

INSTRUCTIONS FOR PREPARING THE DE 88/DE 88ALL PAYROLL TAX DEPOSIT COUPON

The Employment Development Department (EDD) has a toll-free number, 1-888-745-3886, for customers in the U.S. and Canada to call for general State payroll tax and filing requirement information. Call Center agents are available to answer questions Monday through Friday from 7:00 a.m. to 6:00 p.m., Pacific time. The Call Center is closed weekends and State holidays. When you call, an automated interactive voice response system will provide a menu of services. Some of the automated services that are available 24 hours a day, 7 days a week, are:

- Ordering tax forms, instructions, and publications.
- Using our Fax-on-Demand and E-Z Access Information Topics. You can also call this system directly at our toll-free number, 1-877-547-4503, from your fax machine and either have a wide variety of tax forms and publications sent to you by fax or listen to recorded messages covering more than 50 payroll tax topics. The Fax-on-Demand system is not designed to receive faxes, so please do not attempt to fax anything to the number.

If you are calling from outside the U.S. or Canada, you can call us at 1-916-464-3502. Speech and hearing impaired customers may contact us on our TTY line toll-free at 1-800-547-9565.

Many of EDD's tax forms, publications, and information sheets are also available by accessing www.edd.ca.gov/taxrep/taxform.htm on the Internet.

For your TAX RATE INFORMATION, please refer to either your *Notice of Contribution Rates and Statement of UI Reserve Account* (DE 2088) mailed to you under separate cover or call EDD's 24-hour automated call system at 1-916-653-7795 for tax rate information.

The following pages provide information and instructions to assist you in completing a *Payroll Tax Deposit*, DE 88/DE 88ALL coupon;

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GENERAL INFORMATION

PAYROLL TAX DEFINITIONS

California PIT Withholdings	Employers may be required to withhold California PIT from their individual employee wages.
California PIT Deposit Threshold	The California PIT deposit threshold is used in a conjunction with your Federal Deposit Schedule to determine when your deposit is due based on the amount of accumulated California PIT that you have withheld. The 2005 PIT deposit threshold is \$500 for Next Banking Day, Semi-Weekly, and Monthly depositors.
State Disability Insurance (SDI)	Subject employers must withhold SDI from individual employee wages to the taxable wage limit of \$79,418.
Paid Family Leave (PFL)	Subject employers must withhold PFL as part of SDI from individual employee wages to the taxable limit.
Unemployment Insurance (UI)	Subject employers are responsible for paying UI on individual employee wages to the taxable wage limit of \$7,000.
Employment Training Tax (ETT)	Employers with a positive reserve account balance are required to pay ETT on individual employee wages to the taxable wage limit of \$7,000.

PAYROLL TAXES

- An employer's UI contribution rate is based on their reserve account balance and may fluctuate annually.
- Employers with a positive reserve account balance pay ETT.
- The SDI rate (includes percentage for Paid Family Leave) is the same for all employers and may fluctuate annually.
- PIT withholding schedules are located in the 2005 *California Employer's Guide* (DE 44) mailed under separate cover. If you do not have this guide, contact Taxpayer Assistance Center at 1-888-745-3886.
- Payment of UI and ETT is not due until the end of the quarter.

If you do not prepay your UI and ETT contributions with your Next Banking Day, Semi-Weekly, or Monthly deposits of SDI and California PIT, you will be required to make a UI and ETT deposit at the end of the quarter.

- Penalty and interest will be charged for late deposits/payments. Refer to PAYMENT DUE DATES on page 4.

COMPUTING PAYROLL TAXES

- Instructions for calculating taxable wages and payment amounts can be found on pages 6 through 11.
- Use the worksheets found on pages 12 and 13 for computing the amount of your payroll tax payments.
- Record your payroll tax deposits/payments on the Employer Record of California Tax/Withholdings Deposits found on page 14.

OTHER

- If you have a change of mailing address or have quit doing business, complete the CHANGE OF ADDRESS/ ADDRESS CORRECTION AND FINAL REPORT FORM on page 15 and mail it to the address shown on the form. ADDRESS CHANGES MADE ON THE DE 88ALL CANNOT BE PROCESSED.
- If you require a receipt other than your cancelled check, prepare a letter requesting a receipt and include it, along with a self-addressed stamped envelope, with your deposit/payment.

