

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.

(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