



December 31, 2022

Dear Voluntary Plan Employer:

The General Release Letter (GRL) provides the 2023 State Disability Insurance (SDI) contribution rate, wage ceiling, and assessment rate. The GRL also provides information on legislation and procedural changes that may affect the Voluntary Plan (VP).

### **A. SDI Contribution Rate and Wage Ceiling**

Effective January 1, 2023, the SDI worker contribution rate will be 0.9 percent of an employee's annual gross taxable wages up to \$153,164.

**Reference:** California Unemployment Insurance Code (CUIC) section 984(a) (1).

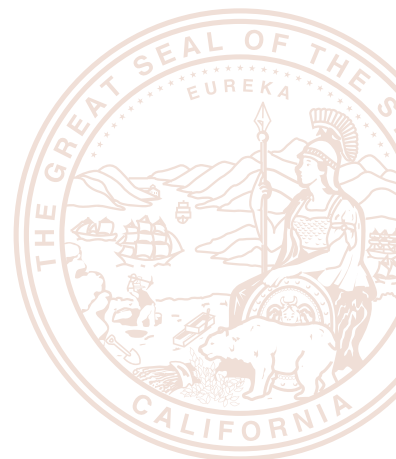
SDI program taxes cover employees up to the 2023 SDI taxable wage ceiling of \$153,164 set by section 985 of the CUIC. The SDI taxable wage ceiling is the maximum amount of wages per employee that are subject to SDI contributions. The maximum annual contribution per employee for 2023 is \$1,378.48 (\$153,164 x 0.9 percent). Employers report these subject wages to the Employment Development Department (EDD) on the Quarterly Contribution Return (DE 3D) Line D, Item D1 labeled Voluntary Plan Disability Insurance (VPDI) Wages. Employers are expected to use their [e-Services](#) account to file their DE 3D forms quarterly.

**Reference:** CUIC, section 985.

### **B. VP Assessment Rate**

Effective January 1, 2023, the VPDI assessment rate will be 14 percent of the Disability Insurance (DI) State Plan contribution rate multiplied by taxable wages. In 2023, with the State Plan tax rate at 0.9 percent, VP employers are assessed at 0.00126 (14 percent of 0.009) of VP taxable wages.

**Reference:** CUIC, section 3252(b).



### C. Chaptered Legislation

**[Assembly Bill \(AB\) 12 \(Seyarto\)](#) – Personal Information: Social Security numbers: the Employment Development Department.** This bill, commencing on July 1, 2021, would prohibit the EDD from sending any outgoing United States mail to an individual that contains the individual's Social Security number (SSN) unless the number is truncated to its last four digits, except in specified circumstances as soon as feasible, but no later than January 1, 2023.

**Reference:** An act to amend section 11019.7 of the Government Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

**Status:** 10/5/21- Bill was Chaptered by the Secretary of State- Chapter 509, Statutes of 2021.

**[AB 56 \(Salas\)](#) – Benefits: outgoing mail, identity verification, and direct deposit.** This bill adds various sections to the CUIIC related to identity verification and direct deposit for Unemployment Insurance and DI benefit payments. The EDD is prohibited, commencing on January 1, 2023, from sending out any outgoing United States mail to an individual that contains their SSN unless the number is truncated to its last four digits, except in specific circumstances. If the EDD is unable to comply with the requirements specified in this section, the EDD is required to submit to the Legislature an annual corrective action plan, which includes specific information, every December 15. If the EDD fails to comply by January 1, 2023, it is required to provide and pay for identity theft monitoring.

**Reference:** An act to amend section 11019.7 of the Government Code, and to amend section 2614 of, and to add sections 320.4 and 1326.8 to, the Unemployment Insurance Code, relating to benefits.

**Status:** 10/5/21- Chaptered by the Secretary of State- Chapter 510, Statutes of 2021.

**[AB 1041 \(Wicks\)](#) – Employment: leave.** This bill expands the definition of the term "family member" to include a designated person, which would mean a person identified by the employee at the time the employee requests paid sick days, subject to limitation by the employer.

**Reference:** An act to amend Section 12945.2 of the Government Code, and to amend Section 245.5 of the Labor Code, relating to employment.