TO AUTOMATE YOUR PAYROLL TAX PAYMENTS AND ELIMINATE PREPARATION OF A DE 88/DE 88ALL COUPON, USE ELECTRONIC FUNDS TRANSFER (EFT). CONTACT OUR EFT UNIT AT 1-916-654-9130 OR FAX 1-916-654-7441 FOR MORE INFORMATION. You may also refer to the 2005 *California Employer's Guide* (DE 44) for information about EFT.

TAX PAYMENTS AND DEPOSIT REQUIREMENTS

TAX PAYMENTS

All tax payments must be submitted with a properly completed *Payroll Tax Deposit* (DE 88/DE 88ALL) coupon, unless payments are made by electronic funds transfer. Although employer contributions of UI and ETT are due quarterly, withholdings from employees' wages for SDI and California PIT may need to be deposited more often. State deposit due dates are generally the same as federal deposit due dates. The postmark date is used to determine the timeliness of tax payments and penalty and interest are charged on tax payments received late.

Mail *Payroll Tax Deposit* DE 88/DE 88ALL to:

Employment Development Department
P.O. Box 826276
Sacramento, CA 94230-6276

Please indicate your employer account number on your check or money order.

DEPOSIT REQUIREMENTS

PAYMENT TYPE	REQUIREMENT DEFINITION
Next Banking Day	You will be required to make Next Banking Day SDI and PIT deposits if you are required to make federal Next Banking Day deposits AND you accumulate more than \$500* in California PIT during one or more payroll periods. The Next Banking Day deposit schedule requires deposits to be made by the next banking day. Banking days do not include Saturdays, Sundays, and legal holidays.
Semi-Weekly	<p>You will be required to make Semi-Weekly SDI and PIT deposits if you are required to make federal Semi-Weekly deposits AND you accumulate more than \$500* in California PIT during one or more payroll periods. The Semi-Weekly deposit schedule requires deposits for paydays on Wednesday, Thursday, and Friday to be made by the following Wednesday. For paydays on Saturday, Sunday, Monday, or Tuesday, deposits must be made by the following Friday.</p> <p>Semi-Weekly depositors always have three business days after the end of the Semi-Weekly period to make a deposit. If any of the three business days after the end of the Semi-Weekly period is a legal holiday, you will have an additional business day to make your deposit.</p>
Monthly	<p>You will be required to make Monthly SDI and PIT deposits if:</p> <p>(1) You are required to make federal Monthly deposits AND you accumulate more than \$500* in California PIT during one or more months of a quarter, OR</p> <p>(2) You are only required to make federal Quarterly deposits BUT you accumulate \$350 or more in California PIT during one or more months of a quarter.</p> <p>Monthly deposits are due by the 15th day of the following month.</p>
Quarterly	<p>Quarterly tax payments are due and delinquent on the same dates as the <i>Quarterly Wage and Withholding Report</i> (DE 6). (See Monthly deposit schedule if you are a Quarterly depositor but accumulate \$350 or more in California PIT during one or more months of the quarter.)</p> <p>Employer contributions for UI and ETT are due quarterly. However, they must be submitted more often with any required SDI and PIT deposits.</p>

* California PIT deposit threshold may be adjusted annually.

REMEMBER: Once you make a Next Banking Day deposit, you automatically become a Semi-Weekly depositor for the remainder of that calendar year and all of the following calendar year.

DEPOSIT SCHEDULE AND PAYMENT DUE DATES

Payroll tax payments should be remitted with a properly completed DE 88/DE 88ALL coupon. **IF THE DE 88/DE 88ALL IS IMPROPERLY COMPLETED, YOUR PAYMENT MAY BE POSTED TO THE INCORRECT QUARTER AND/OR YEAR AND INTEREST AND PENALTY MAY BE CHARGED.**

California PIT and SDI due dates are generally the same as federal deposit due dates:

If a Federal Payroll Tax Deposit is Required	AND You Have Accumulated California PIT Withholdings of	PIT & SDI Deposit Required?	If Pay Day Is	Last Timely Postmark Date*
Next Banking Day**	\$500 or less	No	Not applicable	Not applicable
	More than \$500	Yes	Not applicable	Next Banking Day
Semi-Weekly**	\$500 or less	No	Not applicable	Not applicable
	More than \$500	Yes	Wed., Thurs., Fri. Sat., Sun., Mon., Tues.	Following Wednesday Following Friday
Monthly**	\$500 or less	No	Not applicable	Not applicable
	More than \$500	Yes	Not applicable	15th of the following month
Quarterly***	Less than \$350	Yes	Not applicable	May 2, 2005 August 1, 2005 October 31, 2005 January 31, 2006
	\$350 or more	Yes	Not applicable	15th of the following month

* If the last timely postmark date falls on a Saturday, Sunday, or legal holiday, the due date is extended to the next business day.

** If you DO NOT prepay your UI and ETT contributions along with your Next Banking Day, Semi-Weekly, or Monthly deposits of California PIT and SDI, you are required to make a UI and ETT deposit at the end of the quarter.

*** This is not a federal deposit requirement. If you do not meet one of the Federal Deposit Schedules, you are required to make California payroll tax deposits quarterly. Information about Federal Deposit Schedules is located in the Internal Revenue Service's *Employer Tax Guide* (Publication 15, Circular E). This guide can be found at www.irs.gov on the Internet.

REMEMBER: Once you make a Next Banking Day deposit, you automatically become a Semi-Weekly depositor for the remainder of the calendar year and all of the following calendar year.

Quarter ending filing due dates and delinquency dates for 2005 payroll tax deposits:

Quarter Ended	Due Date	Last Timely Postmark Date
March 31, 2005	April 1, 2005	May 2, 2005
June 30, 2005	July 1, 2005	August 1, 2005
September 30, 2005	October 1, 2005	October 31, 2005
December 31, 2005	January 1, 2006	January 31, 2006

PAYROLL TAX PAYMENTS ARE DUE AND MUST BE REPORTED IN THE QUARTER THE WAGES WERE PAID, NOT IN THE QUARTER THE WAGES WERE EARNED.

COMMON ERRORS TO AVOID WHEN COMPLETING A DE 88/DE 88ALL COUPON:

DO:

- Use one of the following Payroll Tax Deposit coupons:
 - preprinted red DE 88 Rev. 16 (1-04) coupon,
 - blank red DE 88ALL Rev. 16 (1-04) coupon, or
 - blank DE 88ALL Rev. 16 (1-04) **(Internet)** coupon
- Use **black ink** only when completing coupon.
- Enter positive deposit amounts only AND check to make sure amounts are entered in the correct fill-in boxes (i.e., UI in the UI box, ETT in the ETT box, SDI in the SDI box, etc.).

REMEMBER:

- **DO NOT ALTER** preprinted information appearing on the DE 88 coupon OR use another employer's DE 88 coupon. Doing so may cause your payment to be posted to the wrong account and interest and penalty may be charged.
- Don't use a facsimile (photocopy) of the DE 88/ DE 88ALL coupon.
- Don't enter negative or credit amounts on the DE 88 coupon.
- If any of the deposit amounts are zero, leave the fill-in box(es) blank.

COMPLETING COUPONS:

DE 88 Rev.16 (1-04) and DE 88ALL Rev. 16 (1-04)	Typewriter, Printer, or Hand Written	<ul style="list-style-type: none"> • Either print the information in CAPITAL LETTERS, or type the information in UPPER CASE using 10 point (ten characters per inch) with each number in a separate fill-in box. • Avoid using italics, script, or variable print typewriters. • Don't use any dollar signs or commas (examples: 2189.50, 472.30).
DE 88ALL Rev. 16 (1-04) (Internet):	Typewriter or Printer	<ul style="list-style-type: none"> • Use 10 point when typing or use Courier font size 12 when using computer equipment. Don't use italics, script, or variable print typewriters. • Type in UPPER CASE with each number in a separate fill-in box. • Don't use any dollar signs or commas (examples: 2189.50, 472.30).
	Hand Written	<ul style="list-style-type: none"> • Print the information in CAPITAL LETTERS with each number in a separate fill-in box. • Don't use any dollar signs or commas (examples: 2189.50, 472.30).

