

## CURRENT REPORTING REQUIREMENTS FOR PTA

The Workers' Compensation insurance carrier for the California State PTA is the State Compensation Insurance Fund (State Fund). State Fund requires that every unit, council and district PTA complete the *Workers' Compensation Annual Payroll Report* regardless if wages are paid or not. A copy of the *Workers' Compensation Annual Payroll Report* is included in this mailing, along with a sample copy of the form.

- **If the PTA has not hired employees or independent contractors** complete this form and send through channels (unit to council to district) to the California State PTA by January 31, 2006.
- **If PTA has hired employees and/or has hired independent contractors**, complete the form, add attachments listed below, and send through channels to the California State PTA by January 31, 2006.

**IF PTA hires employees**, and if an employer-employee relationship exists, the PTA, as employer, must comply with all state and federal withholding requirements and withhold monies from each employee's wages. For *each* employee listed on the *Workers' Compensation Annual Payroll Report*, PTA must also attach the following to the *Workers' Compensation Annual Payroll Report* Form:

1. **EDD Form DE-6:** The California Employment Development Department (EDD) requires that any employer who pays compensation must also file a DE-6, Quarterly Wage and Withholding Report. All DE-6 copies, which show PTA paid wages and the required deductions, must be attached.
2. **IRS Form 941:** The Internal Revenue Service (IRS) requires that any employer who pays compensation must also file a Form 941, Employer's Quarterly Federal Tax Return. All Form 941 copies, which show PTA paid wages and the required deductions, must be attached.

**If PTA hires independent contractors**, the PTA must attach a DE-542 to the *Workers' Compensation Annual Payroll Report* Form. A copy of this new form is included in this mailing.

3. **IRS Form 1099-MISC:** The federal government requires that when a PTA makes payments of \$600 or more during a calendar year to individuals for services rendered, and who are not employees, it must be reported on the IRS Form 1099-MISC.

The California State PTA *Toolkit* (5.6.6.) explains the withholding requirements regarding FICA, state and federal income tax and State Disability Insurance. For further clarification of determining whether a person is an employee or an independent contractor, see the California State PTA *Toolkit* (5.6.1.).

The California State PTA recommends that a professional knowledgeable about hiring employees and reporting requirements is consulted to ensure that all government regulations are met. This is a legitimate PTA expense.

State documents may be downloaded on the Employment Development Department website, [www.edd.ca.gov/taxrep/de6.pdf](http://www.edd.ca.gov/taxrep/de6.pdf)

The printed version of federal forms may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS form or publication number.