

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> Changes to the SDI Program	<b>REFERENCE NUMBER:</b> 2006-042
<b>DATE ISSUED:</b> 11/06/06	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

**Personnel Officers  
Labor Relations Officers  
Personnel Transactions Supervisors**

**FROM:** Department of Personnel Administration  
Classification and Compensation Division

**CONTACT:** Personnel Services Branch  
(916) 323-3343  
Fax: (916) 327-1886  
Email: psb@dpa.ca.gov

This memorandum provides departments with the 2005 – 2008 SEIU Contract changes related to the State Disability Insurance (SDI) Program. Employees in Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 are subject to the following SDI Program changes.

Health Insurance Coverage – Effective July 1, 2006, the State employer will continue up to 26 weeks of health, dental, and vision coverage while the employee is receiving SDI benefits. Initially, the employer will pay both the employer's and the employee's portion of the insurance premiums. When the employee has returned to work, the employer will recover the employee's portion through the accounts receivable process as an overpayment. Overpayments may be satisfied through payroll deduction, agency collection, or with the use of the employee's leave credits (excluding sick leave) by mutual agreement between the employee and employer. An employee who separates without repaying the employee's portion of the health insurance premiums is subject to repayment pursuant to Government Code 19838.

Supplementing SDI Benefits with Leave Credits – Effective July 1, 2006, an employee may use up to a maximum of 40 hours of leave credits per month to supplement his or her SDI benefits. This is separate from using leave credits to cover the waiting period. The leave credits combined with SDI benefits cannot exceed the employee's monthly gross.

**Employees are required to contact their Human Resources (HR) office (or the employee's immediate supervisor) to request a leave of absence at the time he or she applies for SDI benefits.**

**The employee shall provide the following information to his or her HR office within seven (7) calendar days of being disabled from work:**

- The date the disability/illness commenced.
- The estimated duration of the disability/illness.
- A telephone number where the employee can be reached.
- Whether or not the employee is planning to file for SDI benefits.
- The election of leave credits to cover the SDI waiting period (the first week of disability/illness).
- The number of hours in a month to be charged to leave credits (in addition to the waiting period leave hours).
- The election to supplement leave credits with SDI benefits.

Payment Verification – In order to receive timely leave credit supplementation payments the employee must provide the HR office copies of the following documents:

- SDI check stubs
- The SDI Notice of Computation (provides potential award information)
- The Notice of Determination providing eligibility information

The following attachments may be used to assist HR staff in processing an employee's leave while receiving SDI Benefits:

- Coordination of SDI benefits with other Leave Programs; Administrative Guidelines (Attachment I)
- Chart for Coordination of SDI dates and Other Leave Programs (Attachment II)
- SDI Questions and Answers (Attachment III)
- Sample Information Letter to the Employee Regarding SDI Benefits (Attachment IV)
- Sample Employee's Options Request (Attachment V)

PML 2006-042

11/06/06

Page 3

HR Staff Contact Information:

DPA

Personnel Service Branch

(916) 323-3343 or [psb@dpa.ca.gov](mailto:psb@dpa.ca.gov)

EDD SDI Unit; DI for State Employees

(866) 352-7675 or [www.edd.ca.gov/direp/diind.htm](http://www.edd.ca.gov/direp/diind.htm)

EDD SDI Unit, PFL for State Employees

(877) 238-4374 or [www.edd.ca.gov/direp/diind.htm](http://www.edd.ca.gov/direp/diind.htm)

SCO

Disability Liaison Unit (916) 322-3619

Personnel Liaison Unit (916) 322-6500

Benefits Liaison Unit (916) 323-4718

/s/Daryll Tsujihara

Daryll Tsujihara, Chief

Classification and Compensation Division

Attachments

## **COORDINATION OF SDI BENEFITS WITH OTHER LEAVE PROGRAMS ADMINISTRATIVE GUIDELINES**

The SDI Program is a wage continuation program for employees who have been certified for a nonwork-related illness or injury. The program has two components, Disability Insurance (DI) and Paid Family Leave (PFL):

**DI** – is a wage continuation program for employees who incur a nonwork-related injury or illness, for up to 52 weeks.

**PFL** – is extended compensation provided to employees who are SDI covered. PFL is limited to a six-week paid benefit within a 12-month period. PFL is for employees who take time off work to care for a seriously ill child, spouse, parent, domestic partner, or to bond with a new minor child or adopted child.

