Overview of California's PAID FAMILY LEAVE PROGRAM

2019
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**Executive Summary**

Paid Family Leave programs continue to be part of state and national policy discussions. As a result, this document was designed to provide policy makers, program administrators, and stakeholders with an overview about this successful program. Paid Family Leave provides over 18.3 million California workers with benefits to care for an ill family member or to bond with a new child by birth, adoption, or foster care placement.

The overview discusses the program’s financing structure, eligibility requirements, demographic and program statistics, state operations, and legislative history. It also provides the history of Paid Family Leave, including how it was designed to be a component of California’s State Disability Insurance program. Since 1946, State Disability Insurance has provided benefits to workers experiencing a non-work related illness, injury, pregnancy, or disability.

As interest in creating statewide and federal Paid Family Leave programs continues to increase, we hope this information illustrates how an effective program can flourish in the United States.
Overview of California’s Paid Family Leave Program

Chapter One: History of the State Disability Insurance Program

While this document was created to provide policy makers, program administrators, and stakeholders with an overview of California’s Paid Family Leave program, it is important to recognize that Paid Family Leave was established as a component of an existing benefit program known as State Disability Insurance. This chapter briefly discusses the creation of State Disability Insurance before providing an overview of Paid Family Leave.

In the early 1940s, Governor Earl Warren wanted to create a health insurance and disability insurance system to help fill the gap between workers’ compensation and Unemployment Insurance. While there was resistance to “state operated health insurance” at the time, a disability insurance program that provided a partial and temporary wage replacement to workers experiencing a non-work related injury or illness was more acceptable.

In 1946, California enacted the State Disability Insurance program. Although it was reported that the concept for disability insurance originated in California, the State of Rhode Island was actually the first state in the nation to create a disability insurance program in 1942. Other states that also established disability insurance programs include: New Jersey in 1948; New York in 1949; Puerto Rico in 1968; and Hawaii in 1969.

Unlike Unemployment Insurance, which is based on a federal-state partnership, California’s State Disability Insurance is operated solely on state law with no involvement by the federal government. While Unemployment Insurance is financed by payroll taxes paid by employers, State Disability Insurance is financed by covered workers through payroll deductions. These payroll deductions, also referred to as “State Disability Insurance contributions,” are deposited into a dedicated fund that is used to pay benefits to eligible workers and finance the program’s operating costs. California’s Employment Development Department is the state agency responsible for administering State Disability Insurance.

The State Disability Insurance program’s financing structure will be discussed in greater detail in the following chapter.

Enacting America’s First Paid Family Leave Program

In 2002, Senate Bill 1661 was signed into law by Governor Gray Davis, creating the first Paid Family Leave program in the nation. California’s Paid Family Leave leverages the financing structure of State Disability Insurance to provide up to six weeks of benefits to covered workers who need time off to care for a seriously ill family member or to bond with a new child.

Although the legislation was enacted in 2002, Paid Family Leave benefits officially became available to covered workers on July 1, 2004. To cover the initial costs to provide these new benefits, workers provided additional contributions into the State Disability Insurance Fund in calendar years 2004 and 2005.

“When you first become a new parent you shouldn’t have to worry about money.
Thanks to PFL, I didn’t!”

Andy C.
Sacramento
As a result of this newly enacted legislation, State Disability Insurance offers two types of benefits, Disability Insurance and Paid Family Leave. Both benefits are financed by workers and paid from the State Disability Insurance Fund.

**Chapter Two: State Disability Insurance Program Financing Structure**

**Background Information**

The State Disability Insurance program’s financing structure uses a statutory formula to set an annual contribution rate that is applied to covered workers’ wages to determine how much the workers would pay into the State Disability Insurance Fund. For example, if the contribution rate was set at 0.5 percent and a worker earned $25,000 in annual income which was subject to State Disability Insurance deductions, then the worker would contribute $125 annually ($25,000 x 0.005) to the State Disability Insurance Fund.

In calendar years 1985 and 1986, California’s State Disability Insurance Fund experienced deficits. While the existing formula for setting the contribution rate was intended to maintain a year-end fund balance between 25 percent and 50 percent of the prior year’s disbursements (e.g., benefit and administrative costs), it was unable to do so with the existing contribution rates (0.6 and 0.9 percent respectively) in those years. As a result of experiencing two consecutive years of deficits, the existing statutory formula for calculating the contribution rate was adopted on January 1, 1987.

In 1992, the State Disability Insurance program experienced another deficit which prompted the Employment Development Department to initiate a study to identify the exact cause of the deficit. The study found the contribution rate was working, but the maximum contribution rate allowed under state law was not robust enough to adequately address an increase in benefits, an economic downturn, or a potential increase in duration of benefits being paid. As a result, legislation was enacted (Senate Bill 4) that increased the maximum rate from 1.2 percent to 1.25 percent beginning in 1993, and to 1.3 percent beginning in 1994.

When Senate Bill 1661 was enacted authorizing the first Paid Family Leave program in the nation, the maximum contribution rate was again increased to 1.5 percent. Since that time, the State Disability Insurance Fund has remained solvent, even when California experienced the Great Recession where a record number of workers lost their jobs and were no longer contributing to the State Disability Insurance program.

