



INFORMATION CONCERNING ELECTIVE COVERAGE FOR STATE DISABILITY
INSURANCE (SDI)* ONLY UNDER SECTION 709
OF THE CALIFORNIA UNEMPLOYMENT INSURANCE CODE (CUIC)

Coverage under Section 709 of the CUIC does not make provision for Unemployment Insurance (UI) benefits.

1. SUMMARY OF SECTION 709 OF THE CUIC

Section 709 of the CUIC provides that any local public entity located in this state specified in Section 135 (a) (3) or Indian Tribe specified in Section 135 (a) (6), may elect to become an employer for SDI purposes only, with respect to **all** its employees, including those with civil service or tenure positions, or appointed positions and may file its written election with the Director. Elected officials and individuals appointed to fill a vacant elected office until the next election are not eligible for coverage.

Section 135 (a) (3) states that "public entity" also means the governing board of any school district, any county board of education, any county superintendent of schools, or any personnel commission of a school district which has a merit system pursuant to any provision of the Education Code.

2. ELECTION FOR COVERAGE UNDER SECTION 709

An election under Section 709 may be made on its own motion by the appropriate governing board of the entity making the election, or may be made by such governing board pursuant to a petition signed by a majority of the employees (including those with civil service or tenure positions, or appointive positions). Coverage must be elected for at least **two complete calendar years**. The Director may require from each entity any information or reports necessary to carry out his duties, and may publish information pursuant to this section in statistical form and may divulge the name of the entity. Each entity must keep work records as prescribed by the Director.

3. EXTENT OF COVERAGE

Coverage may be approved for all present and future employees of the local public entity or Indian Tribe. All employees are to be covered (including excluded services – Sections 629 through 656 of the CUIC) even though they may not mandatorily be covered by UI.

Persons who are not considered to be employees eligible for the coverage under Section 709 of the CUIC are those elected to office of the public entity by popular vote or appointed to fill a vacant elected office until the next election.

*Includes Paid Family Leave (PFL).

4. ELECTION OF COVERAGE

An application for elective coverage is filed by a local public entity or Indian Tribe on an *Application for Elective Coverage of State Disability Insurance Only – Local Public Entities and Indian Tribes*, [DE 1378M](#), which is furnished by the Employment Development Department (EDD). The electing entity agrees to remain a covered employer for not less than **two complete calendar years**. Coverage may be terminated at the end of the two-calendar-year period or at the end of any calendar year thereafter by giving the EDD written notification by January 31 of the succeeding year.

5. COST OF COVERAGE

Employee contributions for SDI are required at the rate established for each year up to the annual taxable wage limit. On or before October 31 of each year, the EDD will notify all employers of the SDI rate for the following year.

Employee contributions are used exclusively to finance the SDI program. Deductions for employee contributions should be made at the time wages are paid.

6. QUARTERLY REPORTS REQUIRED

Wages are reported on the *Quarterly Contribution Return and Report of Wages (Continuation)*, [DE 9C](#), that is mailed by the EDD in advance of the quarterly due date. Contributions are sent with a *Payroll Tax Deposit*, [DE 88](#). Instructions for completing the report and paying the employee contributions for SDI are printed on the forms.

7. POSTING OF NOTICES TO EMPLOYEES

Every employing unit shall post and maintain the printed notice, *Notice to Employees Elective Coverage Application for State Disability Insurance*, [DE 1375C](#), of such election or application on the premises. Individual employees shall be given two reasonable opportunities to file an objection or to be heard in the matter prior to the Director's approval of election.

8. BENEFIT ELIGIBILITY

Eligibility for SDI benefits is determined by the EDD pursuant to requirements of the CUIIC and authorized regulations. Eligibility is dependent on a number of factors including, but not limited to, the following:

- Proof of the claimant's eligibility.
- Filing of a timely claim for benefits.
- Sufficient wages in the base period.

For additional benefit information and an explanation of base period "wages," see the pamphlet *Disability Insurance Provisions*, [DE 2515](#).

For additional information, please contact:

Employment Development Department
Analysis Resolution and Correspondence Organization
PO Box 2068
Rancho Cordova, CA 95741-2068
Phone: 888-745-3886

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 888-745-3886 (voice) or TTY 800-547-9565.