An employee cannot receive both DI and PFL simultaneously.

### **SDI Notice to Employers**

Upon receipt of a claim for DI or PFL benefits, EDD sends a notice to the employer that a claim has been filed. The employer is expected to complete and return either Form DE2503 for SDI or Form DE2503F for PFL, to EDD within two business days.

### **SDI Payments**

To receive SDI payments, an employee must:

- Earn at least \$300 in wages that are subject to SDI deductions (during the 12-month base period of the SDI claim).
- Provide a claim for SDI benefits; this claim includes a medical certificate which must be completed in order to receive benefits.
- Serve a seven-calendar day waiting period (non-payable by SDI benefits), which includes holidays that fall within the waiting period.

SDI claims are filed by the employee and sent directly to EDD. SDI benefit payments are mailed directly to the employee, generally within two weeks. Voluntary deductions are not taken from SDI payments. For further information on claims and payments, EDD recommends departments and employees visit the SDI website at [www.edd.ca.gov/direp/diind.htm](http://www.edd.ca.gov/direp/diind.htm).

### **Leave of Absence Requirements**

An employee is required to obtain an approved leave of absence. A leave is granted when the employee has a necessary absence from duty because of illness, injury, pregnancy, or a need to bond or care for a newborn or adopted child. The employee may also request a leave due to family illness or injury. A physician's or licensed practitioner's medical certification is required in

order to substantiate the leave of absence request. The medical certification shall include the anticipated length of the employee's absence, any restrictions upon returning to work that prevent the employee from performing the full range of his or her normal duties, and any anticipated future absences.

The employee's request for a leave shall include whether or not he or she is planning to file for SDI. The beginning and ending dates of the anticipated leave are required, and a telephone number where the employee can be reached.

If the HR office receives notification from EDD that an employee has filed a claim for SDI benefits, and the employee has not requested a leave of absence, the employer will notice the employee, requesting that he or she apply for a leave of absence. While the employee is off work pending the receipt of the request for a leave of absence, the employee may be placed on temporary leave status pending a decision.

If the qualifying injury or illness continues beyond the expiration date of the SDI benefits, the leave of absence may be extended.

An employee's leave of absence is terminated:

- On the expiration date of the leave; or
- By the employee, when he or she becomes medically certified to return to full employment.

Upon termination of the leave, a permanent or probationary employee has a right to his or her former position, as defined by Government Code Section 18522.

### **Waiting Period/Leave Credits**

DI and PFL require the employee to serve a waiting period for seven calendar days. Exception: a new waiting period is not required when an employee is on a pregnancy-related disability under DI and then files a PFL claim for bonding.

During a waiting period, the employee may use available leave credits; be placed on an unpaid leave; or use a combination of leave credits and unpaid leave. If the employee elects to use leave credits, the employee's leave of absence status will begin on the day the use of leave credits end.

### **Leave Supplementation**

The employee must notify the employer of his or her election to supplement SDI benefits with the use of leave credits, the number of hours of leave credits to be charged each month (up to 40 hours maximum, this 40 hours does not include the hours used during the waiting period) and the type of leave to be used, e.g., sick leave, vacation, annual leave, or compensation time off (CTO). The use of leave credits beyond the waiting period may impact the employee's SDI benefit. See note on the following page.

### **Working While Receiving SDI Benefits**

When medically certified, an employee may work reduced hours while receiving SDI benefits. While working and receiving SDI benefits, the employee may be permitted to use leave credits for absences from work that are unrelated to his or her disability/illness.

When a full-time employee physically works and/or uses leave credits for more than 11 days (or part-time equivalent) in the pay period, the pay period is qualifying. A qualifying pay period provides the employee with leave credit accruals and State service credits. Time worked combined with the SDI benefit amount cannot exceed the employee's total regular gross salary. If the time worked, plus the SDI pay, exceeds the total gross salary, the SDI benefit may be reduced.

