

**QUARTERLY ADJUSTMENT FORM FOR VOLUNTARY PLAN DISABILITY INSURANCE EMPLOYERS**

Instructions for completion are available on reverse side of this form. PRINT OR TYPE IN BLUE OR BLACK INK ONLY.

Employer Account No.

For Quarter Ended  
MO. DAY YR.



Name  
DBA  
Address

**STATUTE OF LIMITATIONS**

A claim for refund or credit must be filed within three years of the last timely filing date of the quarter being adjusted.

For Department Use Only

EFFECTIVE DATE

**I. ADJUSTMENT TO WAGES AND CONTRIBUTIONS**

	(1) Previously reported	(2) Should have reported	(3) DIFFERENCES Debit/(Credit)
A. TOTAL SUBJECT WAGES .....			
B. UNEMPLOYMENT INSURANCE (UI) Taxable Wages .....			
C1. VOLUNTARY PLAN DISABILITY INSURANCE (VPDI) WAGES ..			
C2. STATE DISABILITY INSURANCE (SDI) Taxable Wages .....			
D. EMPLOYER'S UI CONTRIBUTIONS (UI Rate ___% times B)....			
E. EMPLOYMENT TRAINING TAX (ETT Rate ___% times B).....			
F1. DI VOLUNTARY PLAN ASSESSMENT..... (Vol. DI Assmt Rate _____% times C1)			
F2. STATE DISABILITY INSURANCE* (SDI) Withheld (SDI Rate ___% times C2; complete <b>Box 1</b> below if credit on row F2.).....			
G. PERSONAL INCOME TAX (PIT) Withheld (Complete <b>Box 2</b> below if credit.) .....			
H. SUBTOTAL (Lines D, E, F1, F2, & G).....			
I. Penalty (Refer to instructions on reverse side.) .....			
J. Interest (Refer to instructions on reverse side.) .....			
K. Less Erroneous SDI Deductions not refunded (See <b>Box 1 Line 2</b> below).....			
L. Less contributions and withholdings paid for the quarter.....			
M. Total taxes due or overpaid (H2 + I + J + K) - L.....			

\*Includes Paid Family Leave amount.

**BOX 1. STATE DISABILITY INSURANCE OVERPAYMENTS** (Must be completed for credit to be allowed.)

- Was the credit claimed in column 3 withheld from the wages of employee(s)? .....  Yes  No  
If yes, has this amount been refunded to employee(s)?.....  Yes  No
- Not refunded; employee(s) no longer employed, unable to locate. (List Social Security Number, employee name, last known address, and amount of SDI not refunded on a separate page. Show the total on Line K above.)

**BOX 2. PERSONAL INCOME TAX OVERPAYMENTS** (Must be completed for credit to be allowed.)

If you paid the Employment Development Department (EDD) more than the amount of California PIT withheld from wages of employee(s), you can adjust the amount reported by using this form. The EDD will allow credit adjustments prior to the issuance of Forms W-2. **If you have already issued Forms W-2, please read the additional information on page 2 before proceeding.**

- Was the credit claimed in column 3 withheld from the pay of employee(s)? .....  Yes  No  
If yes, has this credit been refunded to employee(s)?.....  Yes  No
- Was the credit claimed in column 3 included on Forms W-2 issued to employee(s)? .....  Yes  No

**II. REASON FOR ADJUSTMENT**

**III. EMPLOYEE WAGES/PIT WITHHOLDINGS ADJUSTMENT** Enter the correct information which should have been reported.

Enter only those employees whose wages, withholdings, or Social Security Account numbers are being corrected. If you are reporting adjustments for more than three (3) employees, list the items on a separate page with the same format or use a *Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)*.

SOCIAL SECURITY ACCOUNT NUMBER	EMPLOYEE NAME First Initial Last Name	TOTAL WAGES SHOULD HAVE BEEN REPORTED	TOTAL STATE PIT SHOULD HAVE BEEN REPORTED
Total of this page OR total for all pages attached			

IV. I declare that the above information is true and correct to the best of my knowledge and belief. This section must be completed for credit to be allowed.

SIGNATURE  TITLE (Owner, Accountant, Preparer, etc.) PHONE DATE

**Instructions for Completing the  
Quarterly Adjustment Form for Voluntary Plan Disability Insurance Employers (DE 938)**

The Employment Development Department's (EDD) *Quarterly Adjustment Form for Voluntary Plan Disability Insurance Employers (DE 938)* is used to make changes to the *Quarterly Contribution Return (DE 3D)*.

