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**SB-951 Unemployment insurance: contribution rates: disability insurance: paid family leave: weekly benefit amount. (2021-2022)**

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**Senate Bill No. 951**

**CHAPTER 878**

An act to amend Sections 2655 and 3301 of, and to amend and repeal Section 985 of, the Unemployment Insurance Code, relating to unemployment insurance, and making an appropriation therefor.

[ Approved by Governor September 30, 2022. Filed with Secretary of State September 30, 2022. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 951, Durazo. Unemployment insurance: contribution rates: disability insurance: paid family leave: weekly benefit amount.

(1) Existing unemployment compensation disability law requires workers to pay contribution rates based on wages received in employment, for payment into the Unemployment Compensation Disability Fund, a special fund in the State Treasury. Under existing law, those funds are continuously appropriated for the purpose of providing disability benefits and making payment of expenses in administering those provisions. Existing law authorizes the Director of Employment Development to increase or decrease the rate of worker contributions, up to a certain amount, if the director determines the adjustment is necessary to reimburse the Unemployment Compensation Disability Fund for disability benefits paid or estimated to be paid or to prevent the accumulation of funds in excess of those needed to maintain an adequate fund balance.

Under existing law, the remuneration of a worker over a specified amount is not subject to the contribution levels described above. Under existing law, specifically, the worker contribution provision does not apply to that part of a worker's remuneration which is paid after remuneration with respect to employment equal to 4 times the maximum weekly benefit for each calendar year specified, multiplied by 13 and divided by 55%, has been paid to an individual by an employer.

This bill would remove that limitation on January 1, 2024.

(2) Existing unemployment compensation disability law provides a formula for determining benefits available to qualifying disabled individuals. Under existing law, for periods of disability commencing on and after January 1, 2018, but before January 1, 2023, (A) if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is less than \$929, the weekly benefit amount is \$50, (B) if the amount of wages paid to the individual during the quarter of their disability base period in which those wages were highest is \$929 or more, and is less than  $\frac{1}{3}$  of the amount of the state average quarterly wage, the weekly benefit amount is 70% of those wages divided by 13, and (C) if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is  $\frac{1}{3}$  of the amount of the state average quarterly wage or more, the weekly benefit amount is the greater of 23.3% of the state average weekly wage or 60% of those wages divided by 13. Under existing law, for periods of disability commencing on and after January 1, 2023, if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest exceeds \$1,749.20, the weekly benefit amount is 55% of those wages divided by 13. Under existing law, a benefit that is not a multiple of \$1 shall be computed to the next higher multiple of \$1, and the amount of the benefit is prohibited from exceeding the maximum

workers' compensation temporary disability indemnity weekly benefit amount. Under existing law, the maximum amount of benefits payable to an individual during any one disability benefit period is 52 times their weekly benefit amount, as specified.

This bill would revise the formulas described above by extending the formula applicable for periods of disability commencing on and after January 1, 2018, but before January 1, 2023, through periods of disability commencing before January 1, 2025. The bill would revise the formula for periods of disability commencing after January 1, 2025, by redefining the weekly benefit amount to be equal to (A) \$50 if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is less than \$722.50, (B) the greater of 70% of wages divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount, or 63% of the state average weekly wage, if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is more than 70% of the state average quarterly wage, and (C) 90% of wages divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount, if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is \$722.50 or more, but 70% or less than the state average quarterly wage.

(3) Existing law establishes, within the above state disability insurance program, a family temporary disability insurance program, also known as the paid family leave program, for the provision of wage replacement benefits for up to 8 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, as specified. Existing law defines "weekly benefit amount" for purposes of both employee contributions and benefits under this program to mean the amount of weekly benefits available to qualifying disabled individuals pursuant to unemployment compensation disability law, calculated pursuant to specified formulas partly based on the applicable percentage of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, but not to exceed the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations.