Payment of leave credits and/or time worked is considered regular pay, and subject to mandatory and voluntary deductions. Any pay received from an available program, such as catastrophic leave or the transfer of family leave, is also considered regular pay. Voluntary deductions will be deducted from regular pay unless cancelled by the employee. There must be sufficient net pay to take the deduction(s). The employee is responsible for canceling and reestablishing voluntary deductions and making direct payments to the carrier(s). The employee's union dues/fair share fees will be withheld while the employee is on pay status. Union dues/fair share fees will not be withheld while on a leave of absence (not receiving pay). The employee may elect to pay union dues/fair share fees directly to his or her union.

Note: Payment for leave credits may affect the employee's SDI benefit amount. It is the employee's responsibility to contact the EDD State Disability Insurance Program for information on how payment of leave credits may impact SDI benefits.

### **Workers' Compensation**

When an employee files a claim for a work-related injury, he or she may be eligible to receive SDI benefits while waiting for the claim to be approved. SDI benefits may also be provided if the worker's compensation benefit is less than the SDI benefits.

### **Annual Leave Program**

Effective September 7, 2006 through December 6, 2006, employees in SEIU-represented Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 will be provided a window period of 90-calendar days to elect out of the Annual Leave Program. Thereafter, enrollment into and out of the Annual Leave Program will occur annually; during the month of April. All enrollments must be received by the employee's personnel office from April 1 to April 30. The effective date of the enrollment shall be the first day of the June pay period.

### **NDI/Enhanced NDI (ENDI)**

Effective April 01, 2006, SEIU-represented employees are no longer covered by NDI/ENDI.

### **Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA)**

Eligible employees (and family members) with serious health conditions who are approved to receive SDI benefits typically are eligible for 12 weeks of FMLA/CFRA benefits. The employee's FMLA/CFRA determination is completed at the beginning of the employee's leave, and the FMLA/CFRA designation is counted at the same time the employee is receiving SDI benefits (DI or PFL).

### **Coordination of Health Insurance Coverage with Other Employee Benefits**

Effective July 1, 2006, pursuant to the SEIU contract provision, the State will continue up to 26-weeks of health, dental, and vision coverage while the employee is receiving SDI benefits. Initially the employer will pay both the employer's and the employee's portion of insurance premiums. When the employee has returned to work, the employer will recover the employee's premium amounts through the accounts receivable process as an overpayment. Overpayments may be satisfied through payroll deduction, agency collection, or with the use of the employee's leave credits (excluding sick leave) by mutual agreement.

**FMLA/CFRA** – When an employee has been designated FMLA/CFRA, the employer is required to continue up to 12-weeks of health insurance benefits (health, dental, and vision). The employer's 12-week requirement to provide health insurance benefits is also counted toward the employee's 26-week SEIU contract provision that provides health insurance coverage when the employee is receiving SDI benefits. Under both entitlements, the employer is responsible for the employer's portion of the health insurance premiums and the employee is responsible for repaying his or her portion of the insurance premiums upon return to employment.

An employee who separates without repaying the employee's portion of the health insurance premiums is subject repayment pursuant to Government Code 19838. When the employee has received health insurance coverage pursuant to both provisions (FMLA/CFRA and SEIU contract provisions) the employee is only responsible for repayment of the employee portion of the health insurance premiums.

When the employee receives regular pay for working or using leave credits while receiving SDI benefits, and the employee's health insurance premiums are paid through payroll deduction; the employer's FMLA/CFRA requirement to provide health insurance, and the 26 weeks of health insurance coverage provided by the contract provision, are also met.

**Health Insurance through Direct Pay** – Employees who do not qualify for health insurance coverage while on an unpaid leave are eligible to maintain coverage by making payments directly to the insurance carrier(s). The employee is responsible for paying the full premium, both the employer and employee portion.

Direct pay is provided when the employee's 12 weeks of FMLA and/or 26 weeks of State employer paid insurance benefits are exhausted and the employee does not have leave credits to cover the employee's portion of the health insurance premiums.

