

PAYROLL: UNEMPLOYMENT INSURANCE

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PAYROLL: UNEMPLOYMENT INSURANCE

"Let us be of good cheer, however,
remembering that the misfortunes
hardest to bear are those which
never come."

--Lowell

I. INTRODUCTION

On January 1, 1972, the University became subject to the State Unemployment Insurance Program administered by the Employment Development Department (EDD). A University unemployment insurance coordinator, responsible for the administration of unemployment insurance claims, is designated at each campus, Laboratory, or other location. Departmental administrative units and the payroll section of the accounting office at each location also are involved in the administration of the Program for the University. This chapter sets forth the procedures to be followed in reporting covered wages, assessing the cost of unemployment insurance, and monitoring claims paid by EDD.

II. PROCEDURES

Unemployment insurance is designed to replace, in part, wages lost because an employee is involuntarily unemployed. An employee's unemployment benefits are determined based on the covered wages received by the employee during his or her employment.

A. ELIGIBLE EMPLOYEES

All employees are covered by unemployment insurance except University of California students who:

- 1) are registered for a minimum number of units (as set by the location), and
- 2) are not members of a retirement system (other than the Defined Contribution Plan).

II. PROCEDURES (Cont'd.)

B. COVERED WAGES

In general, wages paid to covered employees, including overtime, differentials, etc., are subject to unemployment insurance and are reported to EDD. However, payments, such as final vacation payments and perquisites by deduction, are excluded from reporting. (See Accounting Manual chapter [P-196-11](#), Payroll: Accounting for and Tax Reporting of Mandatory Deductions and Insurance Benefit Contributions, for details concerning covered wages.)

C. REPORTING TO EDD

Wages paid to an employee within a quarter that are covered by unemployment insurance are reported to EDD under the employer identification number assigned to the location by EDD (see subsection 3. below).

1. Quarterly Wage Information Reported to EDD

* Quarterly DE 6 wage information is reported to EDD on magnetic tape. The tape contains information by employee on unemployment insurance covered wages and personal income tax withheld as specified in EDD's Quarterly Wage and Withholding Reporting Program, DE 8300. The data processing centers send the magnetic tape directly to EDD with the Magnetic Media Submittal Sheet, Quarterly Wage and Withholding Information, DE 166 Form (Exhibit A).

The UI Wages and California State Withholding Tax report provides a listing by employee of the unemployment insurance covered wages and personal income tax withheld, as reported on the magnetic tape. Other reports provide listings by employee of wages and taxes that could not be reported on the magnetic tape because the amounts were negative. The data processing centers prepare a copy of these reports for each accounting office which forwards a copy of each report to the unemployment insurance coordinator.

* Adjustments to the quarterly DE 6 wage information reported to EDD are made on the DE 938, Quarterly Return Adjustment Form (Exhibit B) and the attachment to the DE 938 Form (Exhibit C). Copies of the adjustments are forwarded to the unemployment insurance coordinator.

II. PROCEDURES

C. REPORTING TO EDD (Cont'd.)

2. Annual Reconciliation Return

All unemployment insurance covered wages paid and personal income tax withheld during the calendar year must be reported on the DE 7, Annual Reconciliation Statement (Exhibit D). The total personal income tax withheld as shown on this return must agree with the totals shown on the W-2 Forms.

3. Reporting Numbers

For reporting purposes, EDD has assigned a separate employer identification number to each accounting location. The reporting numbers are as follows:

<u>Location</u>	<u>Regular Number</u>
Berkeley	935-0503-0
Davis	935-0501-4
Irvine	935-0513-9
Los Angeles	935-0510-5
Riverside	935-0511-3
San Diego	935-0505-5
San Francisco	935-0509-7
Santa Barbara	935-0512-1
Santa Cruz	935-0506-3
Lawrence Berkeley National Laboratory (LBNL)	935-0507-1
Lawrence Livermore National Laboratory (LLNL)	935-0508-9
Los Alamos National Laboratory (LANL)	935-0500-6
Associated Students of UCLA (ASUCLA)	935-0502-2
Hastings College of the Law	936-5201-4

D. ASSESSMENT

The University participates in the State Unemployment Insurance Program based on a cost reimbursement method. Under this method, the University reimburses the State for the actual amount of claims paid. In order to create a pool for this reimbursement, an assessment is made against all funds from which covered wages are paid.

