

State of California

**M O R A N D U M**

To: PERSONNEL MANAGEMENT LIAISONS

Date: November 23, 1994

Reference Code: 94-62

**THIS MEMORANDUM SHOULD BE DISTRIBUTED TO ALL PERSONNEL OFFICERS, WORKERS' COMPENSATION AND SAFETY OFFICERS AND PERSONNEL TRANSACTIONS STAFF**

From: Department of Personnel Administration

Subject: INDUSTRIAL DISABILITY LEAVE WITH SUPPLEMENTATION  
NEWLY ELIGIBLE EXCLUDED EMPLOYEES AND BARGAINING UNIT 7

For periods of work related disability commencing on or after January 1, 1995, subject to Government Code Section 19869 et. seq., any excluded employees (managers, supervisors and confidentials) and employees in Unit 7, who are members of the Public Employees' Retirement System (PERS) or the State Teachers' Retirement System (STRS), will receive Industrial Disability Leave (IDL). Eligible employees in these units will no longer have the option of electing Temporary Disability (TD) at any time during the 52 weeks that the IDL benefit is available. However, TD will be available to those employees who remain disabled after the IDL benefit is exhausted, or those who are not members of PERS or STRS, as provided for in Government Code Section 19863. In addition, employees in these units will be allowed to use accrued leave credits to supplement Industrial Disability Leave (IDL) benefits, if they wish to do so, in accordance with certain limitations. IDL with supplementation (IDL/S) is subject to all of the existing policies and procedures that pertain to regular IDL, except as noted in this memorandum.

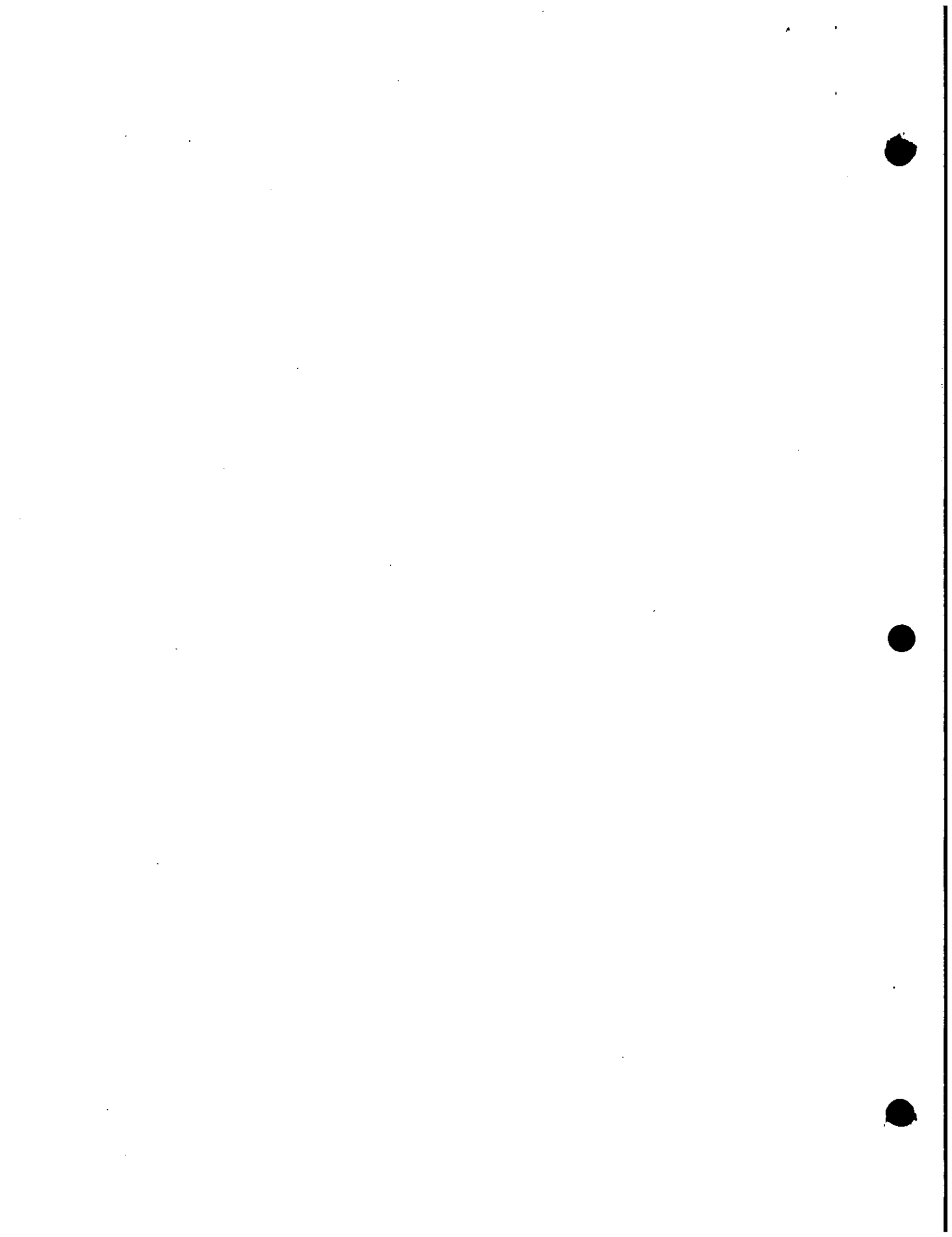
Please note that this benefit is still not available to employees in Bargaining Units 2, 5 and 21.

**DEFINITIONS**

**Period of Disability** - The "period of disability" starts on the first day of lost work time after the date of injury and continues until the employee's condition is determined to be permanent and stationary or the employee returns to work.

**Full Net Pay** - The Employee's Gross Salary minus Federal and State Tax, OASDI/Medicare and Retirement. Miscellaneous deductions will not be factored into the calculation of the employee's full net pay.

