

Larkin	California - Leave Highlights
What is the Update?	<p>California State Disability Insurance (SDI) and Paid Family Leave (PFL)</p> <p>Update (10/18/24, Effective 01/01/25): Governor Newsom recently signed Assembly Bill 2123 (AB 2123). Coming into effect on January 1, 2025 employers will no longer have the ability to require its employees use up to 2 weeks of accrued vacation before utilizing the state's paid family leave program, or voluntary plan benefits if the employer has an approved plan through the state.</p> <p>Additionally, Senate Bill 1090 (SB 1090) was signed, which will provide some future changes to the State Disability Insurance (SDI) program. Currently, the California Unemployment Insurance Code (CUIC) requires the Employment Development Department (EDD) to issue the initial payment for a disability or Paid Family Leave (PFL) claim within 14 days of receipt of a properly completed claim. SB 1090 will instead require initial payment within 14 days of receipt of a properly completed claim or as soon as eligibility begins, whichever is later.</p> <p>The EDD instructs individuals to wait nine days after their disability starts to file their claim. Under SB 1090, individuals will be able to initiate the claims process up to 30 days in advance of the anticipated first compensable day of their claim. Both changes under SB 1090 will become operative when they are incorporated in the EDD's integrated claims management system as part of the EDDNext project. You can learn more about the project here.</p> <p>Update (10/31/24, Effective 01/01/25): The Employment Development Department (EDD) has provided a partial update for the State Disability Insurance program, confirming the increased contribution rate of 1.2% in 2025 (from 1.1% in 2024). The Voluntary Plan Assessment Rate of Taxable Wages has also increased to 0.168% (from 0.154% in 2024). As a reminder, the taxable wage ceiling for state disability insurance was removed in 2024 and should remain the same for 2025.</p> <p>Update (11/06/24, Effective 01/01/25): The EDD has now released the SDI maximum weekly benefit amount which has <i>increased</i> to \$1,681 per week (from \$1,620 in 2024). Additionally, while the current wage replacement rates are 60% to 70% of wages, the rates will increase to 90% for lower wage earners and 70% for all other covered workers beginning January 1, 2025. The State Average Weekly Wage for 2025 has also been confirmed to be \$1,704, a 3.8% increase from the \$1,642 in 2024.</p> <p>Update (01/14/25), Effective immediately): The EDD has released an updated version of the DE 2511 brochure for the Paid Family Leave program. As a reminder, this brochure should only be provided to new hires and those employees who request a leave of absence in order to care for a family member or bond with a new child. If you are a Larkin client and we handle your leave of absence services, we will provide your employees with the updated brochure when they request a leave of absence.</p> <p>San Francisco Paid Parental Leave Ordinance (SF PPLO)</p> <p>Update (12/23/24, Effective 01/01/25): The OLSE has confirmed that the PPLO wage cap for 2025 will be decreasing to \$2,402 from 2024's cap of \$2,700. Additionally, you can find the updated 2025 calculator here.</p> <p>Update (01/28/25, Effective 01/01/25): For the first time since 2020, the OSLE has updated the SF PPLO poster to reflect recent changes from the CA Paid Family Leave program. Please ensure this notice is placed at each worksite where it is visible for all employees, and provided electronically for any remote employees as soon as possible.</p> <p>Under the SF ordinance, employers are required to supplement an eligible employee's PFL parental leave benefits up to 100% of an employee's weekly salary, or a weekly maximum amount that is determined each year by the City, whichever amount is lower. In our book of business, most clients provide salary continuation up to full pay, even if the employee's salary is above the weekly SF PPLO cap.</p>
Handbook/Policy Updates	Updates to your company handbook may need to be made if you include CA specific income replacement benefits information.
Notice Requirements	The DE 2511 brochure for PFL must be provided to employees upon hire and upon learning of an employee's request to take a leave of absence. Additionally, the SF PPLO employee notice must be placed where employees can easily read it at each job site or workplace.
Larkin Action	The Larkin Company will adjust offsets for any top-up (leave of absence pay) calculations or STD, accordingly, if we handle these services for you. Additionally, we will consider any law changes carefully, and update our internal resources and processes, as well as our employee leave information packets, if necessary.
Further Company Considerations	<p>Please be sure to adjust your contributions in line with the updates, effective 01/01/25. Additionally, please ensure as a company you are offsetting any salary continuation/company top-up pay aligned with the new maximum weekly benefit rate where applicable, effective 01/01/25.*</p> <p><i>*Claims that start in 2024 will be awarded 2024 benefit rates. Claims that begin on or after 01/01/25 will be eligible for the new maximum benefit rate.</i></p>

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Resources	AB 2123 SB 1090
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