The following sections discuss the different components that make up the State Disability Insurance program’s financing structure in greater detail. These components include the:

- Contribution rate formula and its statutory requirements
- Taxable wage ceiling formula
- Adequacy rate

**Contribution Rate Formula and Statutory Requirements**

The existing statutory formula and limitation are cited in Section 984 of the California Unemployment Insurance Code. The formula is based on several fund conditions that occurred over the previous 12-month period beginning October 1st and ending September 30th. The formula as stated in Section 984(a)(2) of the California Unemployment Insurance Code are as follows:
1.45 x Disbursements from the Fund – Fund Balance

State Plan Taxable Wages

The 1.45 variable is a key factor for ensuring the State Disability Insurance Fund retains a year-end reserve in the range of 25 percent to 50 percent of the prior year’s disbursements. The term disbursements includes benefits paid to eligible workers, administrative costs to operate the program, and any other minor charges to the Fund. State plan taxable wages includes all wages that were subject to State Disability Insurance contributions or deductions.

Because the different variables in the financing formula consider increases and decreases in the disbursements and changes in the Fund balance, they help set an appropriate contribution rate to cover the program’s costs without accumulating excess funds. For example, if there are significant increases in disbursements from the prior year resulting in a much lower Fund balance, those two fund conditions would likely result in a higher contribution rate. Conversely, if the disbursements decrease causing the Fund balance to increase, then the contribution rate would likely decrease when compared to the prior year’s rate.

Other key provisions that discuss statutory requirements includes the following:

- The contribution rate shall be rounded to the nearest one-tenth of one percent pursuant to Section 984(a)(2) of the California Unemployment Insurance Code.
- The contribution rate shall not exceed 1.5 percent or be less than 0.1 percent pursuant to Section 984(a)(3) of the California Unemployment Insurance Code.
- The contribution rate shall not decrease from the rate in the previous year by more than two-tenths of one percent pursuant to Section 984(a)(3) of the California Unemployment Insurance Code.
- The Director may increase or decrease the rate by 0.1 percent if he or she determines the adjustment is necessary for the payment of benefits or to prevent the accumulation of excess funds pursuant to Section 984(d) of the California Unemployment Insurance Code.

Taxable Wage Ceiling Formula

As with the contribution rate, the maximum amount of wages subject to the contribution rate is adjusted annually by a statutory formula. This component of the financing structure is referred to as the taxable wage ceiling. Section 985 of the California Unemployment Insurance Code sets the taxable wage ceiling using the following statutory formula:

\[ \frac{(4 \times \text{the Maximum Weekly Benefit Amount} \times 13)}{0.55} \]

Whenever there is an increase in the maximum weekly benefit amount, it automatically triggers an increase to the taxable wage ceiling. This trigger allows the State Disability Insurance program to generate additional revenue to pay for the higher maximum weekly benefit amount. Furthermore, the maximum weekly benefit amount also increases annually by an equal percent increase in the state average weekly wage. This allows the maximum weekly benefit amount to keep pace with increases in wages.

In summary, as the state average weekly wage increases it will automatically cause an increase in the State Disability Insurance program’s maximum weekly benefit amount, which then triggers an increase in the program’s taxable wage ceiling. Both the contribution rate and taxable wage ceiling work in tandem to generate revenue to operate the State Disability Insurance program. The formulas
and triggers serve as means to automatically adjust the financing structure to keep pace with increased benefits, Fund balance changes, etc.

In calendar year 2019, the contribution rate is one percent for all wages earned up to $118,371. The maximum amount a worker would contribute to the State Disability Insurance program is approximately $1,183.71. For more information on current benefit rates visit edd.ca.gov/about_edd/quick_statistics.htm.

Adequacy Rate

Many insurance programs use different methods to measure solvency and ensure there is sufficient revenue to meet their obligations to pay claims. The method used by the State Disability Insurance program is called the “Adequacy Rate.” Simply stated, a State Disability Insurance Fund balance that equals 25 percent to 50 percent of the prior 12-months of disbursements is considered adequate for the Fund to remain solvent through different economic conditions and fluctuations in revenue and benefit volume.

If the Adequacy Rate falls below 25 percent during a typical year, it would raise concerns that the Fund could become insolvent. Conversely, if the Adequacy Rate was above 50 percent there are concerns that the Fund has accumulated excessive reserves paid by covered workers. It is in these situations that the Director could use their authority to increase the contribution rate by 0.1 percent so additional revenue is generated to bring the Adequacy Rate above 25 percent, or decrease the contribution rate by 0.1 percent to bring the Adequacy Rate at or below 50 percent and reduce costs for covered workers.
### FINANCING DATA — CALENDAR YEARS 2004–2018