**Gross Salary** - Includes any premium or shift pays that are currently included in IDL calculations.



## **ELIGIBILITY AND ENROLLMENT TIMEFRAMES**

Only excluded employees and employees in Unit 7, who are members of the PERS or STRS, are eligible for this special enrollment period for IDL with Supplementation as provided below.

**o Eligible employees who are injured on or after January 1, 1995**

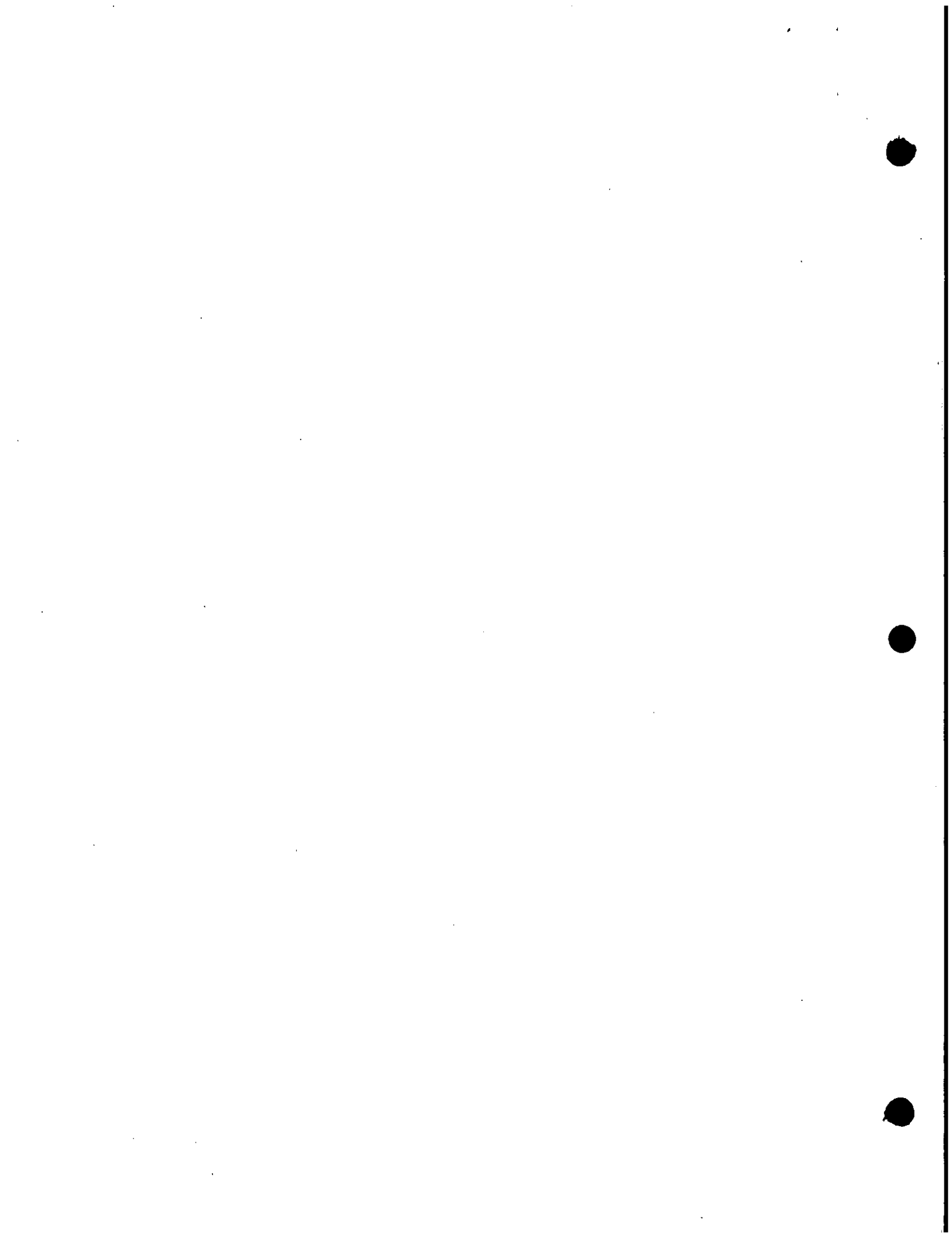
When an injury/illness has been determined to be work related and workers' compensation benefits are approved, an employee will be given 15 calendar days in which to choose IDL or IDL/S. A sample memo which includes employee election options is included with this memorandum as Attachment A. If an employee chooses IDL, then he/she may not elect to supplement at a later date. If an employee chooses IDL/S then the employee may choose to supplement at the level sufficient to yield an amount which approximates his/her full net pay, or a supplementation level that is less than that amount. Once a supplementation level is selected, the employee may elect to decrease the amount at any point in the future, but he/she may not elect to increase the amount. Any subsequent reduction in the supplementation amount will be made on a prospective basis only. Please note that since any employee who is injured in January would receive full net pay for the first 22 dates of disability, the first pay period in which IDL/S would be provided is the February 1995 pay period.

**o Eligible employees who are currently receiving disability benefits on January 1, 1995**

Any employee who is receiving disability benefits, either IDL or TD, on the effective date of this benefit will have a one-time opportunity to opt into the new benefit. The benefit will only be available to such employees for the remainder of the time that they have eligibility for IDL benefits. The open enrollment period for this election will begin on January 2, 1995 and end on January 31, 1995. All elections will be made prospectively, beginning with the February 1995 pay period. The procedures for this enrollment are outlined in greater detail in the following section.