This assessment is entered in the general ledger as a departmental employee benefit cost using Object Code 8520, with an offsetting credit to the campus Unemployment Insurance Accrued Liability account (11540X). The computer-generated entry XX-D10 from the distribution of payroll expense process credits each campus liability account 11540X, without a fund designation. This entry is separated into four funds based on the fund groups indicated on the distribution of payroll expense report for unemployment insurance, as follows:

<u>UI Account/Fund</u>	<u>Fund Group Range</u>	<u>Fund Group Code</u>
* 11540X - 19999	19900 - 19999 (General Funds)	401000
11540X - 33999	21100 - 33999 (Federal Funds)	406XXX
11540X - 63999	63000 - 63999 (Hospital Funds)	490200
11540X - 69999	All Other Funds	

This entry is made on a monthly basis to provide the unemployment insurance coordinator with up-to-date information.

The following Unemployment Insurance Accrued Liability accounts are used by campuses that choose to distribute the offset credits directly to the four separate accounts based on the fund groups:

<u>UI Account</u>	<u>Fund Group Range</u>	<u>Fund Group Code</u>
115441	19900-19999 (General Funds)	401000
115442	21100 - 33999 (Federal Funds)	406XXX
115443	63000 - 63999 (Hospital Funds)	490200
115444	All Other Funds	

Each campus establishes its own assessment rates based on reimbursements made to EDD and the assessment balances held at the campuses for each fund group.

This assessment procedure applies only to the campuses. It does not apply to LBNL, LLNL, LANL, ASUCLA, or Hastings College of the Law.

II. PROCEDURES (Cont'd.)

E. COST OF UNEMPLOYMENT INSURANCE CLAIMS

Unemployment insurance claims paid by EDD are reimbursed by each campus from the Unemployment Insurance Accrued Liability account as described in subsection D. above. Refunds are not made for retroactively accumulated credits for individual campus account balances. Accumulated credits are, instead, deducted from any present or future payments. Payments should be charged against the proper fund, as identified by the unemployment insurance coordinator. Quarterly, EDD forwards to each campus a DE 428R, Statement of Reimbursable Benefit Charges, and a DE 2176, Employer Account Statement. The DE 428R lists the individual claims paid by EDD during the quarter on behalf of the campus. The DE 2176 is used to notify a location of the total amount due for its share of reimbursable unemployment insurance benefits.

The unemployment insurance coordinator allocates each claim listed on the DE 428R to one of the four fund groups specified in subsection D. above, then totals the claims for each of those groups. The unemployment insurance coordinator contacts EDD concerning any claims that appear to be improper. After approving the statement, the unemployment insurance coordinator sends a copy to the campus accounting office for payment from the appropriate fund groups in the liability accounts.

LBNL, LLNL, LANL, ASUCLA, and Hastings also maintain their own liability accounts and pay their own claims.

III. RESPONSIBILITIES

A. CONTROLLERS

Based on the information provided by employees or departments, the campus Controllers are responsible for establishing and maintaining each employee's unemployment insurance status on the employee data base. Controllers are responsible for ensuring that assessments against covered wages are allocated to the appropriate fund groups and liability accounts.

Controllers are responsible for periodically establishing assessment rates, by fund group, for their locations.

Controllers are responsible for making any adjustments to the quarterly DE 6 wage reports on the DE 938 Form and for providing copies of the adjustments to the unemployment insurance coordinator.

B. DATA PROCESSING CENTERS

Data processing centers are responsible for providing EDD with quarterly DE 6 wage information on magnetic tape and for providing the accounting office with copies of the quarterly reports.

C. EMPLOYEES AND EMPLOYING DEPARTMENTS

* It is the responsibility of the employee and the employee's department to complete the appropriate form(s), including the Unemployment Insurance Termination Report, U5602 form (Exhibit E)¹, whenever there is a change in the employee's unemployment insurance status. The completed form should be sent to the unemployment insurance coordinator.

