# COPY TO SUB-GROUP LETTERHEAD

CaliforniaChoice®
721 South Parker Ste.200
Orange, CA 92868

PEO Name:
Sub-Group Name:
Sub-Group CA Federal Tax I.D.#:

Dear CaliforniaChoice,

Please be advised that we are unable to provide a DE9c (Quarterly Wage Report) or Prior Carrier Report, since a Professional Employer Organization (PEO) handles our payroll reporting. In lieu of a DE9c or Prior Carrier Report,we will provide a copy of our payroll records for the last 6 weeks to establish eligibility.

We understand that to qualify for the CaliforniaChoice program, we must meet all guidelines separate from the PEO. We confirm that our group satisfies the following CaliforniaChoice guidelines:

- We employ between 1-100 eligible employees.
- We will enroll and maintain enrollment for 70% of our eligible employees but not less than 1.
- We have provided our Federal Tax I.D. number and not the PEO's.
- We acknowledge that the application of State or Federal COBRA provisions will be determined by our independent employee count from the prior calendar year, separate from the main PEO. *Federal COBRA will apply to those sub-groups with greater than 20 employees for 50% of the prior calendar year (total employment) Cal-COBRA will apply to those sub-groups with less than 20 employees for 50% of the prior calendar year (total employment)*
- We understand that the owner or an authorized representative from our company must be the person who signs the Employer enrollment documents, not a PEO representative.
- We understand that the address used for rating purposes will always be our physical location as well as each employee's residential zip code.

Sincerely,

_____
(Signed)

_____
(Name)

_____
(Title)