PROPERLY COMPLETED 2. DEPOSIT SCHEDULE BOXES:

<input checked="" type="checkbox"/>	OR	<input type="checkbox"/>
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PROPERLY COMPLETED 3. QUARTER COVERED BOXES:

0	5	1
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PROPERLY COMPLETED 4. DEPOSIT AMOUNT BOXES:

2	1	8	9	5	0
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INSTRUCTIONS FOR COMPLETING DE 88/DE 88ALL COUPONS

The following instructions are for completing items 1, 2, 3, and 4 on the DE 88/DE 88ALL coupon. The PAY DATE, DEPOSIT SCHEDULE, and QUARTER COVERED **must** be completed in order to process your payment correctly. **FAILURE TO COMPLETE THESE ITEMS MAY RESULT IN YOUR PAYMENT BEING POSTED TO THE INCORRECT QUARTER AND/OR YEAR AND INTEREST AND PENALTY MAY BE CHARGED.**

ITEM	INSTRUCTIONS		
1. PAY DATE*	If your Deposit Schedule is:		
	NEXT BANKING DAY OR SEMI-WEEKLY	MONTHLY	QUARTERLY
	Enter the pay date employees were paid wages and you accumulated more than \$500 in California PIT withholdings.	Enter the last day of the month employees were paid wages and you accumulated more than \$500 in California PIT withholdings.	Enter the last day of the quarter (see page 4).
2. DEPOSIT SCHEDULE	Check the appropriate box. If you do not meet one of the Federal Deposit Schedules (see page 4), you are required to make California payroll tax deposits quarterly. Also see page 3 for Payment Type definitions.		
3. QUARTER COVERED*	Enter the year (YY) and quarter (Q) in which the wages were paid to employees: <ul style="list-style-type: none"> • If your payroll was in January, February, or March 2005, use 051. • If your payroll was in April, May, or June 2005, use 052. • If your payroll was in July, August, or September 2005, use 053. • If your payroll was in October, November, or December 2005, use 054. 		

table continued

INSTRUCTIONS FOR COMPLETING DE 88/DE 88ALL COUPONS cont.

ITEM	INSTRUCTIONS
4. DEPOSIT AMOUNTS	If any of the following amounts are zero, do not enter an amount. Leave the fill-in boxes blank. Do not enter negative or credit amounts.
A) UI*	Enter the amount of UI contributions due (UI taxable wages times your UI rate).
B) ETT*	Enter the amount of ETT contributions due (UI taxable wages times the ETT rate).
C) SDI*	Enter the amount of SDI due from your employees' wages (SDI taxable wages times the SDI rate). The SDI rate includes a percentage for Paid Family Leave.
D) CALIFORNIA PIT*	Enter the amount of California PIT withheld from your employees' wages.
E) PENALTY*	Enter the amount of penalty due for late payment of payroll taxes due. See pages 9 and 10 for the penalty calculation.
F) INTEREST*	Enter the amount of interest due for late payment of payroll taxes due. See pages 10 and 11 for interest calculations.
G) TOTAL PAID*	Enter the total of Item 4 A) through 4 F).

* Record your payroll tax deposits/payments on the Employer Record of California Tax/Withholdings Deposits found on page 14.

TAXABLE WAGES

Taxable wages are the wages paid to employees that are subject to payroll taxes based on the following annual limits:

TAX**TAXABLE WAGE LIMIT**

Unemployment Insurance (UI)	First \$ 7,000.00 in wages per employee per year
Employment Training Tax (ETT)	First \$ 7,000.00 in wages per employee per year
State Disability Insurance (SDI)	First \$79,418.00 in wages per employee per year

HOW TO CALCULATE TAXABLE WAGES

EXAMPLE: An employer has two employees. In the first quarter, Employee #1 is paid \$8,000.00 and Employee #2 is paid \$5,000.00.

<u>First Quarter Taxable Wages</u>	<u>UI and/or ETT</u>	<u>SDI</u>
Employee #1	\$ 7,000.00	\$ 8,000.00
Employee #2	\$ 5,000.00	\$ 5,000.00
TOTAL TAXABLE WAGES	\$12,000.00	\$13,000.00

In the second quarter, Employee #1 is paid \$18,000.00 and Employee #2 is paid \$6,000.00.

