



George Deukmejian, Governor

PERSONNEL MANAGEMENT LIAISONS

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**SUBJECT: 1985-87 Non-Industrial Disability Insurance
Contract Provision for Bargaining Units 1, 4, 15, 18 and 20**

The 1985-87 Non-Industrial Disability Insurance (NDI) contract provisions for Units 1, 4, 15, 18 and 20 provides that an employee receiving NDI benefits may, at the departments discretion and upon medical verification, return to partial work as long as their NDI benefit plus their partial work hours does not exceed 100% of their regular "full pay".

On September 27, 1985, a memorandum was issued by the Department of Personnel Administration (DPA) to assist departments in determining the maximum permissible hours an employee may return to work and still be eligible for NDI benefits. The formula has been revised to allow employees to receive as close to 100% of their income prior to disability as possible. NDI benefits will be disallowed if the employee's regular pay plus NDI pay exceeds 100% of their regular "full pay".

This formula is to be used after the employee has been released to partial work status. The employee's medical verification should reflect the employee's ability to return to work and not be contingent upon the employee's "maximum number of permissible work hours per day". It would be reasonable for a department to question the extent of an employee's disability if medically certified as able to return to work for more than four(4) hours per day. Departments should question any employee's disability if the hours the employee is medically certified fluctuates from month to month to accommodate the formula. Departments may require an employee to submit to a medical examination by a physician or physicians designated by the Director of the Employment Development Department.

Full-time employees working partial hours per day will receive a full eight hours pay for each holiday. The NDI gross will be reduced when the employee's regular gross pay plus the NDI gross exceeds the monthly salary rate as a result of additional pay received for holidays. The State Controller's Office will provide assistance in the completion of the request for payment when the NDI gross pay is reduced.

If you have any questions concerning the attached formula, you may call Joan Bettati of my staff at 324-0439 or ATSS 454-0439.


Anne Bersinger, Chief
Personnel Management Division

Attachment

ATTACHMENT

FORMULA FOR DETERMINING THE MAXIMUM PERMISSIBLE HOURS AN EMPLOYEE MAY WORK PER DAY AND CONTINUE NDI BENEFITS.

Monthly Gross minus NDI Benefit* = Permissible Adjusted Monthly Gross

Permissible Adjusted Monthly Gross ÷ employee's hourly rate ÷ number of working days in pay period = maximum number of permissible work hours per day.**

Example: Full-time employee in a 21 working day and 31 calendar day pay period with a monthly salary rate of \$1569

$$\$1569 - \$597.86 (\$19.285714 \times 31 \text{ days})^* = \$971.14$$

$$\$971.14 \div \$9.34 \text{ (hourly salary rate for a 21 working day pay period)**} = 103.97 \text{ hours (do not round)}$$

103 ÷ 21 working days in pay period = 4.9 hours (do not round) = 4 hours maximum permissible hours per day an employee may work and continue to receive NDI benefits

Example: Full-time employee in a 22 working day and 30 calendar day pay period with a monthly salary rate of \$1569

$$\$1569 - \$578.57 (\$19.285714 \times 30 \text{ days})^* = \$990.43$$

$$\$990.43 \div \$8.91 \text{ (hourly salary rate for a 22 working day pay period)**} = 111.15 \text{ hours (do not round)}$$

111 ÷ 22 working days in pay period = 5.04 hours (do not round) = 5 hours maximum permissible hours per day an employee may work and continue to receive NDI benefits

NOTE: The NDI gross may need to be reduced in a pay period with holidays.

*NDI benefit is determined by multiplying the daily NDI rate by the number of calendar days in the pay period. (For employees whose monthly salary is greater than \$975.00, use \$19.285714 (\$135 per week ÷ 7 days) as their daily NDI benefit. For employees whose monthly salary is \$975.00 or less, refer to your Payroll Procedures Manual, Section E100, Attachment A)

**Hourly salary rate is determined by dividing the monthly salary rate by the number of hours in the pay period. (176 hours for a 22 working day pay period or 168 hours for a 21 working day pay period.)