

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.

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