**Status:** 9/29/22- Chaptered by the Secretary of State - Chapter 748, Statutes of 2022.

**AB 1601 (Weber) – Call Centers: protections.** This bill authorizes the Labor Commissioner to enforce certain notice requirements concerning a mass layoff, relocation, or termination of employees, including call center employees. It prohibits a call center employer from ordering a relocation of its call center, or one or more of its facilities or operating units within a call center, unless notice of the relocation is provided to the affected employees and the Employment Development Department, local workforce investment board, and the chief elected official of each city and county government within which the termination, relocation, or mass layoff occurs, as specified. The bill requires the Employment Development Department to compile and publish semiannually, on its internet website, a list of call center employers that provided notice, as prescribed. It would establish remedies for a call center employer's failure to provide notice regarding a relocation of its call center facilities. The bill authorizes the Labor Commissioner and the Employment Development Department to adopt regulations as necessary to implement these provisions.

**Reference:** An act to amend Section 1406 of, to amend and renumber Section 1400 of, and to add Article 1 (commencing with Section 1400) and Article 2 (commencing with Section 1409) to Chapter 4 of Part 4 of Division 2 of, the Labor Code, relating to employment.

**Status:** 9/29/22- Chaptered by the Secretary of State - Chapter 752, Statutes of 2022.

**AB 1604 (Holden) – The Upward Mobility Act of 2022: boards and commissions: civil service: examinations: classifications.** This bill, among other things, requires the State Personnel Board to post notices of proposed changes to regulations for public comment and require that the Department of Human Resources establish best practices for each aspect of the design, announcement, and administration of the examinations for the purpose of increasing diversity of applicant pools on employment lists and develop standards for statements of qualifications used as the examination method in determining the fitness and qualifications of applicants for each class of position, when applicable. This bill, no later than July 1 of each year, requires each department to provide a report to the Department of Human Resources that demonstrates the department's progress made toward meeting its upward mobility goals. The bill, on or before January 1 of the following year after each department provides these reports, requires the Department of Human Resources to provide a copy of the upward mobility goals and these progress reports to the Legislature.

**Reference:** An act to amend Sections 18502, 18931, 18933, and 19402, and to add Sections, 18553 and 18930.1 to the Government Code relating to human resources.

**Status:** 9/13/22- Chaptered by the Secretary of State - Chapter 313, Statutes of 2022.

**[AB 1637 \(Cooper\)](#) – Criminal profiteering: asset forfeiture: unemployment and disability insurance fraud.** Under existing law, criminal profiteering activity is defined as certain acts or threats made for financial gain or advantage that may be charged as specified crimes, including, among others, offenses relating to insurance fraud. This bill includes fraud offenses relating to COVID-19 pandemic-related insurance programs administered by the Employment Development Department within the definition of criminal profiteering activity for the purposes of these provisions. The bill requires proceeds collected under these provisions to be returned to the Employment Development Department. By increasing the burdens on local prosecuting agencies, this bill imposes a state-mandated local program. It took effect immediately as an urgency statute.

**Reference:** An act to amend Section 186.2 and 186.8 of the Penal Code, relating to criminal profiteering, and declaring the urgency thereof, to take effect immediately.

**Status:** 9/30/22- Chaptered by the Secretary of State - Chapter 950, Statutes of 2022.

**[Senate Bill \(SB\) 497 \(Limon\)](#) – Qualifying accounts for direct deposit of publically administered funds.** This bill revises the description of a person to whom the EDD must provide the option of direct deposit and would require, if the benefits are directly deposited to an account of the recipient's choice, the payments to only be deposited to an account that meets the requirements of a qualifying account. The bill prohibits a person or entity that is not an insured depository financial institution, as defined, that offers, maintains, or manages an account that is not a qualifying account from soliciting, accepting, or facilitating the direct deposit of these benefits to the account. Under the bill, the EDD will not be held liable for authorizing a direct deposit of these benefits into an account designated by the recipient that is not a qualifying account.

**Reference:** An act to amend Section 17325 of the Family Code, Section 1339.1 and 2701 of the Unemployment Insurance Code, and Section 11006.2 of the Welfare and Institutions Code, relating to direct deposit of funds.