D. UNEMPLOYMENT INSURANCE COORDINATOR

* Unemployment insurance coordinators have the primary responsibility for administering unemployment insurance claims. This includes reviewing and responding to claims within the prescribed deadlines, protesting claims for those employees who voluntarily separate without good cause or misconduct, and representing the University during the appeal process. Coordinators also serve as the liaison to EDD in matters concerning unemployment insurance.

IV. REFERENCES

EDD Publications:

California Employer's Guide, DE 44.

Magnetic Media Reporting Requirements for Quarterly Wage Reporting Program, DE 8300.

*¹ The Unemployment Insurance Termination Report form, U5602, is available on the Payroll Coordination & Tax Services web site. The web site is located at: www.ucop.edu/ucophome/cao/paycoord/.

IV. REFERENCES (Cont'd.)

Commerce Clearing House, Inc., Payroll Management Guide,
Volume 2.

Accounting Manual chapters:

- P-196-11 Payroll: Accounting for and Tax Reporting of
Mandatory Deductions and Insurance
Benefit Contributions.
- P-196-77 Payroll: State Tax Withholding from
Employees.

Memoranda:

Assistant Vice President Carole A. Swartz and
University Controller Joseph A. Pastrone, Letter to the
Administrative Vice Chancellors on Unemployment
Insurance Assessment Rates, February 8, 1991.

Principal Analyst Nancy Partovi, Letter to Payroll
Managers on Making Corrections to California Quarterly
Reporting, September 5, 1995.

Historical note: Accounting Manual chapter first published
1/3/72. Revisions: 10/2/72, 11/20/74, 1/1/76, 7/1/80, 9/1/81,
11/1/82, 5/1/84, 9/30/95, 6/30/98, 6/30/03, and 6/30/04; analyst-
Kathy Henmi.

**EXHIBIT A



**MAGNETIC MEDIA - SUBMITTAL SHEET
QUARTERLY WAGE AND WITHHOLDING INFORMATION**

Complete Parts I, II, III and IV of form. Do not complete a DE 6, Quarterly Wage and Withholding Report, unless additional quarterly wages are being reported. Questions regarding quarterly reporting may be directed to (916) 654-6845. Mail completed DE 166 and labeled media to:

Magnetic Media Production Unit, MIC 15
Employment Development Department
P.O. Box 826204
Sacramento, CA 94230-6204

Note: If using land carrier, i.e., UPS or Federal Express, use:
800 Capitol Mall, MIC 15A
Sacramento, CA 95814

PART I - SUBMITTER / CONTACT INFORMATION

DATE SENT: _____

SUBMITTING FIRM NAME AND ADDRESS ENTER ADDRESS TO WHICH FILE SHOULD BE RETURNED* <input type="checkbox"/> CHECK FOR CHANGE OF ADDRESS *NOTE: Diskettes not returned unless requested.	PLEASE ENTER REPORTING PERIOD. DE 6 - QUARTER _____ YEAR _____ NUMBER OF FIRMS REPORTED ON FILE: _____ <input type="checkbox"/> CHECK, IF THIS IS A TEST FILE. NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON TO CONTACT FOR TECHNICAL INFORMATION REGARDING FILE. ()
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PART II - FIRM(S) BEING REPORTED

(Attach additional sheets if needed. Computer printouts of the required data may also be attached.)

EMPLOYER NAME (FIRM #1)			EMPLOYER NAME (FIRM #2)		
STATE ID NUMBER	BRANCH	FEDERAL ID NUMBER	STATE ID NUMBER	BRANCH	FEDERAL ID NUMBER
TOTAL SUBJECT WAGES REPORTED ON MEDIA FILE			TOTAL SUBJECT WAGES REPORTED ON MEDIA FILE		
\$			\$		
TOTAL PIT WAGES REPORTED ON MEDIA FILE			TOTAL PIT WAGES REPORTED ON MEDIA FILE		
\$			\$		
TOTAL PIT WITHHELD ON MEDIA FILE			TOTAL PIT WITHHELD ON MEDIA FILE		
\$			\$		
TOTAL NUMBER OF EMPLOYEES REPORTED ON MEDIA FILE			TOTAL NUMBER OF EMPLOYEES REPORTED ON MEDIA FILE		
#			#		
TOTAL SUBJECT WAGES REPORTED ON PAPER (IF ANY)			TOTAL SUBJECT WAGES REPORTED ON PAPER (IF ANY)		
\$			\$		

