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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 1@ Unemployment and Disability Compensation

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Part 1@ Unemployment Compensation

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Chapter 4@ CONTRIBUTIONS AND REPORTS

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Article 2@ "WAGES" THE BASIS OF THE CONTRIBUTION

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Section 926-2@ Wages - Exclusions From - General

926-2 Wages -Exclusions From -General

"Wages" does not include any of the following:

(a)

Payments made by an employer under any of the following circumstances:(1)

Ordinarily, facilities or privileges (such as entertainment, cafeteria facilities, medical services, or so called "courtesy" discounts on purchases), furnished or offered by an employer to his employees generally, if such facilities or privileges are furnished or offered for the purpose of promoting the health, goodwill, contentment, or efficiency of the employees, are not made under a regular or systematic plan to compensate the employees for services rendered, and may be withdrawn by the employer at any time with no obligation for a corresponding increase in remuneration or the substitution of a like facility or privilege. (See Sections 926-3, 926-4, and 926-5, of these regulations for the inclusion of meals and quarters furnished employees as "wages.") (2) Gifts in cash or kind of nominal value voluntarily given by an employer to an employee on special occasions, such as Christmas or the marriage or the birthday of the employee, as an expression of goodwill and not based on the rate of pay, the length or degree of prior personal services rendered by the employee, nor paid by the employer as required by a labor union agreement or a contract of hire. (3) Penalties or damage awards paid by an employer to an employee because of discriminatory practices or for violation of labor-management agreements or of the California Labor Code.

(4) Payments gratuitously made by an employer to a former employee in military service if the employment relationship has terminated. Payments are not gratuitous if they are made by the employer as required in a labor union agreement or a contract of hire. The exclusion under this paragraph does not apply to payments made: (A) To an officer of a corporation or association who retains his status as an officer of the corporation or association during his military service. (B) To an employee on temporary leave of absence while training with the United States Armed Forces or any state or National Guard, if it is agreed that the employee will return to employment with the employer upon completion of the training. (5) Payments made by an employer to an individual not in its employ for leads submitted to the employer on potential customers or clients, commonly referred to as "bird-dog" payments. (6) Compensation paid by an employer to the widow or estate of a deceased employee for which no services are performed. (7) Remuneration paid or payable by an employer to a worker for services which are excluded from "employment" by the code (see Sections 606-1 to 653-1, inclusive of these regulations). (8) Any payment made by an employer which excluded from "wages" by the code (see Sections 926-6, 929-1, 929-2, 931-1, 932-1, 933-1, 936-1, and 937-1 of these regulations).

(1)

Ordinarily, facilities or privileges (such as entertainment, cafeteria facilities, medical services, or so called "courtesy" discounts on purchases), furnished or offered by an employer to his employees generally, if such facilities or privileges are furnished or offered for the purpose of promoting the health, goodwill, contentment, or efficiency of the employees, are not made under a regular or systematic plan to compensate the employees for services rendered, and may be withdrawn by the employer at any time with no obligation for a corresponding increase in remuneration or the substitution of a

like facility or privilege. (See Sections 926-3, 926-4, and 926-5, of these regulations for the inclusion of meals and quarters furnished employees as "wages.")

(2)

Gifts in cash or kind of nominal value voluntarily given by an employer to an employee on special occasions, such as Christmas or the marriage or the birthday of the employee, as an expression of goodwill and not based on the rate of pay, the length or degree of prior personal services rendered by the employee, nor paid by the employer as required by a labor union agreement or a contract of hire.

(3)

Penalties or damage awards paid by an employer to an employee because of discriminatory practices or for violation of labor-management agreements or of the California Labor Code.

(4)

Payments gratuitously made by an employer to a former employee in military service if the employment relationship has terminated. Payments are not gratuitous if they are made by the employer as required in a labor union agreement or a contract of hire. The exclusion under this paragraph does not apply to payments made: (A) To an officer of a corporation or association who retains his status as an officer of the corporation or association during his military service. (B) To an employee on temporary leave of absence while training with the United States Armed Forces or any state or National Guard, if it is agreed that the employee will return to employment with the employer upon completion of the training.

(A)

To an officer of a corporation or association who retains his status as an officer of the corporation or association during his military service.

(B)

To an employee on temporary leave of absence while training with the United States Armed Forces or any state or National Guard, if it is agreed that the employee will return to employment with the employer upon completion of the training.

(5)

Payments made by an employer to an individual not in its employ for leads submitted to the employer on potential customers or clients, commonly referred to as "bird-dog" payments.

(6)

Compensation paid by an employer to the widow or estate of a deceased employee for which no services are performed.

(7)

Remuneration paid or payable by an employer to a worker for services which are excluded from "employment" by the code (see Sections 606-1 to 653-1, inclusive of these regulations).

(8)

Any payment made by an employer which excluded from "wages" by the code (see Sections 926-6, 929-1, 929-2, 931-1, 932-1, 933-1, 936-1, and 937-1 of these regulations).

(b)

Compensation received by an employee under the provisions of the Workmen's Compensation Insurance and Safety Act of this state, or similar law of other states, or of the United States.

(c)

Drawings by bona fide general partners whether designated as salary or otherwise.

(d)

Returns on the capital investments of a limited partner as distinguished from remuneration for personal services of the limited partner.

(e)

Payments made by a labor union to an individual under any of the following circumstances: (1) Strike benefits paid by a labor union to members for the sole purpose of financial assistance during the strike, if there is no performance of, or obligation on the part of the member to perform, or to hold himself available to perform, picket duty or other services. (2) Penalties or damage awards paid by a labor union to an individual because of discriminatory practices, or for violation of labor-management agreements or of the California Labor Code.

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(2)

Penalties or damage awards paid by a labor union to an individual because of discriminatory practices, or for violation of labor-management agreements or of the California Labor Code.