<u>Second Quarter Taxable Wages</u>	<u>UI and/or ETT</u>	<u>SDI</u>
Employee #1	\$ 0.00	\$18,000.00
Employee #2	\$ 2,000.00	\$ 6,000.00
TOTAL TAXABLE WAGES	\$ 2,000.00	\$24,000.00

In the third quarter, Employee #1 is paid \$16,000.00 and Employee #2 is paid \$4,000.00.

<u>Third Quarter Taxable Wages</u>	<u>UI and/or ETT</u>	<u>SDI</u>
Employee #1	\$ 0.00	\$16,000.00
Employee #2	\$ 0.00	\$ 4,000.00
TOTAL TAXABLE WAGES	\$ 0.00	\$20,000.00

In the fourth quarter, Employee #1 is paid \$18,000.00 and Employee #2 is paid \$7,000.00.

<u>Fourth Quarter Taxable Wages</u>	<u>UI and/or ETT</u>	<u>SDI</u>
Employee #1	\$ 0.00	\$18,000.00
Employee #2	\$ 0.00	\$ 7,000.00
TOTAL TAXABLE WAGES	\$ 0.00	\$25,000.00

HOW TO CALCULATE UI CONTRIBUTIONS

All UI contributions due for a quarter must be paid before the filing delinquency date of each quarter. However, UI may be voluntarily submitted during the quarter with any deposits of SDI and PIT.

HOW TO CALCULATE A UI PREPAYMENT:

- Total UI taxable wages for the pay period are \$5,000.00.
- The UI rate for this example is 3.4% (.034). When completing the DE 88ALL, please use your UI rate or call EDD's 24-hour automated call system at 1-916-653-7795 for rate information.

<u>Calculation:</u>	UI Taxable Wages	\$5,000.00	
	x UI Rate	x .034	
	UI PREPAYMENT DUE	\$ 170.00	(ENTER IN BOX 4A ON SAMPLE COUPON #1)

HOW TO CALCULATE A UI QUARTERLY PAYMENT:

IF UI PREPAYMENTS HAVE BEEN MADE

- Example:
- The total UI taxable wages for the quarter are \$12,000.00.
 - The UI prepayments made during the quarter were \$170.00.
 - The UI rate for this example is 3.4% (.034).

<u>Calculation:</u>	UI Taxable Wages For The Quarter	\$12,000.00	
	x UI Rate	x .034	
	Total Quarterly UI Contributions Due	\$ 408.00	
	- UI Prepayment	- 170.00	
	QUARTERLY UI PAYMENT DUE	\$ 238.00	(ENTER IN BOX 4A ON SAMPLE COUPON #2)

HOW TO CALCULATE A UI QUARTERLY PAYMENT:

IF UI PREPAYMENTS HAVE NOT BEEN MADE:

- Example:
- The total UI taxable wages for the quarter are \$12,000.00.
 - The UI rate for this example is 3.4% (.034).

<u>Calculation:</u>	UI Taxable Wages For The Quarter	\$12,000.00	
	x UI Rate	x .034	
	QUARTERLY UI PAYMENT DUE	\$ 408.00	(ENTER IN BOX 4A ON COUPON)

HOW TO CALCULATE ETT CONTRIBUTIONS

ETT contributions must be paid quarterly. However, ETT may be voluntarily submitted during the quarter with any deposits of SDI and PIT.

(NOTE: IF THE ETT AMOUNT IS LARGER THAN THE SDI AMOUNT, PLEASE RECALCULATE AND VERIFY THAT THE CORRECT PERCENTAGE IS BEING USED.)

HOW TO CALCULATE A ETT PREPAYMENT:

- Example:
- The total UI taxable wages for the pay period are \$5,000.00.
 - The ETT rate for this example is 0.1% (.001). When completing the DE 88ALL, please use your ETT rate or contact EDD's 24-hour automated call system at 1-916-653-7795 for rate information.