PART III - MAGNETIC MEDIA FILE INFORMATION

TAPE <input type="checkbox"/> 9 TRACK TAPES <input type="checkbox"/> IBM 3480 TAPE CARTRIDGES <input type="checkbox"/> IBM 3490 TAPE CARTRIDGES	LIST ANY EXTERNAL TAPE/CARTRIDGE FILE IDENTIFICATION NUMBERS _____ _____ _____	<input type="checkbox"/> CD-R <input type="checkbox"/> 3 1/2" DISKETTE
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PART IV - DECLARATION

I declare that the information herein is true and correct to the best of my knowledge and belief.

Signature _____ Title _____ Phone () _____ Date _____

EXHIBIT B



Serving the People of California



Employer Account No.

For Quarter Ended
MO. DAY YR.

DE 938 Quarterly Adjustment Form

Please Follow Instructions on Reverse Side.

STATUTE OF LIMITATIONS

A claim for refund or credit must be filed within three years of the last timely filing date of the quarter being adjusted.

For Department Use Only

EFFECTIVE DATE

MO. DAY YR.

Name _____
DBA _____
Address _____

I. ADJUSTMENT TO WAGES AND CONTRIBUTIONS

- A. TOTAL WAGES IN SUBJECT EMPLOYMENT
- B. UNEMPLOYMENT INSURANCE (UI) Taxable Wages
- C. STATE DISABILITY INSURANCE (SDI) Taxable Wages
- D. EMPLOYER'S UI CONTRIBUTIONS (UI Rate times B)
- E. EMPLOYMENT TRAINING TAX (ETT Rate times B)
- F. STATE DISABILITY INSURANCE (SDI) Withheld (SDI Rate times C; complete **Box 1** below if credit.)
- G. PERSONAL INCOME TAX (PIT) Withheld (Complete **Box 2** below if credit.)
- H. SUBTOTAL (Lines D, E, F & G).....
- I. Penalty (Refer to instructions on reverse side)
- J. Interest (Refer to instructions on reverse side).....
- K. Less Erroneous SDI Deductions not refunded (See **Box 1 Line 2** below).....
- L. Total.....

	(1) Previously reported	(2) Should have reported	(3) DIFFERENCES Debit/(Credit)
A.			
B.			
C.			
D.			
E.			
F.			
G.			
H.			
I.			
J.			
K.			
L.			

BOX 1. STATE DISABILITY INSURANCE OVERPAYMENTS (Must be completed for credit to be allowed.)

1. Was the credit claimed in column 3 withheld from the wages of employee(s)? Yes No
If yes, has this amount been refunded to employee(s)? Yes No

2. Not refunded; employee(s) no longer employed, unable to locate. (List SSA number, employee name, last known address, and amount of SDI not refunded on a separate page. Show the total on Line K above.)

BOX 2. PERSONAL INCOME TAX OVERPAYMENTS (Must be completed for credit to be allowed.)

If you paid EDD more than the amount of California PIT withheld from wages of employee(s), you can adjust the amount reported by using this form. EDD will allow credit adjustments prior to the issuance of W-2's. **If you have already issued W-2's, please read the additional information on reverse before proceeding.**

1. Was the credit claimed in column 3 withheld from the pay of employee(s)? Yes No
If yes, has this credit been refunded to employee(s)? Yes No

2. Was the credit claimed in column 3 included on W-2's issued to employee(s)? Yes No

II. REASON FOR ADJUSTMENT

III. EMPLOYEE WAGES/PIT WITHHOLDINGS ADJUSTMENT Enter the correct information which should have been reported.
Enter only those employees whose wages, withholdings, or social security account numbers are being corrected. If you are reporting adjustments for more than three (3) employees, list the items on a separate page with the same format or use a DE 6 Quarterly Wage Report.