**o Eligible employees who are not currently receiving disability benefits on January 1, 1995, but experience a period of disability after that date that relates to an injury sustained prior to 1995**

Any employee who experiences a "period of disability commencing" ... on or after January 1, 1995 is entitled to the new benefit. Therefore, if an employee has a loss of time due to a work related injury or illness any time after the effective date, then he/she should be offered an opportunity to opt into the new benefit for the new period of disability, regardless of the date of the original injury. In order to provide equitable treatment of employees in this



group and those that were actually on disability on January 1, 1995, the first pay period in which these employees could receive the IDL/S benefit is the February 1995 pay period.

- o **Eligible employees who receive approval of workers' compensation claims that relate to 1994 injuries after January 1, 1995**

Any employee who receives approval of a pending workers' compensation claim after the effective date must be offered the new benefit, but only for any period of time he/she is eligible for IDL in 1995. In order to provide equitable treatment of employees in this group and those that were actually on disability on January 1, 1995, the first pay period in which these employees could actually receive the IDL/S benefit would be the February 1995 pay period.

## **PROCEDURES AND RESTRICTIONS**

### **Routine Processing**

The DPA 618-S Form (6/94) has been developed exclusively for the administration of this benefit. A copy of this form is included with the memorandum as Attachment B. This form limits the employee's choice to either IDL or IDL/S and it delineates the deduction amounts to be used in establishing the basic benefit level.

Once the department has prepared the calculations for the employee regarding the basic IDL benefit and the supplementation feature, the employee will have 15 calendar days to make his/her election. Employees who fail to make an election within 15 calendar days shall be placed on IDL without supplementation. Employees who fail to make the election in a timely manner forfeit the right to supplement the benefit at any future time. Departments are aware, however, that because of delays in the administration of the workers' compensation system, it is not unusual for an employee to be off from work for some time before an injury/illness is determined to be job related. Therefore, the 15 calendar day "election period" commences on the date that the department advises the employee that he/she is eligible for workers' compensation benefits.

### **Special "Open Enrollment" Processing**

The department must send a notice to all employees who are (1) excluded from collective bargaining or in Bargaining Unit 7 and (2) currently on IDL. In addition, this notice must be sent to any eligible employee who opted for TD, but is eligible for IDL and has not been disabled for more than 52 weeks within a two year period. This notice must be sent out by January 1, 1995 and it must advise these employees that they may elect to change to the new benefit.



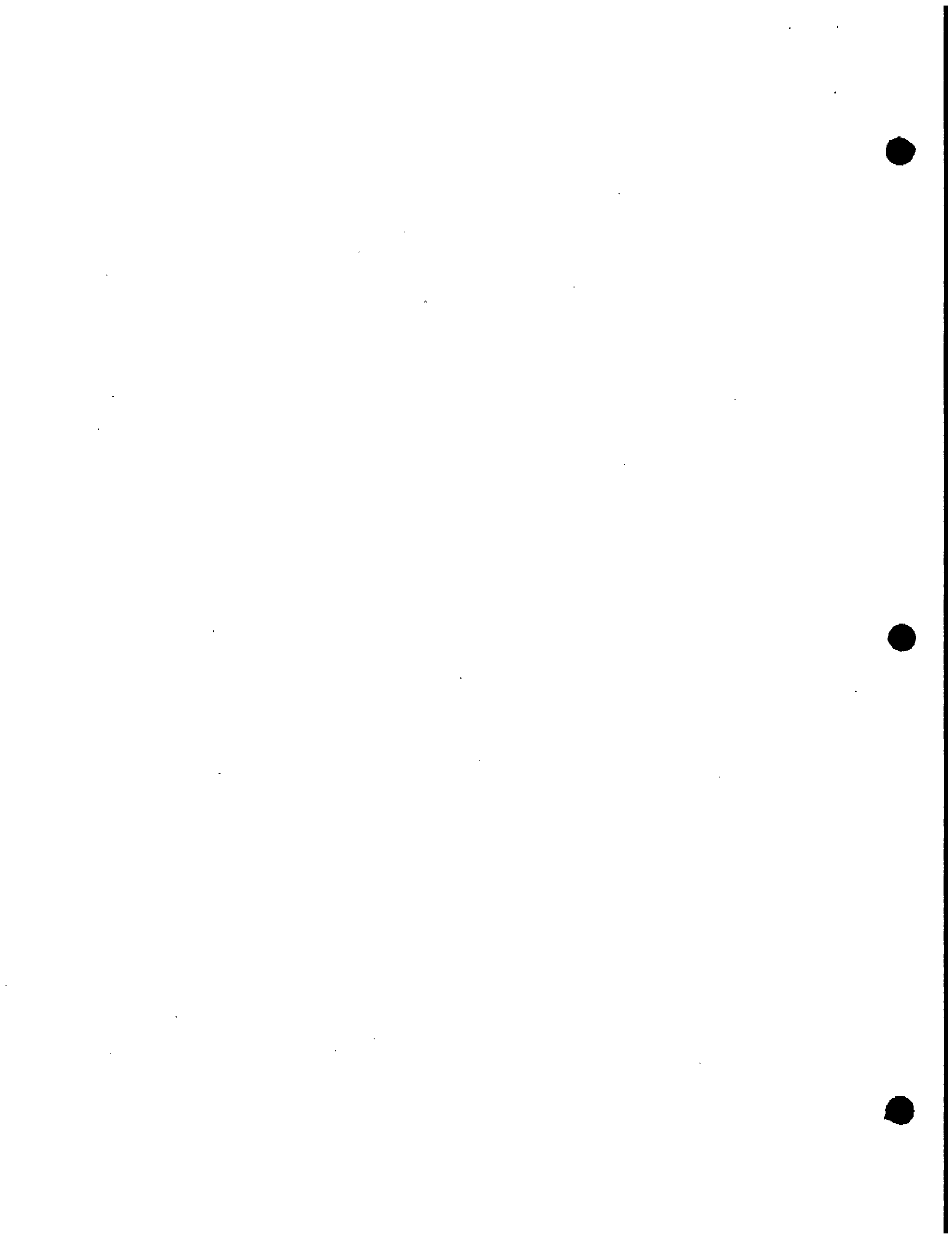
Two sample notices are included with this memorandum as Attachment C(1) and Attachment C(2). The C(1) Notice is designed for employees who are on IDL and are eligible to enroll in IDL/S. The C(2) Notice is designed for employees who are on TD or TD with supplementation and are eligible to enroll in IDL/S; this notice should not be sent to employees who are on TD because they are not members of PERS or STRS, or those who are on TD because they have already exhausted their IDL benefit.