This bill would revise the formula for the weekly benefit amount under the family temporary disability insurance program to conform to the changes for periods of disability commencing before January 1, 2025. The bill would also revise the formula for periods of disability commencing on or after January 1, 2025, by redefining the weekly benefit amount to be equal to (A) \$50 if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is less than \$722.50, (B) the greater of 70% of wages divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount, or 63% of the state average weekly wage, if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is more than 70% of the state average quarterly wage, and (C) 90% of wages divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount, if the amount of wages paid an individual during the quarter of their disability base period in which those wages were highest is \$722.50 or more, but 70% or less than the state average quarterly wage.

(4) By providing for the deposit of additional contributions in, and by authorizing an increase in disbursements from, the Unemployment Compensation Disability Fund, this bill would make an appropriation.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 985 of the Unemployment Insurance Code is amended to read:

**985.** (a) Section 984 shall not apply to that part of the remuneration which, after remuneration with respect to employment equal to four times the maximum weekly benefit for each calendar year specified in Section 2655 multiplied by 13 and divided by 55 percent has been paid to an individual by an employer, is paid to the individual by the employer.

(b) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

**SEC. 2.** Section 2655 of the Unemployment Insurance Code is amended to read:

**2655.** (a) Except as provided in subdivisions (b), (c), (d), (e), and (f), an individual's "weekly benefit amount" shall be the amount appearing in column B in the table set forth in this subdivision on the line of which in column A of the table there appears the wage bracket containing the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which wages were the highest.

A	B
Amount of wages in highest quarter	Weekly benefit amount
\$75–1,149.99 .....	\$50

1,150–1,174.99 .....	51
1,175–1,199.99 .....	52
1,200–1,224.99 .....	53
1,225–1,249.99 .....	54
1,250–1,274.99 .....	55
1,275–1,299.99 .....	56
1,300–1,324.99 .....	57
1,325–1,349.99 .....	58
1,350–1,374.99 .....	59
1,375–1,399.99 .....	60
1,400–1,424.99 .....	61
1,425–1,449.99 .....	62
1,450–1,474.99 .....	63
1,475–1,499.99 .....	64
1,500–1,524.99 .....	65
1,525–1,549.99 .....	66
1,550–1,574.99 .....	67
1,575–1,599.99 .....	68
1,600–1,624.99 .....	69
1,625–1,649.99 .....	70
1,650–1,674.99 .....	71
1,675–1,699.99 .....	72
1,700–1,724.99 .....	73
1,725–1,749.20 .....	74

(b) For periods of disability commencing on or after January 1, 1990, and prior to January 1, 1991, if the amount of wages paid an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest exceeds one thousand seven hundred forty-nine dollars and twenty cents (\$1,749.20), the weekly benefit amount shall be 55 percent of these wages divided by 13, but not exceeding two hundred sixty-six dollars (\$266) or the maximum workers' compensation temporary disability indemnity weekly benefit amount, whichever is less. If the benefit payable under this subdivision is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(c) For periods of disability commencing on or after January 1, 1991, but before January 1, 2000, if the amount of wages paid an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest exceeds one thousand seven hundred forty-nine dollars and twenty cents (\$1,749.20), the weekly benefit amount shall be 55 percent of these wages divided by 13, but not exceeding three hundred thirty-six dollars (\$336). If the benefit payable under this subdivision is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(d) (1) For periods of disability commencing on or after January 1, 2000, but before January 1, 2018, if the amount of wages paid an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest exceeds one thousand seven hundred forty-nine dollars and twenty cents (\$1,749.20), the weekly benefit amount shall be equal to 55 percent of these wages divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount.

(2) Notwithstanding the maximum workers' compensation temporary disability indemnity weekly benefit amount of paragraph (1), if the benefit under this subdivision is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(e) For periods of disability commencing on and after January 1, 2018, but before January 1, 2025, an individual's "weekly benefit amount" shall be as follows:

(1) When the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is less than nine hundred twenty-nine dollars (\$929), then fifty dollars (\$50).

(2) When the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is nine hundred twenty-nine dollars (\$929) or more, and is less than one-third of the amount of the state average quarterly wage, then 70 percent of the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13. If the weekly benefit amount is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(3) Except as provided in paragraph (4), when the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is one-third of the amount of the state average quarterly wage, or more, then either (A) 23.3 percent of the state average weekly wage or (B) 60 percent of the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest divided by 13, whichever amount is greater. If the weekly benefit amount is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(4) An individual's "weekly benefit amount" shall not exceed the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations pursuant to Section 4453 of the Labor Code.