**Status:** 10/5/21 – Chaptered by Secretary of State- Chapter 546, Statutes of 2021.

**[SB 644 \(Leyva\)](#) – Health care coverage outreach.** This bill requires California Health Benefit Exchange (the Exchange), at least monthly beginning no later than September 1, 2023, to request from the EDD specified information of each new applicant for unemployment compensation, state disability, and paid family leave. The bill requires EDD to provide specified information to the Exchange to assist the Exchange or the State Department of Health Care Services in determining eligibility for the insurance affordability programs administered by those state agencies, to enable the Exchange to notify an employer that an employee is eligible for advance payments of the premium

tax credit and cost-sharing reductions and has enrolled in a qualified health plan, and to enable the Exchange to verify if a consumer has been offered comprehensive employer-sponsored health care coverage. The bill requires the Exchange to market and publicize the availability of health care coverage through the Exchange, and engage in outreach activities, to the individuals whose information the Exchange receives from EDD. By expanding the scope of distribution of confidential information, thereby expanding the number of persons subject to the access, use, and confidentiality restrictions, the bill expands the scope of related crimes and imposes a state-mandated local program.

**Reference:** An act to add Section 100503.9 to the Government Code, and to amend Section 1095 of the Unemployment Insurance Code, relating to health care coverage.

**Status:** 9/30/22- Chaptered by the Secretary of State - Chapter 983, Statutes of 2022.

**[SB 951 \(Durazo\)](#) – Unemployment insurance: contribution rates: disability insurance: paid family leave: weekly benefit amount.** This bill extends the current wage replacement rates for SDI benefits to 01/01/2025. This bill revises the SDI weekly benefit amount formulas for periods of disability commencing on or after 01/01/2025 making the weekly benefit amounts equal to:

1. \$50 if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is less than \$722.50.
2. The greater of 70% of wages divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount, or 63% of the state average weekly wage, if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is more than 70% of the state average quarterly wage.
3. 90% of wages divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount, if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is \$722.50 or more, but 70% or less than the state average quarterly wage.

Additionally, this bill also removes the limitation of remuneration of workers that would not be subject to paying contribution rates (taxable wage ceiling) effective January 1, 2024.

**Reference:** An act to amend Sections 2655 and 3301 of, and to repeal Section 985 of, the Unemployment Insurance Code, relating to unemployment insurance, and making an appropriation therefor.

**Status:** 9/30/22- Chaptered by the Secretary of State - Chapter 878, Statutes of 2022.

**SB 1058 (Durazo) – Disability Insurance: paid family leave: demographic data.**

This bill requires the department to collect demographic data for individuals who claim disability benefits under those programs, including race and ethnicity data and sexual orientation and gender identity data. The bill requires the department to adopt and update demographic data collection standards, procedures, and processes to implement the bill, as prescribed. The bill requires the department to develop, make available online, and update quarterly a public-facing dashboard that publishes disaggregated demographic data pertaining to program participation by individuals, as specified. The bill requires the department to implement these demographic data collection and dashboard requirements on or before July 1, 2026.

**Reference:** An act to add Section 2615 to the Unemployment Insurance Code, relating to disability compensation, and making an appropriation therefor.

**Status:** 9/13/22- Chaptered by the Secretary of State - Chapter 317, Statutes of 2022.

**D. Non-Chaptered Legislation**

**AB 123 (Gonzalez) – Paid family leave: weekly benefit amount.** This bill would have revised the formula for calculating the Paid Family Leave (PFL) weekly benefit amount (WBA) and the first 12 weeks for DI benefits, commencing on or after January 1, 2023, but before January 1, 2025. This bill would have increase the SDI WBA to be equal to 65% or 75% of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations. After January 1, 2025, the formula would be revised to increase the wage replacement percentages to be equal to 70% or 90% depending on the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest. For DI claims, after the 12 week period, the wage replacement rate would revert back to 55% of the claimant's highest quarterly wages in the base period.

**Reference:** An act to amend Sections 2655 and 3301 of the Unemployment Insurance Code, relating to paid family leave, and making an appropriation therefor.

**Status:** 2/3/22- Consideration of Governor's veto stricken from file.

**AB 401 (Chiu) – Paid family leave: weekly benefit amount.** This bill would require all standard information employee pamphlets provided by the department concerning unemployment and disability insurance programs to be printed in English and any written language that is or becomes a Medi-Cal threshold language in any county,



as provided. The bill would additionally require the department, commencing July 1, 2022, to provide translation by qualified human translators between English and the languages described above, in accordance with certain procedures, for all benefits programs administered by the department, vital documents and notices, and any other communications to a claimant. The bill would require the department, if the claimant's written language is not within these languages, to provide the claimant, upon request, with a translated document in their written language within 2 business days of the request and on an ad hoc basis, or to read the document aloud and orally explain the document to the claimant in their preferred language, as prescribed.

