

UNEMPLOYMENT INSURANCE ALTERNATE BASE PERIOD PROGRAM Employer Tip Sheet

What is the Alternate Base Period program?

The Alternate Base Period (ABP) program requires the Employment Development Department (EDD) to use more recently earned wages to calculate monetary eligibility for new Unemployment Insurance (UI) claims for unemployed individuals who do not qualify for a UI claim using the Standard Base Period.

The "Standard" Base Period uses the wages earned in the first four of the last five completed calendar quarters prior to the beginning date of the UI claim. The "Alternate" Base Period uses the wages earned in the four most recently completed calendar quarters.

When does the ABP program take effect?

The EDD will implement the new ABP program beginning in spring 2012. The first effective date a UI claim can be filed using the ABP is April 1, 2012. Employers may begin receiving requests for wages in order to file a UI claim based on an ABP as soon as March 2012.

Does the ABP change employers' current wage reporting requirements?

No, California's ABP law does not change employers' current statutory wage reporting requirements. However, employers may receive requests for wage information before their customary wage reports are due.

How does the wage request process work?

When it is necessary for the EDD to obtain wages from an 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 according to the instructions provided on the form. Employers have 10 days to respond to the EDD's request for wages.

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

What happens if the employer does not respond to the EDD wage requests?

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.

Pursuant to California's ABP law, if the base period wages on an ABP claim are later adjusted, an overpayment may not 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 additional reserve account charges they might not have otherwise incurred had they responded timely.

How can ABP wage inquiries be minimized?

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.

Additional information about the ABP program can be found in the *2012 California Employer's Guide* (DE 44), available online at http://www.edd.ca.gov/pdf_pub_ctr/de44.pdf.