

**ANNUAL RECONCILIATION STATEMENT**



PLEASE TYPE THIS FORM - DO NOT ALTER PREPRINTED INFORMATION

**00070104**

YEAR ENDED \_\_\_\_\_ DUE \_\_\_\_\_ DELINQUENT IF NOT POSTMARKED OR RECEIVED BY \_\_\_\_\_ YEAR \_\_\_\_\_

EMPLOYER ACCOUNT NO. \_\_\_\_\_

DEPT. USE ONLY	<b>DO NOT ALTER THIS AREA</b>						
	P1	P2	C	P	U	S	A
	:	:	:	:	:	:	:
	T	:	:	:	:	:	:
			Mo.	Day	Yr.		
			EFFECTIVE DATE				

FEIN \_\_\_\_\_

ADDITIONAL FEINS \_\_\_\_\_

CHECK BOX IF:  
**A. NO WAGES PAID THIS YEAR**   
**B. OUT OF BUSINESS** \_\_\_\_\_ Date \_\_\_\_\_

**C. TOTAL SUBJECT WAGES PAID THIS CALENDAR YEAR** .....> \_\_\_\_\_

**D. UNEMPLOYMENT INSURANCE (UI)** (Total Employee Wages up to \_\_\_\_\_ per employee per calendar year)  
 (D1) UI % \_\_\_\_\_ TIMES (D2) UI TAXABLE WAGES \_\_\_\_\_ = (D3) UI CONTRIBUTIONS \_\_\_\_\_

**E. EMPLOYMENT TRAINING TAX (ETT)**  
 (E1) ETT % \_\_\_\_\_ TIMES UI Taxable Wages (D2) ..... = (E2) ETT CONTRIBUTIONS \_\_\_\_\_

**F. STATE DISABILITY INSURANCE (SDI)** (Total Employee Wages up to \$ \_\_\_\_\_ per employee per calendar year)  
 (F1) SDI % \_\_\_\_\_ TIMES (F2) SDI TAXABLE WAGES \_\_\_\_\_ = (F3) SDI EMPLOYEE CONTRIBUTIONS WITHHELD \_\_\_\_\_

**G. CALIFORNIA PERSONAL INCOME TAX (PIT) WITHHELD** .....> \_\_\_\_\_  
 PIT WITHHELD PER FORMS W-2 AND/OR 1099R

**H. SUBTOTAL** (Add Items D3, E2, F3, and G) .....> \_\_\_\_\_

**I. LESS: CONTRIBUTIONS AND WITHHOLDINGS PAID FOR THE YEAR (DO NOT INCLUDE PENALTY AND INTEREST PAYMENTS)** .....> \_\_\_\_\_

**J. TOTAL TAXES DUE OR OVERPAID** (Item H minus Item I) .....> \_\_\_\_\_

If amount due, prepare a *Payroll Tax Deposit* (DE 88), include the correct payment quarter, and mail to: Employment Development Department, P.O. Box 989071, West Sacramento, CA 95798-9071. Mailing payments with DE 7 delays payment processing and may result in erroneous penalty and interest charges. **Mandatory EFT filers must remit all SDI/PIT deposits by EFT to avoid a noncompliance penalty.**

**K. Be sure to sign this declaration: I declare that the information herein is true and correct to the best of my knowledge and belief.**  
 Signature \_\_\_\_\_ Title \_\_\_\_\_ Phone ( ) \_\_\_\_\_ Date \_\_\_\_\_  
(Owner, Accountant, Preparer, etc.)

**INSTRUCTIONS AND INFORMATION FOR COMPLETING ANNUAL RECONCILIATION STATEMENT**  
FOR ASSISTANCE IN COMPLETING THIS FORM, obtaining additional forms or any information, contact  
our Taxpayer Assistance Center at 1-888-745-3886. For TTY (non verbal) access, call 1-800-547-9565  
**PLEASE TYPE ALL INFORMATION.**

**INSTRUCTIONS**

**You must file this return even though you had no payroll. If you had no payroll, check the box for Item A and complete Item K.**

**When reporting dollar amounts, use DOLLARS AND CENTS. Do not use dashes or slashes.**

**Verify/enter your Federal Employer Identification Number (FEIN):** The number should be the same as your federal account number. If the number is not correct, line it out and enter correct number. If you have more than one FEIN relating to the state number, enter the additional FEINs in spaces indicated.

**LINE A. No Wages Paid This Year** - Check this box if you did not pay subject wages during the calendar year.

**LINE B. Out of Business (Date)** - Check this box if you quit business and this is your final statement. Show the out of business date.

**NOTE: IF YOU QUIT BUSINESS, YOU MUST FILE THIS FINAL STATEMENT AND THE QUARTERLY WAGE AND WITHHOLDING REPORT AND PAY ANY AMOUNTS DUE WITHIN 10 DAYS OF QUITTING BUSINESS TO AVOID PENALTY AND INTEREST.**

**LINE C. Total Subject Wages** - Enter the total subject wages paid to each employee during the year. Generally, most wages are considered "subject" wages.

**LINE D. Unemployment Insurance (UI)**

**D1. UI Rate** - Note: If you had a rate change which was not effective for the entire year, you will need to file a separate Annual Reconciliation Statement for the period of time covered by each rate. **For tax rate or benefit charge information, call 916-653-7795.**

**D2. UI Taxable Wages** - Enter total UI taxable wages for the year. **DO NOT INCLUDE EXEMPT WAGES.**

**D3. Employer's UI taxes** - Multiply D1 by the amount entered in D2 and enter this calculated amount in D3.

**LINE E. Employment Training Tax (ETT)**

**E1. ETT rate** **E2. Employment Training Tax** - Multiply E1 by the amount entered in D2 and enter this calculated amount in E2.