Any employee who wishes to obtain IDL or IDL/S must contact the Personnel Office by January 29, 1995. If an eligible employee takes no action during the open enrollment period, he/she forfeits any right to opt into the benefit at a later date, unless failure to act was caused by a delay in approval of disability benefits outside of the employee's control. Employees who do not elect to change to the new benefit retain all of the rights and privileges available to them under the former rules for IDL or TD including the right to change benefit levels on the 23rd date of disability and the 90th date of disability. Employees who are on TD may only elect into IDL/S under this program, they may not opt to select basic IDL without supplementation.

#### **Limitations Regarding IDL/S Election**

Employees may supplement IDL with any accrued leave credits, including vacation, annual leave, sick leave, CTO or personal leave each month. Employees may choose to supplement with less time, but once the level of supplementation is selected it may not be increased. Supplementation levels can not include fractions of an hour. An employee may decrease the supplementation amount or terminate supplementation at any point, but changes will be made on a prospective basis only. The effective date of any change will be the first of the pay period following the pay period in which the employee's election for change is made.

- o Leave hours needed for supplementation should be drawn from the employee's leave balance in the following priority: (1) Sick Leave, (2) CTO, (3) Vacation or Annual Leave, (4) Other Leave Credits (e.g. Personal Leave, Holiday Credit). Departments may give employees the option to change this priority order as part of the election process.
- o If an employee's leave credits fall below the supplementation amount that was selected and he/she is still on IDL, the supplementation amount should be reduced to the amount of leave credits available each month (except that no fractions of an hour may be used), unless the employee wishes to stop supplementation completely.
- o If an employee is on IDL for a portion of the month and the amount of supplementation selected exceeds the amount necessary to obtain full net pay, then the personnel office must adjust the supplementation amount to insure that the employee's disability payment does not exceed full net pay. It is possible that an employee may not be eligible to supplement at all due to the



fact that he/she received pay equal to or exceeding full net pay during the pay period.

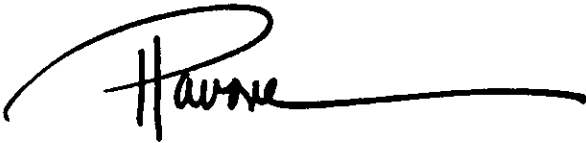
- o Income received from supplementation is taxable and will be reported on the employee's W-2 form at the end of the year. Federal and State taxes will be based on the flat tax rates of 20% and 6% respectively. Supplementation Pay is subject to Social Security/Medicare, but not State Retirement. In addition, any miscellaneous deductions, garnishments, and accounts receivables that the State has not already taken from the IDL pay, or any other pay for the pay period, will be taken from the supplementation pay to the extent that there is a sufficient amount to do so.

#### **CALCULATING THE SUPPLEMENTATION BENEFIT**

Refer to SCO Payroll Procedure Manual (PPM) , Section L 001, for instructions on how to calculate the IDL with Supplementation benefit using the IDL/S on-line calculator.

#### **EMPLOYMENT HISTORY AND PAYROLL DOCUMENTATION INSTRUCTIONS**

Refer to SCO PPM, Section E 450, for required payroll documentation instructions. For employment history documentation instructions refer to the SCO Personnel Action Manual (PAM), Section 5.



Patricia Pavone, Chief  
Benefits and Training Division



## M E M O R A N D U M

To: \_\_\_\_\_ Date: \_\_\_\_\_

From: **Personnel Transactions**Subject: **Industrial Disability Leave Benefit Election**

Due to your industrial injury incurred on \_\_\_\_\_, you are entitled to Industrial Disability Leave (IDL). You will receive full net pay for the first 22 working dates you are off the job. Thereafter, you will receive 2/3 of your monthly gross pay for the remaining time that you are off the job, not to exceed a total of 52 weeks within a two year period. You will continue to earn sick leave and/or vacation/annual leave credits and State Service credit while on IDL. Your miscellaneous deductions will continue as long as there is sufficient monies to withhold the deductions, except for deferred compensation or other voluntary pre-tax deductions (e.g. medical and dependent care reimbursement accounts). The State share on health, dental, and vision insurance will be paid if you are enrolled in those benefits, but any employee copayments must be made on a post-tax basis because IDL payments are not taxable and will not be reported on your annual W-2 forms.

You may elect to supplement basic IDL with your earned leave credits, up to your full net pay, after the first 22 working dates. However, please note that supplementation pay is taxable and subject to the limitations listed below.