SOCIAL SECURITY ACCOUNT NUMBER	EMPLOYEE NAME		TOTAL WAGES SHOULD HAVE BEEN REPORTED	TOTAL STATE PIT SHOULD HAVE BEEN REPORTED
	First Initial	Last Name		
Total of this page OR total for all pages attached				

I, I declare that the above information is true and correct to the best of my knowledge and belief. This section must be completed for credit to be allowed.

SIGNATURE _____ TITLE (Owner, Accountant, Preparer, etc.) _____ PHONE _____ DATE _____
X ()

Instructions For Completion of DE 938, Quarterly Adjustment Form

<p>You need to complete this adjustment form if:</p> <ol style="list-style-type: none"> 1. You are adjusting wages and/or Personal Income Tax (PIT) withholdings by individual. <u>or</u> 2. You are reporting additional wages and/or PIT. <u>or</u> 3. You are filing a claim for refund. <u>or</u> 4. You have reported contributions incorrectly and need to adjust them. 	<p>You do not need to complete this adjustment form if:</p> <ol style="list-style-type: none"> 1. You have made an overpayment and can internally adjust the contribution on a subsequent Report of Contribution (DE 88). For example, an overpayment of Personal Income Tax (PIT) is considered as a prepayment of the PIT for the subsequent DE 88. The amount reported and paid on the subsequent DE 88 should be the actual amount of PIT withheld for the period minus the overpayment in PIT. <u>or</u> 2. You have reported contributions incorrectly and can internally adjust the individual contributions on your subsequent DE 88s. 	<p>You should contact your local Employment Tax Customer Service Office (ETCSO) listed in the white pages under California, State of, Employment Development Department, if:</p> <ol style="list-style-type: none"> 1. You are not sure if you should complete this adjustment form. <u>or</u> 2. You need assistance in completing this Quarterly Adjustment Form. <u>or</u> 3. You are reporting back-pay awards.
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I. ADJUSTMENTS TO WAGES AND CONTRIBUTIONS

Lines A through G:

- Column 1 - Enter the amounts previously reported on your return; report on your most recent adjustment form. Complete for affected fields only.
- Column 2 - Enter the amounts that you should have reported on the above return, report or adjustment form.
- Column 3 - Enter the difference between Column 1 and Column 2.

Line I: Penalty: Penalty of ten percent (10%) of Line (H) is due if you are paying additional taxes with this adjustment form.

Line J: Interest: Interest is computed on the total of Line H and Line I. Since the interest rate changes periodically, please contact your nearest Tax Customer Service Office for assistance.

Line K: Erroneous SDI Deductions Not Refunded: Since SDI deductions are employee contribution, EDD cannot refund these contributions to you unless the erroneous deductions have been first refunded to the employees.

Line L: Total: Add Subtotal (Line H), plus Penalty (Line I) and Interest (Line J). Subtract Erroneous SDI Deductions Not Refunded (Line K). If a balance is due, please pay this amount. If a credit is shown, you can either wait for the refund or you can apply the credit to your account. If you want to apply the credit to your account, please indicate in Section II or on a separate statement the amount and the specific fund(s) to which you want us to apply the credit. In order to reduce costs, credits under \$10 will not be refunded unless requested in writing.

Personal Income Tax Overpayments

After you have issued a Form W-2 to an employee, you cannot adjust the amount reported as income tax withheld when you have over-withheld from an employee's wages. EDD cannot allow a credit or refund of any overpayment of income tax withheld from an employee's wages that are reported on Form W-2. The employee will receive credit for any overwithholding when filing their California Resident Income Tax return (Form 540) with the Franchise Tax Board. You should not refund the overwithholding to the employee, change the California PIT withholding amount shown on the Form W-2, or file a claim for refund with EDD.