If the employee has a spouse or a domestic partner who is a State employee, he or she may also elect to receive insurance benefits from the spouse's or domestic partner's insurance plan. The following direct pay forms must be completed in order to continue benefits:

Health Insurance – HBD 21  
Dental Insurance – STD 696  
Vision Insurance – STD 703

For information regarding the process to update an employee's health insurance status, see CalPERS Circular Letter 600-210-05. If an employee elects not to maintain his or her Dental and/or Vision Program benefits while on a leave, the programs will suspend until the employee returns to active work status.

**COBRA** – An employee who is no longer eligible for direct pay may maintain his or her insurance benefits through COBRA.

**FlexElect** – Reimbursement account and/or cash option (Flex or CoBen) enrollment will stop while the employee is on a leave of absence. If the employee returns to pay status in the same plan year, the enrollment will resume.

If an employee is enrolled in the medical reimbursement account and wishes to continue to submit claims for services provided during the leave of absence, the employee may elect to continue making contributions through COBRA.

### **Employment History/Payroll Processing**

Departmental HR staff is responsible for documenting an SDI leave of absence and requesting pay and benefit coverage via the State Controller's Office (SCO). SCO will distribute a Payroll Letter that includes documentation instructions.

## STATE DISABILITY AND OTHER LEAVE PROGRAMS

Below are various leave programs with definitions and timeframes that coordinate with the SDI Program. The following provides examples and scenarios of how these programs interact with each other.

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
-----	-----	-----	-----	-----	-----	-----	-----	------	-----	-----	-----

### LOA

**Leave of Absence (LOA)** - Up to one year.

### FMLA

**Family Medical Leave Act (FMLA)** - 12 weeks of job-protected coverage in a 12-month period for employee's own illness; family members' illness; or for bonding.

### CFRA

**California Family Rights Act (CFRA)** - 12 weeks of job-protected coverage in a 12-month period for employee's own illness; family members' illness; or for bonding.

### PDL

**Pregnancy Disability Leave (PDL)** - Up to a maximum of 4 months for a pregnancy disability/birth.

### DI\*

**Disability Insurance (DI)** - Up to 52 weeks.

### PFL \*

**Paid Family Leave (PFL)** - 6 weeks in a 12-month period.

### Health Care Benefits\*\*

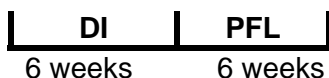
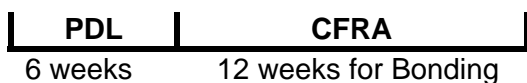
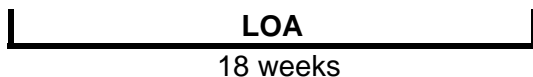
**Health Care Benefits** - Up to 12 weeks of employer-covered benefits under FMLA/CFRA. Up to 26 weeks of employer-covered health care benefits per the SEIU MOU. (Employee must be on the SDI Program.)

\* DI and PFL = SDI Program

\*\* Both CFRA and FMLA require that the employer continue paying for the employee's "group health care" benefits. This obligation is only for a total of 12 workweeks of leave, whether taken under FMLA or CFRA or both. There is not a 12-week obligation to continue health care benefits under FMLA and then a separate 12-week obligation under CFRA. NOTE: Per the MOU for SEIU-represented employees, the employer is required to continue paying for health care benefits up to 26 weeks.

EXAMPLE #1 - NORMAL PREGNANCY

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
-----	-----	-----	-----	-----	-----	-----	-----	------	-----	-----	-----



SCENARIO:

This employee is off work due to a normal pregnancy/birth of a child and has requested time off for bonding. The employee is also under the SDI Program. The following conditions apply to this employee:

- On a leave of absence for 18 weeks due to pregnancy/birth of a child;
- Placed by the employer on FMLA and the employee receives FMLA for 12 weeks;
- On a PDL for 6 weeks;
- Bonding for an additional 12 weeks under CFRA;
- On DI for 6 weeks;
- On PFL for 6 weeks; and
- Covered for employer-paid health care benefits for 12 weeks under FMLA provisions and SIEU MOU provisions.

The LOA, FMLA, employer-covered health care benefits, PDL, and DI all run concurrently.