<u>Calculation:</u>	ETT Taxable Wages	\$ 5,000.00	
	x ETT Rate	x .001	
	ETT PREPAYMENT DUE	\$ 5.00	(ENTER IN BOX 4B ON SAMPLE COUPON #1)

IF ETT PREPAYMENTS HAVE BEEN MADE:

- Example:
- The total ETT taxable wages for the quarter are \$12,000.00.
 - The ETT prepayments made during the quarter were \$5.00.
 - The ETT rate for this example is 0.1% (.001).

<u>Calculation:</u>	ETT Taxable Wages For The Quarter	\$12,000.00	
	x ETT Rate	x .001	
	Quarterly ETT Contributions Due	\$ 12.00	
	– ETT Prepayment	– 5.00	
	QUARTERLY ETT PAYMENT DUE	\$ 7.00	(ENTER IN BOX 4B ON SAMPLE COUPON #2)

IF ETT PREPAYMENTS HAVE NOT BEEN MADE:

- Example:
- The total ETT taxable wages for the quarter are \$12,000.00.
 - The ETT rate for this example is 0.1% (.001).

<u>Calculation:</u>	ETT Taxable Wages For The Quarter	\$12,000.00	
	x ETT Rate	x .001	
	QUARTERLY ETT PAYMENT DUE	\$ 12.00	(ENTER IN BOX 4B ON COUPON)

HOW TO CALCULATE SDI WITHHOLDINGS

The SDI withholdings must be included whenever a California PIT deposit is required.

HOW TO CALCULATE A SDI DEPOSIT:

- Example:
- The total SDI taxable wages for the pay period are \$5,000.00.
 - The SDI rate for this example is 1.08% (.0108). When completing the DE 88ALL, please use your SDI rate or contact EDD's 24-hour automated call system at 1-916-653-7795 for rate information.

<u>Calculation:</u>	SDI Taxable Wages	\$ 5,000.00	
	x SDI Rate	x .0108	
	SDI DEPOSIT DUE	\$ 54.00	(ENTER IN BOX 4C ON SAMPLE COUPON #1)

HOW TO CALCULATE A SDI QUARTERLY PAYMENT:

IF SDI DEPOSITS HAVE BEEN MADE:

- Example:
- The total SDI taxable wages for the quarter are \$13,000.00.
 - SDI deposits made during the quarter were \$54.00.
 - The SDI rate for this example is 1.08% (.0108).

<u>Calculation:</u>	SDI Taxable Wages For The Quarter	\$13,000.00	
	x SDI Rate	x .0108	
	Quarterly SDI Due	\$ 140.40	
	– SDI Deposited	– 54.00	
	QUARTERLY SDI PAYMENT DUE	\$ 86.40	(ENTER IN BOX 4C ON SAMPLE COUPON #2)

IF SDI DEPOSITS HAVE NOT BEEN MADE:

- Example:
- The total SDI taxable wages for the pay period are \$13,000.00.
 - The SDI rate for this example is 1.08% (.0108).

<u>Calculation:</u>	SDI Taxable Wages For The Quarter	\$13,000.00	
	x SDI Rate	x .0108	
	QUARTERLY SDI PAYMENT DUE	\$ 140.40	(ENTER IN BOX 4C ON COUPON)

HOW TO CALCULATE DEPOSIT AMOUNTS PIT WITHHOLDINGS

HOW TO CALCULATE A PIT DEPOSIT:

- Example:
- Based on federal deposit requirements, monthly deposits must be made.
 - The total PIT withheld during the pay period was \$600.00.

Calculation: Total PIT Withheld = Total PIT to Deposit \$600.00 (ENTER IN BOX 4D ON SAMPLE COUPON #1)

(Refer to California PIT Tables in the 2005 California Employer's Guide)

HOW TO CALCULATE A PIT QUARTERLY PAYMENT:

IF PIT DEPOSITS HAVE BEEN MADE:

- Example:
- The total PIT withheld during the quarter was \$1,700.00.
 - The total PIT deposited during the quarter was \$1,500.00.

<u>Calculation:</u>	Total PIT Withheld	\$ 1,700.00	
	– Total PIT Deposited	– 1,500.00	
	QUARTERLY PIT PAYMENT DUE	\$ 200.00	(ENTER IN BOX 4D ON SAMPLE COUPON #2)

IF PIT PREPAYMENTS HAVE NOT BEEN MADE:

- Example:
- Total PIT withheld during the quarter was \$250.00.

