



December 9, 2019

Dear Voluntary Plan Employer:

The General Release Letter (GRL) provides you the 2020 State Disability Insurance (SDI) contribution rate, wage ceiling, and assessment rate. The GRL also provides you information on legislation and procedural changes that may affect your Voluntary Plan (VP).

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

Effective January 1, 2020, the SDI worker contribution rate will be 1.0 percent of an employee's annual gross taxable wages up to \$122,909.

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

SDI program taxes cover employees up to the 2020 SDI taxable wage ceiling (the maximum amount of wages per employee that are subject to SDI contributions) of \$122,909, set by section 985 of the CUIC. The maximum annual contribution per employee for 2020 is \$1,229.09 (\$122,909 x 1.0 percent). Employers report these contributions to the Employment Development Department (EDD) on the Quarterly Contribution Return (DE 3D) Line D, box D1 labeled Voluntary Plan Disability Insurance (VPDI) Wages.

Reference: CUIC, section 985.

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

Effective January 1, 2020, the VPDI assessment rate (on line I of the DE 3D) will be 0.0014 percent. This figure is obtained by multiplying the worker contribution rate by 14 percent, or  $0.01 \times 0.14 = 0.0014$  percent.

Reference: CUIC, section 3252(b).



## **C. Legislation**

### **Assembly Bill (AB) 406 (Chapter 386, Statutes) - Paid Family Leave (PFL).**

This bill adds section 3308 to the CUIA, which requires the Department to distribute PFL claim forms in all non-English languages spoken by a substantial number of non-English speaking applicants. This amendment provides an operative date of January 1, 2025.

**Reference:** Adds section 3308 to the Unemployment Insurance Code, relating to disability compensation.

**Status:** 9/30/19 - Chapter 386, Statutes of 2019.

**AB 5 (Chapter 296, Statutes 2019) - Worker Status: Employees and Independent Contractors.** This bill codifies the Dynamex decision and provides that a person providing labor or services for payment shall be considered an employee rather than an independent contractor. Existing law requires a three part test to establish a worker as an independent contractor. This bill exempts specific professions from the provisions and provides that the relationship test for these professions be governed by Department of Industrial Relations (DIR) precedent case (1989) 48 Cal. 3d 341.

**Reference:** Amends section 3351, and adds section 2750.3 to the Labor Code, and amends sections 606.5 and 621 of the Unemployment Insurance Code, relating to employment, and making an appropriation therefor.

**Status:** 9/18/19 - Chapter 296, Statutes of 2019.

**AB 196 (Amended 3/26/19) - Paid Family Leave.** This bill revises the formula that determines benefits for PFL to 100 percent of wages. It would increase contributions in and disbursements from the Unemployment Compensation Disability Fund.

**Reference:** Amends section 3301 of the Unemployment Insurance Code, relating to PFL, making an appropriation therefor.

**Status:** 6/06/19 - Referred to Committee on Labor, Public Employment, and Retirement.

**AB 370 (Amended 4/22/19) - Physicians and Surgeons: Forms: Fee**

**Limitation.** This bill adds section 2380 to the Business and Professions Code to limit the amount that a physician and surgeon licensee may charge a patient for filling out medical forms, including SDI applications.

**Reference:** Adds Article 16 (commencing with section 2380) to Chapter 5 of Division 2 of the Business and Professions Code, relating to healing arts.

**Status:** 4/23/19 - In committee.

**AB 499 (Amended 4/11/19) - Personal Information: Social Security Numbers**

**(SSN):** This bill prohibits a state agency, on or before January 1, 2023, from mailing documents to an individual that contains the individual's SSN unless federal law requires use of the full SSN. State agencies unable to comply must submit an annual action plan to the Legislature until they are in compliance. Non-compliant agencies must offer identity theft prevention services for up to one year to affected individuals.

**Reference:** Amends section 11019.7 of the Government Code, relating to state government.

**Status:** 04/22/19 - Re-referred to Committee on Rules.

**AB 890 (Amended 4/22/19) - Nurse Practitioners.** This bill amends sections of, and add sections to, the Business and Professions Code to authorize nationally certified and trained nurse practitioners to practice independently without physician oversight.

**Reference:** Amends sections 650.01 and 805 of, and to add Article 8.5 (commencing with section 2837.100) to Chapter 6 of Division 2 of, the Business and Professions Code, relating to healing arts.

**Status:** 5/16/19 - In committee: Hearing postponed by committee.

**AB 1224 (Amended 4/22/19) - Paid Family Leave.** This bill amends section 3301 of the CUIIC to provide claimants a maximum of 12 weeks of PFL within any 12-month period. This bill also limits the PFL benefits to six weeks for each established disability benefit period.

**Reference:** Amends section 3301 of the Unemployment Insurance Code, relating to employee leave, and making an appropriation therefor.

**Status:** 5/16/19 - In committee: Held under submission.

**AB 83 and Senate Bill (SB) 83 - Budget: Employment.** These companion bills amend, add, and repeal various sections of the Government Code, Labor Code, and Unemployment Insurance Code relating to employment and the state budget. Beginning July 1, 2020, these bills would provide wage replacement benefits for up to eight weeks (currently six weeks) to workers who take time off work to care for a seriously ill family member or to bond with a minor child within one year of birth or placement.