**LINE F. State Disability Insurance (SDI)**

**F1. SDI Rate** (Includes Paid Family Leave amount)

**F2. SDI Taxable Wages** - Enter the total SDI taxable wages for the year. **DO NOT INCLUDE EXEMPT WAGES.**

**F3. Multiply F1** by the amount entered in F2 and enter this calculated amount in F3.

**LINE G. California Personal Income Tax (PIT) Withheld**

Enter total California Personal Income Tax withheld, as reported on Forms W-2, and/or 1099-R. **NOTE: DO NOT SEND W-2s TO THE EDD.**

**CAUTION: TO AVOID A POTENTIAL ASSESSMENT, DO NOT ENTER TOTAL WAGES, FEDERAL WITHHOLDING, OR TOTAL PAYMENTS MADE FOR THE YEAR.**

**All magnetic media of 1099-R must be submitted to:**

Franchise Tax Board                      ATTN: Magnetic Media Coordination, #599  
P.O. Box 942840                              Sacramento, CA 94240-6090

**LINE H. Subtotal** - Add Items D3, E2, F3, and G, enter in the SUBTOTAL box.

**LINE I. Taxes and Withholdings paid for the year** - Total of all payments of UI, ETT, SDI and PIT paid for this calendar year.

**NOTE:** Do not include any payments made during the year for any prior years, or payments for penalty and interest.

**LINE J. Total Taxes Due or Overpaid** - Item H minus Item I (this should be zero if all payments have been properly paid). If amount is due, prepare a *Payroll Tax Deposit coupon* (DE 88). The payroll date, payment type, and payment quarter must be completed in order to process your payment coupon correctly. Failure to complete these items may result in your payment being posted to the wrong quarter/year and interest and penalty may be assessed. If taxes are overpaid, a refund will be generated.

**LINE K. Signature of preparer or responsible individual, including title, phone number, and date.**

**THIRD-PARTY SICK PAY**

**Third-Party Payers of Sick Pay:** Include withholdings for Third-Party Sick Pay in Item G. Attach a copy of the third-party sick pay statement provided to the employer.

**Employers:** Include third-party sick pay in lines C, D, and E. **DO NOT** include third-party sick pay withholdings in lines G or H. Attach a copy of third-party sick pay statement provided by the payer.

**INFORMATION**

**FILING THIS STATEMENT** - This statement must report all UI/SDI subject California wages paid and California Personal Income Tax withheld during the calendar year as shown on the Forms W-2 and/or 1099-R.

**NOTE: DO NOT SEND W-2s TO THE EDD.**

**PENALTY of \$1,000.00 or five percent (5%)** of the taxes required to be reconciled will be imposed for failure to file this statement within 30 days of notice to the employer because of his/her failure to file. Interest accrues from the **delinquent date of January 31st of the following year.**

**QUARTERLY PAYMENTS:** UI, ETT, and SDI and PIT withholdings are required to be paid at least quarterly throughout the year (SDI and PIT may be paid more often—see below). If you desire to remit these taxes more often you may do so by sending your payment with a *Payroll Tax Deposit coupon* (DE 88).

**NEXT BANKING DAY/SEMIWEEKLY/MONTHLY DEPOSITS:**

Deposits of withheld employee SDI taxes and PIT may be required throughout the year, depending upon the amount of PIT withheld and federal deposit requirements. Penalty and interest will be charged on late deposits.

If business was discontinued or if a change in ownership occurred during the period covered by this Annual Reconciliation Statement, each ownership must file a separate statement covering only that part of the year during which the particular ownership operated.

**TAXABLE WAGE LIMITS** - Individual employee wages are taxable to specific limits per calendar year for UI/ETT and SDI. Wages for each employee in excess of the taxable wage limit are exempt. For example, if the UI taxable wage limit is \$7,000 per employee, individual employee wages exceeding \$7,000 are exempt from UI/ETT taxes. For current and past taxable wage limits for UI/ETT and SDI, refer to our publication *Tax Rates, Wage Limits, and Value of Meals and Lodging* (DE 3395) or our website at [http://www.edd.ca.gov/pdf\\_pub\\_ctr/de3395.pdf](http://www.edd.ca.gov/pdf_pub_ctr/de3395.pdf).

If an active business was taken over and continued, wages paid by the former ownership shall be counted toward the UI, ETT, and SDI taxable limits by the new ownership. Otherwise, wages paid by other employers are not to be counted toward the taxable limits.

If an employer paid wages to the same employee for work in another state and reported the wages to the other state for UI purposes, the out-of-state wages shall also be counted toward the UI taxable limits. These wages are NOT used in computing the taxable limit for SDI.

Employers who would like to participate in Electronic Funds Transfer (EFT) filing, contact the EDD's e-Pay Unit at 916-654-9130.

**FOR MORE INFORMATION ABOUT COMPLETING THIS FORM, PLEASE REFER TO THE CALIFORNIA EMPLOYER'S GUIDE (DE 44) OR CONTACT OUR TAXPAYER ASSISTANCE CENTER AT THE NUMBER ABOVE.**