Supplementing Industrial Disability Leave
June 2016

Overview

Industrial Disability Leave (IDL) is paid in lieu of Temporary Disability Benefits to state employees who are active members of the California Public Employees’ Retirement System (CalPERS) or California State Teachers’ Retirement System (CalSTRS).

Prior to the start of IDL, employees must serve a waiting period of three-calendar days. The IDL waiting period may begin the day following the date of injury and need not be consecutive days. You are paid administrative time off for time lost on the date of injury. The waiting period is waived if you are (1) hospitalized as a result of the injury or illness, (2) unable to work for more than 14 calendar days, (3) or the injury is the result of a criminal act of violence.

IDL payments are based on your current wages. For the first 22 work days or a maximum of 176 hours for full-time employees (prorated for different time bases) of disability you will receive full net salary. Thereafter, the payments are based on two-thirds of your gross pay for the remaining days of disability up to 2080 hours for full-time employees (prorated for employees on different time bases) within a two-year period. After the first 176 hours of disability, you can supplement your basic IDL benefit up to your full net salary with any accrued leave credits. This benefit is called IDL with Supplementation (IDL/S).

How does IDL/S work?

You may supplement IDL with any available leave credits each month. IDL may be supplemented up to your full net salary or you may choose to supplement with less time. Once you select the level of supplementation, it cannot be increased. The supplementation amount may be decreased or terminated at any point, but changes will be made on a prospective basis only. The effective date of any change will be the first day of the pay period following the pay period in which the change was submitted.
Leave credits needed for supplementation will be drawn in the following order, unless you specify a different order; (1) sick leave, (2) compensated time off, (3) vacation or annual leave, (4) and other leave credits.

**How many hours of leave credits are needed for IDL/S?**

The amount of leave credits you’ll need to supplement IDL will depend on many variables including your monthly salary, tax status on the date of injury, mandatory withholding, the number of days on IDL, the number of days in the pay period, and other pay you receive in the pay period. Your Personnel Office will determine the maximum level of supplementation allowed under IDL/S. If you do not wish to use the maximum level of supplementation, you may choose a lesser amount. Once you select an amount, it cannot be increased.

You cannot use fractions of an hour to supplement IDL.

**What if my leave credits fall below the selected supplementation amount?**

If your leave credits fall below your selected supplementation amount, the supplementation amount will be reduced to the amount of leave credits that are available each month. Yes, you may use any leave credits that you earn while on IDL/S.

**What if I am only on IDL for part of the month?**

If you receive IDL/S and regular pay during the same pay period, Personnel will change the level of supplementation to insure that your combined pay approximates but does not exceed your full net pay.

**What does “Full Net Pay” mean?**

For the purpose of calculating your supplementation level for IDL/S, full net pay means gross pay minus mandatory deductions, which are federal and state taxes, Social Security/Medicare, and retirement.
Full net pay can only be approximate, not equaled, since fractions of an hour can’t be used for supplementation and there are several variables that impact salary calculations.

**Is IDL/S income treated the same as regular IDL income?**

IDL income is not taxable. However, supplementation income is taxable and will be reported on your W-2 form at the end of the year. Federal and state taxes along with Social Security/Medicare will be withheld from supplementation pay. Tax deductions will be based on current flat tax rates. Retirement is not deducted from supplementation pay because the full retirement amount is deducted from the IDL benefit. In addition, all mandatory and voluntary deductions will be withheld from supplementation pay if not already deducted from another payment in the pay period. These deductions will continue provided the supplementation pay is sufficient to cover the deductions. You must cancel the deductions you do not wish to have withheld from supplementation pay.

**How long does IDL/S last?**

If you choose to supplement, the supplementation will continue until the IDL benefit expires or you voluntarily stop supplementing IDL.

**What are the major advantages and disadvantages of IDL/S?**

The major advantages to IDL/S include (1) the ability to obtain a higher level of compensation while on disability leave than would otherwise be possible on IDL alone, and (2) the ability to maintain certain miscellaneous deductions like deferred compensation or other deductions that cannot be deducted from IDL pay.

The major disadvantage to IDL/S is that it may reduce your leave balance to a level that will be insufficient to meet future needs. The supplementation amount is taxed at the current federally set flat tax rate, which could be higher than your normal tax rate.
What is the IDL/S enrollment process?

If and when your injury or illness is determined to be work related and benefits are due, you will be given 15 calendar days in which to choose to supplement. Your Personnel Office will send you an Industrial Disability Leave with Supplementation Benefits Information and Option Selection form (STD. 618S). The form includes the calculations showing the amount of leave credits necessary to provide full supplementation for IDL/S and an option for you to choose.

What happens if I fail to make a timely choice?

Failure to make a selection in a timely manner constitutes forfeiture of your right to select the IDL/S benefit at any time in the future.

Are there any circumstances when I could be denied IDL/S?

Yes, you can be denied IDL/S for several reasons, including: (1) failure to make a timely selection of the IDL/S benefit, or (2) your basic IDL benefit already matches or exceeds your full net pay.

If I am denied IDL/S, or am dissatisfied with the limitations, can I file a grievance?

You can file a grievance by following the procedures outlined in the Government Code and the California Administrative Code, and the California Administrative Code, Title 2 that relate to IDL benefits.