- o You have until \_\_\_\_\_ to make your election to receive either IDL without supplementation or IDL with supplementation (IDL/S). If you do not make an election by this date, you will automatically be placed on IDL without supplementation. No retroactive changes to IDL/S will be allowed after this date.
- o Assuming that you are on IDL for the entire pay period, you may supplement your IDL with a maximum of \_\_\_\_\_ hours of accrued leave credits (e.g. vacation, annual leave, sick leave, CTO or personal leave) each month, based on a 22 day pay period. However, be advised that supplementation levels may have to be adjusted if you are on IDL for only a portion of the pay period to ensure that your IDL payment plus your supplementation does not exceed your full net pay. You may also choose to supplement with less time, but once the level of supplementation is selected you may not increase the amount. Supplementation levels cannot include fractions of an hour. You may decrease the supplementation amount or terminate supplementation 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 your election for change was made.
- o Leave hours needed for supplementation will be drawn from your leave balance in the following priority: (1) Sick Leave, (2) CTO, (3) Vacation or Annual Leave, (4) Other Leave Credits (e.g. Personal Leave, Holiday Credit).
- o If your available leave credits fall below the supplementation amount that you select and you are still receiving IDL, your supplementation amount will be reduced by your Personnel Office to the amount of leave credits that you have available each month (except that no fractions of an hour may be used), unless you stop supplementation completely.



- o If you are on IDL/S for a portion of the month and the amount of supplementation selected exceeds the amount necessary to obtain full net pay, then the Personnel Office will reduce the supplementation amount to insure that your disability payment does not exceed your full net pay. It is possible that you may not be eligible to supplement at all due to the fact that you may receive pay equal to or exceeding full net pay during the pay period.
  
- o Income received from supplementation is taxable and will be reported on your W-2 form at the end of the year. Federal and State taxes will be based on the flat tax rates of 28% and 6% respectively. Supplementation pay is subject to Social Security/Medicare, but not State Retirement. In addition, be advised that any miscellaneous deductions, garnishments, and accounts receivables that the State has not already taken from your IDL pay, or any other pay for the pay period, will be taken from your supplementation pay to the extent that there is a sufficient amount to do so.

Please indicate your benefit selection in the space below and return this letter to your Personnel Office within 15 calendar days, or no later than the date indicated above. Failure to respond in the allowed time will result in you being placed on IDL without supplementation.

\_\_\_\_\_ Industrial Disability Leave (IDL) without supplementation

\_\_\_\_\_ Industrial Disability Leave with supplementation (IDL/S)

If you select IDL/S please indicate the level of supplementation requested. Please be advised that the Personnel Office may be required to change this supplementation level because of changes in your monthly pay status and available leave credits.

\_\_\_\_\_ Full Supplementation in the amount indicated above.

\_\_\_\_\_ Partial Supplementation in the amount of \_\_\_\_\_ hours.

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**EMPLOYEE CERTIFICATION AND SIGNATURE:**

I have received a copy of the Industrial Disability Leave Benefit Option Comparison (STD Form 618-S) and I understand that the election I made above regarding my choices related to IDL and IDL/S are subject to the restrictions outlined in this letter.

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Employee's Signature

Date

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Contact the Personnel Office if you have questions regarding this letter. Please contact the Return to Work Coordinator if you have questions regarding your disability benefits.



**INDUSTRIAL DISABILITY LEAVE - BENEFIT OPTION COMPARISON ATTACHMENT B**

NAME		CBID	SOCIAL SECURITY NO.		All computations based on Salary for: _____ pay period
POSITION NUMBER	SALARY RATE	RETIREMENT RATE	TAX FILING STATUS Federal State	ADDITIONAL TAX	

<b>1. REGULAR MONTHLY SALARY/INDUSTRIAL DISABILITY LEAVE - FIRST 22 WORKING DATES</b>	<b>2. INDUSTRIAL DISABILITY LEAVE - AFTER FIRST 22 WORKING DATES</b>
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GROSS SALARY			\$	GROSS SALARY			\$	
PERS/STRS			-	LESS 1/3 ADJUSTMENT			-	
LESS	FEDERAL INCOME TAX			-	GROSS IDL BENEFIT PAYMENT			\$
	SOCIAL SECURITY/MEDICARE			-	PERS/STRS RETIREMENT			-
	STATE INCOME TAX			-	2/3 OF NET PAY			\$
FULL NET PAY			\$	CODE	ORGANIZATION	AMOUNT		
LESS MISCELLANEOUS DEDUCTIONS	CODE	ORGANIZATION	AMOUNT					
TOTAL MISCELLANEOUS DEDUCTIONS			-	TOTAL MISCELLANEOUS DEDUCTIONS				
REGULAR NET PAY/NET IDL BENEFIT PAY			\$	NET IDL BENEFIT PAY			\$	

TOTAL MISCELLANEOUS DEDUCTIONS			-	<b>3. IDL WITH SUPPLEMENTATION</b>				
REGULAR NET PAY/NET IDL BENEFIT PAY			\$	GROSS SUPPLEMENTATION PAY			+	
TAX DEFERRED COMPENSATION NET			\$	LESS	FEDERAL INCOME TAX			-
* ADJUSTED BY: FEDERAL, STATE & OTHER TAXES					STATE INCOME TAX			-
					SOCIAL SECURITY/MEDICARE			-

<b>AVAILABLE LEAVE CREDITS</b>				NET SUPPLEMENTATION PAY			\$
SICK LEAVE	CTO	VACATION	ANNUAL LEAVE	NET IDL BENEFIT PAY (from # 2 above column)			\$
HOLIDAY	PERSONAL HOLIDAY	PERSONAL LEAVE	OTHER	ADDITIONAL MISCELLANEOUS DEDUCTIONS			-
HOURS OF CREDIT NEEDED FOR SUPPLEMENTATION IN A <input type="checkbox"/> 21 <input type="checkbox"/> 22 (Check one) DAY PAY PERIOD ARE _____				TOTAL NET IDL/S BENEFIT PAY			\$

**PLEASE NOTE: ALL CALCULATIONS ARE BASED ON THE PAY PERIOD INDICATED ABOVE. LEAVE CREDITS NEEDED FOR SUPPLEMENTAL PAY WILL VARY DEPENDING ON THE NUMBER OF WORK DATES IN THE PAY PERIOD.**

- For the first 22 days on Industrial Leave, if time is lost for any part of a day, it shall be considered a full day of disability and count as one date towards the first 22 dates.
- Deductions for Deferred Compensation cannot be taken on the basic Industrial disability benefit. Deductions for Deferred Compensation can only be taken on industrial disability leave with supplementation (IDL/S) and only if there is enough money generated by the supplementation payment to cover the deduction.
- Employees must keep their personnel office informed of any industrial disability benefits received from other programs.