<u>Calculation:</u>	Total PIT Withheld	\$250.00	
	– Total PIT Deposited	– 0.00	
	QUARTERLY PIT PAYMENT DUE	\$250.00	(ENTER IN BOX 4D ON COUPON)

HOW TO CALCULATE PENALTY AND INTEREST

PENALTY AND INTEREST FOR A LATE NEXT BANKING DAY, SEMI-WEEKLY OR MONTHLY DEPOSIT

A 10% penalty, and interest, will be charged on any late Next Banking Day, Semi-weekly, or Monthly deposit payment of either PIT or SDI and PIT. The **timely** depositing of these withholdings is required by law. For calculating interest, the daily interest factor for January 1, 2005, through June 30, 2005, is .000110*. Beginning July 1, 2005, please call the Taxpayer Assistance Center at 1-888-745-3886 for the daily interest factor. DO NOT include any UI and ETT prepayment amounts when calculating penalty and interest due since prepayment of these contributions is voluntary.

Example is for a late Monthly deposit payment:

The Pay Date is January 28, 2005, and the Monthly deposit is delinquent on February 16, 2005.

The Monthly deposit is postmarked February 26, 2005, and is considered 11 days late.

The SDI withheld is \$54.00.

The PIT withheld is \$600.00.


The penalty for a late payment is 10% (.10).

The daily interest factor for a late payment is 0.110% (.000110).

Calculation:

	SDI Withheld	\$	54.00	
+	PIT Withheld	+	600.00	
	Deposit Amount Subject to Penalty	\$	654.00	
x	10% Penalty	x	.10	
	Penalty	\$	65.40	(ENTER IN BOX 4E ON SAMPLE COUPON #1)
+	Deposit Amount	+	654.00	
	Amount Subject to Interest	\$	719.40	
x	Daily Interest Factor*	x	.000110	
	Daily Interest		0.079134	
x	Number of Days Late	x	11	
	Interest	\$.87	(ENTER IN BOX 4F ON SAMPLE COUPON #1)

SAMPLE COUPON #1

 Employment Development Department State of California		PAYROLL TAX DEPOSIT DE 88ALL (TYPE OR PRINT IN BLACK INK ONLY):																																																																															
1. PAY DATE: MUST BE COMPLETED <div style="border: 1px solid black; padding: 2px; display: inline-block;">0 1 2 8 0 5</div> (Last PAY DATE covered by deposit)		2. DEPOSIT SCHEDULE: (MUST MARK ONE BOX)																																																																															
STATE OF CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT P.O. BOX 826276 SACRAMENTO, CA 94230-6276 Employer Name SANDRA JONES Employer DBA JONES' FLOWER COMPANY Indicate your Account Number here; Please enter on your check <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid black; padding: 2px;">1 2 3</div> <div style="border: 1px solid black; padding: 2px;">1 2 3 4</div> <div style="border: 1px solid black; padding: 2px;">5</div> </div>		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Rate</th> <th>Tax</th> <th colspan="6">4. DEPOSIT AMOUNTS:</th> </tr> </thead> <tbody> <tr> <td>A) NEXT BANKING DAY</td> <td>UI</td> <td></td><td></td><td></td><td>1</td><td>7</td><td>0</td><td>0</td><td>0</td> </tr> <tr> <td>B) SEMI-WEEKLY</td> <td>ETT</td> <td></td><td></td><td></td><td></td><td></td><td>5</td><td>0</td><td>0</td> </tr> <tr> <td>C) MONTHLY <input checked="" type="checkbox"/></td> <td>SDI</td> <td></td><td></td><td></td><td></td><td>5</td><td>4</td><td>0</td><td>0</td> </tr> <tr> <td>D) QUARTERLY</td> <td>California PIT</td> <td></td><td></td><td></td><td>6</td><td>0</td><td>0</td><td>0</td><td>0</td> </tr> <tr> <td>E) 3. QUARTER COVERED <div style="border: 1px solid black; padding: 2px;">0 5 1</div></td> <td>Penalty</td> <td></td><td></td><td></td><td></td><td>6</td><td>5</td><td>4</td><td>0</td> </tr> <tr> <td></td> <td>Interest</td> <td></td><td></td><td></td><td></td><td></td><td></td><td>8</td><td>7</td> </tr> <tr> <td></td> <td>G) TOTAL PAID \$</td> <td></td><td></td><td></td><td>8</td><td>9</td><td>5</td><td>2</td><td>7</td> </tr> </tbody> </table>		Rate	Tax	4. DEPOSIT AMOUNTS:						A) NEXT BANKING DAY	UI				1	7	0	0	0	B) SEMI-WEEKLY	ETT						5	0	0	C) MONTHLY <input checked="" type="checkbox"/>	SDI					5	4	0	0	D) QUARTERLY	California PIT				6	0	0	0	0	E) 3. QUARTER COVERED <div style="border: 1px solid black; padding: 2px;">0 5 1</div>	Penalty					6	5	4	0		Interest							8	7		G) TOTAL PAID \$				8	9	5	2	7
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PENALTY AND INTEREST FOR A LATE QUARTERLY DEPOSIT

