Add Attachment**.
3. Follow the prompts to complete the file information.
4. Review and submit the request.

Once your report is successfully submitted, you will receive a confirmation number.

➤ Federal/State Employment Taxes (FSET) – Bulk Transmissions

A group of tax administrators from the Internal Revenue Service (IRS), several states, and some software vendors developed the Federal/State Employment Taxes (FSET) program to provide a standardized format for filing federal and state employment tax and wage reports electronically using eXtensible Markup Language (XML) schemas. The FSET program accepts the electronic submissions of reports/returns and *Payroll Tax Deposits* (DE 88ALL) to the EDD 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 Implementation Guide* (DE 545), the FSET DE 34 schema, and the forms needed to enroll in the FSET program from the Federal/State Employment Taxes (FSET) – Bulk Transmissions web page at www.edd.ca.gov/Payroll_Taxes/Bulk_Transmissions.htm. 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 providers is located on the web page.

APPENDIX A

New Employee File Format for Upload a Bulk Return File Option

- 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.
- The full first and last name of each employee must be reported.
- Each segment (first, middle initial, last) of the name must be entered in the appropriate field.
- Complete address of each employee must be reported.
- Omit leading titles (e.g., Mr., Mrs.) from the first name field.
- Omit trailing titles (e.g., M.D., D.D.S.) from the last name field.
- Leading letters are not separated from the rest of the surname by an apostrophe or a blank. (Example: O'Neill would be ONEILL or MC Nab would be MCNAB)
- Special characters and/or punctuation are not acceptable.
- Business names are not acceptable in the Code W4 – Employee Data Record.

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 payroll tax 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 employer payroll tax account number followed by a check digit. Omit hyphens. (Example: If your employer payroll tax account number is 123-4567-8, positions 12-19 should contain the value 12345678.)
20-22	Branch Code	3	If registered with the 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.