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Contribution Rate</th>
<th>Taxable Wage Ceiling</th>
<th>Total Contributions</th>
<th>Other Income(^b)</th>
<th>Year-End Fund Balance</th>
<th>Adequacy Rate</th>
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</thead>
<tbody>
<tr>
<td>2004(^a)</td>
<td>1.18%</td>
<td>$68,829</td>
<td>$4,706,300,000</td>
<td>$70,600,000</td>
<td>$1,770,200,000</td>
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<td>2005</td>
<td>1.08%</td>
<td>$79,418</td>
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<td>$116,800,000</td>
<td>$2,796,200,000</td>
<td>72%</td>
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<tr>
<td>2006</td>
<td>0.80%</td>
<td>$79,418</td>
<td>$3,759,600,000</td>
<td>$182,500,000</td>
<td>$2,678,000,000</td>
<td>66%</td>
</tr>
<tr>
<td>2007</td>
<td>0.60%</td>
<td>$83,389</td>
<td>$3,034,200,000</td>
<td>$178,500,000</td>
<td>$1,570,600,000</td>
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<td>2008</td>
<td>0.80%</td>
<td>$86,698</td>
<td>$3,947,700,000</td>
<td>$121,200,000</td>
<td>$894,300,000</td>
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</tr>
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<td>2009</td>
<td>1.10%</td>
<td>$90,669</td>
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<td>$74,300,000</td>
<td>$1,075,900,000</td>
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<tr>
<td>2010</td>
<td>1.10%</td>
<td>$93,316</td>
<td>$5,500,500,000</td>
<td>$66,000,000</td>
<td>$1,540,900,000</td>
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</tr>
<tr>
<td>2011</td>
<td>1.20%</td>
<td>$93,316</td>
<td>$5,772,500,000</td>
<td>$86,600,000</td>
<td>$1,967,300,000</td>
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<td>2012</td>
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<td>$95,585</td>
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<td>$50,200,000</td>
<td>$1,886,800,000</td>
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<td>2013</td>
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<td>$100,880</td>
<td>$5,524,100,000</td>
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<td>$2,240,300,000</td>
<td>55%</td>
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<tr>
<td>2014</td>
<td>1.0%</td>
<td>$101,636</td>
<td>$5,816,300,000</td>
<td>$53,100,000</td>
<td>$2,575,300,000</td>
<td>58%</td>
</tr>
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<td>2015</td>
<td>0.9%</td>
<td>$104,378</td>
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<td>$2,557,000,000</td>
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<td>2016</td>
<td>0.9%</td>
<td>$106,742</td>
<td>$5,925,200,000</td>
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<td>$2,839,700,000</td>
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<tr>
<td>2018</td>
<td>1.0%</td>
<td>$114,967</td>
<td>$7,344,912,000</td>
<td>$113,821,000</td>
<td>$3,112,375,000</td>
<td>43%</td>
</tr>
</tbody>
</table>

A. Employees’ contributions to the Disability Fund increased on January 1, 2004 to cover the costs for Paid Family Leave benefits. However, benefits were not available until July 1, 2004.

B. Other income includes interest earned on the fund balance, interest from Unemployment Insurance loans of 2011 and 2012, assessments on voluntary plans, and uncollected benefits by claimants.

Note: Total contributions, other income, and year-end fund balance are rounded to the nearest $100,000. Fund balances do not include DI fund forecasts (which exclude UI loan payments).
Chapter Three: Eligibility Requirements

Monetary Requirements

Paid Family Leave benefits are payable to a customer who is attached to the labor market prior to their family care or bonding period, has a loss of wages as a result of the family leave, and has sufficient prior earnings in a 12-month period called the “base period” (5 to 18 months before the claim begins). To be attached to the labor market they must be employed, looking/registered for work, or have an active Unemployment Insurance claim in payment status within 90 calendar days from their last day of work. A customer who is not attached to the labor market is not eligible for Paid Family Leave benefits.

Length or tenure of employment with an employer does not affect eligibility. If a customer works part-time or intermittently prior to their Paid Family Leave claim and they are unable to perform their regular work and have a loss of wages due to their family leave, they are still eligible to receive Paid Family Leave benefits. Additionally, the employee must have earned at least $300 from which State Disability Insurance deductions were withheld during their base period.

If a customer is misclassified by their employer (e.g., independent contractor), the Department will investigate the misclassification issue and the employee may submit supporting documentation to the Employment Development Department (e.g., paystubs, Wage and Tax Statement, or W-2 form). If they did not contribute to State Disability Insurance via payroll deductions from their current or past employer(s) in the 5 to 18 months prior to their claim start date, they will not be eligible for benefits. Benefits can only be paid if the employee contributed to State Disability Insurance and is otherwise eligible.

Qualifying Conditions – Bonding and Care Claims

Customers are eligible for up to six weeks of Paid Family Leave benefits within a 12-month period. The six weeks of benefits can be paid consecutively or may be split up while the customer is working part-time or intermittently as a result of their family leave.

Caregiving: Available to customers to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner.

Paid Family Leave defines “seriously ill” as an illness, injury, impairment, or physical or mental condition that requires:

- At-home care or in-patient care in a hospital, hospice, or residential medical facility.
- Continuing treatment by a physician or health care provider.

Bonding: Available to parents welcoming a new child into the family through birth, adoption, or foster care placement within the past 12 months. For foster and adopted children, they must be under the age of 18 to qualify for benefits.

A “parent” is defined as an individual, spouse, or registered domestic partner who will be serving as a parent for the child.
Effective January 1, 2021 the Paid Family Leave program will expand to include new eligibility for employees who take time off work due to a “qualifying military exigency” arising out of the overseas military deployment of the employee’s family member.

**Claim Filing Requirements**

**Care Claims:** The customer must complete the *Claim for Paid Family Leave (PFL) Benefits, DE 2501F*, which includes the care recipient’s authorization. The care recipient’s treating physician/practitioner must also certify on the claim form that the care recipient requires care and the length of time care is required. However, the Employment Development Department may require the customer to submit a written verification of relationship if there is reason to question the validity of the relationship.

**Bonding Claims:** The customer must complete the *Claim for Paid Family Leave (PFL) Benefits, DE 2501F*, and provide a proof of relationship document when they file. This document may be a birth certificate, declaration of paternity, foster care placement record, adoptive placement agreement, independent adoption placement agreement, or other documentation that shows evidence of the relationship. California Code of Regulations, Title 22, section 2708(c)-1 specifies the requirements for supporting documents.

