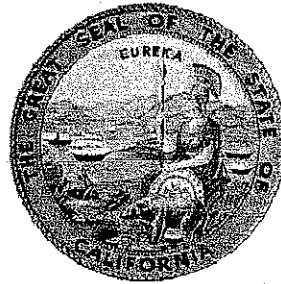


# California State Disability Insurance: Disability Insurance and Paid Family Leave



2010

State  
Disability  
Insurance

Disability  
Insurance

Paid Family  
Leave

## State Disability Insurance

### Mission

The California State Disability Insurance Program minimizes financial hardships by providing timely benefits and services to eligible workers and families while supporting California's economy.

### Vision

The California State Disability Insurance Program will continue to be a recognized leader in the Disability Insurance industry. We will be responsive to our customers and a model of excellence, innovation, and integrity.

## What is SDI?

- **State Disability Insurance (SDI) is a partial, short-term, wage-replacement insurance plan for California workers currently in the labor market.**
- **SDI provides coverage for two programs:**
  - **Disability Insurance** provides partial wage replacement benefits for up to 52 weeks per claim
  - **Paid Family Leave** provides partial wage replacement benefits for up to 6 weeks (within a rolling 12-month period)

## SDI

### Which States Have It?

**California is one of seven U.S. locations with Disability Insurance or Paid Family Leave**

Hawaii - DI

New Jersey – DI, PFL

New York - DI

Rhode Island - DI

Washington State – PFL Bonding only – *on hold*

The Commonwealth of Puerto Rico -DI

## KEY POINTS of SDI

- SDI provides coverage for approximately 13 million California workers
- SDI provides partial wage replacement which is approximately 55% of income for workers currently in the labor market
- Employees must be attached to the labor market and have qualifying wages in the base period at the time the disability began

## KEY POINTS of SDI

- There is a 7 day waiting period for both DI and PFL claims
- Claims are payable starting on the 8<sup>th</sup> day
- Employee must file a timely claim (no later than the 49<sup>th</sup> day after the disability began)

## KEY POINTS of SDI

- Employees are eligible to apply without regard to length of employment with current employer
- A 'Notice to Employer', will be sent to the claimant's employer when a claim is filed
- Does not provide entitlement to leave nor job security while on leave as does the Family and Medical Leave Act and California Family Rights Act

## Can a claimant work part time?

- Individuals who normally work full-time but due to a disability or family leave have a reduced work schedule, may be eligible to collect State Disability Insurance benefits
- Individuals who normally work part-time but are suffering a loss of wages, may be eligible to collect State Disability Insurance

## How is SDI Funded?

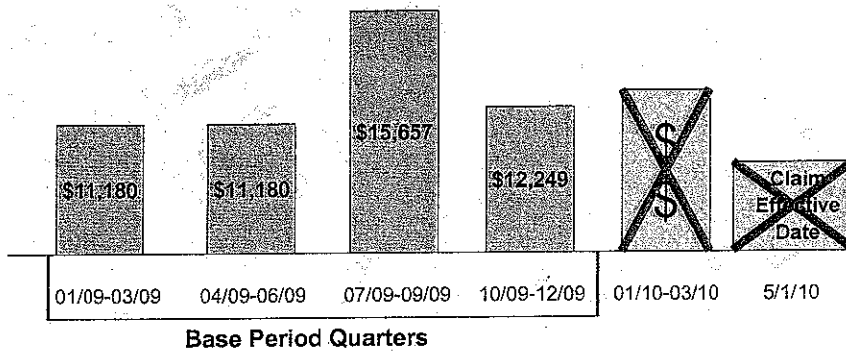
- *Employee funded* through State-mandated payroll deductions
- 2010 withholding rate of 1.1%
- 2010 taxable wage limit = \$93,316
- 2010 maximum yearly employee contribution = \$1,026.48

## Weekly Benefit Amounts (WBA)

	1946	2010
<b>Minimum Weekly Benefit Amount</b>	\$10	\$50
<b>Maximum Weekly Benefit Amount</b>	\$20	\$987

Base period of 12 months considered for calculating maximum and weekly benefit amounts.

## Base Period for WBA



Weekly Benefit Amounts (WBA) are determined by the **Quarter** in the *base period* with the highest wages earned. In this case, the WBA for DI is \$663. For PFL, the WBA remains the same.

This claimant contributed \$552.93 to the program for this base period and is receiving back more than what was contributed within the first week.

Note: The quarters from 01/10-5/10 are non-qualifying quarters.

