



Second Quarter 2021

## Relief and Extensions for Filing Returns

Effective December 15, 2020, Governor Newsom issued an executive order providing a **three-month extension on California Department of Tax and Fee Administration's (CDTFA) tax returns and tax payments for most taxpayers**. For taxpayers reporting less than \$1 million in tax, the deadlines for returns and payments due from December 15, 2020, through April 30, 2021, are extended by three months. Relief will be provided automatically. Interest and penalties will not accrue on return amounts due, provided payments are made and returns are filed within three months of the original due date.

### Relief Requests for Larger Taxpayers

Taxpayers with a liability of \$1 million or greater must request an extension and relief from interest if they are unable to file and pay by the due date. These requests are evaluated on a case-by-case basis and taxpayers will be notified if their requests have been approved or denied.

### Small Business Relief Payment Plans for Sales and Use Tax

The CDTFA is offering a 12-month, interest-free, payment plan for small businesses with less than \$5 million in annual taxable sales. This payment plan is limited to sales and use tax accounts and is available for up to \$50,000 in tax liability for returns with original due dates between December 15, 2020, and April 30, 2021. All payment plans must be paid in full by April 30, 2022, to qualify for zero interest.

For more information on tax relief for taxpayers and small businesses impacted by COVID-19, visit the [CDTFA's COVID-19 State of Emergency webpage](#).

## An Easy Way to Learn About State Disability Insurance

The Employment Development Department (EDD) administers California's State Disability Insurance (SDI) program. The EDD offers no-cost interactive webinars to help you and your employees learn more about the program.

### About SDI

SDI is comprised of two types of short-term, partial wage-replacement benefits: Disability Insurance (DI) and Paid Family Leave (PFL). DI provides benefits to workers who are unable to work due to their own illness, injury, disability, or pregnancy. PFL offers up to eight weeks of benefits to workers who need time off work to bond with a new child, to care for a seriously ill or injured family member, or to assist a family member in the US Armed Forces during a qualifying event.

### Interactive Webinars

SDI webinars cover both DI and PFL and will share how these two work together, eligibility information, and how to file a claim using paper or SDI Online.

[\(continued on page 2\)](#)

*e-Services for Business. Online. Anytime.*

[\(continued from page 1\)](#)

The **employer webinar** discusses how to integrate SDI benefits with an employee's leave credits, and how to assist with addressing your employee's needs during times of disability, pregnancy, or family leave situations. The **employee webinar** describes what an employee must do to file for SDI, how to extend the duration of their DI claim, re-establish or continue a PFL claim.

We may be able to accommodate requests for specific program concepts such as reporting intermittent leave, integrating wages with SDI benefits, or explaining how the EDD determines

the wage-replacement rate, which is currently 60 to 70 percent of an employee's past salary.

SDI webinars are available every **second Wednesday of every month** (excluding State holidays) from 10 a.m. to 11 a.m. PT. If you or your organization is looking for something more specific, ad hoc webinars are also available. For a list of upcoming presentations or to request one, visit SDI's [Outreach Events Calendar](#) or email [DIBOutreach@edd.ca.gov](mailto:DIBOutreach@edd.ca.gov).

## STATEMENT OF CHARGES TO RESERVE ACCOUNT (DE 428T)

In an effort to provide much needed relief to the employer community, California passed Assembly Bill (AB) 103 that provided for the non-charging of Unemployment Insurance (UI) benefits to tax-rated employers. This effort was extended by the American Rescue Plan Act signed by the President on March 11, 2021.

**California will not charge employers' reserve accounts for UI claims related to COVID-19**, unless the employer or an agent of the employer was at fault per section 1026.1 of the California Unemployment Insurance Code. The non-charging provisions applies to UI benefits for weeks ending **February 1, 2020 through the week ending September 4, 2021**.

*Your Statement of Charges to Reserve Account (DE 428T)* notifies you of the UI benefit charges and credits to your reserve account during the fiscal year from **July 1, 2020, through June 30, 2021**. You may still see benefit charges due to the following examples:

- A claimant filed for benefits in November of 2019.
- An eligibility issue prevented the claimant from receiving benefit payments.
- Claimant files an appeal regarding the eligibility issue and the case is resolved in July of 2020.
- Benefits are paid in quarter 20-3 for benefit weeks in quarter 19-4.
- The employer's DE 428T will reflect the benefit charges paid (non-COVID related) in quarter 20-3.

To ensure that the DE 428T is sent to the correct address, please notify us if there are any changes to your address and/or agent information. It is important to review your DE 428T for accuracy. You may update your address, submit a protest, or view your DE 428T online using [e-Services for Business](#).

For further information, please refer to the [Information Sheet: Statement of Charges to Reserve Account \(DE 428T\) \(DE 428I\) \(PDF\)](#) or the [DE 428T Protest Sample Form \(DE 428C\) \(PDF\)](#). For assistance with e-Services for Business or with your DE 428T, contact the Taxpayer Assistance Center at 1-888-745-3886.

## Update To Assembly Bill 5

On September 4, 2020, AB 2257 revised and recast the provisions of AB 5 within the Labor Code (LC) in sections 2775 through 2784.

AB 2257 is retroactive and applies to work performed on or after January 1, 2020. AB 2257 added additional exceptions to the ABC test for the following occupations and contracting relationships:

- Single-engagement events pursuant to section 2779 of the LC.
- Music and entertainment industry pursuant to section 2780 of the LC.
- Data aggregators pursuant to section 2782 of the LC.

If an exception under the ABC test is met, the worker is not automatically an independent contractor. Instead, the working relationship is subject to other tests. For some occupations, industries, and contracting relationships, the *Borello* multifactor test (*S. G. Borello & Sons, Inc. v. Department of Industrial Relations, 48 Cal. 3d 341*) applies instead of the ABC test. For certain real estate licensees and repossession agencies, standards under the California Business and Professions Code will apply.

To learn more about employment, the ABC test, exceptions to the ABC test, and *Borello* multifactor test, refer to the [Information Sheet: Employment \(DE231\) \(PDF\)](#), also available in [Spanish \(PDF\)](#).

For additional information, visit the [Employment Status Portal](#), our [AB 5 - Employment Status](#) webpage, or sign up for an [Employment Status Tax Webinar](#).

## Virtual Hold

We are excited to announce that we have implemented a “virtual hold” feature at our Taxpayer Assistance Center, Tax Collection Section, and Benefit Overpayment Collection Contact Centers.

### What is a virtual hold?

Virtual hold is a technology that allows you to virtually reserve your “place in line” instead of waiting on hold. When it is your turn in the queue, you will automatically receive a call back and be connected to a representative. This feature works even if you are calling from a phone number that has an extension.

### How it Works?

When you call into our Tax Contact Centers and your anticipated wait time is greater than four minutes, you are given the option to remain on the phone or go on a “virtual hold.” If you choose the virtual hold option, we will ask to confirm your call back number and we’ll give you an estimated time for a call back from our system. Once the virtual call is connected, you will hear the greeting, “Hello, this is the Employment Development Department.” You will then be connected to a representative.



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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