

Handout #5 – SDI Fact Sheet and FAQ's

FMLA, CFRA, SDI

Program Information from EDD:

"Fact Sheet: State Disability Insurance Program"

"FAQ for State Employees"

Fact Sheet

State Disability Insurance Program



State Disability Insurance (SDI) is an employee-funded program that provides, if eligible, approximately 60 to 70 percent of your past earnings (from \$50 up to \$1,252 weekly) based on income. The SDI program is comprised of two separate partial wage replacement benefits: ***Disability Insurance (DI) and Paid Family Leave (PFL).**

Am I covered by SDI?

Approximately 18.1 million California workers are covered by SDI. You may qualify if you are:

1. A part- or full-time employee who contributes to the SDI program through state mandatory payroll deductions (you may be covered under a voluntary plan in lieu of SDI, visit edd.ca.gov/Disability/VP_Information.htm). –OR–;
2. A self-employed Californian who has contributed to the Disability Insurance Elective Coverage program (For more information visit edd.ca.gov/Disability/Self-Employed.htm).

You may not be eligible for benefits, if you:

- Are receiving benefits from another EDD benefit program (Unemployment Insurance, DI, or PFL).
- Are not losing wages.
- Are in custody due to conviction of a crime.
- Have religious exemption from SDI taxes.
- Were not working or were looking for work at the same time you began your SDI claim.
- Are receiving workers' compensation at a weekly rate equal to or greater than the DI rate.

SDI does not provide job protection or return to work rights. However, job protection may be provided if you are covered under the federal Family and Medical Leave Act, the California Family Rights Act, or the New Parent Leave Act.

Am I eligible?

You may be eligible for benefits, if you:

- File a claim online or by mail, no later than 49 days for DI and 41 days for PFL, from the date your disability or family leave began.
- Have been paid at least \$300 in wages (that have been subject to SDI contributions) during the 12-month base period of the claim.
- Have your physician complete medical documentation certifying your disability (for DI), have the care recipient's physician complete medical documentation certifying the need for care (for PFL care), or provide documentation showing the relationship between you and your new child (for PFL bonding).

How do I apply?

You can apply for benefits by filling out the *Claim for Disability Insurance (DI) Benefits*, DE 2501 or *Claim for Paid Family Leave (PFL) Benefits*, DE 2501F form, online or by mail. To apply online, visit edd.ca.gov/SDI_Online. If you're applying by mail, you can obtain a hard copy of the form by requesting one online at edd.ca.gov/Forms, calling 1-800-480-3287 for DI and 1-877-238-4373 for PFL, or visiting an SDI office near you. Visit edd.ca.gov/Disability/Contact_SDI.htm for a list of office locations.

*Disability Insurance (DI)

Disability Insurance provides benefits to workers who are unable to work due to a non-work-related illness or injury; either physical or mental. Disability includes elective surgery, pregnancy, childbirth, or related medical conditions. Benefits are payable for a maximum of 52 weeks. For more information, visit edd.ca.gov/disability.

*Paid Family Leave (PFL)

California Paid Family Leave (PFL) provides up to six weeks of partial pay within a 12-month period to employees who take time off work to care for a seriously ill family member or to bond with a new child (including newly fostered and adopted children). For more information, visit edd.ca.gov/paidfamilyleave.

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, and/or alternate formats need to be made by calling 1-866-490-8879 (voice). TTY users, please call the California Relay Service at 711.



FAQ - State Employees

Show All | Hide All

State Disability Insurance (SDI) was negotiated for employees in Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21.

Please note that these questions and answers are intended to be general in nature, and may not address each individual situation. Specific situations will need to be evaluated on a case-by-case basis and in accordance with the applicable Memorandum of Understanding.

- **What is State Disability Insurance (SDI)?**

SDI pays part of your wages if you have to stop working because of a non-work-related illness, injury, or due to pregnancy or to bond with a child (i.e., under age 18) within one year of its birth, adoption, or foster care placement. SDI also covers time off to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner. For more information, visit [About the SDI Program](#).

- **Can I choose to participate in either SDI or Nonindustrial Disability Insurance (NDI)/Enhanced Nonindustrial Insurance (ENDI)?**

No. The existing agreement provides for continuing the current NDI program (both the regular and enhanced benefit levels) until the SDI deductions start, and for six months following the initial SDI deduction. After that, the state will discontinue coverage under the NDI program if you are in a bargaining unit covered by SDI.

- Will the state continue to contribute to my health, dental, and vision benefits if I am unable to work and receive SDI benefits?

If you are unable to work due to a non-work-related disability or family leave and are receiving SDI benefits, the state will pay the full premiums for you and any applicable dependent coverage for health, dental, and vision benefits during that time. The state will recover your portion of the premiums paid through an accounts receivable.

- Who administers SDI?