**Reference:** An act to amend Section 316 of the Unemployment Insurance Code, relating to unemployment insurance, and making an appropriation therefor.

**Status:** 7/13/21 - In committee: Set, first hearing. Hearing canceled at the request of author.

**[AB 402 \(Wicks\)](#) – Office of the Claimant Advocate and Stakeholder Advisory Group.** This bill would establish the Office of the Claimant Advocate and Stakeholder Advisory Group, within the EDD, and would make the office responsible for protecting Californian's rights in seeking benefits administered by the Department.

**Reference:** An act to add Articles 1.2 (commencing with Section 350) and 1.3 (commencing with Section 360) to Chapter 2 of Part 1 of Division 1 of the Unemployment Insurance Code, relating to unemployment insurance, and making an appropriation therefor.

**Status:** 9/1/21 – Ordered to inactive file at the request of Senator Laird.

**[AB 867 \(Kiley\)](#) – Family Care Leave: child deceased in childbirth.** This bill would expand the eligibility for PFL benefits to include leave for a parent who was pregnant with a child, if the child dies unexpectedly during childbirth at 37 weeks or more of pregnancy.

**Reference:** An act to amend Section 3302 of the Unemployment Insurance Code, relating to employment, and making an appropriation therefor.

**Status:** 2/1/22 – From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

**[AB 2540 \(Berman\)](#) – Qualifying accounts for direct deposit of publicly administered funds.** This bill would limit the prohibition on prepaid, demand deposit, or savings account's voluntary fee, charge, or cost pertaining to a credit or overdraft feature if the availability or provisions of these feature are neither enhanced nor diminished in any way by the accountholder's exercise or non-exercise of the voluntary fee, charge, or cost.

**Reference:** An act to amend Section 17325 of the Family Code, to amend Sections 1339.1 and 2701 of the Unemployment Insurance Code, and to amend Section 11006.2 of the Welfare and Institutions Code, relating to direct deposit of funds.

**Status:** 6/10/22 – In committee: Set first hearing. Hearing canceled at the request of the author Assembly Member Berman.

**AB 2600 (Dahle) – State agencies: letters and notices: requirements.** This bill would require every state agency, when sending any communication to any recipient, state in bolded font, at the beginning of the communication, whether it requires action from the recipient or serves as a notice requiring no action.

**Reference:** An act to add Section 11019.12.1 to the Government Code, relating to state communication.

**Status:** 3/10/22 – Referred to Committee on Accountability and Administrative Review.

**SB 58 (Wilk) – Personal information: social security numbers: Employment Development Department: fraud prevention.** This bill would prohibit the EDD, as soon as feasible, but no later than January 1, 2023, from sending any United States outgoing mail to an individual containing their SSN. The SSN must be replaced by a modified unique identifier or truncated to its last four digits. It would also require the EDD, on or before January 1, 2022, to identify fraud prevention efforts it can adjust to improve effectiveness during periods of high demand for benefits. Additionally, this bill would require the EDD, using its own resources, to designate a single unit responsible for coordinating fraud prevention and align the unit's duties with the best practices for preventing fraud.

**Reference:** An act to amend Section 11019.7 of the Government Code, and to add Section 341 to the Unemployment Insurance Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

**Status:** 8/26/21- August 26 hearing held in Committee and under submission.

## **E. Regulations**

### **Amendments to Title 22, California Code of Regulations sections 2706-5 and 2706-7**

These regulations include provisions to establish criteria for determining timeliness of a SDI benefit payment pending an appeal when the envelope with a postmark date is not retained. The regulations clarify that the postmark date is established by counting back five business days from the receipt date.



**Amendments to Title 22, California Code of Regulations  
sections 2655 (d)-1**

These regulations establish definitions for the terms “Date Disability Began” and “Claim Effective Date.” These definitions will eliminate ambiguity and clarify the use of each date when determining a claimant’s base period and benefit award.

**F. Form Revisions**

The Voluntary Plan Group (VPG) continually updates VPDI forms to meet customer and agency needs. The latest updates are the **Annual Report of Self-Insured Voluntary Plan Transactions (DE 2568V)** and **Voluntary Plan (VP) Plan Text Provisions (DE 2008)** forms, outlined below are the enhancements made to DE 2568V and will be available online at: [http://www.edd.ca.gov/Disability/VP\\_Forms\\_and\\_Publications.htm](http://www.edd.ca.gov/Disability/VP_Forms_and_Publications.htm).