Please indicate your benefit selection in the space below and return this letter to your Personnel Office within 15 calendar days, or no later than the date indicated above. Failure to respond in the allowed time will result in you being placed on IDL without supplementation.

Industrial Disability Leave (IDL) without supplementation

Industrial Disability Leave with supplementation (IDL/S)

If you select IDL/S please indicate the level of supplementation requested. Please be advised that the Personnel Office may be required to change this supplementation level because of changes in your monthly pay status and available leave credits.

Full Supplementation in the amount indicated above.

Partial Supplementation in the amount of \_\_\_\_\_ hours.

**SPECIAL IDL CONDITIONS & RESTRICTIONS**

**EMPLOYEE CERTIFICATION AND SIGNATURE**

*I have received a copy of the Industrial Disability Leave Benefit Option Comparison (form STD. 618-S) and I understand that the election I made above regarding my choices related to IDL and IDL/S are subject to the restrictions outlined in this form.*

EMPLOYEE'S SIGNATURE	DATE SIGNED
PERSONNEL SPECIALIST'S SIGNATURE	DATE SIGNED

Contact the Personnel Office if you have questions regarding this form. Please contact the Return to Work Coordinator if you have questions regarding your disability benefits.



## M E M O R A N D U M

To:

Date:

From: Personnel Transactions

Subject: Notice to Employees on Industrial Disability Leave  
Eligibility for Industrial Disability Leave with Supplementation

Effective January 1, 1995 any excluded employee (managers, supervisors and confidentials) and any employee in Unit 7 who is receiving Industrial Disability Leave (IDL), has a one-time opportunity during the month of January 1995, to enroll in a new benefit that allows eligible employees to supplement their basic IDL payment, after the first 22 dates of disability, with accrued leave credits. This new benefit is called Industrial Disability Leave with supplementation (IDL/S) and it is intended to provide employees with a way to approximate their full net pay during periods of work related disability. If the basic IDL benefit already provides you with your full net pay, then you would not be permitted to elect IDL/S.

According to your disability records, you will have eligibility for IDL for approximately \_\_\_\_\_ more weeks (\_\_\_\_\_ more dates) as of January 31, 1995. Please be advised that this new benefit is only available to you for the duration of the time that you are eligible for IDL after January 31, 1995. You may only make this election during the open enrollment period from January 2, 1995 until January 31, 1995. If you make no election by January 31, 1995, you forfeit your right to select IDL/S at any point in the future as long as you remain on disability related to your current injury. All adjustments to your disability payments made as a result of your election to begin IDL/S will be effective on February 1, 1995; no retroactive adjustment of your benefits is permitted.

Since you are currently on IDL, you may supplement your IDL with a maximum of \_\_\_\_\_ hours of accrued leave credits each month for the period of time that you are receiving 2/3 of your gross salary. This is based on a regular 22 day pay period. However, be advised that supplementation levels may have to be adjusted if you are on IDL for only a portion of the pay period to ensure that your IDL payment plus your supplementation does not exceed your full net pay. You may choose to supplement with less time, but once the level of supplementation is selected you may not increase the amount. Supplementation levels cannot include fractions of an hour. You may decrease the supplementation amount or terminate supplementation, 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 your election for change was made.

Leave hours needed for supplementation will be drawn from your leave balance in the following priority: (1) Sick Leave, (2) CTO, (3) Vacation or Annual Leave, (4) Other Leave Credits (e.g. Personal Leave, Holiday Credit).

If your available leave credits should fall below the supplementation amount that you select and you are still receiving IDL/S your supplementation amount will automatically be reduced by your Personnel Office to the amount of leave credits that you have available each month (except that no fractions of an hour may be used), unless you stop supplementation completely.



If you are on IDL/S for a portion of the month and the amount of supplementation selected exceeds the amount necessary to obtain full net pay, then the Personnel Office will reduce the supplementation amount to insure that your disability payment does not exceed your full net pay. It is possible that you may not be eligible to supplement at all due to the fact that you may receive pay equal to or more than full net pay during the pay period.

Income received from supplementation is taxable and will be reported on your W-2 form at the end of the year. Federal and State taxes will be based on the flat tax rates of 28% and 6% respectively. Supplementation pay is subject to Social Security/Medicare, but not State Retirement. In addition, any miscellaneous deductions, garnishments, and accounts receivables that the State has not already taken from your IDL pay, or any other pay for the pay period, will be taken from your supplementation pay to the extent that there is a sufficient amount to do so.

Please indicate your benefit selection in the space below and return this letter to your Personnel Office by January 31, 1995. Failure to respond in the allowed time will result in no change being made to your current benefit level.

I would like to keep IDL without supplementation

I would like to elect IDL with supplementation (IDL/S)

If you select IDL/S please indicate the level of supplementation requested. Please be advised that the personnel Office may be required to change this supplementation level because of changes in your monthly pay status and/or available leave credits.

Full Supplementation in the amount indicated above.

Partial Supplementation in the amount of \_\_\_\_\_ hours.

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**EMPLOYEE CERTIFICATION AND SIGNATURE:**

I understand that the election I made above regarding my choices related to IDL and IDL/S are subject to the restrictions outlined in this letter.