EXAMPLE #2 - DISABILITY AFTER BIRTH OF CHILD

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
-----	-----	-----	-----	-----	-----	-----	-----	------	-----	-----	-----



SCENARIO:

This employee is off work due to a pregnancy/birth of a child and has a physician certification for additional time off work due to illness. This employee is also under the SDI Program. The following conditions apply to this employee:

- On a leave of absence for 27 weeks due to pregnancy disability/birth of a child;
- Placed by the employer on FMLA and the employee receives FMLA for 12 weeks;
- On a PDL for 15 weeks;
- Bonding for an additional 12 weeks under CFRA;
- On DI for 15 weeks;
- On PFL for 6 weeks;
- On a leave of absence for 6 weeks; and
- Covered for employer-paid health care benefits for 21 weeks under FMLA provisions and SIEU MOU provisions.

The LOA, FMLA, employer-covered health care benefit, PDL, and DI all run concurrently.

EXAMPLE #3 - EMPLOYEE DISABILITY (e.g. Surgery)

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
-----	-----	-----	-----	-----	-----	-----	-----	------	-----	-----	-----

**LOA**  
12 weeks

**FMLA**  
12 weeks

<b>DI</b>	<b>DI/WORK</b>
6 weeks	6 weeks ½ work ½ DI

**Health Care Benefits**  
12 weeks

Employee is now permitted to use leave credits for absences unrelated to the disability. In addition, the employee may supplement up to 40 hours of leave credits.

SCENARIO:

This employee is off work due to surgery and has a physician certification to work 4 hours per day. This employee is also under the SDI Program. The following conditions apply to this employee:

- On a leave of absence for 12 weeks;
- Placed by the employer on FMLA and the employee receives FMLA for 12 weeks;
- On DI for 6 weeks;
- On DI for 6 more weeks half time while working half time; and
- Covered for employer-paid health care benefits for 12 weeks under FMLA provisions and SIEU MOU provisions.

The LOA, FMLA, employer-covered health care benefits, and DI all run concurrently.

## SDI QUESTIONS AND ANSWERS

### Policy Questions:

1. When an employee transfers from a rank-and-file position to an excluded position, is the employee now eligible for both SDI and NDI? The employee paid into the SDI Program while in a rank-and-file position.

Response: EDD is responsible for determining the employee's eligibility for both SDI and NDI benefits. The employee may apply for both SDI and NDI, and EDD will determine the employee's eligibility for benefits under the appropriate programs.

2. When using paid leave while receiving SDI benefits, how will the employee receive payments?

Response: The employer will pay the requested amount of leave credits (waiting period hours and up to 40 hours maximum for supplementation), and EDD/SDI unit will determine the correct benefit payment.

3. Who is responsible for collecting overpayments made to the employee when the employee receives compensation for both SDI and paid leave for the same dates?

Response: Under normal circumstances, and upon the receipt of wage information, the EDD/SDI Unit will determine the correct disability benefit amount and take appropriate action.

4. When an employee has been released by a physician to work part-time, and the employee continues to receive SDI benefits; what information will be provided to departments?

Response: It is the employee's responsibility to provide medical documentation to the employer when the employee's health status has changed.

5. An employee worked part-time and received Disability Insurance (DI) benefits since May 2006. This employee is requesting to return to pay status, using sick leave. The employee is also requesting PFL benefits. Is this permitted?

Response: No. Pursuant to SEIU contract provision, within seven calendar days of an illness or injury (for self or family) an employee must make an election to use leave credits while receiving SDI for either benefit of DI or PFL.

Note: Employees who are on a leave and are not receiving SDI benefits cannot use leave credits to break the continuity of dock with the use of leave credits. An exception is made when the employee has FMLA/CFRA status.

6. Is an employee eligible to backdate an election to receive health insurance coverage (effective 07/01/2006)?

Response: Yes.

7. What if an employee is paid for 26 weeks of health benefits; returns to work for two weeks, and goes out again (on SDI) for the same illness, is the employee provided an additional 26 weeks of insurance coverage because it is considered a new claim?