You may claim a credit or refund of California PIT overwithheld from an employee's wages when the excess amount is credited or refunded to the employee during the same calendar year and the excess amount is not shown of the Form W-2 issued to the employee. If you paid EDD more than the amounts withheld from an employee's wages, and you want a refund, you can adjust the amount reported on this form. Otherwise, you can consider this overpayment of PIT as a prepayment of the PIT for the subsequent deposit. You do not need to complete this adjustment form. The amount indicated on the subsequent payment should be the actual amounts due in the PIT minus the overpayment in PIT. The payment submitted should always equal the stated amounts on deposit. **Do not show a credit on the DE 88.**

If you issued a Form W-2 showing the wrong amount, you must issue a W-2C to the employee and make the necessary changes in Section III on the front of this form or submit the appropriate Quarterly Wage Report (DE 6), with this adjustment form.

II. REASON FOR ADJUSTMENT. This item is used to explain the reason for the adjustment in the above section.

III. EMPLOYEE WAGES / PIT WITHHOLDINGS ADJUSTMENT. Attach additional Quarterly Wage Report (DE 6), if you need additional space. Complete as described in the following examples:

- A. Incorrect wages and/or PIT withholdings reported. Enter Social Security Account (SSA) number, name, and **correct** amount of wages and PIT withholdings.
- B. Wrong SSA number originally reported. This correction requires two entries. First enter the incorrect SSA number, name, **zero (0)** wages, and **zero (0)** PIT withholdings; then enter the **correct** SSA number, name, **correct** amount of wages and PIT withholdings.

IV. SIGNATURE. Please include your phone number so we can contact you if we need additional information. Thank you.

FOR DEPARTMENT USE ONLY				
Examiner	Date	Reviewer	Date	Originating Unit
Examiner	Date	Approval	Date	MIC/ETDO
CD	BN	SN	PMT	OP

*EXHIBIT D



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.

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

FEIN _____ CHECK BOX IF: A. NO WAGES PAID THIS YEAR _____

ADDITIONAL FEINS _____ 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 _____ 0:00

E. EMPLOYMENT TRAINING TAX (ETT) (E1) ETT % _____ TIMES UI Taxable Wages (D2) _____ (E2) ETT CONTRIBUTIONS _____ 0:00

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 _____ 0:00

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) _____ 0:00

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) _____ 0:00

If amount due, prepare a Payroll Tax Deposit, DE 88, and mail to P.O. Box 826276, Sacramento, CA 94230-6276. Mailing payments with DE 7 delays payment processing and may result in an erroneous penalty and interest charges. Mandatory EFT filers must remit all SDI/PIT deposits by EFT to avoid Non-Compliance 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.)

SIGN AND MAIL TO: State of California / Employment Development Department / P.O. Box 826286 / Sacramento CA 94230-6286 DE 7 Rev. 4 (1-04) (INTERNET) Page 1 of 2 CU

*EXHIBIT D (Cont'd.)

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

<u>INSTRUCTIONS</u>	<u>THIRD PARTY SICK PAY</u>								
<p>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.</p> <p>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.</p> <p>LINE A. No Wages Paid This Year - Check this box if you did not pay subject wages during the calendar year.</p> <p>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.</p> <p>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.</p> <p>LINE C. Total Subject Wages - Enter the total subject wages paid to each employee during the year. Generally, most wages are considered "subject" wages.</p> <p>LINE D. Unemployment Insurance (UI) D1. UI Rate - Note: <i>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.</i> 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.</p> <p>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.</p> <p>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.</p> <p>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 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</p> <p>LINE H. Subtotal - Add Items D3, E2, F3, and G, enter in the SUBTOTAL box.</p> <p>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.</p> <p>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.</p> <p>LINE K. Signature of preparer or responsible individual, including title, phone number, and date.</p>	<p>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.</p> <p>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.</p> <p style="text-align: center;"><u>INFORMATION</u></p> <p>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 EDD.</p> <p>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.</p> <p>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).</p> <p>NEXT BANKING DAY/SEMI-WEEKLY/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.</p> <p>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.</p> <p>TAXABLE WAGE LIMITS AND EXEMPT WAGES—Individual employee wages are taxable to specific limits per calendar year (UI/ETT is \$7,000 and SDI see box). Wages for each employee in excess of \$7,000 are exempt from the UI tax and ETT.</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">SDI Maximum Wage Limit</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2003</td> <td style="text-align: center;">\$56,916.00</td> </tr> <tr> <td style="text-align: center;">2004</td> <td style="text-align: center;">\$68,829.00</td> </tr> <tr> <td style="text-align: center;">2005</td> <td style="text-align: center;">\$79,418.00</td> </tr> </tbody> </table> <p>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.</p> <p>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.</p> <p>Employers who would like to participate in Electronic Funds Transfer (EFT) filing, contact EDD's EFT Unit at (916) 654-9130.</p> <p>FOR MORE INFORMATION ABOUT COMPLETING THIS FORM, PLEASE REFER TO THE CALIFORNIA EMPLOYER'S GUIDE (DE 44) OR CONTACT AN EMPLOYMENT TAX CUSTOMER SERVICE REPRESENTATIVE AT THE NUMBER ABOVE.</p>	SDI Maximum Wage Limit		2003	\$56,916.00	2004	\$68,829.00	2005	\$79,418.00
SDI Maximum Wage Limit									
2003	\$56,916.00								
2004	\$68,829.00								
2005	\$79,418.00								

