

Department of Personnel Administration
Memorandum

TO: Personnel Management Liaisons (PML)

SUBJECT: State Disability Insurance (SDI)	REFERENCE NUMBER: 2005-020
DATE ISSUED: 07/06/05	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Labor Relations Division**

FROM: Department of Personnel Administration
Labor Relations Division

CONTACT: Sydney Perry
(916) 324-2763
Fax: (916) 322-0765
Email: Sydperry@dpa.ca.gov

The Department of Personnel Administration (DPA) is sending the attached fact sheet to respond to additional questions raised by departmental personnel office and employees about the implementation of the State Disability Insurance program (SDI) benefits. It is anticipated that SDI withholding for these employees will begin October 1, 2005.

DPA has scheduled several training sessions in the Sacramento, Los Angeles, San Francisco, and Fresno areas during the month of July. Please refer to PML 2005-017 for dates, locations, and enrollment information.

For additional information about SDI, visit EDD's Web site at www.edd.ca.gov/direp/diind.htm.

If you have questions or need additional information, please contact Sydney Perry at the number or e-mail address listed above.

Attachment

/s/Julie Chapman

Julie Chapman
Assistant Chief
Labor Relations Division

**Department of Personnel Administration
Fact Sheet
State Disability Insurance (SDI)**

This fact sheet provides additional information regarding the State Disability Insurance (SDI) program that was negotiated for employees in Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21. All **represented** employees in these bargaining units will be converted to the SDI program once it is implemented.

1. What will happen to the employees who are in the Annual Leave program when SDI is implemented?

Employees who are currently in the Annual Leave program will continue in the Annual Leave program, and will continue to accrue Annual Leave credits. SDI will only replace the Non-Industrial Disability Insurance (NDI) benefits portion of the Annual Leave Program.

2. Employees who have signed up for Annual Leave are required to stay in the program for 24 months. Will there be a special "open enrollment" to opt out of Annual Leave?

No. The current agreement between the Service Employees International Union (SEIU) only allows employees to opt out of Annual Leave after completing the 24 month requirement.

3. What affect will SDI have on employees who are out on a qualifying NDI leave at the time SDI withholding begins? Will their NDI benefits continue?

Their NDI benefits would not be impacted.

4. Will SDI premiums be deducted from the NDI benefits?

If the employee is in the traditional leave program (sick leave/vacation) with NDI benefits, no SDI premiums will be deducted from their NDI benefits. If the employee is in the Annual Leave program and is supplementing their NDI benefits with leave credits, SDI premiums will be deducted from their leave supplementation.

5. Employers are mandated by law to provide health benefits for employees while they are on a Family and Medical Leave Act (FMLA) leave. Will the State bill the employees for the employee-paid premium when they return to work from their FMLA leave?

Yes. The employer will pay the employer's portion of the health benefits premium for up to 12 weeks. The State Controller's Office (SCO) will set up an accounts receivable for the employee's portion of the health benefits premium to be paid when the employee returns to work.

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6. How will this work if the employee is out on a FMLA leave that runs concurrently with SDI?

As stated above, the employer will pay the employer's portion of the health benefits premium for up to 12 weeks and the SCO will set up an accounts receivable for the employee's portion of the health benefits premium to be paid when the employee returns to work. If the employee has not returned to work after the 12 weeks, in order to continue the health benefits, the employee will be required to direct pay the provider for both the employee and employer share of the health benefits premiums.

7. Will managers and supervisors receive SDI benefits?

No, managerial and supervisory employees will continue to receive the current NDI program (both the regular and enhanced benefit levels).

Please note that these questions and answers are intended to be general in nature, and may not address each individual situation. Specific situations will need to be evaluated on a case-by-case basis and in accordance with the applicable Memorandum of Understanding.