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**SB-1090 Unemployment insurance: disability and paid family leave: claim administration.** (2023-2024)

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**Senate Bill No. 1090**

**CHAPTER 876**

An act to amend and repeal Sections 2701.5, 2706.1, 3301, and 3304 of, and to add Sections 2701.5.5, 2706.1.5, 3301.5, and 3304.5 to, the Unemployment Insurance Code, relating to unemployment insurance.

[ Approved by Governor September 28, 2024. Filed with Secretary of State September 28, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1090, Durazo. Unemployment insurance: disability and paid family leave: claim administration.

Existing unemployment compensation disability law requires workers to pay contribution rates based on, among other things, wages received in employment and benefit disbursement, for payment into the Unemployment Compensation Disability Fund, for purposes of compensating in part for the wage loss sustained by any individual who is unable to work due to the employee's own sickness or injury, among other reasons. Existing law sets forth standards for eligibility to receive unemployment compensation disability benefits.

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 for prescribed purposes, including to care for a seriously ill family member.

Existing law requires, for purposes of unemployment compensation disability benefits, the Employment Development Department to issue the initial payment for unemployment compensation disability benefits to a monetarily eligible claimant who is otherwise determined eligible by the department within 14 days of receipt of the claimant's properly completed first disability claim. Existing law provides for purposes of the paid family leave program that eligible workers shall receive benefits generally in accordance with unemployment and disability compensation law.

This bill would instead require, for purposes of unemployment compensation disability benefits, the issuance of the initial payment for those benefits within 14 days of receipt of the claimant's properly completed first disability claim or as soon as eligibility begins, whichever is later. The bill would apply the same initial payment issuance schedule applicable to unemployment compensation disability benefits to the paid family leave program and repeal the requirement that eligible workers receive benefits generally in accordance with unemployment and disability compensation law. The bill would make these changes operative when these changes are incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project.

Under the state disability insurance and paid family leave programs, a first claim is required to be filed not later than the 41st consecutive day following the first compensable day with respect to which the claim is made for benefits, as specified.

This bill would authorize an individual to initiate the claims process up to 30 days in advance of the anticipated first compensable day. The bill would make these changes operative when the changes are incorporated in the Employment Development

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

### **SECTION 1.** Section 2701.5 of the Unemployment Insurance Code is amended to read:

**2701.5.** (a) The department shall issue the initial payment for unemployment compensation disability benefits to a monetarily eligible claimant who is otherwise determined eligible by the department under applicable law and regulation within 14 days of receipt of the claimant's properly completed first disability claim.

(b) This section shall remain in effect only until Section 2701.5.5 is incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project, and as of that date is repealed.

### **SEC. 2.** Section 2701.5.5 is added to the Unemployment Insurance Code, to read:

**2701.5.5.** (a) The department shall issue the initial payment for unemployment compensation disability benefits to a monetarily eligible claimant who is otherwise determined eligible by the department under applicable law and regulation within 14 days of receipt of the claimant's properly completed first disability claim or as soon as eligibility begins for the claimant, whichever is later.

(b) This section shall become operative when incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project.

### **SEC. 3.** Section 2706.1 of the Unemployment Insurance Code is amended to read:

**2706.1.** (a) A first claim, accompanied by a certificate on a form furnished by the department to the claimant, shall be filed not later than the 41st consecutive day following the first compensable day of unemployment and disability 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.

(b) This section shall remain in effect only until Section 2706.1.5 is incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project, and as of that date is repealed.

### **SEC. 4.** Section 2706.1.5 is added to the Unemployment Insurance Code, to read:

**2706.1.5.** (a) A claimant may initiate the claim process up to 30 days in advance of the anticipated first compensable day. A first claim, accompanied by a certificate on a form furnished by the department to the claimant, shall be filed not later than the 41st consecutive day following the first compensable day of unemployment and disability 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 the time shall be extended by the department upon a showing of good cause.

(b) This section shall become operative when incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project.

### **SEC. 5.** 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.

(f) This section shall remain in effect only until Section 3301.5 is incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project, and as of that date is repealed.

**SEC. 6.** Section 3301.5 is added to the Unemployment Insurance Code, to read:

**3301.5.** (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 California Family Rights Act 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 may initiate the claims process up to 30 days in advance of the anticipated first compensable day. 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 the time shall be extended by the department upon a showing of good cause.

(f) This section shall become operative when incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project.

**SEC. 7.** Section 3304 of the Unemployment Insurance Code is amended to read:

**3304.** (a) Eligible workers shall receive benefits in accordance with provisions established under this division.

(b) This section shall remain in effect only until Section 3304.5 is incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project, and as of that date is repealed.

**SEC. 8.** Section 3304.5 is added to the Unemployment Insurance Code, to read:

**3304.5.** (a) The department shall issue the initial payment for family temporary disability insurance benefits under this chapter to a monetarily eligible claimant who is otherwise determined by the department as eligible to receive those benefits within 14 days of receipt of the claimant's properly completed first family temporary disability insurance claim or as soon as eligibility begins, whichever occurs later.

(b) This section shall become operative when incorporated into the Employment Development Department's integrated claims management system as part of the EDDNext project.