To learn how to file a claim, view the following how-to videos:

- How to File a PFL Claim using SDI Online
- How to File a PFL Claim by Mail
- How to File a DI claim Using SDI Online
- Transitioning from DI to PFL

These how-to videos are also available in Spanish.

**Claim Processing**

Section 2704.1 of the California Unemployment Insurance Code requires the Employment Development Department to pay initial claims within 14 days from receiving a properly completed claim if the customer is deemed eligible.

A customer generally receives a *Notice of Computation, DE 429D*, within a couple days of receipt of a properly completed claim. The DE 429D informs the customer that the Department has received their Paid Family Leave claim and their potential weekly benefit amount. Receipt of this notice does not confirm eligibility and the Employment Development Department may need additional information before making a determination of eligibility.

**Care Claims:** The care recipient’s treating physician/practitioner must certify that the care recipient requires care. The Employment Development Department interfaces with the Department of Consumer Affairs to verify the licenses of physicians/practitioners who are providing medical certification on Paid Family Leave care claims. If a physician/practitioner’s license cannot be verified, the customer’s eligibility is affected.

**Benefit Payments**

Paid Family Leave provides benefits that are approximately 60 percent of an employee’s salary for higher income earners and 70 percent for lower income earners. The weekly benefit amount is based on a seven-day calculation, therefore, benefits are payable on weekends.
The Employment Development Department will send an Electronic Benefit Payment (EBP) Notification, DE 2500E, when payment is issued. Benefit payments are deposited on an Employment Development Department Debit Card issued by Bank of America unless the customer requests to be paid by check. Once the debit card is received, all authorized benefit payments are deposited to the Employment Development Department Debit Card account. To reach Bank of America regarding the debit cards, visit the Bank of America EDD Debit Card website, or call 1-866-692-9374 (voice) or 1-866-656-5913 (TTY).

Customers who use all six weeks of benefits consecutively will receive payments every two weeks for the duration of their claim. Customers returning to work before using all six weeks are paid through the day prior to their return to work date. If the customer is working intermittently, they should report the intermittent work on their claim form.

Weekly Benefit Amounts and Calculations

A customer’s weekly benefit amount is calculated based on past earnings in their base period. A base period uses wages earned that were subject to State Disability Insurance withholding, paid approximately 5 to 18 months before their claim begins. The base period covers 12 months and is divided into four consecutive quarters. The base period does not include wages paid at the time their claim begins.

The following information may be used to determine the base period for a claim:

For example, on a claim filed in January, February, or March, the base period is the 12 months ending September 30. Therefore, a claim beginning February 14 uses a base period of October 1 through September 30.

The quarter with the highest earnings in the base period is used for the claim effective date. Once the quarter with the highest earnings is determined, that amount is divided by 13 (number of weeks in a quarter) and multiplied by 0.60 or 0.70 (wage replacement rate) and rounded up to the nearest dollar. The formula used to determine the wage replacement rate is based on the State Average Quarterly Wage. For 2018:

- If the customer’s quarterly earnings are less than $929, their weekly benefit amount is $50.
- If the customer’s quarterly earnings are between $929 and $5,229.98, their weekly benefit amount is approximately 70 percent of their earnings.
- If the customer’s highest quarterly earnings are more than $5,229.98, their weekly benefit amount is approximately 60 percent of their earnings.
Conflicting Wages
Certain types of income, if received at the same time as Paid Family Leave benefits, could be in conflict. The following income should always be reported to the Employment Development Department:

- Sick leave pay
- Paid time off
- Employer required vacation
- Military pay
- Residuals
- Holiday pay
- Self-employment income
- Commissions
- Bonuses
- Insurance settlements
- Workers’ compensation benefits
- Wages, including modified duty or part-time earnings

If conflicting wages are received by the customer, their benefit amount may be decreased depending on the amount and type of wages being received. If conflicting wages are received but not reported, and the customer receives more than 100 percent of their regular pay, an overpayment, penalties, and a false statement disqualification may result.

Ineligibility
A Paid Family Leave customer would be deemed ineligible for benefits if the customer:

- Is receiving Disability Insurance, Unemployment Insurance, or worker’s compensation benefits.
- Is not working or looking for work at the time they begin their family leave.
- Does not have a loss of wages.
- Is in custody due to conviction of a crime.
- Does not have at least $300 of wages in their base period.
- Does not contribute to the State Disability Insurance Fund.
- Does not have a qualifying bonding or caregiving event.

Appeals Process
If a customer does not agree with all or part of a denial of benefits or the Notice of Computation, DE 429D, they have the right to file an appeal to an administrative law judge. The appeal does not need to be formal, but it must be in writing. The appeal must be submitted within 30 days of the mailing date on their enclosed notice. The Employment Development Department will review and process the appeal. If the determination is reversed after the review, the customer is paid if otherwise eligible. If the determination is not reversed, the appeal is forwarded to the Office of Appeals for a hearing before an administrative law judge.
## Chapter Four: Metrics