Response: Yes. An employee who returns to full employment for more than 14 calendar days ends his or her continuous period of disability. (See Section 2608 of the California Unemployment Insurance Code.)

8. Will Personnel Specialists be provided training on the new SDI contract provisions?

Response: Yes (to be determined at a later date).

9. When the DE 2503 Form is not received by the department; can employers call and make a request to receive the Form?

Response: Yes.

10. Will Departments receive SDI approval dates from EDD?

Response: No. The SEIU contract language requires employees who file for SDI benefits to provide the employer with a copy of the Notice of Determination letter.

11. Will EDD consider providing departments notification as to when SDI/PFL has ended?

Response: No. It is the employee's responsibility to provide documentation to the employer that SDI benefits have ended.

12. What information can the EDD/SDI Unit provide to employers?

Response: The only information EDD/SDI Unit will provide to employers is that a SDI claim has been filed via a DE2503 or DE 2503F Form unless the employee has authorized a release of information to the employer. However, EDD will accept pertinent information from employers regarding an employee's wage and employment status.

SAMPLE INFORMATION LETTER TO EMPLOYEE  
REGARDING A LEAVE OF ABSENCE AND RECEIVING SDI BENEFITS

DPA recommends that departments provide information notices to their employees regarding the requirement to request a leave from employment while receiving SDI benefits. The following sample letter will assist departments in disseminating information to the employee regarding the SDI Program.

-----

(DATE)

(EMPLOYEE'S NAME)  
(ADDRESS)  
(CITY, STATE, ZIP CODE)

Dear (NAME):

Re: Information regarding a Leave of Absence and State Disability Insurance (SDI)

This letter is to inform you of your requirement to obtain approval for a leave of absence from your employer while receiving State Disability Insurance (SDI) benefits.

**Based on the provisions of your Bargaining Unit agreement, within seven calendar days of being disabled from work, you are required to provide the following information:**

- The date your disability/illness commenced.
- The estimated duration of your disability/illness.
- A telephone number where you can be reached.
- The election to use leave credits to cover your waiting period (the first week of disability/illness).
- The number of hours in a month to be charged to leave credits (40 hours maximum).
- Whether or not you are planning to file for SDI benefits.
- The election to supplement leave credits with SDI benefits.

Payment Verification – In order to receive timely supplementation payments, you must provide the Human Resources (HR) office copies of the following documents:

- SDI check stubs.
- A copy of the SDI Notice of Computation that provides potential award information.

- A copy of the Notice of Determination that provides eligibility information.

### **SDI Benefits with a Leave of Absence**

The SDI program is a wage continuation program for State employees in SEIU-represented Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21, who are required to be absent from work due to a nonwork-related illness or injury. The program has two components, Disability Insurance (DI) and Paid Family Leave (PFL):

- **DI** – is a wage continuation program for employees who incur a nonwork-related injury or illness, for up to 52 weeks.
- **PFL** – is extended compensation provided to employees who are SDI covered. PFL is limited to a six-week paid benefit within a 12-month period. PFL is provided to employees who take time off work to care for a seriously ill child, spouse, parent, domestic partner, or to bond with a new minor child or adopted child.

An employee cannot receive both DI and PFL simultaneously.

SDI is an employee paid benefit, and payments are issued by EDD. For more information you may visit the SDI website, at [www.edd.ca.gov/direp/diid.htm](http://www.edd.ca.gov/direp/diid.htm).

In order to receive benefits, you must file a SDI claim with EDD. At the same time, you must also be on a leave of absence while you are receiving SDI benefits. In order to receive an approved leave, you must provide your supervisor with a written request for a leave of absence along with supporting documentation to substantiate your request. A leave of absence removes you from active pay status and you are considered to be on a temporary separation. Although you are on a temporary separation, you maintain eligibility to apply for SDI benefits. Your leave of absence will be granted for the length of the SDI claim. If your illness or injury continues to exist after your SDI benefits end, you may request to extend your leave. A leave of absence will be terminated for the following:

- On the expiration date of the leave; or
- You may terminate your leave when you become medically certified to return to full employment.

Upon termination of your leave of absence, if you are a permanent or probationary employee, you have a mandatory right to your former position.