The Employment Development Department (EDD) administers the SDI program and the State Controller's Office calculates and withholds the deductions and the California Department of Human Resources is responsible for the contract administration.

- Can I use leave credits while receiving SDI benefits?

The agreement between the state and Service Employees International Union (SEIU) allows for the use of 40 hours accrued leave credits per month while receiving SDI benefits. Also, you may use accrued vacation, annual leave, Combined Time Off, holiday credit, personal leave, or sick leave balances to cover the benefit waiting-period, per the provisions of the Memorandum of Understanding.

- Am I eligible for Paid Family Leave (PFL) benefits under SDI?

Yes. PFL provides benefits to individuals who need time off work to care for a seriously ill family member, or to bond with a child entering the family through birth, adoption, or foster care placement. This means if you are eligible for SDI, you are also eligible for this PFL benefit.

- Where can an employee find additional information about SDI, such as eligibility, benefits amounts, claim filing, etc?

For more information visit [State Disability Insurance](#) and select Disability Insurance or Paid Family Leave for additional links to available topics.

- **Employers are required by law to provide health benefits for employees while they are on a Family and Medical Leave Act (FMLA) leave. Will the state bill me for the employee-paid premium when I return to work from their FMLA leave?**

Yes. The employer will pay the employer's portion of the health benefits premium for up to 26 weeks. The State Controller's Office will set up accounts receivable for your portion of the health benefits premium to be paid when you return to work.

- **How will this work if I am out on a FMLA leave that runs concurrently with SDI?**

The employer will pay the employer's portion of the health benefits premium for up to 26 weeks and the State Controller's Office will set up an accounts receivable for your portion of the health benefits premium to be paid when you return to work. If you have not returned to work after the 26 weeks, in order to continue the health benefits, you will be required to directly pay the provider for both the employee and employer share of the health benefits premiums.

- **Do managers and supervisors receive SDI benefits?**

No. Managerial and supervisory employees participate in the Non-Industrial Disability Insurance program (both the regular and enhanced benefit levels).

- **Is SDI reportable for tax purposes? Disability Insurance (DI) versus Paid Family Leave (PFL)?**

Your DI benefits are not reportable for tax purposes with one exception. If you are receiving Unemployment Insurance (UI) benefits, become unable to work due to a disability, and begin receiving DI benefits, your DI benefits are considered a substitution for your UI benefits, and will then be reportable for tax purposes. If DI benefits are reportable, a notice will accompany the first benefit payment sent to you

advising that the benefits are being reported to the Internal Revenue Service (IRS). In January the EDD will provide you with a 1099G form showing the reportable amounts paid (no more than the original UI maximum) and forward a copy of the 1099G to the Internal Revenue Service.

PFL benefits are reportable for federal purposes but not state tax purposes. The EDD will provide all claimants with a 1099G form and forward a copy of the 1099G to the IRS. PFL benefits are not taxable or reportable to the California State Franchise Tax Board.

- Are SDI deductions pre-taxed (deducted from the paycheck prior to paying federal, state and social security taxes)?

No. SDI deductions are not pre-taxed.

- If my spouse has health benefit coverage and I am receiving the cash option under FlexElect, will I be allowed to reenroll in the cash option after returning from leave?

Yes. Your FlexElect Cash Option will resume automatically once you return from leave.

- Can I work and receive SDI?

Yes. If you are working reduced hours or at modified duty due to a disability and you have a wage loss, you may be eligible for benefits.

- How will Annual Leave credits be accrued for employees on SDI?

If you are receiving SDI benefits you will not accrue Annual Leave credits unless you work partial hours.

- Will an SDI deduction be taken from a lump-sum payment that is being transferred to my 401K plan?

No. Lump sum payments for pay (e.g. vacation, annual leave, CTO) which were earned but not paid for services performed prior to termination of employment, shall not be considered to be wages or compensation for personal services. Therefore, there should be no SDI deduction withheld from lump sum payments. This includes lump sum payments for vacation cash out or 401K plans.

- What happens if I am a represented employee who has been paying into SDI for quite some time and then I promote/move to a non-SEIU bargaining unit? What happens to my SDI deductions? Are the funds returned to me? Am I eligible for both NDI and SDI?

The SDI deductions stop. The funds are not returned to you. You could potentially be eligible for both NDI and SDI as long as you have wages in your base period.

- Can employees buy back NDI or SDI time for retirement purposes.

Contact CalPERS to discuss your service credit purchase options.

Call toll free at **888 CalPERS** (or 888-225-7377) Monday through Friday, 8:00 a.m. to 5:00 p.m. TTY: (877) 249-7442.

- Are employees in the affected bargaining units who live and work in other states, but are employed by the State of California, covered by SDI?

Yes. These employees can file claims and receive benefits, if otherwise eligible, despite residing out of state.