



BEFORE THE FIRST EMPLOYEE STARTS WORK

All California employers must meet the following requirements before an employee begins work:

A CALIFORNIA EMPLOYER IDENTIFICATION NUMBER

An employer who becomes subject to the employment tax laws, is required to register with the Employment Development Department (EDD) to obtain an identification number, which is the state equivalent of the federal identification number. (Unemployment Insurance Code § 1086) This number can be obtained by filing a DE-1 Registration Form with the EDD. Once an employer receives the identification number it will also receive information concerning all state required employment taxes and reporting requirements. (Unemployment Insurance Code § 1089)

Additional information can be obtained by writing to the Employment Development Department, Box 826880, Sacramento, California 94280-0001 or by contacting the local Employment Tax District Office listed in the State Government section of the white pages of the telephone directory under Employment Development Department or through their website at www.edd.ca.gov. For information concerning the federal identification number contact the Internal Revenue Service at www.irs.gov or check the white pages of the telephone directory under Federal Government.

WORKERS' COMPENSATION INSURANCE COVERAGE

All employers are required to have workers' compensation insurance or receive state approval to self-insure the required benefits. There are significant criminal and civil penalties for employers that do not have workers' compensation insurance or that are not authorized to be self-insured. (Labor Code § 3700, et seq.) A large number of insurance companies offer plans for these benefits. In addition, the State Compensation Insurance Fund makes available such benefits to all employers.

REQUIRED REGISTRATION, CERTIFICATION OR LICENSING FOR CERTAIN INDUSTRIES

Certain businesses must be registered, certified or licensed prior to operating the business. While there are several state agencies that license or register businesses, the Division of Labor Standards Enforcement provides licensing or registration for the following types of businesses:

- Farm Labor Contractors
- Garment Manufacturers
- Talent Agents
- Employers of Industrial Homeworkers
- Sheltered Workshops
- Studio Teachers
- Car washes