### PAID FAMILY LEAVE PROGRAM STATISTICS – CALENDAR YEARS 2004-2018

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Total First Claims Filed</th>
<th>Total Benefits Authorized</th>
<th>Average Weekly Benefits Paid</th>
<th>Maximum Weekly Benefit Amount (Offered by the EDD for PFL)</th>
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</thead>
<tbody>
<tr>
<td>2004 (July to Dec)</td>
<td>75,776</td>
<td>$162,915,720</td>
<td>$415</td>
<td>$728</td>
</tr>
<tr>
<td>2005</td>
<td>156,249</td>
<td>$343,731,507</td>
<td>$431</td>
<td>$840</td>
</tr>
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<td>2006</td>
<td>166,174</td>
<td>$374,729,374</td>
<td>$444</td>
<td>$840</td>
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<tr>
<td>2007</td>
<td>183,344</td>
<td>$427,006,273</td>
<td>$459</td>
<td>$882</td>
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<tr>
<td>2008</td>
<td>200,102</td>
<td>$482,701,743</td>
<td>$474</td>
<td>$917</td>
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<td>187,916</td>
<td>$469,339,424</td>
<td>$491</td>
<td>$959</td>
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<td>2010</td>
<td>200,921</td>
<td>$506,428,264</td>
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<td>$987</td>
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<td>$502</td>
<td>$987</td>
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<td>2016</td>
<td>256,839</td>
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<td>2017</td>
<td>259,751</td>
<td>$797,315,859</td>
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<td>2018</td>
<td>284,218</td>
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<td><strong>Grand Total</strong></td>
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<td><strong>$8,267,921,885</strong></td>
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<td>NA</td>
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<tr>
<td>Calendar Year</td>
<td>Total PFL Claims Filed</td>
<td>Total Bonding Claims</td>
<td>Total Care Claims</td>
<td>Unknown*</td>
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<tr>
<td>---------------</td>
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<td>Unknown*</td>
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<td>2018</td>
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*Unknown* denotes that the claimant did not respond.
Chapter Five: State Operations

Employment Development Department’s Organizational Structure

As one of the largest state departments, the Employment Development Department has employees located at hundreds of service locations throughout the State who provide services to millions of Californians each year.

The Employment Development Department is responsible for administering the Unemployment Insurance, Disability Insurance, payroll tax collection, and job training/workforce programs.

Additional information about the Department can be found at edd.ca.gov/About_EDD/About_EDD.htm.

Disability Insurance Branch

Within the Employment Development Department, the Disability Insurance Branch is responsible for the administration of the State Disability Insurance program. The Disability Insurance Branch is comprised of two divisions: Central Office Division and Field Office Division.

Central Office Operations

The Central Office Division provides administrative support to the Disability Insurance Branch executive staff and field operations. The staff within Central Office: support telecommunications, software, hardware, and Voluntary Plans; provide administrative, personnel, and facilities services, customer information, guidance, and problem resolution; develop new procedures, update forms and training manuals; oversee program quality and integrity; maintain the Branch’s external website content, update publications, provide information and outreach to internal and external stakeholders; maintain and upgrade SDI Online, and provide research, data and statistics as well as coordinating communication efforts with the internal and external partners. Central Office includes the following four areas, each area is comprised of two sections and each section oversees two units:

- **Audit and Automated Systems:** Voluntary Plans Section and Technology Section.
- **Customer Relations:** Administrative Section and Customer Relations Section.
- **Operations:** Compliance, Integrity, and Assurance Section, and Policy and Outreach Development Section.
- **Projects and Technology:** Program Research and Technology Section, and Technology and Business Integration Section.

Field Operations

The Field Operations Division includes Customer Service Centers, Claims Management Offices, the Paid Family Leave office, and Training and Management Staff Development.

Paid Family Leave has one claims management office for oversight and administration of the Paid Family Leave program for California workers. The office is comprised of the following Sections:

- **Customer Service Center:** Answers telephone inquiries from claimants, employers, and the medical community.
- **Determinations:** Program representatives process new, continued, and reestablished claims, employer forms, and miscellaneous information, and set up and process overpayments if a customer is paid incorrectly.
• **Specialty:** This includes the following units:
  - Appeals: Processes all appeals, determines eligibility, and transmits to the California Unemployment Insurance Office of Appeals for a hearing.
  - Workers’ compensation: Investigates claims when a customer is filing for Paid Family Leave benefits and receiving workers’ compensation benefits simultaneously.
  - Voluntary Plan: Processes and refers claims that may be covered by a voluntary plan.
  - Training: Paid Family Leave training oversees six to seven weeks of classroom training covering claims processing, types of claims (transitional bonding from pregnancy disability, regular bonding, and care claims), and a general overview of overpayments, appeals, workers’ compensation, and program integrity.
• **Office Support:** Process incoming and outgoing mail and other various administrative duties such as attendance, copying, and customer service.

**Access to Services – SDI Online, Call Centers, In-Person**

**SDI Online:**
In fall 2012, the Employment Development Department implemented SDI Online, an electronic claim filing system for Paid Family Leave benefits to be used by:

- **Claimants:** To file a Paid Family Leave claim and review previously submitted claims.
- **Physicians/practitioners and their authorized representatives:** To file a medical certification for Paid Family Leave care claims and review previously submitted medical certifications.
- **Voluntary Plan employers and Third Party Administrators:** To report Voluntary Plan claims and respond to Voluntary Plan referrals.

SDI Online reduces claim processing time, provides online confirmation of submitted forms, decreases costs in paper and postage, and includes security safeguards to detect and manage fraud and abuse.
Call Centers:
The Department’s Customer Service Centers answer telephone inquiries from claimants, employers, and medical providers. There are a total of 13 toll-free numbers that enter the network and use Interactive Voice Response and Virtual Contact Center technology. There are a total of nine Paid Family Leave numbers, with direct numbers in seven languages. However, the Department can provide service for most other languages as needed. For a list of toll-free numbers, visit edd.ca.gov/Disability/Contact_SDI.htm.