### **Waiting Period/Leave Credits**

DI and PFL require that you serve a waiting period for seven calendar days. Exception: a new waiting period is not required when you are on a pregnancy-related disability under DI and then file a PFL claim for bonding.

During the waiting period you may use your available leave credits; be placed on an unpaid leave; or use a combination of leave credits and unpaid leave. If you elect to use leave credits, your leave of absence status will begin on the day the use of leave credits ends.

### **Leave Supplementation**

You may use up to a maximum of 40 hours of leave credits per month to supplement your SDI benefits. This is separate and does not include any leave hours used to cover your waiting period. The use of leave credits beyond the waiting period may impact your SDI benefit (see note below).

### **Working and Using Leave Credits**

When you physically work (full-time) and use leave credits for 11 days (or part-time equivalent) in a pay period, the pay period will be qualifying. A qualifying pay period provides leave credit accruals and State service credits. Time worked, combined with the SDI benefit amount, cannot exceed your total regular gross salary. If the time worked, plus the SDI pay, exceeds your total gross salary, the SDI benefit may be reduced.

Payment of leave credits and/or when you work, the pay is considered regular pay, and subject to mandatory and voluntary deductions. Any pay received from an available program such as catastrophic leave or the transfer of family leave is also considered regular pay. Voluntary deductions will continue to be deducted from your regular pay unless cancelled. There must be sufficient net pay to take the deduction(s). You are responsible for canceling and reestablishing your voluntary deductions, and making direct payment to the carrier(s). Union dues/fair share fees will be withheld while you are on pay status. Union dues/fair share fees will not be withheld while you are on a leave of absence (not receiving pay). You may elect to pay union dues/fair share fees directly to your union.

Note: Payment for leave credits may affect your SDI benefit amount. It is your responsibility to contact the EDD, State Disability Insurance Program for information on how payment of leave credits may impact your SDI benefits.

### **Workers' Compensation**

If you file a claim for a work-related injury, you may be eligible to receive SDI benefits while waiting for your workers' compensation claim to be approved. SDI benefits may also be provided if your workers' compensation benefit is less than your SDI benefits.

### **Annual Leave Program**

Effective September 7, 2006 through December 6, 2006 employees in SEIU-represented Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 are provided a three month window period to elect out of the Annual Leave Program. Thereafter, enrollment into and out of the Annual Leave Program will occur annually; during the month of April. All enrollments must be received by your HR office from April 1 to April 30. The effective date of the enrollment shall be the first day of the June pay period.

### **NDI/Enhanced NDI (ENDI)**

Effective April 01, 2006, SEIU-represented employees are no longer covered by NDI/ENDI.

### **Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA)**

Eligible employees (and family members) with serious health conditions who are approved to receive SDI benefits are typically eligible for 12-weeks of FMLA/CFRA benefits. Your FMLA/CFRA determination will be completed at the beginning of your leave. If applicable, your FMLA/CFRA designation will be counted at the same time you are receiving SDI benefits (DI or PFL).

### **Coordination of Health Insurance Coverage with Other Employee Benefits**

Effective July 1, 2006, pursuant to the SEIU contract provision, the State employer will continue up to 26-weeks of health, dental, and vision coverage while you are receiving SDI benefits. Initially, the employer will pay both the employer's and the employee's portion of the insurance premiums. When you return to work, the employer will recover the employee's premium amounts, through the accounts receivable process, as an overpayment. Overpayments may be satisfied through payroll deduction, agency collection, or with the use of your leave credits (by mutual agreement).

**FMLA/CFRA** – If you are designated FMLA/CFRA your employer is required to continue up to 12-weeks of Insurance benefits (health, dental, and vision). The employer's 12-week requirement to provide health insurance benefits is also counted toward the employee's 26-week entitlement of health insurance coverage while receiving SDI benefits. Under both entitlements, the employer is responsible for the employer portion of the health insurance premiums, and the employee is responsible for repayment of his or her portion of the health insurance premiums upon return to work.

If you separate without repaying your portion of the health insurance premiums you are subject to repayment pursuant to the overpayment statute (Government Code 19838).

