

Snapshot

A Focused Look at Today's Human Resource Issues

brought to you by
MARQUEE Staffing



SB 1661 California Paid Family Leave

With the passage of SB 1661 authored by State Senator Sheila Kuehl, California became the first state to offer wage benefits for employees who take time off from their jobs to care for a new child or a family member with a serious health condition. The California law, known as *Paid Family Leave*, creates a Family Temporary Disability Insurance program within the State Disability Insurance program. Employees may receive partial reimbursement of their pay for up to six weeks during any 12-month period.

An estimated 13 million California workers who are covered by the SDI program will also be covered for Paid Family Leave insurance benefits commencing on or after July 1, 2004.

SB 1661: The Highlights

On their website, *Claremont McKenna Colleges', Berger Institute* provides Ten Quick Facts for SB1661 courtesy of the *California Labor Federation* and the *Labor Project for Working Families*:

1. Beginning July 1, 2004, workers will receive up to **six weeks of paid leave per year** to care for a new child (birth, adoption, or foster care) or seriously ill family member (parent, child, spouse, or domestic partner.)
2. Workers who already pay into the existing State Disability Insurance (SDI) system will be eligible for paid family leave.
3. Worker payments began **January 1, 2004**. Benefits begin **July 1, 2004**. This time delay allows for administrative systems and funding to be established.

The Highlights (continued):

4. This program is **100% employee-funded**. A minimum wage earner will pay an additional \$11.23 a year into SDI, while the estimated average cost is \$27 per worker per year.
5. The benefit will **replace up to 55% of wages, up to a maximum of \$728 per week in 2004**. The maximum benefit will increase automatically each year in accordance with increases in the state's average weekly wage.
6. There is a **one-week waiting period** before workers can apply for paid family leave (like the UI program).
7. Employers can require a worker to use a **maximum of two weeks of vacation time** first before receiving paid family leave. One week will be used to cover the waiting period.
8. **Businesses with fewer than 50 employees are not required to hold a job for a worker who goes on paid family leave**. Collective bargaining agreements may offer different protections for these workers.
9. New mothers eligible for pregnancy-related SDI will also be eligible for paid family leave.
10. California is the first state in the country to create a comprehensive paid family leave program. **Current state and federal law guarantee twelve weeks of unpaid leave for those working for larger employers; this new law guarantees that six of those weeks would be paid.**

Ensuring Compliance at Your Company

The Paid Family Leave law requires employers to provide a new informational brochure to new employees who start after January 1, 2004, and persons who request leave to care for a seriously ill family member or bond with a new child after July 1, 2004.

Employers may download and print the Paid Family Leave brochure (DE 2511 I) from the EDD Internet site www.edd.ca.gov if they wish to provide the brochure to their new employees without ordering specific supplies from EDD. This method meets the statutory requirement and can be a quick and easy way to meet your immediate needs. These forms can also be ordered from the EDD over the internet.

In addition the EDD also provides a Notice to employees that must be posted in the workplace of employees who are covered by Unemployment Insurance and State Disability Insurance.



MARQUEE Staffing HR Library

Snapshot is a publication of MARQUEE Staffing. More information about these and other issues confronting California employers is available online at www.omniexpress.com/hr_library.

This publication is for informational purposes only. Please consult with appropriate legal counsel when making policy decisions for your company.