

**Department of Personnel Administration  
Memorandum**

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

<b>SUBJECT:</b> SDI Program	<b>REFERENCE NUMBER:</b> 2006-012
<b>DATE ISSUED:</b> 03-23-06	<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: [www.psb@dpa.ca.gov](mailto:www.psb@dpa.ca.gov)

Employees in SEIU-represented Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21, who receive SDI benefits, must obtain an approved leave from their appointing power. In requesting a leave, employees have the responsibility to make elections to use leave credits and continue their benefits. Refer to [PML 2005-015](#) and [PML 2005-020](#) for answers on previous SDI questions.

**Responsibilities**

**DPA** provides policy interpretation on the negotiated SDI Program, as it relates to unpaid absences, paid absences, and the maintenance of insurance benefits.

**SCO** provides documentation instructions to place the employee on SDI leave and maintains the employee's employment history.

**EDD** provides employer notification that an SDI claim has been filed, approves/disapproves SDI claims, and issues SDI payments.

**The Appointing Power** assists the employee in obtaining an approved leave of absence, informs the employee of his or her rights under FMLA, maintains communication with EDD, and documents the leave to SCO.

## **Attachments**

- Coordination of SDI and Other Leave Programs Administrative Guidelines ([Attachment I](#))
- Chart for the Coordination of State Disability Insurance (SDI) and a Leave of Absence ([Attachment II](#))
- Sample Information Letter to Employee Regarding SDI Benefits ([Attachment III](#))
- Sample Employee's Options Check List ([Attachment IV](#))

## **Human Resource 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 AND 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 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. PFL is limited to a six-week paid benefit within a 12-month period.

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).
- File a claim for DI benefits with the EDD SDI Office.
- Provide the EDD SDI Office with a medical certificate 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 directly mailed to EDD. Checks 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**

An employee must obtain an approved leave from his or her employer. 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. An employee who is requesting a leave and applying for SDI benefits is required to provide a physician's or licensed practitioner's medical certification.

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 effective date of the leave is the first date the employee is on an approved leave without pay.

At the time the Human Resources Office receives notification from EDD that an employee has filed a claim for SDI benefits, and the employee has not yet 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 is placed on temporary leave status pending a decision. A leave may be extended when the employee's (or family member's) injury or illness continues beyond the expiration date of receiving SDI benefits.

The employee's leave of absence may be terminated:

- On the expiration date of the leave;
- By the employer, before the expiration date of the leave with a 30-working day notice; 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 in Government Code Section 18522.

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

DI and PFL require the employee to serve a waiting period for seven calendar days. An exception is when the employee serves a waiting period due to a pregnancy-related disability under DI, and then files a PFL claim for bonding; a new waiting period is not required.

During the 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 will begin on the day the use of leave credits ends. SDI benefits are non-payable for any period the employee receives pay for leave credits.

Payment of leave credits is considered regular pay, 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 regular pay unless cancelled by the employee. There must be sufficient net pay to take the deduction(s). The employee is responsible for canceling voluntary deductions and making direct pay to the carrier(s).

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

An employee may work while receiving SDI benefits. If the employee physically works for more than 11 days in the pay period, he or she qualifies the pay period. A qualifying pay period provides the employee 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 is reduced.

### **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. If the claim is approved, SDI benefits paid to the employee may be required to be repaid.

### **Annual Leave Program**

Employees who are enrolled in the Annual Leave Program (ALP) may not enroll in the vacation and sick leave program until 24 months have elapsed from the date of enrollment. The time an employee is off work receiving SDI benefits will count toward the 24-month ALP requirement.

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

Effective April 1, 2006, employees in SEIU-represented Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 will no longer be covered for NDI/ENDI. The last day employees will receive NDI/ENDI benefits is March 31, 2006. Effective April 1, 2006, SDI-covered employees can file claims for SDI. If eligible for SDI benefits, a seven-day waiting period is required.

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

Eligible employees who are approved to receive SDI benefits typically are eligible for FMLA and CFRA. The FMLA/CFRA determination is completed at the beginning of the employee's absence. In addition to a leave of absence, FMLA/CFRA provides up to 12 weeks of employer-paid health, dental, and vision insurance benefits. During this period of employer-paid benefits, the employee is responsible for the payment of his or her portion of the insurance premiums.

When an employee receives pay for the use of leave credits (prior to receiving SDI benefits), or works while receiving SDI benefits, the employer's 12-week requirement to continue health insurance under FMLA/CFRA is counted.

CFRA provides employees a 12-week leave entitlement for bonding with a newborn or adopted child. The employee's CFRA entitlement is counted when the employee receives PFL benefits.

### **Insurance Benefits**

An employee who is on a leave after FMLA is exhausted and is receiving SDI benefits may maintain his or her health, dental, and vision insurance programs by making direct payments to the carrier(s). Employees are responsible for paying the full premium, both the employer and employee portion. 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 or domestic partner.

The employer should give the employee the appropriate forms to complete. Employees may choose to pay direct for his or her insurance benefits. 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

An insurance program that an employee does not choose will suspend until he or she returns to active work status.

### **COBRA**

An employee 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.

### **Voluntary Deductions**

Voluntary deductions will continue from any regular pay received and/or leave credit usage, unless the employee elects to cancel the deduction(s) and provided that there is sufficient net pay to take the deduction. The employee may also pay voluntary deduction(s) directly to the carrier(s).

### **Union Dues**

Union dues/fair share fees will not be withheld while the employee is on a leave of absence. The employee may opt to pay union dues/fair share fees directly to his or her union.

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

Departmental Human Resources staff is responsible for documenting an SDI leave of absence and requesting pay and benefit coverage via the SCO. SCO will distribute a Payroll Letter that includes documentation instructions.

## STATE DISABILITY INSURANCE (SDI) AND A LEAVE OF ABSENCE

PREGNANCY DISABILITY LEAVE/CALIFORNIA FAMILY RIGHTS ACT (CFRA)/  
DISABILITY INSURANCE (DI) FOR PREGNANCY DISABILITY/PAID FAMILY LEAVE (PFL)/  
FAMILY AND MEDICAL LEAVE ACT (FMLA)/AND HEALTH CARE BENEFITS

<b>SDI</b>
Up to 52 weeks.

<b>LEAVE OF ABSENCE</b>
A period not to exceed one (1) year.

The following is an example of a pregnancy disability/birth which is counted against the above Leave of Absence and SDI:

<b>PDL</b>	<b>CFRA</b>
6 weeks of leave (up to a max of 4 months) for a pregnancy disability/birth	12 weeks of job-protected coverage in a 12-month period for bonding

<b>DI</b>	<b>PFL</b>
6 weeks pregnancy disability/birth	6 weeks in a 12-month period for bonding

<b>FMLA</b>
12 weeks of job-protected coverage in a 12-month period pregnancy/birth/bonding

<b>Health Care Benefits</b>
12 weeks of employer-covered benefits FMLA/CFRA

1. PDL is for a period of actual disability caused by a pregnancy, childbirth, or a related medical condition(s) (up to a maximum of four months, as medically needed). The employee's 12 weeks of FMLA entitlement is also counted during PDL. In the above, the PDL is for 6 weeks. After PDL, the employee may request a CFRA leave of up to 12 weeks to bond with the child. Time is also counted towards FMLA.
2. SDI runs concurrently with PDL, FMLA, and Health Care Benefits. The above chart shows six weeks of DI during a PDL. After a qualifying event, the employee may then choose 6 weeks of PFL in a 12-month period commencing after the DI benefits.
3. 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.

SAMPLE INFORMATION LETTER TO EMPLOYEE  
REGARDING 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 you in disseminating information to the employee regarding the SDI Program.

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(DATE)

(EMPLOYEE'S NAME)

(ADDRESS)

(CITY, STATE, ZIP CODE)

Dear (NAME):

Re: Information on 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.

SDI 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 an extended compensation provided to employees who are SDI covered. Under PFL, 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. PFL is limited to a six-week paid benefit within a 12-month period.

An employee cannot receive both DI and PFL simultaneously.

SDI is an employee paid benefit, and payments are issued by EDD.

In order to receive benefits you must file a SDI claim with EDD. 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 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 or if your illness or injury continues to exist after your SDI benefits end. Your leave of absence may be terminated:

- On the expiration date of your leave;
- Before your leave expires with 30 working days' notice from your employer; 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.

**Leave Credits** - The SDI Program requires that you serve a waiting period for seven calendar days before becoming entitled to receive benefits. You may request to use your available leave credits or opt not to use leave credits to cover the waiting period. If you elect to use leave credits, your leave of absence will begin on the date leave credits end. Leave credits cannot be used while you are receiving SDI benefits.

If you elect to use your available leave credits, it is considered regular pay and subject to mandatory and voluntary deductions. Your voluntary deductions will continue to be deducted from your regular pay provided there is enough net pay to take the deduction(s). You also have the option to make direct pay or cancel your voluntary deduction(s) until you return to active employment. If, prior to receiving SDI benefits, you receive pay from an available program, such as the catastrophic leave or the transfer of family leave, it is also considered regular pay.

**Working While Receiving SDI Benefits** - You may work while receiving SDI benefits if authorized by a physician or licensed practitioner. If you work and qualify a pay period (by working 11 days or more in the pay period), you will receive leave credit accruals and State service credits for the pay period. 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 gross salary, the SDI benefit will be reduced. You are required to contact the EDD SDI Unit to report any wages you receive for working.

**Workers' Compensation** - You may be eligible to receive SDI benefits while waiting for an approval for your worker's compensation claim. If your claim is approved, any SDI benefits paid to you for the period of disability may be required to be repaid.

**Annual Leave** – If you are enrolled in the Annual Leave Program (ALP) you may not enroll in the vacation and sick leave program until 24 months have elapsed from the date of enrollment. The time an employee is off work receiving SDI benefits will count toward the 24-month ALP requirement.

**NDI/Enhanced NDI (ENDI)** – Effective April 1, 2006, employees in SEIU-represented Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21, will no longer be covered for NDI/ENDI. The last day an employee will receive NDI/ENDI benefits is March 31, 2006. Effective April 1, 2006, SDI covered employees can file claims for SDI benefits. If you qualify for SDI benefits, you will be required to serve a seven-day waiting period.

**Family Medical Leave Act (FMLA)/California Family Rights Act (CFRA)** – You may be eligible to receive FMLA and CFRA while receiving SDI benefits. If you are approved for FMLA/CFRA, you will be provided 12 weeks of unpaid leave and employer-paid insurance, which includes health, dental, and vision benefits. During the period of employer-paid insurance benefits, you are responsible for the employee portion of your insurance premiums. An accounts receivable will be established and recovered by payroll deduction upon your return to employment. Enclosed are FMLA/CFRA forms for your completion.

If you are receiving pay for the use of leave credits (before receiving SDI benefits) or working while receiving SDI benefits, the employer's 12-week requirement to continue health insurance under FMLA/CFRA is counted.

In addition to FMLA, CFRA provides employees a 12-week leave entitlement for bonding with a newborn or adopted child. The CFRA leave entitlement will be counted towards your PFL benefits.

**Insurance Benefits** – When you receive pay for your leave credits (prior to the start of SDI), the employer's portion for insurance benefits are paid providing there is sufficient net pay to take your portion of the premium.

If you are on leave after FMLA is exhausted or not covered by FMLA and receiving SDI benefits, you must maintain your health, dental, and vision insurance programs by making direct payments to the carrier(s).

You may elect to maintain health, dental, or vision insurance. The insurance program that you do not choose to maintain will suspend until you return to active work status. You are responsible for the full premium(s); the employer and the employee portion. If you have a spouse or a domestic partner who is a State employee, you may also elect to receive insurance benefits from the spouse or domestic partner's State insurance plan(s). Enclosed are the following direct pay forms that must be completed in order to continue benefits:

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

**COBRA** - When you are no longer eligible for direct pay to maintain your insurance(s), you will be offered COBRA in order to maintain your insurance benefits.

**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.

**Voluntary Deductions** - Your voluntary deductions will continue from any regular pay you receive, and/or leave credit usage unless you make an election to cancel the deduction(s) and provided that there is sufficient net pay to take the deduction. You may also pay your voluntary deduction(s) directly to the carrier(s).

**Union Dues** - Your union dues/fair share fees will not be withheld if you are receiving SDI benefits and not working. You may pay your union dues/fair share fees directly to your union.

**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

## SAMPLE EMPLOYEE'S OPTIONS CHECK LIST

STATE DISABILITY INSURANCE EMPLOYEE OPTIONS CHECKLIST	
Employee Name:	CBID:
Social Security Number (Only Last Four Digits):	
Immediate Supervisor Name/Phone Number:	
<b>LEAVE OF ABSENCE</b>	
Beginning Date:	Ending Date:
Below is a list of options that are available to you. Please make your election and return it no later than:	
<b>OPTION A:</b> I choose to request a medical leave of absence while on SDI and: <div style="margin-left: 40px;"> <input type="checkbox"/> 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.) _____   <input type="checkbox"/> I DO <b>NOT</b> want to use my leave credits to cover the seven (7) day waiting period.           </div>	
<b>OPTION B:</b> I choose <b>NOT</b> to be on SDI and: <div style="margin-left: 40px;"> <input type="checkbox"/> I request a leave of absence and I wish to use leave credits to cover my leave of absence. (Enter which leave type you would like to use.) _____           </div>	
<b>OPTION C:</b> <input type="checkbox"/> I elect to be on a leave of absence. I choose <b>NOT</b> to be on SDI or use leave credits.	
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:
<b>For Personnel Office Use</b>	
Leave Credits Available as of: _____	
Sick Leave: _____	Annual Leave: _____
Holiday/PH: _____	CTO: _____
Vacation: _____	Excess: _____
Other (Specify: _____	