

STATEMENT OF CHARGES TO RESERVE ACCOUNT (DE 428T)

The *Statement of Charges to Reserve Account* (DE 428T) is an itemized list of Unemployment Insurance (UI) benefit charges to the UI reserve account, which covers a one-year period beginning July 1 and ending June 30. Benefits paid to claimants after June 30 will appear on the next year's DE 428T.

BENEFIT CHARGES

These charges are determined by the UI benefits paid to claimants from a UI claim established from wages reported by the base-period employer(s). These charges are distributed among all base-period employers and the amount charged represents the percent of wages reported in the base period compared to the total wages reported by **all** base-period employers. These charges are one of the factors used to determine the UI contribution rate for the coming year. For additional information, refer to the [Information Sheet: California System of Experience Rating \(DE 231Z\) \(PDF\)](https://edd.ca.gov/pdf_pub_ctr/de231z.pdf) (edd.ca.gov/pdf_pub_ctr/de231z.pdf).

UI RESERVE ACCOUNT

The reserve account is a cumulative record of credits (+) and charges (-) and is the basis for the California experience rating method. It is used to determine the employer's annual UI contribution rate. The difference between the credits and charges is the reserve account balance and it may be positive or negative. The reserve balance is non-refundable.

BASE PERIOD

The base period of a claim is a 12-month period. Each base period has four quarters (each quarter is three months). The base period is established when the claim is filed. There are two types of base periods: Standard Base Period and Alternate Base Period.

Standard Base Period

If claim begins in:	The base period is:
Jan, Feb, Mar	October to September
Apr, May, Jun	January to December
Jul, Aug, Sept	April to March
Oct, Nov, Dec	July to June

Alternate Base Period

If claim begins in:	The base period is:
Jan, Feb, Mar	January to December
Apr, May, Jun	April to March
Jul, Aug, Sept	July to June
Oct, Nov, Dec	October to September

BASE PERIOD EMPLOYER

The employer(s) who paid the earnings that were used to establish a UI claim and calculate an award.

CLAIM DATE

The date the claim for UI benefits was established.

CLAIMANT ELIGIBILITY

A claimant's eligibility for benefits is based on the reason his or her employment ended with the very last employer for whom he or she worked. Once a claimant is determined eligible for benefits, they have one year from the date of the claim in which to draw their maximum benefit award. The total amount of benefits the claimant is eligible for could be 26 times the weekly benefit award or one-half of the total base period wages he/she earned plus \$1, whichever is less.

Benefits paid on a UI claim are based on wages reported by all base period employers, which could be up to 18 months **prior** to the claim date.

There is no distinction made in the [California Unemployment Insurance Code \(CUIC\)](https://legislature.ca.gov/faces/codes.xhtml) ([leginfo.legislature.ca.gov/faces/codes.xhtml](https://legislature.ca.gov/faces/codes.xhtml)) between wages paid to full-time, part-time, or temporary employees.

CLAIMANT INFORMATION

The UI claim information and claimant wage records are controlled by the Social Security number (SSN) and not by names. The SSNs listed on the DE 428T were reported on the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C).

EMPLOYER CHARGES

The amount charged to the reserve account represents the allocated share of benefits paid from July 1 through June 30. If the amount is preceded by a **MINUS (-) sign**, it is a credit to the reserve account, indicating the account was not charged.

CHARGE CODES

Charge (CHG)	Description
Blank	Regular UI charge.
1	The reserve account was charged because benefits were paid prior to the separation date on the favorable ruling or wages were reported after the separation date on the favorable ruling.
6	UI benefits paid during a federal extension period.
G	UI benefits paid to a claimant who filed and was eligible for a training extension claim per section 1269 of the CUIC.
R	UI benefit overpayment activity on an interstate claim. It may be a debit or a credit amount.

PREDECESSOR ACCOUNT

This information is included if another business was acquired **and a complete** reserve account transfer was requested. The claimants listed were employees of that business, and the benefits paid to these claimants are based on wages reported by the former business. Once the predecessor's reserve account is transferred to the new business (successor), the reserve account becomes chargeable for the predecessor's share of benefits paid to those claimants. If there are multiple predecessors, charges for each predecessor's account are listed on a separate page(s). If a **partial** reserve account transfer is requested, the predecessor will receive the DE 428T for that account number.

FILING A PROTEST

If the employer disagrees with the charges, a protest may be submitted online or by mail. The protest must be submitted or postmarked within **60 days from the issued date on the DE 428T**.

An extension of up to 60 days may be requested. The extension request must be submitted timely, in writing, and show good cause. The protest may be denied if the employer failed to respond to the first claim notice, *Notice of Unemployment Insurance Claim Filed* (DE 1101CZ) or *Notice of Wages Used for Unemployment Insurance (UI) Claim* (DE 1545).

REQUIRED INFORMATION

A protest must include the following information:

- Letter ID listed on the 428T.
- Claimant Social Security number (from the DE 428T).
- Claimant name.
- Claim date (from the DE 428T).
- Charge amount (from the DE 428T).

- Reason for protesting the charges.
- Total number of claimant(s) protested.

Protest with missing or inaccurate information will be returned.

WHERE TO SEND THE PROTEST

The protest may be filed online using the EDD [e-Services for Business](http://edd.ca.gov/e-Services_for_Business) (edd.ca.gov/e-Services_for_Business).

Mailed protests and/or requests for an extension must be sent to:

Employment Development Department
Contribution Rate Group
PO Box 826831
Sacramento, CA 94230-6831

WHAT TO EXPECT

Protests filed are reviewed and a determination allowing or denying the protest is made based on the facts of the case.

NOTE: If the protest is allowed, the charges will be removed. If the account is active, a *Notice of Contribution Rates and Statement of UI Reserve Account* (DE 2088) will be issued. If the protest is denied, the Employment Development Department (EDD) sends an explanation along with information on the employer's petition rights.

GOOD CAUSE

Good cause exists where the circumstances causing the delay are clearly beyond the control of the employer or where the delay is due to a mistake or inadvertence under circumstances not reasonably foreseeable by the employer. In summary, the delay is not attributable to the employer's fault. Good cause must meet all of the following criteria:

1. The employer acted in good faith.
2. The employer acted in a diligent, timely, and prudent manner.
3. The circumstances could not have been reasonably foreseen.

ADDITIONAL INFORMATION

For further assistance, call **1-916-653-7795**. For detailed explanations and tips on how to manage your UI costs, refer to the [Managing Unemployment Insurance Costs \(DE 4527\) \(PDF, 1.8 MB\)](http://edd.ca.gov/pdf_pub_ctr/de4527.pdf) (edd.ca.gov/pdf_pub_ctr/de4527.pdf). The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, and/or alternate formats need to be made by calling 1-888-745-3886 (voice) or TTY 1-800-547-9565.

This information sheet is provided as a public service and is intended to provide non-technical assistance. Every attempt has been made to provide information that is consistent with the appropriate statutes, rules, and administrative and court decisions. Any information that is inconsistent with the law, regulations, and administrative and court decisions is not binding on either the Employment Development Department or the taxpayer. Any information provided is not intended to be legal, accounting, tax, investment, or other professional advice.