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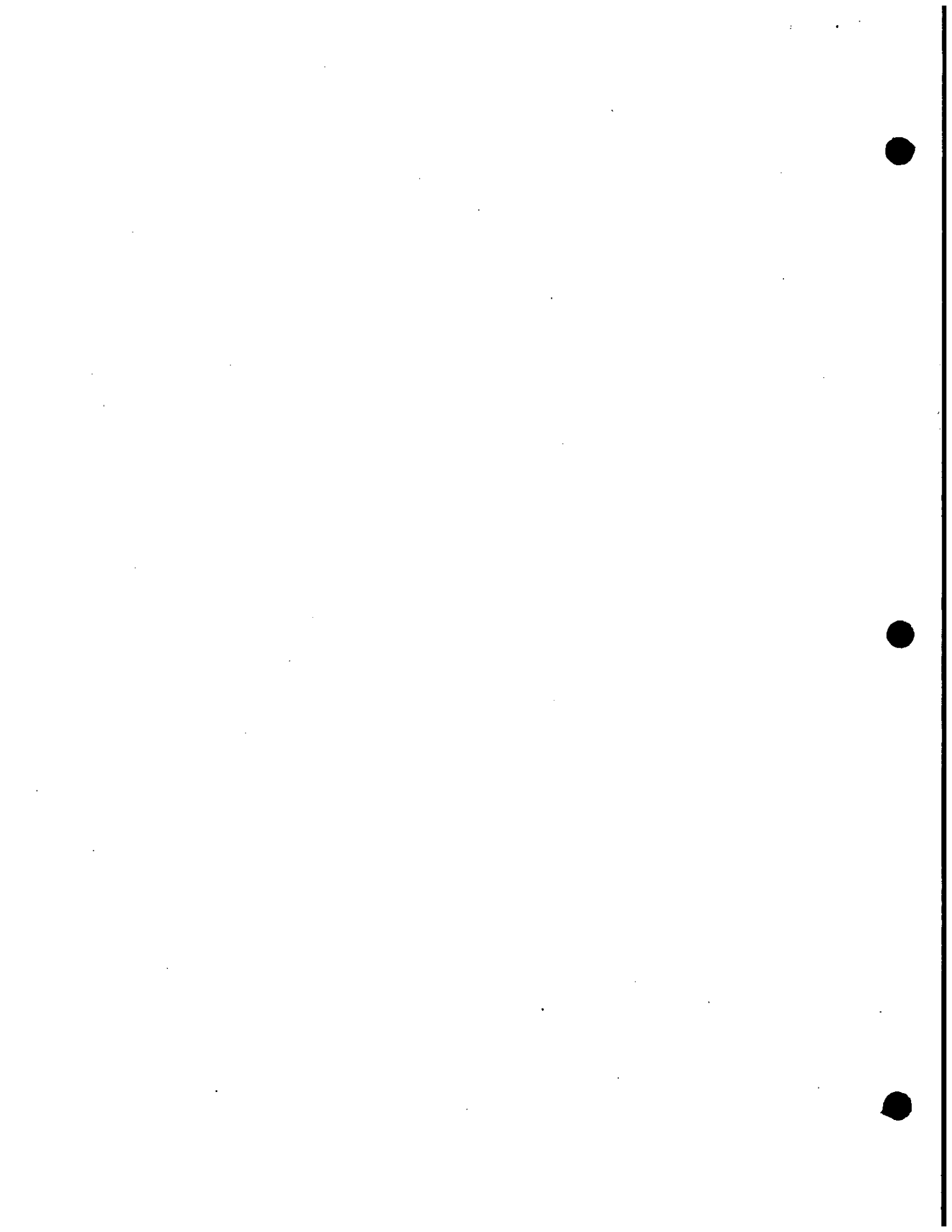
Employee's Signature

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Date

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Please contact the Personnel Office if you have questions regarding this letter. Please contact the Return to Work Coordinator if you have questions regarding your disability benefits.



## MEMORANDUM

To: \_\_\_\_\_ Date: \_\_\_\_\_

From: **Personnel Transactions**

Subject: **Notice to Employees on Temporary Disability**  
**Eligibility for Industrial Disability Leave with Supplementation**

Effective January 1, 1995 any excluded employee (managers, supervisors and confidentials) and any employee in Unit 7 who is a member of the the Public Employees' Retirement System (PERS) or the State Teachers' Retirement System (STRS) and is receiving Temporary Disability (TD) has a one-time opportunity during the month of January 1995, to enroll in a new benefit that allows eligible employees to supplement the basic Industrial Disability Leave (IDL) benefit with accrued leave credits. This new benefit is called Industrial Disability Leave with Supplementation (IDL/S).

