



State of California

Labor and Workforce  
Development Agency

Employment Development Department

# California Payroll Taxes

*What every new employer  
needs to know!*

[edd.ca.gov](http://edd.ca.gov)

EDD is an equal opportunity department for this information. If you need help or services because of a disability, call 1-888-745-3886 (voice) or TTY 1-800-547-9565.



**You are a California employer when you hire employees and pay more than \$100 in wages during a calendar quarter.**

## Did you know?

Employers are required to:

- Electronically submit employment tax returns, wage reports, and payroll tax deposits to the EDD. Visit [E-file and E-pay Mandate for Employers](http://edd.ca.gov/en/payroll_taxes/E-file_and_E-pay_Mandate_for_Employers/) (edd.ca.gov/en/payroll\_taxes/E-file\_and\_E-pay\_Mandate\_for\_Employers/) for more information.

You can file and pay online with e-Services for Business to meet this requirement. To enroll, visit [e-Services for Business](http://edd.ca.gov/eServices/) (edd.ca.gov/eServices).

- Post the [Notice to Employees \(DE 1857A\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de1857a.pdf) (edd.ca.gov/siteassets/files/pdf\_pub\_ctr/de1857a.pdf) to notify employees of their Unemployment or State Disability Insurance (SDI) benefits. Visit [Required Notices and Pamphlets](http://edd.ca.gov/en/payroll_taxes/required_notices_and_pamphlets/) (edd.ca.gov/en/payroll\_taxes/required\_notices\_and\_pamphlets/) for the posting requirements or refer to the [California Employer's Guide \(DE 44\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de44.pdf) (edd.ca.gov/siteassets/files/pdf\_pub\_ctr/de44.pdf).

- Provide a copy of the booklet [For Your Benefit: California's Programs for the Unemployed \(DE 2320\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de2320.pdf) (edd.ca.gov/siteassets/files/pdf\_pub\_ctr/de2320.pdf) along with other notices and pamphlets to each employee when needed.

## Did you purchase a business?

If you purchased all or part of an ongoing business, you may file to transfer all or part of the previous owner's Unemployment Insurance (UI) reserve account. This may cause your UI contribution rate to immediately reduce or increase. Visit [Contribution Rates, Withholding Schedules, and Meals and Lodging Values](http://edd.ca.gov/en/payroll_taxes/rates_and_withholding/) (edd.ca.gov/en/payroll\_taxes/rates\_and\_withholding/).

## How will I know what amounts to withhold from my employee's paycheck?

We publish [Contribution Rates, Withholding Schedules, and Meals and Lodging Values](http://edd.ca.gov/en/payroll_taxes/rates_and_withholding/) (edd.ca.gov/en/payroll\_taxes/rates\_and\_withholding/) every November.

## Need forms?

Visit the [EDD Online Forms and Publications](http://forms.edd.ca.gov/forms) (forms.edd.ca.gov/forms) to download or request forms and publications or call the Taxpayer Assistance Center at 1-888-745-3886.

We offer payroll tax webinars where you can learn about state and federal reporting requirements as well as California labor law. Visit our [Payroll Tax Webinars](http://edd.ca.gov/payroll-tax-webinars) (edd.ca.gov/payroll-tax-webinars) or call 1-888-745-3886.

# What is a California Employer Responsible for?

## Registering with EDD

If you own a business and have at least one employee, you must register as an employer when you pay more than \$100 in wages during a calendar quarter.

After you register, EDD will give you an employer payroll tax account number. Use this number on all EDD payroll tax forms and whenever you contact EDD.

Visit [Payroll Taxes](http://edd.ca.gov/en/Payroll_Taxes) (edd.ca.gov/en/Payroll\_Taxes) for more information.

## Making Payments

### Employers Pay:

- Unemployment Insurance (UI)
- Employment Training Tax (ETT)

UI and ETT taxes are due quarterly but may be paid more frequently.

### Employers withhold from the employee's paycheck and remit:

- State Disability Insurance (SDI)
- California Personal Income Tax (PIT)

California tax withholding deposit due dates are based in part on federal deposit requirements. Visit [Required Filings and Due Dates](http://edd.ca.gov/en/payroll_taxes/required_filings_and_due_dates/) (edd.ca.gov/en/payroll\_taxes/required\_filings\_and\_due\_dates/) for more information or the *California Employer's Guide* (DE 44).

**Submit: Payroll Tax Deposit (DE 88ALL)**

## Filing Reports

Employers must make sure the total wages they report for California payroll taxes match what they actually paid during the quarter.

**File Electronically: Quarterly Contribution Return and Report of Wages (DE 9)**

Employers must report employee wages and withholding information quarterly.

**File Electronically: Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)**

Employers must report all new and rehired employees within 20 days of their start-of-work date.

**File: [Report of New Employee\(s\) \(DE 34\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de34.pdf) (edd.ca.gov/siteassets/files/pdf\_pub\_ctr/de34.pdf)**

Business and government entities must report independent contractors to EDD if they must file a federal Form 1099-NEC or Form 1099-MISC. The report is due within 20 days after paying the contractor or signing a contract for \$600 or more.

**File: [Report of Independent Contractor\(s\) \(DE 542\) \(PDF\)](http://edd.ca.gov/siteassets/files/pdf_pub_ctr/de542.pdf) (edd.ca.gov/siteassets/files/pdf\_pub\_ctr/de542.pdf)**



## e-Services for Business Fast, Easy, and Secure

### Services available online:

#### Enroll

Create a username and password to manage your employer payroll tax account.

#### Register

Register for an employer payroll tax account number.

#### File and Pay

File the following returns and reports:

- ✓ DE 9
- ✓ DE 9C
- ✓ DE 34
- ✓ DE 542

Pay your **DE 88** and tax liabilities using:

- ✓ Electronic Funds Transfer (EFT) to transfer funds from your bank account to the state's account.
- ✓ Major credit card.

#### View and Make Changes:

- View, adjust, and print tax returns and wage reports.
- View and update account information.
- View your payroll tax rates.
- Close or reopen an employer payroll tax account.
- Request a transfer of a reserve account.

#### Additional Features:

- File an unemployment insurance benefit charge or rate protest.
- Submit a Power of Attorney.

For more information, visit [e-Services for Business](http://edd.ca.gov/eServices) (edd.ca.gov/eServices).

Employers are encouraged to use e-Services for Business to monitor and manage their employer payroll tax account online, even if they use an employer representative or payroll agent to submit their returns, reports, and payments.