## Benefit Calculation Example 1

2009 wages	QTR 1 (Jan-Mar)	QTR 2 (Apr-Jun)	QTR 3 (Jul-Sept)	Qtr 4 (Oct-Dec)	Total
	\$9,000.00	\$10,500.00	\$0.00	\$10,500.00	\$30,000.00
SDI Contributions 1.10% of gross wages	\$99.00	\$115.50	\$0.00	\$115.50	\$330.00

**Claim Effective date:**  
April 1, 2010

**Claim Base Period:**  
January-December 2009

**Weekly Benefit Amount (WBA)**

Calculated Using the Quarter with the highest wages: QTR 2/QTR 4: \$445

**Maximum Benefit Amount (52 X WBA but no more than total base period wages)**

The amount the claimant could draw upon for this claim: \$23,140.00

**Claim Duration:** The claimant's medical provider has the claimant off work for 6 weeks.

**Amount Claimant Will Receive:** \$2,670.00

**Note:** The claimant will recoup in less than one week, the total amount of contributions paid in a year

## Benefit Calculation Example 2

2009 wages	QTR 1 (Jan-Mar)	QTR 2 (Apr-Jun)	QTR 3 (Jul-Sept)	Qtr 4 (Oct-Dec)	Total
	\$0.00	\$0.00	\$300.00	\$0.00	\$300.00
SDI Contributions 1.10% of gross wages	\$0.00	\$0.00	\$3.30	\$0.00	\$3.30

**Claim Effective date:**  
April 1, 2010

**Claim Base Period:**  
January-December 2009

**Weekly Benefit Amount (WBA)**

Calculated Using the Quarter with the highest wages: QTR 3: \$50.00

**Maximum Benefit Amount (52 X WBA but no more than total base period wages)**

The amount the claimant could draw upon for this claim: \$300.00

**Claim Duration:** The claimant's medical provider has the claimant off work for 6 weeks.

**Amount Claimant Will Receive:** \$300.00

**Note:** The claimant will recoup in less than one week, the total amount of contributions paid in a year.

## State Disability Insurance Data

State Fiscal Year 2009/2010

	DI	PFL
Total claims filed	729,860	190,743
Average weekly benefit amount	\$448	\$488
Total benefits authorized	\$4,615,628,827	\$474,589,252

## Disability Insurance Key Points

- It is a benefit for employees who cannot work due to a non-work related illness or injury
- Disability includes: Elective surgery, alcoholism, drug addiction, pregnancy childbirth or other related conditions



## **Disability Insurance Key Points**

- Employees must be unable to perform their regular or customary work
- Employees must be under the care and treatment of a physician or practitioner
- Certification is required from the treating physician or practitioner of the illness, injury or disability

## **Paid Family Leave**

- Paid Family Leave (PFL) is a component of State Disability Insurance and applies to all employees covered by State Disability Insurance (SDI)
- Helps ease the financial burden of a wage loss and provides up to 6 weeks of benefits for Bonding or Caregiving purposes
- PFL Benefits are payable at the same rate as DI

## Two basic PFL claim types

### **Bonding**

- Requires written proof of a new child such as birth certificate, adoption papers, or foster care placement document
- Must be claimed within 12 months of the child entering into family
- Child must be under 18 years of age
- New fathers qualify for Bonding also

## Two basic PFL claim types

### **Care**

- To care for seriously ill spouse, registered domestic partner, parent, or child
- Requires doctor certification of serious illness and a need for care
- Requires the signature of person receiving care or his/her authorized representative

## Paid Family Leave Key Points

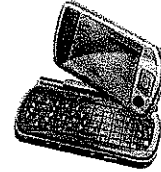
- Payments are limited to 6 weeks over a consecutive rolling 12 month period
- Mothers transitioning from DI for maternity to PFL for bonding benefits do not have to serve a second 7 day waiting period (considered same claim)
- Employers may require employees to use up to two weeks vacation leave before receiving Paid Family Leave benefits

## How Disability Insurance differs from Paid Family Leave

Disability Insurance	Paid Family Leave
Benefits paid for up to 52 weeks per claim	Benefits paid for up to 6 weeks per rolling 12-months
Benefits are for employee's illness, injury, or disability	Benefits are for caring for a seriously ill family member or to bond with a new child
Not required to use vacation benefits	Employers <i>may</i> require employees to use up to two weeks of their unused vacation
Vacation pay is not in conflict with DI	Vacation pay conflicts with PFL when employer requires employee to use
Benefits are not reportable to IRS (unless in lieu of UI)	Benefits are reportable to IRS



## SDI Contact Information for the General Public



<b>Disability Insurance English 800-480-3287</b>	<b>Disability Insurance En Español 866-658-8846</b>
<b>Paid Family Leave English 877-238-4373</b>	<b>Paid Family Leave En Español 877-379-3819</b>

Go to [www.edd.ca.gov/](http://www.edd.ca.gov/) for  
more information about  
State Disability Insurance

Questions?



