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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

**1052-1 Reserve Account Transfer -Severable Portion**

Article 5@ TRANSFER OF RESERVE ACCOUNTS

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Section 1052-1@ Reserve Account Transfer -Severable Portion Formula

**(a)**

On receipt of an application for transfer within the time limits prescribed in Sections 1051 and 1053 of the code that part of the separate account, actual contribution and benefit experience and pay rolls of the predecessor which pertains to such severable portion shall, for the purposes set forth in Section 1052 of the code be transferred to the successor employer in the manner set forth in the following table:

Item charged or credited to predecessor	Part to be transferred to successor acquiring severable portion
(1)The pay rolls consisting of the wages paid during the most recent period of three consecutive calendar years immediately preceding the transfer computation date.	Payrolls pertaining to severable portion.
(2)Reserve balance accumulated during the period from the computation date occurring in the year in which these variable portion began operating to the transfer computation date.	Transfer percentage times such reserve balance.
(3)Pay roll for period following period of Item (1) to date of acquisition.	Payroll pertaining to severable portion.
(4)Contributions for period beginning with transfer computation date and ending with date of acquisition.	Contributions pertaining to severable portion.
(5)Benefits paid subsequent to the transfer computation date which but for the transfer would be chargeable entirely to the predecessor.	(A)Transfer percentage times benefits paid

between the transfer computation date and the computation date immediately following the date of acquisition, and Part to be transferred to successor acquiring severable portion Payrolls pertaining to severable portion. Transfer percentage times such reserve balance. Pay roll pertaining to severable portion. Contributions pertaining to severable portion.(B)Transfer percentage less one-twelfth thereof for each month by which the acquisition date preceded the following computation date times benefits paid between the computation date immediately following the date of acquisition and the following computation date. (C)In the case of two or more simultaneous successors to a predecessor employer who does not continue in business after the acquisition, the benefit charges which appear in the account of the predecessor on each computation date after the transfer computation date shall be allocated to each successor on the basis of the transfer percentage which pertains to each successor.

**(b)**

If a predecessor or a successor considers that the part to be transferred to the successor or successors acquiring a severable portion as computed under subdivision (a) of this section is or may be inequitable, either the predecessor or a successor may submit information to the director with respect to the actual experience of the severable portion. The director may require such additional information and reports as may be necessary for the computation of the actual experience of the severable portion. If the information and reports necessary for the computation of the actual experience of the severable portion are submitted, the director shall transfer such actual experience in accordance with such information and reports.