

Application for Transfer of Reserve Account

If you acquired a business from an employer who was registered with the Employment Development Department, you may apply for a transfer of all or a part of the reserve account. A reserve account is used to determine the Unemployment Insurance tax rate. Not all reserve account balances are desirable. If the transfer of your predecessor's reserve account is approved, you will be subject to all or a percentage of the predecessor's benefit charges, which could increase your rate. Some reserve account transfers are required per section 1061 of the California Unemployment Insurance Code (CUIC). Use this form to report the percent of business and employees that were transferred. **Note:** Any application for transfer filed after 90 days of the business purchase may be restricted per section 1053 of the CUIC.

Instructions - Read this form carefully and answer all questions. Failure to answer all questions may result in a delay or denial of your application. If you need more space to complete your answers, you can attach separate sheets. For more information, call the Taxpayer Assistance Center at 1-888-745-3886.

Section I:

1. Your eight-digit employer payroll tax account number:
2. Your full name:
3. Your business name:
4. Business address:
5. Name of business acquired:
6. Previous owner's eight-digit employer payroll tax account number:
7. Previous owner's full name:
8. Previous owner's business location:

8a. Previous owner's phone number: ()

9. Date of acquisition:

10. Type of acquisition (Check one)

Purchase. Agreed upon purchase price: \$

Stock purchase.

Change in form only. If you checked this box, call the Taxpayer Assistance Center at 1-888-745-3886 before submitting the application to determine if you were required to obtain a new employer payroll tax account number. For example, a new employer payroll tax account number is not required if there was just a name change, change from sole proprietor to corporation or partnership, partner added or deleted, new federal employer identification number obtained, but same owner, LLC added, etc.

Other. Explain:

11. Major assets acquired (Check all that apply.)

Place of business

Customers

Trade name

Accounts receivable

Goodwill

Stock in trade

Tools and fixtures

Employees

12. Did you continue the operation of the business you acquired?

Yes No

If No, explain:

13. Is there common ownership, management, or control of the business at the time of transfer? Yes No
14. Number of workers employed by previous owner just before sale:
15. Number of previous owner's workers now employed by you:
16. Are you a labor contractor, employment agency, or other provider of employment services? Yes No
If Yes, explain operation:

17. Did you purchase an employment agency? Yes No If Yes, explain operation:

18. Portion of the business acquired from the previous owner:

- (a) **All of the business.** If you checked this section, you are requesting a complete reserve account transfer which cannot be processed unless the previous owner's employer payroll tax account number is inactive. If possible, provide a letter from the previous owner to deactivate their account at the date of acquisition. Go directly to Section III.
- (b) **Part of the business.** If you checked this section, complete Section II and Section III.

Section II:

1. The portion of the business acquired was started by its previous owner on: (MM/DD/YYYY)
2. The portion of the business acquired is % of the previous owner's business.
3. If possible, provide the taxable wages for the portion of the business you acquired up to the quarter of acquisition. Use only wages up to the **\$7,000 annual limit for each employee** for calendar years listed below. The taxable wages, for the portion of the previous owner's business acquired, were:

For calendar year: 2020 \$	2021 \$	2022 \$	
- By Quarters -			
Jan. 1 to Mar. 31	Apr. 1 to Jun. 30	Jul. 1 to Sept. 30	Oct. 1 to Dec. 31
2023 \$	\$	\$	\$
2024 \$	\$	\$	\$

Note: If you cannot provide exact figures, give an estimate. To get the most accurate estimate, contact the previous owner for the taxable wage information.

Did you estimate these figures? Yes No

Did the previous owner approve these figures? Yes No

Section III:

List the contact person's name and phone number:

Print Name: _____ Phone: ()

Sign and date: I/we hereby submit this application for transfer of reserve account and declare that the above information is correct to the best of our knowledge and belief.

Signature: _____ Date: _____
(Owner, Corporate Officer, Partner, LLC Manager/Member, or authorized Agent)

Print Name: _____ Phone: ()

Title: