

California Statutory Disability and Paid Family Leaves

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This document is meant to answer some of the questions that employers may have and provide them with a quick summary of information related to the law and the state-mandated plan as of January 1, 2022.

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CA Statutory Disability and Paid Family Leave (CA SDI/PFL) Basics

Am I required to offer SDI/PFL benefits to my employees?

Yes. Currently, employers that employ one or more workers and who pay more than \$100 in wages in any quarter are required to offer paid family leave and statutory disability coverages. Excluded employers are a subset of non-profit organizations, railroad and government employers, and real estate sales employers, among others described in the law.

Is my business required to use the state-run SDI/PFL program?

No, employers may choose to offer SDI/PFL benefits or better to all employees through a self-insured voluntary plan that contains at least one feature that is better than the state's plan. An employee vote is required with a simple majority to approve the voluntary plan before applying for the state's approval. Once approved, the voluntary SDI/PFL plan will include a state tax exemption from contributing into the state's SDI/PFL fund.

How is the program funded?

The state-run program is 100% funded by employee contributions.

SDI/PFL	
CA Taxable Wage Cap	\$145,600
Percentage of Contribution to SDI/PFL	1.1%
2022 Maximum Employee Contribution	\$1,601.60

How are voluntary disability and paid family leave (VDI/PFL) programs funded?

Voluntary plans can be funded by employer contributions. However, the employee contributions are capped at the same rate as the state program. Employee contributions withheld for VDI/PFL coverage and any income derived from this fund should be placed in a separate bank account for the VDI/PFL trust funds. This bank account must only be charged with benefits and allowable administrative costs incurred from plan operations. In addition, it must show all income to the plan, the payment of benefits, and allowable costs, separate and apart from all other operations of the employer. Any interest and dividend income earned under this account must be credited to the fund and reported to CA on an annual basis (Report Form- DE2568V).

Voluntary Plan Option

What are the voluntary plan requirements?

CA VDI/PFL plans can be self-insured or fully insured. They must be available to all covered workers under the CA DI/PFL law and contain the same benefits and protections, plus at least one feature that is a better benefit than the state administered plan. A voluntary plan must be for both paid family and statutory disability coverage. A majority (50 percent plus one) of employees eligible for coverage must consent, in writing, to be covered by the CA VDI/PFL plan.

Employees who choose not to participate in their employer's VDI/PFL are still required to participate in the State's SDI/PFL program. Employers are responsible for collecting contributions and submitting them to the state on a quarterly basis.

In addition, voluntary plan employers must submit a security deposit or bond as part of the voluntary plan approval process. The security deposit is used to cover the potential liability of the VDI/PFL plan and will be used to reimburse the State if the employer fails to pay benefits or assessments, if any, established in connection with the VDI/PFL.

For a complete set of rules, read the [CA VDI/PFL Voluntary Plan Guide](#).

MetLife has an arrangement with Innovative Care Systems, Inc. (ICS), a California-based consulting firm that specializes in the setup of California Voluntary Plans including feasibility studies with projections of plan performance, assistance with the employee vote, and more.

What do I need for the state tax exemption?

To qualify for a state tax exemption, you need to apply for the tax exemption with an approved voluntary plan, including proof of vote for voluntary plan enrollment, and the security deposit/bond.

What are the planned annual changes?

Annual changes will be published in November of each year.

Do employers with voluntary plans need to re-file or re-apply with the state?

CA VDI/PFL plan approval will need to be resubmitted if you make amendments to your plan, including changing third party administration. Employers must provide notice to employees in advance of the amendment and advise them of their right to withdraw from the plan as of the amendment effective date. Employers will also need to submit their proposed amendment to the state for approval.

MetLife Voluntary Plan Solution

What is MetLife's rate for self-insured SDI/PFL coverage?

Self-Insured: MetLife prices are based on a service fee for administering the program. MetLife does not currently offer insured coverage for SDI/PFL.

How will MetLife coordinate employer-paid benefits?

Your MetLife Representatives can help you review your employer paid benefit that may overlap with the state leave. We can help document overlaps and your preferred contact and action when the overlap happens on a Claim Benefit Coordination Tip Sheet. The same Tip Sheet can be used for multiple states with paid leave programs.

SDI/PFL Benefit Details

Who is eligible for coverage?

All employees working for a covered employer are eligible for benefits.

SDI/PFL
<ul style="list-style-type: none">• Are employed or actively looking for work at the time leave begins• Have earned at least \$300 from which DI/PFL deductions were withheld during the base period• Have lost wages due to a qualifying event for disability or paid family leave
San Francisco Paid Parental Leave Ordinance
<ul style="list-style-type: none">• Began employment with the covered employer at least 180 days prior to the start of the leave• Perform at least 8 hours of work/week for the employer in San Francisco• Have worked at least 40% of their total weekly hours for the San Francisco employer• Are eligible to receive PFL-child bonding compensation under the California Paid Family Leave law

What are the state benefits and what life events can they be used for?

Eligible workers can receive wage replacement benefits for the below qualifying events, but no job protection:



Disability Insurance	Paid Family Leave		
Own Serious Health Employee's own medical need leading to incapacitation including pregnancy / childbirth	Child Bonding Including newborn, adoption, and foster placement San Francisco Paid Parental Leave	Family Caregiver When a covered family member has a serious health condition	Military Exigency When a covered family member is called to active service overseas
Benefit Duration			
Up to 52 weeks 7 day waiting period	Up to 8 weeks No waiting period		
DI/PFL can be taken intermittently, on a reduced leave or continuous leave schedule Total of 52 weeks in a 52-week period combined for paid family and disability benefits			

How much of a benefit can an employee receive?

Benefits are paid as a percentage of employee's average weekly wage.

Maximum Weekly Benefit cap at \$1,540/week		
Benefit Calculation:		
60% for individuals who earn one-third or more of the State's Average Quarterly Wage	or	70% for individuals who earn less than one-third of the State's Average Quarterly Wage
State Average Weekly Wage: \$1,570.00		
San Francisco Paid Parental Leave		
When a Covered Employee gets 8 weeks of PFL, that employee is also entitled to 8 weeks of PPLO Supplemental Compensation raising the employee's benefit to 100% pre-disability earnings.		

Leave Request Process

How do employees file for benefit?

1 Notify employer	2 Apply for benefits	3 Submit supporting documentation	4 Stay connected until employee returns to work
At least 30 days prior if leave is foreseeable or as soon as employee can if unforeseeable	<ul style="list-style-type: none"> Contact claim administrator within 41 days prior or within 41 days after leave starts MetLife can accept claims via web, telephone or paper claim. Method dependent on employer's coverage plan 	<ul style="list-style-type: none"> Proof may be required before the claim decision can be made MetLife will make a claim decision within 10 calendar days of receiving all information (or your first day of leave whichever is later) 	Employer and MetLife will need to have the employee's anticipated return to work date scheduled or an intermittent leave plan on file to efficiently manage the claim

Coordination with Other Benefits

CA SDI/PFL, CA Family Rights Act (CFRA), and the federal FMLA can be taken at the same time and should be taken at same time, when applicable.

Can an employee qualify for more than one benefit?

Employees may qualify for more than one benefit based on the leave reason. Some common events are listed below:

Leave reason	CA SDI/PFL		FMLA	Company	Other
	CA DI	CA PFL			
Employee has complications due to pregnancy	Yes	No	Yes	STD	
Employee has a serious health condition requiring multiple days-weeks-months away from work	Yes	No	Yes	STD-continuous or reduced leave schedules with partial disability No intermittent leave	Social Security benefits received may reduce the amount of CA DI/PFL received
Employee is injured at work	No	No	Yes	No	Workers Comp
Employee is fostering and/or adopting a child	No	Yes	Yes	Maybe (Parental/Bonding leave)	Additional paid leave if employee works in San Francisco
Employee needs to care for a parent, child, spouse with a serious health condition	No	Yes	Yes	Sick leave, PTO	
Employee needs to care for other family members, grandparent, sibling, grandchild	No	Yes	No	Sick leave, PTO	
Former employees	No	No	No	No	Unemployment

If an employer has a voluntary plan for parental leave that pays 100% salary for a designated number of weeks how would MetLife coordinate the voluntary plan with the CA SDI/PFL benefit?

CA DI/PFL is a wage replacement benefit. If the employee is not losing wages the SDI/PFL may begin after the company paid leave ends. As part of our benefit coordination process, MetLife's claims team will reach out to the employer to coordinate dates of the company leave that directly overlap with the state leave (i.e. Company's parental leave and PFL-child bonding).

If an employee takes an employer sponsored paid benefit for a similar leave, can the employer be reimbursed for state benefits their employee is also qualified to receive?

No. Per the state law the CA SDI/PFL benefits cannot be reimbursed.

What proof or supporting documentation is needed to support a claim?

For an employee's own disability (when they are sick or hurt and cannot work for an extended period of time):

- Certification of a Disability/Serious Health Condition form filled out by the claimant and their healthcare provider. It can take two weeks or more for the doctor's office to process this paperwork, so the claimant should be sure to submit it to them as soon as possible; or
- A doctor's note or Attending Physician Statement (APS). Please make sure it includes the same information as the Certification form.

For child bonding for a newborn:

- A copy of the child's Birth Certificate, or
- A statement from the child's health care provider stating child's date of birth, or
- A statement from the mother's health care provider stating child's date of birth.

For child bonding for adoption or foster care placement:

- A copy of court documents finalizing the adoption; or
- Documentation from the child's healthcare provider; or
- Foster/adoption agency paperwork containing adoption or placement.
- Please note: If the claimant is not the parent named in the court documents, they may also be asked to provide proof verifying your relationship to the parent in locos named in the court documentation, such as, but not limited to, marriage certificate, civil union, or domestic partnership documentation.

For Leave to care for a family member with a serious health condition, including medical events related to pregnancy or childbirth, the claimant must provide ONE of the following:

- Certification of a Disability/Serious Health Condition form filled out by the claimant and their healthcare provider. It can take two weeks or more for the doctor's office to process this paperwork, so the claimant should be sure to submit it to them as soon as possible; or
- A doctor's note. or Attending Physician Statement (APS). Please make sure it includes the same information as the Certification of Serious Health Condition form.
- Please note: In some cases, a statement confirming the relationship between the Covered Employee and the Family Member may also be requested.

For qualifying military exigency needs, claimants will need to verify their family member's service with one of the following:

- Covered family member's active-duty orders, or
- Letter from the military unit documenting impending call or order to covered duty, or
- Documentation of military leave signed by the approval authority for the military member's Rest and Recuperation.
- If leave is requested to meet with a third party, such as a school official, counselor, or attorney, the claimant must provide documentation of the meeting that includes:
 - The name, address, and contact information of the individual or entity with whom you are meeting
 - A description of the meeting

For caring for a Family Member who is a covered service member:

- Certification of a Disability/Serious Health Condition form filled out by the claimant and their healthcare provider. It can take two weeks or more for the doctor's office to process this paperwork, so the claimant should be sure to submit it to them as soon as possible; or
- A doctor's note, or Attending Physician Statement (APS). Please make sure it includes the same information as the Certification of Serious Health Condition form.
- An alternative form of certification can be Invitational Travel Order (ITO), or Invitational Travel Authorization (ITA) issued by the Department of Defense to any family member to join an injured or ill service member at his or her bedside.
- Please note: In some cases, a statement confirming the relationship between the Covered Employee and the Family Member may also be requested.

Claims Processing

What happens if an employee is out on STD or approved absence starting in 2021, which extends into 2022?

Benefits are paid based on the first day of absence for PFL or first day of disability if DI.

Can CA DI/PFL be taken intermittently or on a reduced leave schedule?

Yes, CA DI/PFL can be taken intermittently or on a reduced leave schedule. Proof of need may be required.

Can an employee who is out on maternity leave in the fall of 2021 wait until 2022 to take CA PFL-child bonding to get the paid benefits?

Yes, under CA DI/PFL law, covered employees can take DI in 2021 and fall under the 2021 benefit caps and then wait to take PFL-bonding until 2022 using the 2022 cap, recognizing that the benefit would need to be taken within the first 12 months of the child's birth, adoption, or foster care placement.

Why should an employee give 30-days advance notice of foreseeable leave?

The 30-day advance notice is a best practice for the employee to alert their supervisor/employer that they will be absent. This may help with staffing and identify back up training to cover while the employee is out for an extended period of time.

Who is a covered family member?

Family member means child, parent, grandparent, grandchild, sibling, spouse, or registered domestic partner.

General Tax Questions

Are benefits taxable?

Federal – Yes. State – maybe. Disability Insurance (DI) benefits are not reportable for tax purposes. However, if the claimant is receiving Unemployment Insurance (UI) benefits, becomes unable to work due to a disability, and begins receiving DI benefits, a portion of their DI benefits will be reported for tax purposes.

Are taxes automatically withheld from benefits?

State administered claims – No. Taxes will not automatically be withheld from benefits. If benefits were reported to the IRS, the state will issue a 1099-G.

Self-insured voluntary plans – Many plans run through an employer's normal payroll, which has taxes taken out similar to other wages. If MetLife cuts benefit checks on behalf of the voluntary plans, we do withhold taxes and issue a W2 similar to traditional STD benefit payments.

Resources



Need more information? Visit:

The MetLife PFML [website](#) regarding state mandated benefits.

For CA SDI/PFL Resources [click here](#).

For details regarding your coverage, contact your MetLife Representative.

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Metropolitan Life Insurance Company | 200 Park Avenue | New York, NY 10166

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