**Reference:** Amends sections 13302, 18930.5, 19792, 19803, 19809, 19815.6, 19878, 19879.1, 19880, 19881, 19882, 19883, 19884, 19995.1.5, 22551, 22555, 22556, 22560, 22600, 22602, 22871.3, and 100014 of, to add sections 3539.6 and 19878.5 to, and to repeal section 12472.5 of, the Government Code, to amend sections 1420, 1421, 1428, 1429, 1429.5, 1430, and 1434 of, to add section 6717.5 to, and adds and repeals section 1455 of, the Labor Code, and amends sections 984, 1088.9, and 1095 of, and amend, repeal, and add section 3301 of, the Unemployment Insurance Code, relating to employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

**Status:** 06/27/19 Chapter 24, Statutes of 2019.

SB 271 (Amended 3/25/19) - Employment: Motion Picture Production Workers. The bill amends sections 602 and 603 of the CUIA. This bill provides, for purposes of determining employment of a motion picture production worker, when the service is not localized in the state but some of the service is performed in the state, the worker's entire service qualifies as employment if their residence is in the state.

**Reference:** Amends sections 602 and 603 of the Unemployment Insurance Code, relating to employment, and making an appropriation therefor.

**Status:** 9/5/19 - Chapter 246, Statutes of 2019.

SB 697 - Physician Assistants: Scope of Practice. This bill amends and repeals various sections of the Business and Professions Code relating to the Physician Assistant's scope of practice.

**Reference:** Amends sections 3500, 3501, 3502, 3502.1, 3502.3, 3509, 3516, 3518, 3527, and 3528 of, and repeals sections 3516.5, 3521, and 3522 of, the Business and Professions Code, relating to healing arts.

**Status:** 10/9/19 - Chapter 707, Statutes of 2019.

#### **D. Regulations**

None identified at this time.

#### **E. Plan Text Template**

The EDD Voluntary Plan Group (VPG) will require all employers and third party administrators to use a new Plan Text Template beginning January 1, 2021. This does not affect your 2020 Plan Text. The EDD VPG will provide you additional information and the new template in March 2020.

#### **F. *Annual Report of Self-Insured Voluntary Plan Transactions* (DE 2568V)**

All annual reports are now required to include a bank statement from the period of December (ending of year) to January (beginning year), for example, December 2019 to January 2020. You are required to email the accompanying bank statement at the same time you send the DE 2568V.

#### **G. *Security Review Worksheet* (DE 2544SRW)**

The DE 2544SRW calculates the percentage of increase or decrease of the security by a whole number. If the difference is 0.05 percent or higher (not more than 0.05 percent as listed on the form) then you are required to provide the EDD with an increased security.

#### **H. *Full Coverage Referral to Voluntary Plan* (DE 5022)**

The DE 5022 and *Simultaneous Coverage Referral to Voluntary Plan* (DE 5022SC) are being revised to remove the employee's SSN. All VP employers and third party administrators are required to use the employee's claim identification number in place of the SSN when responding to referrals from Disability Insurance (DI). The SSN will remain on the *Claim for Disability Insurance Benefits* (DE 2501) form, which is included with all referrals. This change does not affect PFL forms or correspondence.

#### **I. Claim Audit Notification Letter**

The Claim Audit Notification Letter includes new instructions for VP employers to provide a person with good knowledge of its voluntary plan, who will navigate their VP claims database for the auditor. With the assistance of the navigator, the EDD VPG auditor will review the benefit payment records, claim notes, medical certifications, timeliness, and accuracy of claim processing.

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**J. Enclosure**

Calendar of Required Actions

You can access information about DI, PFL, and the VPG and forms online by visiting [Disability Insurance - Voluntary Plans Forms and Publications](#). For further assistance with your VP, contact us at 1-916-653-6839 or email at [VPPProgram@edd.ca.gov](mailto:VPPProgram@edd.ca.gov).

Sincerely,

A handwritten signature in blue ink, appearing to be "RONALD WASHINGTON", with a stylized, elongated loop at the end.

RONALD WASHINGTON  
Deputy Director  
Disability Insurance Branch Enclosure

Enclosure

## Annual Calendar of Required Actions

Due Date	Required Actions
February 18 <sup>th</sup>	<p><a href="#">Annual Report of Self-Insured Voluntary Plan Transactions As Required by California Code of Regulations, title 22, section 3267-2 (DE 2568V) (PDF)</a></p> <p>Submit this form by selecting the SEND TO EDD button.</p> <p>Reference: California Code of Regulations, title 22, section 3267-2</p> <p><b>Revised Plan Text</b></p> <p>Submit the Revised Plan Text to the EDD electronically.</p> <p>Reference: California <i>Unemployment Insurance Code (CUIC)</i>, section 3271(a); <i>Employer's Guide to Voluntary Plan Procedures</i> (DE 2040) section – Amendments to Approved Provisions.</p>
April 15 <sup>th</sup>	<p><a href="#">Voluntary Plan (VP) Security Review Worksheet (SRW) (DE 2544SRW) (PDF)</a></p> <p>Submit this form by selecting the SEND TO EDD button.</p> <p>If a security adjustment is required, send the original security to the VPG. Copies and emailed documents are not accepted.</p> <p>Reference: CUIC, section 3258</p>
June 15 <sup>th</sup>	<p><a href="#">Voluntary Plan Third Party Administrator Authorization Form (DE 2520BV-A) (PDF)</a></p> <p>The VP employer must submit 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></p> <p>The designated TPA must complete this form to indicate which duties are performed on behalf of the VP employer.</p> <p><a href="#">VP Employer Administrative Changes (DE 2520BV-C) (PDF)</a></p> <p>The VP employer must complete this form to inform VPG of authorized representatives of the VP employer.</p> <p>Reference: CUIC, section 3267</p>

**Send securities to:**

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

**Submit forms electronically to (except securities):**

[VPProgram@edd.ca.gov](mailto:VPProgram@edd.ca.gov)

If you need to submit claim related forms or questions use the following fax numbers:

**DI** 1-916-449-1922 or **PFL** 1-916-319-1090