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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 1@ Unemployment and Disability Compensation

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Part 2@ Disability Compensation

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Chapter 6@ VOLUNTARY PLANS

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Section 3262-1@ Termination of a Voluntary Plan

## **3262-1 Termination of a Voluntary Plan**

### **(a)**

The Director of Employment Development may terminate any voluntary plan if there has been a failure to comply with the terms and conditions of the plan such as substantial failure to pay benefits promptly when due; or, in the case of an insured plan, upon notification of the termination of the policy of insurance; or that fewer than a majority of the admissible employees remain covered by the plan; or for other good cause. The notice of intention to terminate a plan shall include a statement of the right to appeal to the Appeals Board. The notice shall state the effective date and the reason for the termination. Contributions with respect to wages paid on or after the date of termination shall be paid to the Disability Fund in accordance with the provisions of Sections 2901-2903 of the code.

### **(b)**

All employee monies maintained in the account described in Section 3261-1 of these regulations and, in addition, monies paid by the employer, money owed to the voluntary plan by the employer, but not yet paid to the plan, and any interest accrued on all these monies, shall be remitted to the department on the effective date of the termination of the voluntary plan as provided in subdivision (a). The monies received by the department will be deposited into the Disability Fund.

### **(c)**

The claim documents and payment records of individuals whose payments were

affected by subdivision (b) shall be forwarded to the department on the effective date of the termination of the voluntary plan.

**(d)**

Disability benefits, with respect to disabilities which commenced prior to the termination date for which proper payment had not been made under the voluntary plan, shall be paid from the Disability Fund in accordance with Part 2 (commencing with Section 2625) of the code to otherwise eligible individuals previously covered by the plan. These payments shall be recovered from the monies remitted to the department in accordance with subdivision (b), Section 3262 of the code, or by assessments as provided in Sections 1126-1136 of the code.