A 10% penalty, and interest, will be charged on a late Quarterly deposit payment. Penalty and interest will be charged on the UI and ETT Contributions, and the SDI and PIT Withholdings. For calculating interest, the daily interest factor for January 1, 2005, through June 30, 2005, is .000110*. Beginning July 1, 2005, please call the Taxpayer Assistance Center at 1-888-745-3886 for the daily interest factor.

Example: A Quarterly deposit is due on April 1, 2005, and is delinquent on May 3, 2005.
The Quarterly deposit is postmarked on May 7, 2005, and is considered 5 days late.
The UI is \$238.00.
The ETT is \$7.00.
The SDI withheld is \$86.40.
The PIT withheld is \$200.00.
The penalty for a late payment is 10% (.10).
The daily interest factor for a late payment is 0.110% (.000110).

Calculation:	UI Contributions	\$	238.00	
	ETT Contributions		7.00	
	SDI Withheld		86.40	
	PIT Withheld	+	200.00	
	Deposit Amount Subject to Penalty	\$	531.40	
	10% Penalty	x	.10	
	Penalty	\$	53.14	(ENTER IN BOX 4E ON SAMPLE COUPON #2)
	Deposit Amount	+	531.40	
	Amount Subject to Interest	\$	584.54	
	Daily Interest Factor*	x	.000110	
	Daily Interest		0.064299	
	Number of Days Late	x	5	
	Interest	\$.32	(ENTER IN BOX 4F ON SAMPLE COUPON #2)

SAMPLE COUPON #2

 Employment Development Department State of California		PAYROLL TAX DEPOSIT DE 88ALL		(TYPE OR PRINT IN BLACK INK ONLY):																																																									
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DE 88ALL Rev. 16 (1-04)

WORKSHEET FOR:

TAX

TAXABLE WAGE LIMITS

PAYROLL DATE

PAYMENT QUARTER

UI - First \$ 7,000.00 in wages per employee per year
ETT - First \$ 7,000.00 in wages per employee per year
SDI - First \$ 79,418.00 in wages per employee per year

LINE A: UI TAXABLE WAGES	X UI RATE <input type="text"/>	= UI TAXES DUE	-- UI PREPAYMENTS	=
LINE B: ETT TAXABLE WAGES	X ETT RATE <input type="text"/>	= ETT TAXES DUE	-- ETT PREPAYMENTS	=
LINE C: SDI TAXABLE WAGES	X SDI RATE <input type="text"/>	= SDI TAXES DUE	-- SDI DEPOSITS	=
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LINE E: PENALTY (IF APPLICABLE)	(SUBTOTAL OF LINES A, B, C, & D)	X 10% (.10) PENALTY		=
LINE F: INTEREST (IF APPLICABLE)	(SUBTOTAL OF LINES A, B, C, D, & E)	X (AMOUNT OF DAILY INTEREST)	X (NUMBER OF DAYS LATE)	=
LINE G: TOTAL PAID (TOTAL OF LINES A, B, C, D, E, & F)				=

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PAYMENT QUARTER

Y	Y	Q
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LINE G: TOTAL PAID (TOTAL OF LINES A, B, C, D, E, & F)				= _____

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