1. **[Annual Report of Self-Insured Voluntary Plan Transactions \(DE 2568V\)](#)**:

Enhancements include, but not limited to the following:

- a. New version of the form – Rev. 26 (10-22). You are required to use this version of the form, submission of older or any other version of the DE 2568V will be rejected.
- b. The removal of the CA Employer Account Number.

2. **[Voluntary Plan \(VP\) Plan Text Provisions \(DE 2008\) \(PDF\)](#)**

Now available on the Employment Development Department (EDD) website. Employers are encouraged to use the new DE 2008 for 2023 Plan Text Provisions. Employer(s) should submit one [DE 2008](#) for each VP. Access other VP forms at: [https://www.edd.ca.gov/Disability/VP\\_Forms\\_and\\_Publications.htm](https://www.edd.ca.gov/Disability/VP_Forms_and_Publications.htm).

You can access information about DI, PFL, and the VPG by visiting [State Disability Insurance](#). For further assistance with your VP, email the [vpprogram@edd.ca.gov](mailto:vpprogram@edd.ca.gov).

Sincerely,



MELISSA STONE  
Deputy Director  
Disability Insurance Branch

Enclosures  
2023 Annual VP Calendar of Required Actions

## Annual 2023 Calendar of Required Actions

Due Date	Required Actions
<p><b>February 15, 2023</b></p>	<p><a href="#">Annual Report of Self-Insured Voluntary Plan (VP) Transactions (DE 2568V) (PDF)</a> Submit this form by selecting the <b>SEND TO EDD</b> button.</p> <p>(Include VP Trust Fund bank statements for employee paid plans)</p> <p>Reference: California Code of Regulations, Title 22, section 3267-2</p>
<p><b>April 17, 2023</b></p>	<p><a href="#">Voluntary Plan (VP) Security Review Worksheet (SRW) (DE 2544SRW) (PDF)</a> Submit this form by selecting the <b>SEND TO EDD</b> button.</p> <p>Send the original security to the Voluntary Plan Group (VPG) if the increase is 5% or more. Decreases to the security can also be submitted, if VPG approved the SRW confirming the allowable security decrease amount. Copies and emailed documents will not be accepted.</p> <p>Reference: California Unemployment Insurance Code (CUIC), section 3258</p>
<p><b>June 15, 2023.</b></p> <p><b>Note:</b> These forms are also required to be submitted immediately whenever there is a change to the administrative contact information.</p>	<p><a href="#">Voluntary Plan Third Party Administrator Authorization (DE 2520BV-A) (PDF)</a> The VP employer completes this form to authorize a third party administrator (TPA) to act on its behalf.</p> <p><a href="#">Voluntary Plan Third Party Administrator Administrative Changes (DE 2520BV-B) (PDF)</a> The designated TPA completes this form to indicate which duties are performed by the TPA on behalf of the VP employer.</p> <p><a href="#">Voluntary Plan Employer Administrative Changes (DE 2520BV-C) (PDF)</a> The VP employer completes this form to inform VPG of its authorized representatives.</p> <p>These forms should be emailed to <a href="mailto:dibvpnewplans@edd.ca.gov">dibvpnewplans@edd.ca.gov</a>.</p> <p>Reference: CUIC, section 3267</p>
<p><b>December 2, 2023</b></p> <p>For changes effective January 1, 2024</p>	<p><a href="#">Voluntary Plan (VP) Text Provisions (DE 2008) (PDF)</a> This plan text applies to VP Disability Insurance and Paid Family Leave benefit periods. These forms should be emailed to <a href="mailto:dibvpnewplans@edd.ca.gov">dibvpnewplans@edd.ca.gov</a></p> <p>Reference: CUIC, section 3271(a); <a href="#">Employer's Guide to Voluntary Plan Procedures (DE 2040)</a>, section – Amendments to Approved Provisions.</p>

**Send securities to:**

EDD, Disability Insurance Branch  
Voluntary Plan Group - Security Analyst  
PO Box 826880, MIC 29VP  
Sacramento, CA 94280-0001

Email DI/PFL claim related questions and forms to:

- Disability Insurance: [divpg@edd.ca.gov](mailto:divpg@edd.ca.gov)
- Paid Family Leave: [dibpflvp225DIBPFLVP225@edd.ca.gov](mailto:dibpflvp225DIBPFLVP225@edd.ca.gov)