<p><b>You need to complete this form if you are an employer with Voluntary Plan Disability Insurance and:</b></p> <ol style="list-style-type: none"><li>1. You are adjusting wages and/or Personal Income Tax (PIT) withholding by individual. <b>or</b></li><li>2. You are reporting additional wages and/or PIT. <b>or</b></li><li>3. You are filing a claim for refund. <b>or</b></li><li>4. You have reported wages, withholdings, or contributions incorrectly and need to adjust them.</li></ol>	<p><b>You do not need to complete this adjustment form if:</b></p> <ol style="list-style-type: none"><li>1. You have made an overpayment and can internally adjust the contribution on a subsequent <i>Payroll Tax Deposit (DE 88)</i>. For example, an overpayment of Personal Income Tax (PIT) is considered as a prepayment of the PIT for the subsequent DE 88. The amount reported and paid on the subsequent DE 88 should be the actual amount of PIT withheld for the period minus the overpayment in PIT. <b>or</b></li><li>2. You have reported contributions incorrectly and <b>can</b> internally adjust the individual contributions on your subsequent DE 88s.</li></ol>	<p><b>If you are <u>not</u> an employer with Voluntary Plan Disability Insurance, do not use a DE 938 to request adjustments to your account.</b></p> <p>Contact the Taxpayer Assistance Center at 888-745-3886 for assistance, forms, or if you are reporting back pay awards.</p> <p>Forms are also available on our website at <a href="http://www.edd.ca.gov">www.edd.ca.gov</a>.</p>
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**I. ADJUSTMENTS TO WAGES AND CONTRIBUTIONS**

**Lines A through G:**

- Column 1 - Enter the amounts previously reported on your return, report, or your most recent adjustment form. Complete for affected fields only.
- Column 2 - Enter the amounts that you should have reported on the above return report or adjustment form.
- Column 3 - Enter the difference between Column 1 and Column 2.

**Line I:** Penalty: Penalty of 15% (10% for periods prior to 3<sup>rd</sup> quarter 2014) of Line H is due if you are paying additional taxes with this adjustment form.

**Line J:** Interest: Interest is computed on the total of Line H and Line I. Since the interest rate changes periodically, please contact your nearest Employment Tax Office for assistance.

**Line K:** Erroneous SDI Deductions Not Refunded: Since SDI deductions (includes Paid Family Leave amount) are employee contributions, the EDD cannot refund these contributions to you unless the erroneous deductions have been first refunded to the employees.

**Line L:** Enter total contributions and withholdings paid.

**Line M:** Total: Add Subtotal (Line H2), plus Penalty (Line I) and Interest (Line J), plus Erroneous SDI Deductions Not Refunded (Line K), minus contributions and withholdings paid for the quarter (Line L). If a balance is due, please pay this amount. In order to reduce costs, credits under \$10 will not be refunded unless requested in writing.

**Personal Income Tax Overpayments**

After you have issued a Form W-2 to an employee, you cannot adjust the amount reported as income tax withheld when you have over-withheld from an employee's wages. The EDD cannot allow a credit or refund of any overpayment of income tax withheld from an employee's wages that are reported on Form W-2. The employee will receive credit for any overwithholding when filing their California Resident Income Tax return (Form 540) with the Franchise Tax Board. You should not refund the overwithholding to the employee, change the California PIT withholding amount shown on the Form W-2, or file a claim for refund with the EDD.

You may claim a credit or refund of California PIT overwithheld from an employee's wages when the excess amount is credited or refunded to the employee during the same calendar year and the excess amount is not shown on the Form W-2 issued to the employee. If you paid the EDD more than the amounts withheld from an employee's wages, and you want a refund, you can adjust the amount reported on this form. Otherwise, you can consider this overpayment of PIT as a prepayment of the PIT for the subsequent deposit. You do not need to complete this adjustment form. The amount indicated on the subsequent payment should be the actual amounts due in the PIT minus the overpayment in PIT. The payment submitted should always equal the stated amounts on deposit.

**Do not show a credit on the DE 88.**

If you issued a Form W-2 showing the wrong amount, you must issue a Form W-2C to the employee and make the necessary changes in Section III on page 1 of this form, or submit the appropriate *Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)* with this adjustment form.

**II. REASON FOR ADJUSTMENT.** This item is used to explain the reason for the adjustment in the above section.

**III. EMPLOYEE WAGES/PIT WITHHOLDINGS ADJUSTMENT.** Attach additional DE 9C forms if you need additional space.

Complete as described in the following examples:

- A. Incorrect wages and/or PIT withholdings reported. Enter Social Security Account (SSA) number, name, and **correct** amount of wages and PIT withholdings.
- B. Wrong SSA number originally reported. This correction requires two entries. First enter the **incorrect** SSA number, name, **zero (0)** wages, and **zero (0)** PIT withholdings; then enter the **correct** SSA number, name, **correct** amount of wages and PIT withholdings.

**IV. SIGNATURE.** Please include your phone number so we can contact you if we need additional information. Thank you.