In-Person:
Customers can visit one of the 18 State Disability Insurance offices throughout California to submit or pick up a claim form, to address individual claim questions, or provide additional documentation for their claim. For a list of office locations, visit edd.ca.gov/Disability/Contact_SDI.htm.
Chapter Six: Employers and Physicians/Practitioners Roles and Responsibilities

Employers

Employers are required to provide new hires or employees who may need to file for Paid Family Leave benefits with the Paid Family Leave, DE 2511, brochure, and display the Notice to Employees, DE 1857A, in an area accessible to employees.

After a claim is filed, the employer receives the Notice of Paid Family Leave Claim Filed, DE 2503F, to complete and return to the Department. The law requires that employers respond within two business days of receiving the notice. The form provides the employer with the employee’s name, Social Security number, reported last day of work, and the claim start date.

It is the responsibility of the employer to determine their own policy concerning how their employees notify them of their family leave.

Physicians/Practitioners

Physicians/practitioners must determine whether their patient’s physical or mental health condition requires physical care or emotional support from a family member and how long that care is required.

The physician/practitioner or their authorized representative must complete Part D – Physician/Practitioner’s Certificate of the Claim for Paid Family Leave (PFL) Benefits, DE 2501F, for care claims only (bonding claims do not require medical certification.) The medical certificate must include their patient’s diagnosis and corresponding Classification of Diseases code, the estimated date their patient no longer requires care, estimated duration (including number of hours per day) their patient will need care provided by a family member, and their medical license number.

If the physician/practitioner provided a recovery date for their patient that was less than six weeks and their patient requires additional care/support from their family member, they must complete a Physician/Practitioner’s Supplementary Certificate, DE 2525XFA.

“PFL was an amazing opportunity to help my wife and I transition into becoming new parents. The bonding time it allowed me to have with my newborn son was priceless.”

Nephi L.
UT

DE 2530 Rev. 1 (6-19) (INTERNET)
Chapter Seven: Paid Family Leave Legislative History

The following bills are the legislation pertinent to the path Paid Family Leave has taken from the inception of the program in 2002 to current status:

**Senate Bill 1661**

Senate Bill 1661 (Chapter 901, Statutes of 2002), signed by Governor Davis on September 25, 2002. The legislation provided up to six weeks of wage replacement benefits to workers who take time off of work to care for a seriously ill child, spouse, parent, or domestic partner, or to bond with a new child. The law took effect July 1, 2004.

**Senate Bill 727**

Senate Bill 727 (Chapter 797, Statutes of 2003), signed by Governor Davis on October 10, 2003. Senate Bill 727 made clarifying and technical changes to Paid Family Leave which included defining “disability benefits” to include Paid Family Leave benefits, differentiating between receipt of vacation pay for purposes of Disability Insurance and Paid Family Leave, and specifying that Paid Family Leave customers must provide a medical certificate for the care recipient even if receiving workers’ compensation. These changes took effect on January 1, 2004, for claims starting on or after July 1, 2004.

**Assembly Bill 2188**

Assembly Bill 2188 (Chapter 378, Statues of 2010), signed into law by Governor Schwarzenegger on September 25, 2010. The legislation took effect immediately on urgency status, and clarified conditions in which a Nurse Practitioner may certify to State Disability Insurance benefits in collaboration with a physician or surgeon. It also removed the requirement to pay Disability Insurance benefits by check to allow for electronic benefit payments.

**Assembly Bill 2778**

Assembly Bill 2778 (Chapter 399, Statues of 2010), signed into law by Governor Schwarzenegger on September 25, 2010. The legislation authorized third party administrators to administer voluntary plans on behalf of clients (must be majority small employers).

**Senate Bill 770**

Senate Bill 770 (Chapter 350, Statutes of 2013), signed by Governor Brown on September 24, 2013. Senate Bill 770 expanded California’s Paid Family Leave benefits to workers who take time off work to care for a seriously ill parent-in-law, grandparent, grandchild, and sibling. The new law took effect July 1, 2014.

**Senate Bill 852**

Senate Bill 852 (Chapter 25, Statutes of 2014), signed by Governor Brown on June 20, 2014, appropriated federal funds received by the state and deposited in the State Treasury. The Legislature approved a three year plan to fund outreach activities for the Employment Development Department’s Paid Family Leave program. This included $1 million in state fiscal year 2014-15, $2.5 million in state fiscal year 2015-16, and $3 million in state fiscal year 2016-17.
Senator Bill 1083
Senator Bill 1083 (Chapter 438, Statutes of 2014), signed into law by Governor Brown on September 18, 2014. Senate Bill 1083 took effect January 1, 2017 and authorized physician assistants to certify State Disability Insurance claims under the supervision of a physician or surgeon.

Senator Bill 667
Senator Bill 667 (Chapter 357, Statutes of 2015), signed into law by Governor Brown on September 28, 2015, and took effect on July 1, 2016. The legislation redefined a single disability benefit period. Two consecutive disability periods separated by no more than 60 days for the same or similar disability/injury will be determined to be a single disability period. It also asserted the waiting period requirement will not apply to claimants who have previously met the waiting period requirement on their initial claim and file a subsequent claim within 60 days of the initial benefit period.

