



Duffy Kruspodin, LLP
Certified Public Accountants

San Diego

4225 Executive Square
Suite 900
La Jolla, CA 92037
tel (858) 642-5050
fax (858) 642-5065

4304 Park Blvd.
San Diego, CA 92103
tel (619) 295-2637
fax (619) 299-5549

Los Angeles

21600 Oxnard St.
Suite 2000
Woodland Hills, CA 91367
tel (818) 385-0585
fax (818) 436-7588

9171 Wilshire Blvd.
Suite 555
Beverly Hills, CA 90210
tel (310) 274-9922
fax (310) 858-1640

www.dklpcpa.com

Member

American Institute of
Certified Public Accountants



California Society of
Certified Public Accountants



www.jhi.com
Associated Worldwide with JHI

December 2020

Dear Clients and Friends,

If you own a business in California please be aware of these two separate reporting requirements to EDD:

1. Form DE-34: All new or rehired employees must be reported to EDD within 20 days of their start-of- work date.
2. Form DE-542: Any business that is required to file a federal Form 1099- NEC for services received from an independent contractor who is an individual or a sole proprietorship is required to report independent contractor information to the EDD within 20 days of paying/contracting for \$600 or more in services in each calendar year.

This is in addition to filing an annual Form 1099-NEC Independent contractors who are corporations, partnerships, LLP's and LLC's are exempt from this reporting requirement.

Here are links to these two forms on EDD's website:

http://www.edd.ca.gov/pdf_pub_ctr/de34.pdf

and

http://www.edd.ca.gov/pdf_pub_ctr/de542.pdf

Please note that because of the 20 days filing requirement our office does not automatically file the above forms for you since we normally don't have access to your payment data within such short period of time. You either need to institute your own ongoing internal system for timely filing of these forms or if you need our assistance then you need to provide us with the required documentation early enough where we can meet the 20 days filing deadline.

However, if our firm processes your "live" payroll we will file Form DE-34 on your behalf since we have the information about your new employees but not the Form DE-542 for reporting of independent contractors.

If you have any questions about the above two forms please contact our office for more information.

Sincerely,

Duffy Kruspodin, LLP
Certified Public Accountants