**** EXHIBIT E**

UNEMPLOYMENT INSURANCE TERMINATION REPORT
U5602 (R2/04) University of California Human Resources and Benefits

Forward to your local Unemployment Insurance Coordinator

To be completed by the department(s) for all separating employees.

Please print or type and complete all items accurately. Failure to do so may subject the University to a penalty. Send completed form directly to the Unemployment Insurance Coordinator, local Personnel Office. Do not route with other separation forms. Delay in submission could affect benefits.

PERSONAL INFORMATION				
NAME (Last, First, Middle Initial)		SOCIAL SECURITY NUMBER	EMPLOYEE ID NUMBER	DATE OF SEPARATION
CAMPUS	DEPARTMENT NAMES		DATE OF HIRE	LAST DAY ACTUALLY WORKED
U.C. STUDENT STATUS <input type="checkbox"/> Not Registered <input type="checkbox"/> Undergraduate <input type="checkbox"/> Graduate <input type="checkbox"/> Other	FULL ACCOUNTING UNIT(S)	PAYROLL TITLES	TITLE CODES AT SEPARATION	PRIMARY FUNDING SOURCE (Check only one box) <input type="checkbox"/> 19900 Funds <input type="checkbox"/> Federal Funds <input type="checkbox"/> Hospital Funds <input type="checkbox"/> All other funds

REASON FOR TERMINATION (This question must be answered accurately in all cases.)

Was termination requested or suggested by the University? Yes No

REASON FOR SEPARATION Provide details in "Explanation" below.

Resignation

<input type="checkbox"/> (AA) To accept another job*	<input type="checkbox"/> (AE) Pregnancy—did not desire leave	<input type="checkbox"/> (AI) Military Service	<input type="checkbox"/> (AM) Moved out of area
<input type="checkbox"/> (AB) To look for another job	<input type="checkbox"/> (AF) Family and/or child care	<input type="checkbox"/> (AJ) Failed to return from leave	<input type="checkbox"/> (AN) No reason given
<input type="checkbox"/> (AC) Self-employment	<input type="checkbox"/> (AG) Health	<input type="checkbox"/> (AK) Other (explain below)	<input type="checkbox"/> (EC) Quit without notice
<input type="checkbox"/> (AD) Dissatisfied with job	<input type="checkbox"/> (AH) To attend school		

