



Santa Clara County Office of Education

Charles Weis, Ph.D.
County Superintendent of Schools

Informational Bulletin

For Santa Clara County Districts

District Business & Advisory Services

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Bulletin: 12-087

Date: January 18, 2012

To: District Fiscal Directors
District Payroll and Human Resources Directors

From: Cathy McKim

Re: Unemployment Insurance Alternate Base Period Program

The purpose of this bulletin is to communicate important changes for wage reporting to the California Employment Development Department (EDD).

Beginning in spring 2012, the EDD will be implementing a new Alternate Base Period (ABP) program in accordance with California law. Under certain circumstances, the ABP program requires the EDD to use more recently earned wages to calculate monetary eligibility for new Unemployment Insurance (UI) claims.

California's ABP law does not change employers' current statutory wage reporting requirements; however, beginning as soon as March 2012, employers may receive requests for wage information before their customary wage reports are due.

Under this change, if an individual does not qualify for an Unemployment Insurance (UI) claim based on the current standard base period, EDD will check to see if they qualify under an "Alternate" base period. The current standard base period is the first four of the last five completed calendar quarters at the time of filing. The "alternate" base period is the four most recently completed calendar quarters. As a result, employers may receive a *Request for Wages* DE 1919 from EDD to provide wage information about an employee before the wage information is customarily due. The employer will have 10 days to respond to the *Request for Wages* DE 1919.

It is important for employers to respond timely within 10 days to the EDD's original DE 1919. Pursuant to California's ABP law, if the base period wages on an ABP claim are later adjusted, no overpayment will be established on the ABP claim, unless the claim was funded based on fraudulent information provided by the claimant. This means that employers who do not respond timely to the EDD's original DE 1919 may incur reserve account charges they might not have otherwise incurred had they responded timely.

Please share this information as deemed appropriate.

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FACT SHEET



UNEMPLOYMENT INSURANCE ALTERNATE BASE PERIOD PROGRAM

Beginning in spring 2012, the Employment Development Department (EDD) will be implementing a new Alternate Base Period (ABP) program in accordance with California law. Under certain circumstances, the ABP program requires the EDD to use more recently earned wages to calculate monetary eligibility for new Unemployment Insurance (UI) claims.

The ABP provisions will only apply to unemployed individuals who do not qualify for a UI claim based on the current standard base period but monetarily qualify for a UI claim based on the alternate based period. The current "standard" base period is the first four of the last five completed calendar quarters at the time of filing a claim. The "alternate" base period is the four most recently completed calendar quarters.

Employer Quarterly/Annual Wage Reporting

California's ABP law does not change employers' current statutory wage reporting requirements. However, beginning as soon as March 2012, employers may receive requests for wage information before their customary wage reports are due.

Requests for ABP Wages

The EDD will only request wages from employers if it appears that individuals have enough wages to qualify for a UI claim using the ABP and the wages are not showing in the EDD's database.

When it is necessary for the EDD to obtain the wages from the employer, a *Request for Wages* (DE 1919) will be mailed to the employer. Employers will be asked to provide specific wage information related to specific quarters and to respond in accordance with the instructions provided on the form. Employers will have 10 days to respond to the EDD's request for wages.

In addition to mailing the employer a DE 1919, the EDD will mail the unemployed individual an *Affidavit of Wages* (DE 23A) to request the wage information from the unemployed individual.

If the employer responds timely to the DE 1919, the employer's wage information will be used to establish the claim. This will be the case even if the individual also responds.

If the employer fails to respond to the DE 1919 within 10 days,

and the individual returns the DE 23A along with tangible proof of wages he/she earned, California's ABP law requires the EDD to file the UI claim based on the wage information provided by the individual.

Untimely Employer Responses to Wage Requests

It is important for employers to respond timely within 10 days to the EDD's original DE 1919. Pursuant to California's ABP law, if the base period wages on an ABP claim are later adjusted, no overpayment will be established on the ABP claim, unless the claim was funded based on fraudulent information provided by the claimant. This means that employers who do not respond timely to the EDD's original DE 1919 may incur reserve account charges they might not have otherwise incurred had they responded timely.

Minimizing ABP Wage Requests

The EDD understands that employers are vital to California's economy and that today's employers are very busy. In order to minimize the number of potential ABP wage requests that employers receive, the EDD recommends that employers:

- File returns and reports as quickly as possible following the due dates.
- Explore the advantages of using the EDD's e-Services for Business that enables employers to file their returns and reports electronically.

For More Information

More information **for employers** can be found in the *2012 California Employer's Guide* (DE 44) available on the EDD website at www.edd.ca.gov.

More information **for individuals filing for UI benefits** will be available approximately March 15, 2012. Please watch the EDD website for more information.

For more information on other EDD programs and services, or to apply for UI benefits online, visit the EDD website at www.edd.ca.gov.

The EDD is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.