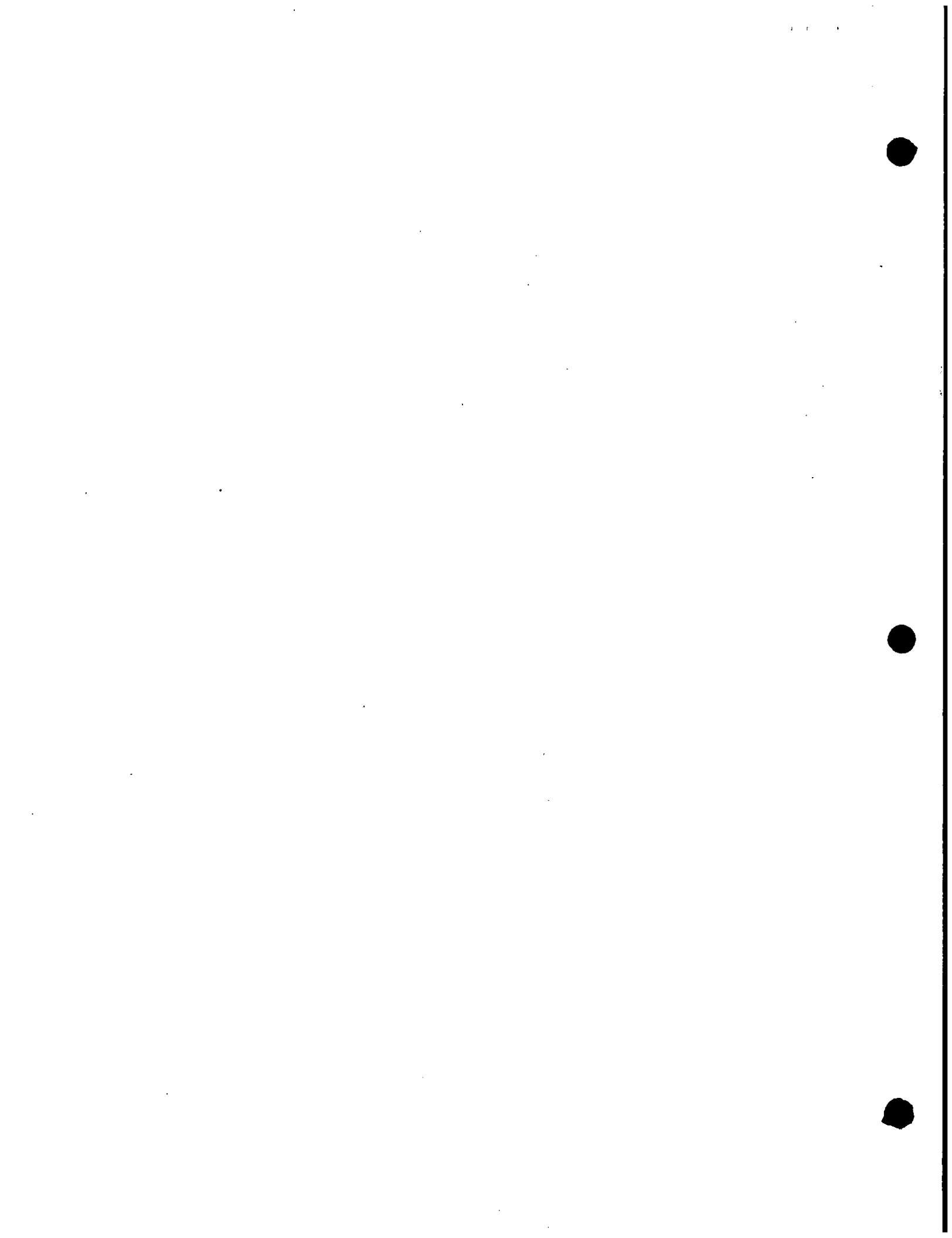
According to your disability records, you will have eligibility for IDL for approximately \_\_\_\_\_ more weeks (\_\_\_\_\_ more dates) as of January 31, 1995. Please be advised that this new benefit is only available to you for the duration of the time that you are eligible for IDL after January 31, 1995. You may only make this election during the open enrollment period from January 2, 1995 until January 31, 1995. If you make no election by January 31, 1995, you forfeit your right to select IDL/S at any point in the future as long as you remain on disability related to your current injury. All adjustments to your disability payments made as a result of your election to begin IDL/S will be effective on February 1, 1995; no retroactive adjustment of your benefits is permitted.

If you are currently on TD with supplementation, you may change to IDL/S, but your supplementation amount may have to be changed to a new amount. It is the goal of IDL/S to allow supplementation in an amount that will approximate your full net pay. This may be a reduction in the amount that you are currently receiving on TD with supplementation.

Leave hours needed for supplementation will be drawn from your leave balance in the following priority: (1) Sick Leave, (2) CTO, (3) Vacation or Annual Leave, (4) Other Leave Credits (e.g. Personal Leave, Holiday Credit).

Based on your leave records, you have enough leave credits to provide full supplementation at the amount indicated above for approximately \_\_\_\_\_ months, based on a 22 day pay period. If your available leave credits should fall below the supplementation amount that you select and you are still receiving IDL/S, your supplementation amount will automatically be reduced by your Personnel Office to the amount of leave credits that you have available each month (except that no fractions of an hour may be used), unless you stop supplementation completely.

If you are on IDL/S for a portion of the month and the amount of supplementation selected exceeds the amount necessary to obtain full net pay, then the Personnel Office will reduce the supplementation amount to insure that your disability payment does not exceed your full



net pay. It is possible that you may not be eligible to supplement at all due to the fact that you may receive pay equal to or more than full net pay during the pay period.

Income received from supplementation is taxable and will be reported on your W-2 form at the end of the year. Federal and State taxes will be based on the flat tax rates of 28% and 6% respectively. Supplementation pay is subject to Social Security/Medicare, but not State Retirement. In addition, any miscellaneous deductions, garnishments, and accounts receivables that the State has not already taken from your IDL pay, or any other pay for the pay period, will be taken from your supplementation pay to the extent that there is a sufficient amount to do so.

Please indicate your benefit selection in the space below and return this letter to your Personnel Office by January 31, 1995. Failure to respond in the allowed time will result in no change being made to your current benefit level or your rights under the laws and rules related to TD.

I would like to keep my current TD benefit

I would like to elect Industrial Disability Leave with Supplementation (IDL/S)

If you select IDL/S please indicate the level of supplementation requested. Please be advised that the Personnel Office may be required to change this supplementation level because of changes in your monthly pay status and/or available leave credits.

Full Supplementation in the amount indicated above.

Partial Supplementation in the amount of \_\_\_\_\_ hours.

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**EMPLOYEE CERTIFICATION AND SIGNATURE:**

I understand that the election I made above regarding my choices related to TD and IDL/S are subject to the restrictions outlined in this letter.

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Employee's Signature

Date

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Please contact the Personnel Office if you have questions regarding this letter. Please contact the Return to Work Coordinator if you have questions regarding your disability benefits.