Retirement <input type="checkbox"/> (RA) Retirement <input type="checkbox"/> (RD) Retirement—compulsory for SMGs and regents' officers <input type="checkbox"/> (RF) Retirement—faculty	Expiration of Appointment <input type="checkbox"/> (BA) Grant/contract expired <input type="checkbox"/> (BB) Appointment/contract appt. expired <input type="checkbox"/> (BC) Visa/work authorization expired	Release <input type="checkbox"/> (CB) Limited employee <input type="checkbox"/> (CD) Casual restricted appointment <input type="checkbox"/> (CE) Graduation/no longer student <input type="checkbox"/> (CC) Other casual employee (on call)
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Indefinite Layoff <input type="checkbox"/> (CA) Layoff w/recall/rehire rights <input type="checkbox"/> (CG) Layoff w/severance	<input type="checkbox"/> (CH) Layoff, severance & rehire/recall rights <input type="checkbox"/> (CI) Layoff, no severance or recall	Termination—Due to: <input type="checkbox"/> (EA) Lack of performance <input type="checkbox"/> (ED) Job abandonment <input type="checkbox"/> (EF) No longer certified/licensed	<input type="checkbox"/> (EB) Misconduct <input type="checkbox"/> (EE) Never started employment <input type="checkbox"/> (EG) Do not rehire—settlement (employee agrees not to return)
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Medical Separation <input type="checkbox"/> (GA)	Change to Emeritus Status <input type="checkbox"/> (JA)	Released—Before attaining regular status <input type="checkbox"/> (DA)
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Death <input type="checkbox"/> (KA) Give date and name of survivor	Termination from Senior Management, Per Diem Classes and Coach/Related Professional <input type="checkbox"/> (LA) Other termination <input type="checkbox"/> (CF) Per diem release
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Explanation:

*If resigning to accept other employment, provide name of next employer _____

Layoff/Furlough

<input type="checkbox"/> Temporary Layoff	Give dates: From _____ To _____
<input type="checkbox"/> Furlough	Give dates: From _____ To _____

SIGNATURES						
EMPLOYEE	DATE	DEPARTMENT HEAD	DATE	PREPARED BY	DATE	EXTENSION

For Unemployment Insurance records only. Not for use in employment references.

RETN: 3 years after separation
Other copies: 0-3 years after separation

SEE REVERSE FOR PRIVACY NOTIFICATIONS

EXHIBIT E (Cont'd.)

TO BE COMPLETED BY EMPLOYEE

NOTICE OF RESIGNATION

TO: Department Head

Date: _____
(MO/DY/YR)

_____ Department

_____ Campus

I hereby submit my resignation as an employee of the University of California, effective _____
(MO/DY/YR)

My reason(s) is (are) as follows: _____

Name and city of my next employer (if leaving for other employment) _____

Please forward all communications to me at the following address:

ADDRESS (Number, Street, P.O. Box)

(City, State, ZIP, Country)

PLEASE PRINT NAME

SIGNATURE

PRIVACY NOTIFICATIONS

STATE

The State of California Information Practices Act of 1977 (effective July 1, 1978) requires the University to provide the following information to individuals who are asked to supply information:

The principal purpose for requesting the information on this form is for payment of earnings, and for miscellaneous payroll and personnel matters, such as, but not limited to: withholding of taxes, benefits administration, and changes in title and pay status. University policy and State and Federal statutes authorize the maintenance of this information.

Furnishing all information requested on this form is mandatory—failure to provide such information may jeopardize any claim you file for Unemployment Insurance. Information furnished on this form may be used by various University departments for payroll and personnel administration, and will be transmitted to the State and Federal governments as required by law.

Individuals have the right to review their own record in accordance with University personnel policy and collective bargaining agreements. Information on applicable policies and agreements can be obtained from Campus Human Resources and Academic Personnel Offices.

The officials responsible for maintaining the information contained on this form are: Campus Human Resources and Academic Personnel Directors.

FEDERAL

Pursuant to the Federal Privacy Act of 1974, you are hereby notified that disclosure of your Social Security number is mandatory. Disclosure of the Social Security number is required pursuant to Sections 6011 and 6051 of Subtitle F of the Internal Revenue Code and with Regulation 4, Section 404.1256, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The Social Security number is used to verify your identity. The principal uses of the number shall be to report (1) Federal and State income taxes withheld, (2) Social Security contributions, (3) State Unemployment and Worker's Compensation earnings, (4) earnings and contributions to participating retirement systems, (5) as an identifier for your insurance carrier to verify your eligibility and to maintain claim records for you and your eligible dependents.