



Employment Development Department, MIC 4
PO Box 826880 Sacramento, CA 94280-0001
Fax applications to 1-916-319-1831
File electronically at [e-Services for Business](http://edd.ca.gov/e-Services_for_Business)
(edd.ca.gov/e-Services_for_Business)
Do not mail with any other form.

Application for Transfer of Reserve Account

Acquiring a business registered with the Employment Development Department permits you to apply for a transfer of all or a part of the reserve account. A reserve account is used to calculate an employer's unemployment insurance (UI) tax rate. Not all reserve account balances are beneficial. Approved reserve account transfers make you responsible for all or a percentage of the previous owner's benefit charges and may increase your rate. Some reserve account transfers are required (section 1061, California Unemployment Insurance Code (CUIC)). Use this form to report the percent of business and employees that were transferred.

Note: Applications or transfers filed 90-days after you acquire the business may be restricted (section 1053, CUIC).

Instructions - Read this form carefully and answer all questions to avoid your application being delayed or denied. If you need more space to complete your answers, attach separate sheets. For more information, call the Taxpayer Assistance Center at 1-888-745-3886.

Section I

1. Your eight-digit employer payroll tax account number: _____
2. Your full name: _____
3. Your business name: _____
4. Your business address: _____
5. Name of business acquired: _____
6. Previous owner's eight-digit employer payroll tax account number: _____
7. Previous owner's full name: _____
8. Previous owner's business address: _____
- 8a. Previous owner's phone number: (____) _____
9. Date of acquisition: _____
10. Type of acquisition (Check one)
 - ☐ Purchase. Agreed upon purchase price: \$ _____
 - ☐ Stock purchase.
 - ☐ Change in form only. If you checked this box, call the Taxpayer Assistance Center at 1-888-745-3886. They will help you determine if you need to get a new employer payroll tax account number. For example, a new employer payroll tax account number is not needed if there was a name change, change from sole proprietor to corporation or partnership, partner added or deleted, new federal employer identification number obtained, but same owner, LLC added, and more.
 - ☐ Other. Explain: _____
11. Major assets acquired (Check all that apply.)

<input type="checkbox"/> Place of business	<input type="checkbox"/> Customers	<input type="checkbox"/> Trade name
<input type="checkbox"/> Accounts receivable	<input type="checkbox"/> Goodwill	<input type="checkbox"/> Stock in trade
<input type="checkbox"/> Tools and fixtures	<input type="checkbox"/> Employees	
12. Did you continue the operation of the business you acquired? ☐ Yes ☐ No
If No, explain: _____

13. Was there common ownership, management, or control of the business at the time of transfer? ☐ Yes ☐ No
14. Number of workers employed by previous owner before the sale: _____
15. Number of workers from the previous owner now employed by you: _____
16. Are you a labor contractor, employment agency, or other provider of employment services? ☐ Yes ☐ No
If Yes, explain operation: _____

17. Did you purchase an employment agency? ☐ Yes ☐ No If Yes, explain operation: _____

18. Portion of the business acquired from the previous owner:

- (a) ☐ **All of the business.** If you checked this section, you are requesting a complete reserve account transfer which cannot be processed unless the previous owner's employer payroll tax account number is inactive. If possible, provide a letter from the previous owner to deactivate their account at the date of acquisition. Go directly to Section III.
- (b) ☐ **Part of the business.** If you checked this section, complete Section II and Section III.

Section II

1. The portion of the business acquired was started by its previous owner on: _____ (MM/DD/YYYY)
2. The portion of the business acquired is _____ % of the previous owner's business.
3. If possible, provide the unemployment taxable wages for the portion of the business you acquired up to the quarter of acquisition. Use only wages up to the **\$7,000 annual limit for each employee** for calendar years. The taxable wages, for the portion of the previous owner's business acquired, were:

For calendar year: 2021 \$ _____ 2022 \$ _____ 2023 \$ _____

- By Quarters -

Jan. 1 to Mar. 31	Apr. 1 to Jun. 30	Jul. 1 to Sept. 30	Oct. 1 to Dec. 31
2024 \$ _____	\$ _____	\$ _____	\$ _____
2025 \$ _____	\$ _____	\$ _____	\$ _____

Note: If you cannot provide exact figures, give an estimate. To get the most accurate estimate, contact the previous owner for the taxable wage information.

Did you estimate these figures? ☐ Yes ☐ No

Did the previous owner approve these figures? ☐ Yes ☐ No

Section III

List the contact person's name and phone number:

Print Name: _____ Phone: (____) _____

Sign and date: I or we hereby submit this application for transfer of reserve account and declare that the above information is correct to the best of our knowledge and belief.

Signature: _____ Date: _____

Owner, Corporate Officer, Partner, LLC Manager or Member, or Authorized Agent

Print Name: _____ Phone: (____) _____

Title: _____