(f) (1) For periods of disability commencing on or after January 1, 2025, the weekly benefit amount shall be as follows:

(A) When the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is less than seven hundred twenty-two dollars and fifty cents (\$722.50), then fifty dollars (\$50).

(B) When the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is more than 70 percent of the state average quarterly wage, the weekly benefit amount shall be equal to the greater of 70 percent of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations pursuant to Section 4453 of the Labor Code, or 63 percent of the state average weekly wage.

(C) When the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is seven hundred twenty-two dollars and fifty cents (\$722.50) or more, but 70 percent or less than the state average quarterly wage, then the weekly benefit amount shall be equal to 90 percent of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations pursuant to Section 4453 of the Labor Code.

(2) Notwithstanding the maximum workers' compensation temporary disability indemnity weekly benefit amount of paragraph (1), if the benefit under this subdivision is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(g) For purposes of this section:

(1) "State average quarterly wage" means the state average weekly wage multiplied by 13.

(2) "State average weekly wage" means the average weekly wage paid by employers to employees covered by unemployment insurance as reported by the United States Department of Labor for California for the 12 months ending on March 31 of the calendar year preceding the year in which the disability occurred.

**SEC. 3.** Section 3301 of the Unemployment Insurance Code is amended to read:

**3301.** (a) (1) The purpose of this chapter is to establish, within the state disability insurance program, a family temporary disability insurance program. Family temporary disability insurance shall provide up to eight weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner, to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption, or to participate in a qualifying exigency related to the covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the Armed Forces of the United States.

(2) Nothing in this chapter shall be construed to abridge the rights and responsibilities conveyed under the CFRA or pregnancy disability leave.

(b) (1) An individual's "weekly benefit amount" for periods of disability commencing before January 1, 2025, shall be the amount provided in Section 2655, and for periods of disability commencing on or after January 1, 2025, shall be the amount provided in paragraph (2). An individual is eligible to receive family temporary disability insurance benefits equal to one-seventh of the individual's weekly benefit amount for each full day during which the individual is unable to work due to caring for a seriously ill or injured family member, bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption, or participating in a qualifying exigency related to the covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the Armed Forces of the United States.

(2) For periods of disability commencing on or after January 1, 2025, the weekly benefit amount shall be as follows:

(A) When the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is less than seven hundred twenty-two dollars and fifty cents (\$722.50), then fifty dollars (\$50).

(B) When the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is more than 70 percent of the state average quarterly wage, the weekly benefit amount shall be equal to the greater of 70 percent of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations pursuant to Section 4453 of the Labor Code, or 63 percent of the state average weekly wage.

(C) When the amount of wages paid to the individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest is seven hundred twenty-two dollars and fifty cents (\$722.50) or more, but 70 percent or less than the state average quarterly wage, then the weekly benefit amount shall be equal to 90 percent of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations pursuant to Section 4453 of the Labor Code.

(3) For purposes of this subdivision, "state average weekly wage" and "state average quarterly wage" have the same meanings as defined in subdivision (g) of Section 2655.

(c) The maximum amount payable to an individual during any disability benefit period for family temporary disability insurance shall be eight times the individual's "weekly benefit amount," but in no case shall the total amount of benefits payable be more than the total wages paid to the individual during the individual's disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(d) No more than eight weeks of family temporary disability insurance benefits shall be paid within any 12-month period.

(e) An individual shall file a claim for family temporary disability insurance benefits not later than the 41st consecutive day following the first compensable day with respect to which the claim is made for benefits, which time shall be extended by the department upon a showing of good cause. If a first claim is not complete, the claim form shall be returned to the claimant for completion and it shall be completed and returned not later than the 10th consecutive day after the date it was mailed by the department to the claimant, except that such time shall be extended by the department upon a showing of good cause.