Assembly Bill 908
Assembly Bill 908 (Chapter 5, Statutes of 2016), signed into law by Governor Brown on April 11, 2016, and took effect on January 1, 2018. Assembly Bill 908 increased the Disability Insurance and Paid Family Leave wage replacement rate from approximately 55 percent to approximately 60 to 70 percent (depending on income) of past earnings. It also eliminated the seven-day, non-payable waiting period for Paid Family Leave which decreased the length of time to file a timely claim from 49 to 41 days.

Assembly Bill 2886
Assembly Bill 2886 (Chapter 276, Statutes of 2016), signed into law by Governor Brown on September 9, 2016, and took effect on March 1, 2018, extended the claimant appeal submission deadline from 20 days to 30 days from the mailing or personal service of the determination.

Senator Bill 1123
Senator Bill 1123 (Chapter 849, Statutes of 2018), signed into law by Governor Brown on September 27, 2018 and will take effect on January 1, 2021. This legislation expands the scope of the Paid Family Leave program to include eligibility for employees who take time off work due to a “qualifying military exigency” arising out of the overseas military deployment of the employee’s family member.
Chapter Eight: Current Outreach and the “Moments Matter” Campaign

To educate the general public about State Disability Insurance, including Paid Family Leave, the Employment Development Department created the Education and Outreach Unit within the Disability Insurance Branch.

Current Outreach

The Education and Outreach Unit, as well as Disability Insurance Branch field office staff, attend conferences that target audiences such as social workers, palliative care, adoption, women’s health, and human resources. The unit also provides monthly webinars to customers, employers, and physicians/practitioners as a general overview of the program. Research has found that many customers learn about Paid Family Leave from their employer. The Public Affairs Branch oversees the marketing efforts, which include social media accounts such as Facebook, Twitter, and YouTube.

“Moments Matter” Campaign

Beginning July 2014, the legislature approved a total of $6.5 million over a span of three years to increase Paid Family Leave awareness and inform Californians about the availability of benefits. The funding was provided over the following years:

- State Fiscal Year 2014-15: $1 million
- State Fiscal Year 2015-16: $2.5 million
- State Fiscal Year 2016-17: $3 million

In September 2016, the Employment Development Department entered into a contract with Mercury LLC and its subcontractor Misfit to implement a statewide media outreach campaign titled “Moments Matter.”
For this campaign the Employment Development Department and Mercury/Misfit:

- Developed and released digital and print advertisements, publications, ethnic focused creative assets to reach the diverse, multicultural population of California, and partnerships with the employer and medical provider communities.
- Recorded and aired English and Spanish radio ads promoting bonding, caregiving, and the changes with Assembly Bill 908.
- Developed partnerships with media outlets including Univision, California Black Media, and the What to Expect website.
- Participated in Paid Family Leave media briefings, television and radio interviews, outreach events, and conferences targeting human resource professionals, medical providers, and adoptive/foster care organizations and parents.
- Created videos promoting the Paid Family Leave program. To view a few of these videos, visit californiapaidfamilyleave.com and select the Media option from the Menu.

Paid Family Leave Advocates

The Department partners with a coalition of Paid Family Leave advocacy groups to promote the Paid Family Leave program. The Employment Development Department and Paid Family Leave advocates meet quarterly to collaborate and discuss Paid Family Leave outreach goals. Participants include representatives from the Employment Development Department, legislative staff, researchers, community based organizations, and statewide groups, including but not limited to, employer, labor, caregiver, health care, elderly, and legal services organizations. The advocates serve as a resource for ideas and assistance to the Employment Development Department for the continuous improvement of the program. Paid Family Leave advocates collaborate statewide and in their local communities to provide information and educate the general public about the program and legislation that impacts Paid Family Leave benefits. A list of the advocacy groups can be found under our Program Resources in Chapter Ten.

New Changes to Paid Family Leave

Effective January 1, 2021, the Paid Family Leave program will expand to include a new eligibility component, known as “qualifying military exigency,” pursuant to Senate Bill 1123. In addition to bonding with a new minor child and/or taking care of seriously ill family member, employees who take time off work to assist a military family member who is deployed overseas will be eligible for up to six weeks of benefits.
Chapter Nine: Program Integrity – Fraud Prevention and Detection Efforts

The Department uses a number of tools to prevent and detect fraud. The Disability Insurance claim filing system alerts staff of potential fraud while data mining, analysis of demographic data, and quality control reviews detect fraud. Staff, employers, physicians/practitioners, customers, and the public are requested to report suspected fraud by phone, fax, or email. Visit edd.ca.gov/disability/Report_Fraud.htm to learn how to report fraud.

As a deterrence tool, the Department may proceed with criminal prosecution and assess a monetary penalty or a loss of future benefits to anyone who commits fraud. The Disability Insurance Branch’s Program Integrity Unit works closely with the Employment Development Department Investigation Division. They conduct both internal and external criminal investigations to determine if fraud or embezzlement against the Department’s benefit programs has been committed for the Disability Insurance, Tax, and Unemployment Insurance branches.

To learn more about recent fraud convictions, visit edd.ca.gov/About_EDD/EDD_Actively_Prosecutes_Fraud.htm. To review annual fraud reports, visit edd.ca.gov/Payroll_Taxes/annual_fraud_reports.htm.

Chapter Ten: Paid Family Leave Program Resources

The following sections contain links to additional Paid Family Leave information.

Frequently Asked Questions and Answers
Visit: edd.ca.gov/Disability/FAQs.htm for answers to frequently asked questions.