If you receive regular pay for working or using leave credits while receiving SDI benefits and your health insurance premiums are paid through payroll deduction, the FMLA/CFRA requirement to provide health insurance, and the 26-weeks of health insurance coverage provided by the contract provision, are also met.

**Health Insurance through Direct Pay** – If you do not have health insurance coverage while you are on an unpaid leave you are eligible to maintain coverage by making payments directly to the insurance carrier(s). You are responsible for paying the full premium, both the employer and employee portion.

Direct pay is provided when your 12-weeks of FMLA and/or 26-weeks of State employer paid insurance benefits are exhausted and you do not have leave credits to cover your portion of the health insurance premiums.

If you have a spouse or a domestic partner who is a State employee, you may also elect to receive insurance benefits from your spouse's or domestic partner's insurance plan. The following direct pay forms must be completed in order to continue your health benefits:

Health Insurance – HBD 21  
Dental Insurance – STD 696  
Vision Insurance – STD 703

An insurance program that you do not elect to maintain while you are on a leave will suspend until you return to active work status.

**COBRA** – In order to maintain your health insurance(s) when you are no longer eligible for direct pay, you will be offered COBRA.

**FlexElect** – Your reimbursement account and/or cash option (Flex or CoBen) will stop while you are on a leave of absence. If you return to pay status in the same plan year, your enrollment will resume.

If you are enrolled in the medical reimbursement account and wish to continue to submit claims for services provided during your leave of absence, you may elect to continue to make contributions through COBRA.

**Employee Options Checklist** – this enclosed checklist provides your accrued leave credits and information regarding available [PROGRAM(S)]. Please review and select the option(s) of your choice. Return the option form to [DEPARTMENT AND ADDRESS] by [DATE].

We will provide assistance and answer any questions you may have regarding your employment status. If you require additional assistance/information, or if you need clarification of your options, you may call me, at [AREA CODE - NUMBER].

Sincerely,

(NAME)  
Human Resources

Enclosures

**STATE DISABILITY INSURANCE EMPLOYEE OPTIONS CHECKLIST**

Employee Name: \_\_\_\_\_ CBID: \_\_\_\_\_

Social Security Number (Only Last Four Digits): \_\_\_\_\_

Immediate Supervisor Name/Phone Number: \_\_\_\_\_

**LEAVE OF ABSENCE**  
 Beginning Date: \_\_\_\_\_ Ending Date: \_\_\_\_\_

Below is a list of options that are available to you. Please make your election and return this form no later than:

**OPTION A:**

I choose to request a medical leave of absence while on SDI, and:

- I DO want to use my leave credits to cover the seven (7) day SDI waiting period. (Enter which leave type you would like to use.): \_\_\_\_\_

---

- I DO **NOT** want to use my leave credits to cover the seven (7) day waiting period. Other, Please Explain: \_\_\_\_\_

**OPTION B:**

- In addition to **Option A**, I want to use leave credits each month while I am receiving SDI benefits.

Please Explain: (amount/type of leave credits) \_\_\_\_\_

**OPTION C:**

- I choose **NOT** to be on SDI. I wish to use leave credits to cover my absence. (Enter which leave type you would like to use.) \_\_\_\_\_

**OPTION D:**

- I elect to be on a leave of absence. I choose **NOT** to be on SDI or use leave credits.

**HEALTH INSURANCE ELECTION:** Please maintain my health insurance YES/NO

I understand that upon my return to employment, or upon separation I will be responsible for repayment of the employee's portion of the health insurance premium paid on my behalf. Initial here: \_\_\_\_\_

Please sign and place the checklist in the enclosed envelope and return to:  
 If you wish to discuss your options or need additional information, you may contact:  
 Personnel Specialist Name/Phone Number: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**For Personnel Office Use**

<b>Leave Credits Available as of:</b> _____	<b>Annual Leave:</b> _____
<b>Sick Leave:</b> _____	<b>CTO:</b> _____
<b>Holiday/PH:</b> _____	<b>Excess:</b> _____
<b>Vacation:</b> _____	
<b>Other (Specify):</b> _____	