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Governor

## New State Law Requires All Employers to Electronically File and Pay to the EDD

Assembly Bill (AB) 1245 (Chapter 222, Statutes of 2015), authored by Assembly Member Ken Cooley and sponsored by Small Business California, extends to all employers the requirement to electronically submit employment tax returns, wage reports, and payroll tax deposits to the Employment Development Department (EDD) beginning January 1, 2017. Electronic filing and paying offers employers many benefits including:

- Increased data accuracy in comparison to paper forms.
- Protected data through encryption that is more secure than paper forms.
- Reduced cost of printing, mailing, and document storage.
- Elimination of lost mail.

AB 1245 will be phased-in over a two-year period to offer employers ample time to prepare. The new law extends electronic filing and payment requirements to employers on the following timelines:

- January 1, 2017 - Employers with 10 or more employees.<sup>1</sup>
- January 1, 2018 - All employers.

Employers can file and pay electronically today with a simple one-time enrollment in the EDD's [e-Services for Business](#). Available 24 hours a day, 7 days a week, employers can start managing their employer payroll tax account online now! e-Services for Business is fast, easy, and secure! There is no cost to enroll and use e-Services for Business, and no specialized software is required. Over 35 percent of California employers already use this system; approximately 20 other states use a similar system for tax reporting obligations.

Our Business is Your Success<sup>SM</sup>! The EDD is committed to supporting employers as they transition to fulfilling this new state requirement. For employers who may be unable to electronically file and pay, a hardship waiver application will be available.

Check out our e-Services for Business online video tutorials that provide step-by-step instructions for enrolling, filing, paying, and many more! Visit [www.edd.ca.gov/e-Services\\_for\\_Business](http://www.edd.ca.gov/e-Services_for_Business) or contact the EDD Taxpayer Assistance Center at 1-888-745-3886, Monday through Friday, 8 a.m. and 5 p.m. (Pacific Time).

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<sup>1</sup> Any employer required under existing law to electronically submit wage reports and/or electronic funds transfer to the EDD prior to January 1, 2017, will remain subject to those requirements.