Fact Sheets, Brochures, and Publications
Visit edd.ca.gov/disability/Forms_and_Publications.htm for a full list of Disability Insurance and Paid Family Leave publications. To order a form or publication online, visit edd.ca.gov/Forms/.

- Paid Family Leave Brochure, DE 2511.
  Also available in Armenian, Cantonese, Mandarin, Punjabi, Spanish, Tagalog, and Vietnamese.

- Paid Family Leave Flyer, DE 8519.
  Also available in Armenian, Cantonese, Mandarin, Punjabi, Spanish, Tagalog, and Vietnamese.

- Paid Family Leave Booklet, DE 8520.

- Paid Family Leave Fact Sheet, DE 8714CF.
  Also available in Spanish.

  Also available in Armenian, Cantonese, Mandarin, Punjabi, Spanish, Tagalog, and Vietnamese.
• Important Information for Paid Family Leave Claimants, DE 2515PF.

• Claim for Paid Family Leave (PFL) Benefits (Sample Form), DE 2501F.
  Also available in Spanish.

• Notice to Employees, DE 1857A.
  Also available in Armenian, Cantonese, Mandarin, Punjabi, Spanish, Tagalog, and Vietnamese.

• Appeal Fact Sheet, DE 1001.

• Disability Insurance (DI) and Paid Family Leave (PFL) Weekly Benefit Amounts, DE 2588.

• State Disability Insurance Program Fact Sheet, DE 8714C.
  Also available in Armenian, Cantonese, Mandarin, Punjabi, Spanish, Tagalog, and Vietnamese.

• SDI Online Tips for Claimants, DE 8515.
  Also available in Spanish.

• SDI Online Tips for Physicians and Practitioners, DE 8516.

• SDI Online Tips for Employers, DE 8518.

Significant Web Pages

• Employment Development Department edd.ca.gov.

• About Paid Family Leave edd.ca.gov/disability/About_PFL.htm.

• How to File a Paid Family Leave Claim in SDI Online edd.ca.gov/disability/How_to_File_a_PFL_Claim_in_SDI_Online.htm.

• How to File a Paid Family Leave Claim by Mail edd.ca.gov/disability/How_to_File_a_PFL_Claim_by_Mail.htm.
• State Disability Insurance (SDI) Online Informational Tutorials
edd.ca.gov/disability/SDI_Online_Tutorials.htm.

• The EDD Debit CardSM
edd.ca.gov/About_EDD/The_EDD_Debit_Card.htm.

• Disability Insurance (DI) Fund Forecast
edd.ca.gov/About_EDD/Quick_Statistics_Overview.htm.

• Quick Statistics
edd.ca.gov/About_EDD/Quick_Statistics.htm.

• Paid Family Leave Social Impact Study
edd.ca.gov/disability/pdf/PFL_Economic_and_Social_Impact_Study.pdf.

• Paid Family Leave Market Research (2015)

• State of California Unemployment Insurance Appeal Board
cuiab.ca.gov/.

• California Unemployment Insurance Code
leginfo.legislature.ca.gov/

**Paid Family Leave Program Advocates**
The Branch partners with the following Paid Family Leave advocate organizations:

• AARP California
states.aarp.org/region/california/.
1-888-687-2277

• ACLU of Southern California
aucusocal.org.
1-213-977-9500

• Assembly Appropriations Committee
apro.assembly.ca.gov/.
1-916-319-2081

• Assembly Committee on Labor and Employment
albr.assembly.ca.gov/.
1-916-319-2091

• Breastfeed LA
BreastfeedLA.org.
1-323-210-8505
info@breastfeedLA.org.
• CA Commission on the Status of Women and Girls
  women.ca.gov.
  1-916-651-5405
  info@women.ca.gov.

• California Employment Lawyers Association
  cela.org.
  1-818-703-0587

• California Labor Federation
  calaborfed.org.
  1-916-444-3676 (Sacramento)
  1-510-663-4000 (Oakland)
  info@calaborfed.org.

• California Legislative Women’s Caucus
  womenscaucus.legislature.ca.gov.

• California Small Business Majority
  smallbusinessmajority.org/.
  1-866-597-7431 (San Francisco)
  1-818-470-0377 (Los Angeles)
  1-916-479-1045 (Sacramento)

• California WIC Program
  wicprogram.org/.

• California Work and Family Coalition
  workfamilyca.org.
  1-510-473-2216
  info@workfamily.ca.org.

• Center for Economic and Policy Research
  cepr.net.
  1-202-293-5380
  info@cepr.net.

• Center for Law and Social Policy (CLASP)
  clasp.org/.
  1-202-906-8000

• Child Care Law Center
  childcarelaw.org/.
  1-415-558-8005
  info@childcarelaw.org.

• Common Sense Media
  commonsensemedia.org/.
  1-415-863-0600
• Legal Aid at Work
   legalaidatwork.org.
   1-415-864-8848

• Los Angeles Care Giver Resource Center
  fcscgero.org.
  1-855-872-6060
  fcspgero@usc.edu.

• My Familia Vota
  mifamiliavota.org/.
  info@mifamiliavota.org.

• Parent Voices
  parentvoices.org/.
  1-415-882-0234
  Mary@ParentVoices.org.
  Jennifer@ParentVoices.org.

• San Francisco Department of Public Health
  sfdph.org.

• Western Center on Law and Poverty
  wclp.org.
  1-213-487-7211
  info@wclp.org.

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 1-866-490-8879 (voice). TTY users, please call the California Relay Service at 711.